

ANNUAL REPORT

2015

Financial Statements



CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES

2015 FINANCIAL STATEMENTS

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES REPORT BY MEMBERS OF COUNCIL

The members of the Council of Charles Darwin University present their report on the consolidated entity and the entities it controlled as at the end of, or during, the year ended 31 December 2015.

Members

The following persons were members of the Council of Charles Darwin University during the whole of the year and up to the date of this report:

Mr Neil Balnaves AO	appointed Chancellor on 22 April 2016 and continues in office at the signing date of this report
The Honourable Sally Thomas AC	appointed Chancellor on 1 January 2010 and continues in office at the date of this report
Professor Simon Maddocks	appointed a member on 24 March 2014 and continues in office until the date of this report
Associate Professor Steve Shanahan	appointed a member on 1 July 2013 and continues in office until the date of this report
Professor Mary O'Kane AC	appointed a member on 25 January 2009 and continued in office until the expiry of the term on 28 February 2015
Mr Elliott McAdam	appointed a member on 25 January 2009 and continued in office until his resignation on 28 February 2015
Mr Richard Ryan AO	appointed a member on 15 March 2010 and continues in office at the date of this report
Mr Alan Morris	appointed a member on 25 January 2009 and continues in office at the date of this report
Mr Matthew Gardiner	appointed a member on 24 June 2009 and continued in office until his resignation on 23 April 2015
Mr Ken Davies	appointed a member on 28 June 2013 and continues in office at the date of this report
Mr Justin Busse	appointed a member on 1 January 2011 and continued in office until his resignation on 19 May 2015
Mr Kingsley Brenton	appointed a member on 1 January 2013 and continued in office until the expiry of the term on 31 December 2015
Professor Keith Christian	appointed a member on 1 January 2014 and continues in office at the date of this report
Mr Jeffery Gaden	appointed a member on 1 January 2015 and continued in office until the expiry of the term on 31 December 2015
Ms Jodie Ryan	appointed a member on 11 August 2014 and continues in office at the date of this report
Ms Louise King	appointed a member on 11 August 2015 and continues in office at the date of this report
Mr Lorenzo Strano OAM	appointed a member on 29 September 2015 and continues in office at the date of this report
Professor Judith Whitworth AC	appointed a member on 29 September 2015 and continues in office at the date of this report

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
REPORT BY MEMBERS OF COUNCIL

Meetings of Members

The number of meetings of the members of the Council of Charles Darwin University and each Council committee held during the year ended 31 December 2015, and the number of meetings attended by each member were:

	Meetings of Committees									
	Council Meetings		Finance and Infrastructure Development		Audit and Risk		Nominations Honorary Awards and Legislation		Executive	
	A	B	A	B	A	B	A	B	A	B
Sally Thomas AC	6	6	6	7	3	4	8	8	4	4
Simon Maddocks	6	6	7	7	4	4	8	8	4	4
Steve Shanahan	5	6	-	-	-	-	7	8	-	-
Mary O'Kane AC	-	1	-	-	1	1	-	-	-	-
Elliott McAdam	-	-	-	-	-	-	-	-	-	-
Richard Ryan AO	5	6	6	7	2	4	7	8	4	4
Alan Morris	3	3	5	7	4	4	-	-	-	-
Matthew Gardiner	-	1	-	-	-	1	-	-	-	-
Ken Davies	6	6	-	-	-	-	-	-	-	-
Justin Busse	2	2	-	-	-	-	-	-	-	-
Kingsley Brenton	6	6	-	-	-	-	-	-	-	-
Keith Christian	6	6	-	-	-	-	-	-	-	-
Jodie Ryan	3	6	2	7	-	-	-	-	-	-
Jeffery Gaden	3	6	-	-	-	-	-	-	-	-
Louise King	4	4	-	-	-	-	-	-	-	-
Lorenzo Strano	2	2	-	-	-	-	-	-	-	-
Judith Whitworth AC	2	2	-	-	-	-	-	-	-	-

A = Number of meetings attended

B = Number of meetings held during the time the member held office or was a member of the committee during the year

Principal Activities

During the year, the principal continuing activities of the consolidated entity were:

- to undertake teaching activities that fulfil the requirements of an undergraduate and postgraduate university education and training and further education by way of a course of instruction that is, or is preparatory to, a course of a kind relevant to a trade, technical or other vocational education;
- to undertake research (taking advantage of the human and physical resources of the University) and, where appropriate, to consider commercial exploitation of research that is undertaken;
- to undertake teaching activities to provide other education and training as determined by the Council;
- to co-operate with other universities and with institutions of higher education, training and further education or research (whether within or outside of Australia);
- to liaise with industry and professional organisations, training committees and the community;
- to disseminate knowledge and advance skills and their practical application;
- to provide consultative and research services and facilities;
- to administer schemes of financial and other assistance for students of the University and persons studying or carrying out research at the University including, in the case of students, financial assistance in the form of loans;
- to provide library and other educational facilities that may be used by the public on conditions as determined by the Council; and
- to carry out any other function that is conferred on it by or under the Charles Darwin University Act and any other Act.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES REPORT BY MEMBERS OF COUNCIL

Review of Operations

Introduction

The University's high level of research intensity was reflected in the University achieving a ranking in the 251-300 category in the Times Higher Education World University Rankings 2015-2016.

Capital Works

Construction was completed on the following capital projects during 2015:

- Casuarina Fire Mains Upgrade
- Ground Maintenance Building Upgrade
- Trade Training Facilities - Casuarina

Construction commenced or was continuing on the following capital projects during 2015:

- Theatre Building Refurbishment
- Trade Training Facilities - Alice Springs
- Purple Precinct Refurbishment

Palmerston Residential Estate

The residential development, known as The Heights, Durack progressed during 2015. A total of 328 blocks were sold through to 31 December 2015. The development will include a neighbourhood centre, parklands, wetland as well as a retirement village. Works will continue during 2016.

Specific Purpose Grants

Included in the 2015 consolidated deficit amount of \$13.9 million is capital funding received of \$3.9 million that is committed to fund specific capital projects in 2015 and future years. This funding was received as specific purpose grant funds from the Federal and the Northern Territory Governments. The bulk of this funding was for VET training facilities.

Capital funding received in 2015 and recorded as revenue included specific grants for the following projects:

- \$1M Trades Training Centre Facility
- \$2.9M Northern Territory Government Capital funding

Significant Changes in the State of Affairs

No significant changes in the economic entity's state of affairs occurred during the financial year.

Matters Subsequent to the End of the Financial Year

Since the end of the financial year a portion of the VET funding provided from the Northern Territory Government has become subject to competitive tender. Apart from this there are no other matters or circumstances which significantly affected or may affect the operations of the economic entity, the results of those operations, or the state of the affairs of the economic entity in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the economic entity and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the economic entity.

**CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
REPORT BY MEMBERS OF COUNCIL**

Environmental Regulation

The economic entity is subject to the following environmental regulations:

- Gene Technology Act 2000 (amended 2008) and Gene Technology Regulations 2001
- Gene Technology (Northern Territory) Act 2004
- Radiation Protection Act 2009 and Radiation Protection Regulations 2011
- Dangerous Goods Act 2012 and Dangerous Goods Regulations 2012
- Transport of Dangerous Goods by Rail and Road (National Uniform Legislation) Act 2010
- Waste Disposal on Royal Darwin Hospital Campus Regulations
- Waste Management and Pollution Control Act 2011 and Regulations
- International Air Transport Association (IATA) Dangerous Goods Regulations

Insurance of officers

The Group has insurance in place to insure the members of the Council and its Committees and the Officers against claims arising from their involvement in the activities of the economic entity. The cover for Menzies School of Health Research is \$5 million and for Charles Darwin University is \$10 million.

Proceedings on behalf of the entity

There were no material proceedings ongoing against the University at the end of 2015.

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

Signed at Darwin this

13

day of

May

2016

CHANCELLOR

VICE-CHANCELLOR

**CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
ANNUAL FINANCIAL REPORT - 31 DECEMBER 2015**

Contents	Page
Financial Report	
Income Statement	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12-60
Certifications	61
Auditor's Report	62

The financial report was authorised for issue by the members of Council of Charles Darwin University on 13 May 2016.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated		Parent Entity	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	99,624	121,746	82,272	100,498
HELP - Australian Government payments	3	24,061	24,851	24,061	24,851
NT Government financial assistance	4	68,445	64,543	63,805	60,203
HECS - HELP student payments		5,342	5,949	5,347	5,949
Fees and charges	5	45,289	34,282	43,969	34,046
Investment revenue and income	6	4,001	4,491	3,135	3,232
Consultancy and contracts	7	19,875	24,909	13,414	15,760
Other revenue	8	32,582	56,339	32,701	55,342
Gains on disposal of assets	29	8,636	2,292	-	2,292
Share of profit or loss on investments accounted for using the equity method	22	148	112	148	112
Total income from continuing operations		308,003	339,514	268,852	302,285
Expenses from continuing operations					
Employee-related expenses	9	177,040	171,395	154,034	147,703
Depreciation and amortisation	10	25,622	21,353	23,256	20,714
Repairs and maintenance	11	7,741	7,195	7,671	6,474
Impairment of assets	12	894	464	894	464
Losses on disposal of assets	29	-	3,821	265	-
Other expenses	13	110,602	126,328	104,880	119,916
Total expenses from continuing operations		321,899	330,556	291,000	295,271
Net result before income tax		(13,896)	8,958	(22,148)	7,014
Income tax expense	1(x)	-	-	-	-
Net result after income tax for the period		(13,896)	8,958	(22,148)	7,014
Net result attributable to members		(13,896)	8,958	(22,148)	7,014
Net result attributable to members from continuing operations		(13,896)	8,958	(22,148)	7,014

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

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated		Parent Entity	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Net result after income tax for the period		(13,896)	8,958	(22,148)	7,014
Items that may be reclassified to profit or loss					
Gain/(loss) on value of available for sale financial assets, net of tax	30(a)	4	24	-	-
Items that will not be reclassified to profit or loss					
Gain/(loss) on revaluation on land and buildings, net of tax	30(a)	660	18,658	660	18,658
Total other comprehensive income		664	18,682	660	18,658
Total comprehensive income		(13,232)	27,640	(21,488)	25,672
Total comprehensive income attributable to members		(13,232)	27,640	(21,488)	25,672
Total comprehensive income attributable to members from continuing operations		(13,232)	27,640	(21,488)	25,672

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

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	Consolidated		Parent Entity	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	14	108,190	107,343	101,711	77,851
Receivables	15	6,085	21,543	4,800	19,130
Inventories	16	1,161	1,197	1,161	1,197
Other financial assets	19	844	1,985	824	776
Non-current assets classified as held for sale	20	16,244	16,976	16,244	16,976
Other non-financial assets	21	5,206	5,181	5,066	4,915
Total current assets		137,730	154,225	129,806	120,845
Non-current assets					
Biological assets	17	718	2,135	718	2,135
Investment property	18	285	300	-	-
Investments accounted for using the equity method	22	576	428	576	428
Other financial assets	19	307	303	-	-
Property, plant and equipment	23	492,254	504,604	489,348	494,245
Intangible assets	24	32,239	16,395	521	529
Total non-current assets		526,379	524,165	491,163	497,337
Total assets		664,109	678,390	620,969	618,182
LIABILITIES					
Current liabilities					
Trade and other payables	25	5,978	8,570	9,641	9,353
Borrowings	26	2,000	2,000	2,000	2,000
Provisions	27	25,866	24,718	22,396	21,455
Other liabilities	28	14,481	12,446	36,845	12,126
Total current liabilities		48,325	47,734	70,882	44,934
Non-current liabilities					
Borrowings	26	2,000	4,000	2,000	4,000
Provisions	27	2,722	2,362	2,241	2,055
Total non-current liabilities		4,722	6,362	4,241	6,055
Total liabilities		53,047	54,096	75,123	50,989
Net assets		611,062	624,294	545,846	567,193
Equity					
Reserves	30(a)	244,970	250,969	238,708	243,969
Restricted funds	30(b)	28,968	40,683	28,968	40,683
Retained earnings	30(c)	337,124	332,642	278,170	282,541
Total equity		611,062	624,294	545,846	567,193

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Restricted Funds	Reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
Consolidated				
Balance at 1 January 2014	39,856	235,581	321,371	596,808
Net result	-	-	8,958	8,958
Gain/(loss) on revaluation on land and buildings, net of tax	-	18,658	-	18,658
Gain/(loss) on value of available for sale financial assets, net of tax	-	24	-	24
Total comprehensive income	-	18,682	8,958	27,640
Transfers (to)/from restricted reserves	827	-	(827)	-
Transfers (to)/from revaluation reserves	-	(3,294)	3,294	-
Transfers from retained earnings	-	-	(154)	(154)
Balance at 31 December 2014	40,683	250,969	332,642	624,294
Balance at 1 January 2015	40,683	250,969	332,642	624,294
Net result	-	-	(13,896)	(13,896)
Gain/(loss) on revaluation on land and buildings, net of tax	-	660	-	660
Gain/(loss) on value of available for sale financial assets, net of tax	-	4	-	4
Total comprehensive income	-	664	(13,896)	(13,232)
Transfers (to)/from restricted reserves	(11,715)	-	11,715	-
Transfers (to)/from revaluation reserves	-	(6,663)	6,663	-
Transfers from retained earnings	-	-	-	-
Balance at 31 December 2015	28,968	244,970	337,124	611,062
Parent				
Balance at 1 January 2014	39,856	225,429	260,472	525,757
Net result	-	-	7,014	7,014
Other comprehensive income	-	18,658	-	18,658
Total comprehensive income	-	18,658	7,014	25,672
Transfers (to)/from restricted reserves	827	-	(827)	-
Transfers (to)/from revaluation reserves	-	(118)	118	-
Transfers from retained earnings	-	-	(154)	(154)
Distribution from Subsidiaries	-	-	15,918	15,918
Balance at 31 December 2014	40,683	243,969	282,541	567,193
Balance at 1 January 2015	40,683	243,969	282,541	567,193
Net result	-	-	(22,148)	(22,148)
Other comprehensive income	-	660	-	660
Total comprehensive income	-	660	(22,148)	(21,488)
Transfers (to)/from restricted reserves	(11,715)	-	11,715	-
Transfers (to)/from revaluation reserves	-	(5,921)	5,921	-
Distribution from Subsidiaries	-	-	141	141
Balance at 31 December 2015	28,968	238,708	278,170	545,846

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

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated		Parent Entity	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Australian Government Grants	3(h)	128,191	142,391	108,000	123,682
OS-HELP (net)	3(h)	(15)	26	(15)	26
Superannuation Supplementation	3(h)	29	36	29	36
State Government Grants		82,515	62,929	77,875	58,533
HECS-HELP student payments		5,342	5,949	5,347	5,949
Receipts from student fees and other customers		96,880	141,700	110,827	116,030
Interest received		3,957	4,525	3,087	3,241
Proceeds from sale of biological assets		1,851	1,240	1,851	1,240
Payments to suppliers and employees		(296,817)	(328,637)	(264,059)	(286,487)
Net cash provided by operating activities	40	21,933	30,159	42,942	22,250
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		1,679	5,218	1,679	5,199
Payments for property, plant and equipment		(20,765)	(46,838)	(18,761)	(35,222)
Payments for biological assets		-	(44)	-	(44)
Other investing outflows		-	(110)	-	(110)
Net cash used in investing activities		(19,086)	(41,774)	(17,082)	(30,177)
Cash flows from financing activities					
Repayment of borrowings		(2,000)	(12,000)	(2,000)	(12,000)
Net cash used in financing activities		(2,000)	(12,000)	(2,000)	(12,000)
Net increase / (decrease) in cash and cash equivalents		847	(23,615)	23,860	(19,927)
Cash and cash equivalents at the beginning of the financial year		107,343	130,958	77,851	97,778
Cash and cash equivalents at the end of the financial year	14	108,190	107,343	101,711	77,851

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
ANNUAL FINANCIAL REPORT - 31 DECEMBER 2015

Note Contents of the notes to the financial statements

- 1 Summary of significant accounting policies
- 2 Disaggregated information
- Income
- 3 Australian Government financial assistance including Australian Government loan programs (HELP)
- 4 Northern Territory Government financial assistance
- 5 Fees and charges
- 6 Investment revenue and other investment income
- 7 Consultancy and contracts
- 8 Other revenue and income
- Expenses
- 9 Employee-related expenses
- 10 Depreciation and amortisation
- 11 Repairs and maintenance
- 12 Impairment of assets
- 13 Other expenses
- Assets
- 14 Cash and cash equivalents
- 15 Receivables
- 16 Inventories
- 17 Biological assets
- 18 Investment property
- 19 Other financial assets
- 20 Non-current assets classified as held for sale
- 21 Other non-financial assets
- 22 Investments accounted for using the equity method
- 23 Property, plant and equipment
- 24 Intangible assets
- Liabilities
- 25 Trade and other payables
- 26 Borrowings
- 27 Provisions
- 28 Other liabilities
- 29 Gain/(loss) on disposal of assets
- Equity
- 30 Reserves, restricted funds and retained earnings
- 31 Key management personnel disclosures
- 32 Remuneration of auditors
- 33 Contingencies
- 34 Commitments
- 35 Related parties
- 36 Subsidiaries
- 37 Joint operations
- 38 Economic dependency
- 39 Events occurring after the balance sheet date
- 40 Reconciliation of operating result after income tax to net cash flows from operating activities
- 41 Financial risk management
- 42 Acquittal of Australian Government financial assistance

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Charles Darwin University was enacted as a Body Corporate on 5 November 2003 by the Charles Darwin University Act 2003 (the Act) and is domiciled in Australia. The University is subject to all directions of the Council of the University. The functions of the University are set out in Section 5 of the Act. Under the provisions of the Act, at its commencement, Charles Darwin University assumed all the property, rights and liabilities of Northern Territory University, Centralian College (Alice Springs based), and Northern Territory Rural College (Katherine based), except for the superannuation liability for Centralian College which remained with the Northern Territory Government's Central Holding Authority. Subsequently as per the Charles Darwin University Act 2003 and amendment to the Menzies School of Health Research Act, the Menzies School of Health Research became a controlled entity of the University from 1 January 2004.

The principal address of Charles Darwin University is Ellengowan Drive, Casuarina, Darwin.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied for all years reported, unless otherwise stated. The financial statements include separate statements of Charles Darwin University as the parent entity and the consolidated entity consisting of Charles Darwin University and its controlled entities.

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of Charles Darwin University. They have been prepared on an accrual basis and comply with Australian Accounting Standards, AASB Interpretations, Australian Charities and Not-for-profits Commission Act 2012, the Australian Charities and Not-for-profits Commission Regulation 2013, the requirements of the Department of Education and other State/Australian Government legislative requirements.

Charles Darwin University is a not-for-profit entity and these statements have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with the International Financial Reporting Standards (IFRS) requirements.

- Accounting for Government grants. AASB 1004 "Contributions" requires contributions received or receivable to be recognised immediately as revenue when; the entity obtains control of the contribution or the right to receive the contribution; it is probable that the economic benefits comprising the contribution will flow to the entity; and the amount of the contribution can be measured reliably.

Date of authorisation for issue

The financial statements were authorised for issue by the members' Council of Charles Darwin University on 13 May 2016.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Charles Darwin University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, have been explained in the accounting policy notes.

(b) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Charles Darwin University ("parent entity") as at 31 December 2015 and the results of all subsidiaries for the year then ended. Charles Darwin University and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including structured entities) over which the Group has control. The Group has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Entities controlled by Charles Darwin University and forming part of the Charles Darwin University consolidated entity are as follows:

- Charles Darwin University
- Charles Darwin University Foundation Trust
- Charles Darwin University Charitable Trust
- CDU Amenities Limited
- Menzies School of Health Research

(ii) Joint arrangements

Joint operations

The Charles Darwin University share of assets, liabilities, revenue and expenses of a joint operation have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in Note 37.

Joint venture entities

The interests in joint venture entities are accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. Details relating to joint ventures are set out in Note 22. Under the equity method, the share of the profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the statement of comprehensive income and the statement of changes in equity.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the University's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Amounts receivable and payable in foreign currencies are translated at the rate of exchange ruling at balance date. Translation differences on non-monetary financial assets and liabilities are recognised in the income statement as part of the fair value gain or loss.

(iii) Group entities

The results and financial position of all the Group is presented in Australian dollars.

(d) Revenue recognition

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. In some cases this may not be probable until consideration is received or an uncertainty is removed. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Government grants

The Group treats operating grants received from Australian Government entities as income in the year of receipt. Grants from the government are recognised at their fair value where the Group obtains control of the right to receive the grant, it is probable that economic benefits will flow to the Group and it can be reliably measured.

(ii) HELP (Higher Education Loan Program) payments

Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised and measured in accordance with the above disclosure.

(iii) Student fees and charges

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such receipts (or portion thereof) is treated as income in advance in liabilities. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iv) Consultancy and Contracts/Fee for Service

Contract revenue is recognised in accordance with the percentage of completion method. The stage of completion is determined within the individual contracts.

(v) Sale of goods and disposal of assets

Revenue from the sale of goods and disposal of assets is recognised when the group has passed control to the buyer.

(vi) Contribution of assets

Revenue arising from the contribution of assets is recognised when the group gains control of the contribution or the right to receive the contribution.

(vii) Liabilities forgiven

The gross amount of a liability forgiven by a credit provider is recognised as revenue.

(e) Cash and cash equivalents

For statement of cash flow presentation purposes, cash and cash equivalents includes cash-on-hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases, are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the leased item's useful life and the lease term (using the straight-line method).

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the lease term. Lease expenditure relating to leases deemed to be "operating leases" is expensed as incurred.

(g) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other assets that are subject to amortisation are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Trade receivables

Trade receivables are recognised initially at fair value being original invoice amount, subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement within no more than 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials and direct labour. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(j) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs of disposal, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

(k) Investments and other financial assets

Classification

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short term. The University does not enter into derivative contracts. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date.

Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement within other income or other expenses in the period in which they arise.

Changes in the fair value of a monetary security denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security (other than interest). The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount (other than interest) are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value

The fair values of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques, that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on the characteristics of the asset and the assumptions made by market participants.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements.

The fair value of assets or liabilities traded in active markets is based on quoted market prices for identical assets or liabilities at the balance sheet date. The quoted market price used for assets held by the Group is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Fair value measurement of non-financial assets is based on the *highest and best use* of the asset. The Group considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(l) Biological assets

Livestock

Livestock consists of cattle and horses located at Katherine Rural Campus. Livestock are measured at their fair value less estimated point of sale costs. The fair value of the livestock is determined by an independent valuation based on market prices for livestock in the local area, at the time of sale. Changes in the fair value less estimated point of sale costs are recognised in the income statement in the year they arise plus purchases of livestock are recorded as cash flows used in investing activities. Further details are disclosed in Note 17.

(m) Property, plant and equipment

Land and buildings (except for investment properties - refer to Note 18) are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are also firstly recognised in other comprehensive income before reducing the balance of revaluation surpluses in equity, to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Land and Works of Art are not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

	2015	2014
Buildings including demountables	50 years	50 years
Building improvements	5-50 years	5-50 years
Leasehold land and improvements	Useful life or unexpired period of the lease, whichever is shorter	Useful life or unexpired period of the lease, whichever is shorter
Plant and equipment	3-8 years	3-8 years
Library books and periodicals	10 years	10 years
Furniture and fittings	5 years	5 years
Motor vehicles	3-4 years	3-4 years

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

Charles Darwin University has adopted the policy of revaluing its land and buildings once every three years unless there is a material change in the market value. Colliers International NT carried out a desktop valuation of land and buildings as at 31 December 2014 and 2015. The basis of the valuation was fair value methodology. The fair value of an asset generally equates to the asset's market price and where reliable evidence was not available the asset's depreciated replacement cost has been assumed to be its fair value. Land improvements were valued by Colliers International NT in December 2015 using fair value methodology. All additions during 2015 have been recorded at cost which equates approximately to fair value. The Palmerston Campus freehold land revaluation is disclosed in Note 23.

The library and works of art collections were revalued by Colliers International NT in December 2015. The basis of the valuation was fair value.

The valuation performed in December 2015 was not included in the financial statements as at year end except for works of art collections.

(n) Repairs and Maintenance

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case, the costs are capitalised and depreciated. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

(o) Intangible assets

(i) Software is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of software over their estimated useful lives.

(ii) Right of use of research building - is carried at the present value of lease payments measured at fair value less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the present value of lease payments measured at fair value.

Amortisation on intangible assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

	2015	2014
Intangible assets	5-20 years	5-20 years

(p) Trade and other payables

These amounts represent liabilities for goods and services to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are normally paid within 30 days of recognition.

(q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date and does not expect to settle the liability for at least 12 months after the balance sheet date.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they occurred.

(s) Employee benefits

(i) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before twelve months after the end of the reporting period, and is recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

(ii) Other long-term obligations

The liability for other long-term obligations are those that are not expected to be settled wholly before twelve months after the end of the annual reporting period. Other long-term employee benefits include such things as annual leave and long service leave liabilities.

The obligations are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimate future cash outflows.

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date, in which case it would be classified as a non-current liability.

(iii) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the entity's positive adjusted operating result. The Group recognises a provision where it is contractually obliged or where there is a past practice that has created a constructive obligation.

(iv) Retirement benefit obligations

The Group does not have any retirement benefit obligations.

(v) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The Group recognises termination benefits when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB137 that involves the payment of termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility or withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits are measured on initial recognition and subsequent changes are measured and recognised in accordance with the nature of the employee benefit. Benefits not expected to be settled wholly before twelve months after the reporting period are discounted to present value.

(t) Superannuation

The Group contributes to several superannuation funds on a pay-as-you-go basis. Employee contributions are based on various percentages of their gross salaries. After serving a qualifying period, all employees are entitled to benefits on retirement, disability or death. Under these schemes the Group's legal obligation is limited to the amount that it agrees to contribute to the fund and the actuarial and investment risks fall on the employee.

Most of the funds provide defined benefits based on years of service, employee contributions and final average salary. The Group is under no legal obligation to make up any shortfall in the funds assets to meet payments due to employees.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Rounding of amounts

Amounts in the financial statements have been rounded off in accordance with Class Order 98/100 as amended by Class Order 04/667 issued by the Australian Securities and Investment Commission, relating to the rounding off of amounts in the financial statements. Amounts have been rounded off to the nearest thousand dollars.

(v) Provisions

Provisions for legal claims and service warranties are recognised when there is a present legal or constructive obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money, and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(w) Web site costs

Costs in relation to web sites controlled by the University are charged as expenses in the period in which they are incurred unless they relate to the acquisition of an asset, in which case they are capitalised and amortised over their period of expected benefit.

(x) Taxation

Charles Darwin University is a public authority within the meaning of Section 50-25 of the Income Tax Assessment Act 1997 and its income is exempt under the provisions of that Act.

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) Where the amount of GST incurred is not recoverable from the Australian Tax Office, the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

The University incurs Payroll Tax at the rate determined by the state and territory governments for payments made to and benefits received by employees.

(y) Investment property

Investment properties exclude properties held to meet service delivery objectives of the Group.

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 Group. Where an investment property is acquired at no cost or for nominal consideration, its cost shall be deemed to be its fair value as at the date of acquisition.

Subsequent to initial recognition at cost, the investment property is carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. These valuations are reviewed annually by a member of the Australian Property Institute. Changes in fair values are recorded in the income statement as part of the other income.

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 through the provision of the properties.

(z) Comparative amounts

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(aa) New accounting standards and interpretations

Adoption of new and revised accounting standards

In the current year Charles Darwin University has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in changes to the accounting policies of the Group, except for adoption of AASB 11.

At the date of authorisation of the financial report, the following standards and interpretations had been issued but were not mandatory for the financial year.

Standards/Interpretation	Effective for Annual Reporting Period Beginning On or After	Expected to be initially applied in the financial year ending	Likely impact on initial application
<i>AASB 9 'Financial Instruments' (December 2014) - (Also refer to AASB 2010-7 and AASB 2014-7 below)</i>	1 January 2018	31 December 2018	There will be no material impact on the entity
<i>AASB 14 'Regulatory Deferral Accounts'</i>	1 January 2016	31 December 2016	There will be no material impact on the entity
<i>AASB 15 'Revenue from Contracts with Customers'</i>	1 January 2018	31 December 2018	The entity has not yet assessed the full impact of this Standard
<i>AASB 16 'Leases'</i>	1 January 2019	31 December 2019	The entity has not yet assessed the full impact of this Standard
<i>AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	1 January 2018	31 December 2018	There will be no material impact on the entity
<i>AASB 2014-3 'Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations (AASB 1 and AASB 11)</i>	1 January 2016	31 December 2016	There will be no material impact on the entity
<i>AASB 2014-4 'Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation (AASB 116 & AASB 138)</i>	1 January 2016	31 December 2016	There will be no material impact on the entity
<i>AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15</i>	1 January 2018	31 December 2018	The entity has not yet assessed the full impact of this Standard
<i>AASB 2014-6 'Amendments to Australian Accounting Standards - Agriculture; Bearer Plants (AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141)</i>	1 January 2016	31 December 2016	There will be no impact on the entity
<i>AASB 2014-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	1 January 2018	31 December 2018	There will be no material impact on the entity

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standards/Interpretation	Effective for Annual Reporting Period Beginning On or After	Expected to be initially applied in the financial year ending	Likely impact on initial application
<i>AASB 2014-9 'Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements (AASB 1, 127 and 128)</i>	1 January 2016	31 December 2016	There will be no material impact on the entity
<i>AASB 2014-10 'Amendments to Australian Accounting Standards - Sale of Contribution of Assets between an Investor and its Associate of Joint Venture (AASB 10 & AASB 128)</i>	1 January 2016	31 December 2016	There will be no impact on the entity
<i>AASB 2015-1 'Amendments to Australian Accounting Standards - Amendments to Australian Accounting Standards - Annual Improvements to Australian Standards 2012-2014 Cycles</i>	1 January 2016	31 December 2016	There will be no material impact on the entity
<i>AASB 2015-2 'Amendments to Australian Accounting Standards - Disclosure Initiative; Amendments to AASB 101</i>	1 January 2016	31 December 2016	There will be no material impact on the entity
<i>AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i>	1 January 2016	31 December 2016	There will be no material impact on the entity
<i>AASB 2015-6 'Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities (AASB 10, AASB 124 & AASB 1049)</i>	1 July 2016	31 December 2017	There will be no material impact on the entity
<i>AASB 2015-7 'Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities (AASB 13)</i>	1 July 2016	31 December 2017	There will be no material impact on the entity

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 2: DISAGGREGATED INFORMATION

(a) Industry - Dual Sector Providers (Parent)

Operating revenues and expenses for Higher Education and VET are shown in the following tables. The figures refer only to the parent entity; consolidated totals are not included. Discrete sets of accounts are not maintained for these divisions. They have been derived based on the results of costings determined via Activity Based Costing.

Note	Parent Entity			Parent Entity			
	Higher Education	VET	Total Parent	Higher Education	VET	Total Parent	
	2015	2015	2015	2014	2014	2014	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
INCOME STATEMENT							
Income from continuing operations							
Australian Government financial assistance	3	75,816	6,456	82,272	82,554	17,944	100,498
Australian Government grants							
HECS - HELP Australian Government payments	3	23,699	362	24,061	24,851	-	24,851
NT Government financial assistance	4	11,676	52,129	63,805	7,418	52,785	60,203
HECS - HELP student payments		5,347	-	5,347	5,824	125	5,949
Fees and charges	5	37,275	6,694	43,969	26,540	7,506	34,046
Investment revenue	6	2,025	1,110	3,135	2,036	1,196	3,232
Consultancy and contracts	7	12,990	424	13,414	15,618	142	15,760
Other revenue	8	21,356	11,345	32,701	34,745	20,597	55,342
Gain on disposal of assets	29	-	-	-	1,444	848	2,292
Share of profit or loss on investments accounted for using the equity method	22	148	-	148	112	-	112
Total income from continuing operations		190,332	78,520	268,852	201,142	101,143	302,285
Expenses from continuing operations							
Employee related expenses	9	99,506	54,528	154,034	93,053	54,650	147,703
Depreciation and amortisation	10	15,023	8,233	23,256	13,050	7,664	20,714
Repairs and maintenance	11	4,956	2,715	7,671	4,079	2,395	6,474
Impairment of assets	12	578	316	894	292	172	464
Losses on disposal of assets	29	(622)	887	265	-	-	-
Other expenses	13	67,752	37,128	104,880	75,547	44,369	119,916
Total expenses from continuing operations		187,193	103,807	291,000	186,021	109,250	295,271
Net result before income tax		3,139	(25,287)	(22,148)	15,121	(8,107)	7,014
Income tax expense	1(x)	-	-	-	-	-	-
Net result after income tax for the period		3,139	(25,287)	(22,148)	15,121	(8,107)	7,014
Net result attributable to non-controlling interest		-	-	-	-	-	-
Net result attributable to members from continuing operations		3,139	(25,287)	(22,148)	15,121	(8,107)	7,014

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 2: DISAGGREGATED INFORMATION (Continued)

(a) Industry - Dual Sector Providers (Parent) (continued)

		Parent Entity			Parent Entity		
	Note	Higher Education	VET	Total Parent	Higher Education	VET	Total Parent
		2015	2015	2015	2014	2014	2014
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
STATEMENT OF FINANCIAL POSITION							
ASSETS							
Current assets							
Cash and cash equivalents	14	81,855	19,856	101,711	50,448	27,403	77,851
Receivables	15	3,244	1,556	4,800	12,396	6,734	19,130
Inventories	16	785	376	1,161	776	421	1,197
Other financial assets	19	557	267	824	503	273	776
Non-current assets classified as held for sale	20	10,981	5,263	16,244	11,000	5,976	16,976
Other non-financial assets	21	3,425	1,641	5,066	3,185	1,730	4,915
Total current assets		100,847	28,959	129,806	78,308	42,537	120,845
Non-current assets							
Biological assets	17	-	718	718	-	2,135	2,135
investments accounted for using the equity method	22	576	-	576	428	-	428
Property, plant and equipment	23	352,589	136,759	489,348	353,887	140,358	494,245
Intangible assets	24	352	169	521	343	186	529
Total non-current assets		353,517	137,646	491,163	354,658	142,679	497,337
Total assets		454,364	166,605	620,969	432,966	185,216	618,182
LIABILITIES							
Current liabilities							
Trade and other payables	25	6,517	3,124	9,641	6,061	3,292	9,353
Borrowings	26	1,352	648	2,000	1,296	704	2,000
Provisions	27	15,140	7,256	22,396	13,903	7,552	21,455
Other liabilities	28	24,907	11,938	36,845	7,858	4,268	12,126
Total current liabilities		47,916	22,966	70,882	29,118	15,816	44,934
Non-current liabilities							
Borrowings	26	1,352	648	2,000	2,592	1,408	4,000
Provisions	27	1,515	726	2,241	1,332	723	2,055
Total non-current liabilities		2,867	1,374	4,241	3,924	2,131	6,055
Total liabilities		50,783	24,340	75,123	33,042	17,947	50,989
Net assets		403,581	142,265	545,846	399,924	167,269	567,193
Equity							
Reserves	30(a)	176,493	62,215	238,708	172,021	71,948	243,969
Restricted funds	30(b)	21,418	7,550	28,968	28,685	11,998	40,683
Retained earnings	30(c)	205,670	72,500	278,170	199,218	83,323	282,541
Total equity		403,581	142,265	545,846	399,924	167,269	567,193

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 2: DISAGGREGATED INFORMATION (Continued)

(a) Industry - Dual Sector Providers (Parent) (continued)

	Higher Education \$'000	VET \$'000	Total Parent \$'000
STATEMENT OF CHANGES IN EQUITY			
Parent			
Balance at 1 January 2014	362,429	163,328	525,757
Net result	15,121	(8,107)	7,014
Other comprehensive income	12,091	6,567	18,658
Total comprehensive income	27,212	(1,540)	25,672
Transfers (to)/from restricted reserves	-	-	-
Transfers (to)/from asset revaluation reserves	-	-	-
Transfers from retained earnings	(100)	(54)	(154)
Distribution from subsidiaries	10,383	5,535	15,918
Balance at 31 December 2014	399,924	167,269	567,193
 Balance at 1 January 2015	 399,924	 167,269	 567,193
Net result	3,139	(25,287)	(22,148)
Other comprehensive income	426	234	660
Total comprehensive income for the period	3,565	(25,053)	(21,488)
Transfers (to)/from restricted reserves	-	-	-
Transfers (to)/from asset revaluation reserves	-	-	-
Transfers from retained earnings	-	-	-
Distribution from subsidiaries	92	49	141
Balance at 31 December 2015	403,581	142,265	545,846

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 2: DISAGGREGATED INFORMATION Continued

(a) Industry - Dual Sector Providers (Parent) (continued)

Note	Parent Entity			Parent Entity		
	Higher Education	VET	Total Parent	Higher Education	VET	Total Parent
	2015 \$'000	2015 \$'000	2015 \$'000	2014 \$'000	2014 \$'000	2014 \$'000
STATEMENT OF CASH FLOWS						
Cash Flows from operating activities						
Australian Government Grants	3(h) 100,174	7,826	108,000	106,419	17,263	123,682
OS-HELP (net)	3(h) (15)	-	(15)	26	-	26
Superannuation Supplementation	3(h) 29	-	29	36	-	36
State Government Grants	17,811	60,064	77,875	3,176	55,357	58,533
HECS-HELP student payments	5,347	-	5,347	5,824	125	5,949
Receipts from student fees and other customers	84,989	25,838	110,827	83,964	32,066	116,030
Interest received	1,972	1,115	3,087	2,033	1,208	3,241
Proceeds from sale of biological assets	-	1,851	1,851	-	1,240	1,240
Payments to suppliers and employees (incl. of GST)	(169,828)	(94,231)	(264,059)	(180,477)	(106,010)	(286,487)
Net cash provided by operating activities	40 40,479	2,463	42,942	21,001	1,249	22,250
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment	1,084	595	1,679	3,369	1,830	5,199
Payments for property, plant and equipment	(8,972)	(9,789)	(18,761)	(28,600)	(6,622)	(35,222)
Payments for biological assets	-	-	-	-	(44)	(44)
Other investing outflows	-	-	-	(110)	-	(110)
Net cash used in investing activities	(7,888)	(9,194)	(17,082)	(25,341)	(4,836)	(30,177)
Cash flows from financing activities						
Proceeds from borrowings	-	-	-	-	-	-
Repayment of borrowings	(1,184)	(816)	(2,000)	(7,596)	(4,404)	(12,000)
Net cash used in financing activities	(1,184)	(816)	(2,000)	(7,596)	(4,404)	(12,000)
Net Increase / (decrease) in cash and cash equivalents	31,407	(7,547)	23,860	(11,936)	(7,991)	(19,927)
Cash and cash equivalents at the beginning of the financial year	14 50,448	27,403	77,851	62,384	35,394	97,778
Cash and cash equivalents at the end of the financial year	14 81,855	19,856	101,711	50,448	27,403	77,851

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated		Parent Entity	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
NOTE 3: AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING AUSTRALIAN GOVERNMENT LOAN PROGRAMS (HELP)					
(a) Commonwealth Grant Scheme and Other Grants	42.1				
Commonwealth Grants Scheme ^{#1}		56,516	55,629	56,516	55,629
Indigenous Support Program		1,156	1,169	1,156	1,169
Partnership and Participation Program ^{#2}		1,805	7,666	1,805	7,666
Disability Support Program		11	16	11	16
Diversity and Structural Adjustment Fund Program ^{#3}		-	1,880	-	1,880
Promotion of Excellence in Learning and Teaching		40	115	40	115
Total Commonwealth Grants Scheme and Other Grants		59,528	66,475	59,528	66,475
(b) Higher Education Loan Programs	42.2				
HECS-HELP		22,860	23,821	22,860	23,821
FEE-HELP ^{#4}		302	405	302	405
VET FEE-HELP		362	-	362	-
SA-HELP		537	625	537	625
Total Higher Education Loan Programs		24,061	24,851	24,061	24,851
(c) Scholarships	42.3				
Australian Postgraduate Awards		1,842	1,830	1,842	1,830
International Postgraduate Research Scholarship		135	134	135	134
Commonwealth Education Cost Scholarships ^{#5}		276	133	276	133
Commonwealth Accommodation Scholarships ^{#5}		(60)	(603)	(60)	(603)
Indigenous Access Scholarships		381	447	381	447
Total Scholarships		2,574	1,941	2,574	1,941
(d) EDUCATION - Research	42.4				
Joint Research Engagement Program ^{#6}		3,265	3,337	3,265	3,337
Joint Research Engagement Engineering Cadetship		51	39	51	39
Research Training Scheme		4,559	4,539	4,559	4,539
Research Infrastructure Block Grants		2,582	2,503	2,582	2,503
Sustainable Research Excellence in Universities		1,938	1,754	1,938	1,754
Total EDUCATION Research Grants		12,395	12,172	12,395	12,172
(e) Other Capital Funding					
Education Investment Fund	42.5	1,085	12,846	1,085	12,846
Total Other Capital Funding		1,085	12,846	1,085	12,846

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated		Parent Entity	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
NOTE 3: AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING AUSTRALIAN GOVERNMENT LOAN PROGRAMS (HELP) (Continued)					
(f) Australian Research Council					
(i) Discovery	42.6(a)				
Projects		262	92	262	92
Indigenous Researchers Development		-	352	-	352
Total Discovery		262	444	262	444
(ii) Linkages	42.6(b)				
Infrastructure		143	539	143	539
Projects		151	250	151	250
Total Linkages		294	789	294	789
Total ARC		556	1,233	556	1,233
(g) Other Australian Government Financial Assistance					
Non-capital					
Department of Health and Aged Care Grants		3,539	1,611	-	-
AMEP		2,992	3,276	2,992	3,276
ITAS/ATAS		638	638	638	638
Away from Base		2,504	1,918	2,504	1,917
National Health and Medical Research Council Grants		12,452	11,088	-	-
Other		1,361	1,708	-	-
Total		23,486	20,239	6,134	5,831
Capital					
Department of Health and Aged Care		-	6,840	-	-
Total		-	6,840	-	-
Total Other Australian Government financial assistance		23,486	27,079	6,134	5,831
Australian Government grants (a+c+d+e+f+g)		99,624	121,746	82,272	100,498
HELP - Australian Government payments (b)		24,061	24,851	24,061	24,851
Total Australian Government financial assistance		123,685	146,597	106,333	125,349

#1 Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, Maths and Science Transition Loading, and Full Fee Places Transition Loading.

#2 Includes Equity Support Program.

#3 Includes Collaboration and Structural Adjustment Program.

#4 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.

#5 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

#6 Includes Institutional Grants Scheme.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated		Parent Entity	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
NOTE 3: AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND OTHER AUSTRALIAN GOVERNMENT LOAN PROGRAMS (Continued)					
Reconciliation					
Australian Government Grants (a+c+d+e+f+g)		99,624	121,746	82,272	100,498
HECS-HELP Payments		22,860	23,821	22,860	23,821
FEE-HELP payments		302	405	302	405
VET FEE-HELP payments		362	-	362	-
SA-HELP payments		537	625	537	625
Total Australian Government financial assistance		123,685	146,597	106,333	125,349
(h) Australian Government Grants received - cash basis					
CGS and Other EDUCATION Grants		59,528	66,475	59,528	66,475
Higher Education Loan Programs		24,061	24,851	24,061	24,851
Scholarships		2,113	2,402	2,113	2,402
EDUCATION Research		12,395	12,172	12,395	12,172
Other Capital Funding		3,931	10,000	3,931	10,000
ARC Grants - Discovery		262	444	262	444
ARC Grants - Linkages		294	789	294	789
Other Australian Government Grants		25,607	25,258	5,416	6,549
Total Australian Government Grants received - cash basis		128,191	142,391	108,000	123,682
OS-HELP (Net)	42.7	(15)	26	(15)	26
Superannuation Supplementation	42.8	29	36	29	36
Total Australian Government funding received - cash basis		128,205	142,453	108,014	123,744
NOTE 4: NORTHERN TERRITORY GOVERNMENT FINANCIAL ASSISTANCE					
Non-Capital					
Vocational Educational and Training		49,662	48,776	49,662	48,776
NTG - other financial assistance		15,815	12,969	11,175	8,629
Total Non-Capital		65,477	61,745	60,837	57,405
Capital					
Vocational Education and Training		2,468	2,718	2,468	2,718
NTG - specific purpose infrastructure funding		500	80	500	80
Total Capital		2,968	2,798	2,968	2,798
Total Northern Territory Government Financial Assistance		68,445	64,543	63,805	60,203
NOTE 5: FEES AND CHARGES					
Course fees and charges					
Fee-paying onshore overseas students		36,723	24,769	36,756	24,769
Continuing education		4,797	5,887	4,797	5,888
Fee-paying domestic postgraduate students		337	570	321	559
Fee-paying domestic undergraduate students		108	96	108	96
Fee-paying domestic non-award students		724	640	725	640
Total course fees and charges		42,689	31,962	42,707	31,952
Other non-course fees and charges					
Application fees		63	64	63	64
Administration fees and charges		498	428	497	428
Other		2,039	1,828	702	1,602
Total other fees and charges		2,600	2,320	1,262	2,094
Total fees and charges		45,289	34,282	43,969	34,046

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
NOTE 6: INVESTMENT REVENUE AND OTHER INVESTMENT INCOME				
Interest	3,724	4,457	2,872	3,232
Dividends	280	19	263	-
Investment property - Fair value net loss	(15)	-	-	-
Investment property rental	12	15	-	-
Total investment revenue	4,001	4,491	3,135	3,232
NOTE 7: CONSULTANCY AND CONTRACTS				
Contract research	18,506	21,819	12,045	12,665
Miscellaneous consultancy non-research related	1,369	3,090	1,369	3,095
Total consultancy and contracts	19,875	24,909	13,414	15,760
NOTE 8: OTHER REVENUE AND INCOME				
Other revenue				
Donations - CDUFT and other	1,570	1,374	681	55
Scholarships and prizes	2,497	2,647	2,401	1,956
Financial assistance/grants	427	395	427	866
Sales	6,748	5,719	7,596	6,349
Facility and equipment hire	1,255	1,159	1,243	1,148
Catering	171	182	165	174
Guest accommodation	3,450	3,081	3,467	3,095
Joint venture operations	14,146	38,500	14,146	38,500
Sundry income	955	1,561	1,073	1,604
Other	838	1,523	977	1,397
Total other revenue	32,057	56,141	32,176	55,144
Other income				
Change in fair value less point of sale cost of livestock	525	198	525	198
Total other income	525	198	525	198
Total other revenue and income	32,582	56,339	32,701	55,342

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
NOTE 9: EMPLOYEE-RELATED EXPENSES				
Employee benefits and on-costs				
Academic				
Salaries	70,441	67,542	58,764	55,253
Contributions to superannuation and pension schemes:				
- Funded	11,312	10,799	9,873	9,281
Payroll tax	4,876	4,894	4,167	4,147
Worker's compensation	549	554	463	446
Long service leave expense	1,349	2,089	1,026	1,832
Annual leave	8,262	9,985	6,653	8,242
Total academic	96,789	95,863	80,946	79,201
Non-academic				
Salaries	57,060	52,941	51,788	47,617
Contributions to superannuation and pension schemes:				
- Funded	9,713	9,080	8,983	8,336
Payroll tax	3,891	3,748	3,693	3,573
Worker's compensation	442	422	406	378
Long service leave expense	2,163	1,505	1,848	1,517
Annual leave	6,871	7,755	6,259	7,000
Other	111	81	111	81
Total non-academic	80,251	75,532	73,088	68,502
Total employee related expenses	177,040	171,395	154,034	147,703

NOTE 10: DEPRECIATION AND AMORTISATION

Depreciation				
Leased Land, buildings and demountables	14,860	13,173	14,860	13,173
Plant and equipment	6,498	5,688	5,622	5,183
Leasehold improvements	672	621	672	621
Land improvements	1,106	865	1,106	865
Books and periodicals	871	863	871	863
Total depreciation	24,007	21,210	23,131	20,705
Amortisation				
Intangible asset	1,615	143	125	9
Total amortisation	1,615	143	125	9
Total depreciation and amortisation	25,622	21,353	23,256	20,714

NOTE 11: REPAIRS AND MAINTENANCE

Building maintenance	865	544	864	543
Grounds maintenance	586	411	586	411
Electrical works	1,125	875	1,124	875
Air-conditioning	767	637	767	637
Building energy maintenance	410	343	410	343
Repairs and maintenance information technology	1,336	1,351	1,336	1,351
Plumbing	505	323	505	323
Repairs and maintenance general	2,147	2,711	2,079	1,991
Total repairs and maintenance	7,741	7,195	7,671	6,474

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Consolidated		Parent Entity	
2015	2014	2015	2014
\$'000	\$'000	\$'000	\$'000

NOTE 12: IMPAIRMENT OF ASSETS

General debts	352	32	352	32
Student debts	542	432	542	432
Total impairment of assets	894	464	894	464

NOTE 13: OTHER EXPENSES

Scholarships, grants and prizes	10,743	11,026	16,152	15,856
Non-capitalised equipment	3,489	3,194	3,344	3,051
Advertising, marketing and promotional expenses	4,444	5,160	4,440	5,156
Materials	24,916	21,023	18,479	15,045
Stationery, photocopying and postage	1,516	1,463	1,116	1,166
Licenses, fees and charges	7,629	6,675	7,541	6,685
Travel, staffing and related costs	9,267	9,841	6,716	6,863
Utilities and facilities management	9,644	8,929	9,234	8,567
Equipment rent and lease expenses	2,172	2,678	2,167	2,674
Motor vehicle expenses	1,083	1,154	1,082	1,151
Insurance	1,611	1,724	1,516	1,583
Inventory used	2,099	2,025	2,095	2,021
Consultants - teaching	1,791	1,307	1,795	1,307
Consultants - general	13,356	12,657	12,490	11,556
Communications	1,427	1,437	1,312	1,206
Joint venture operations	10,661	32,865	10,661	32,865
Other	4,754	3,170	4,740	3,164
Total other expenses	110,602	126,328	104,880	119,916

NOTE 14: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	19,180	18,048	15,424	15,412
Cash at bank - at call account	9,093	6,422	9,093	6,422
Cash at bank - term deposits	79,917	82,873	77,194	56,017
Total cash and cash equivalents	108,190	107,343	101,711	77,851

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:

Balances as above	108,190	107,343	101,711	77,851
Balance per Statement of Cash Flows	108,190	107,343	101,711	77,851

(b) Cash at bank and on hand

The cash at bank and on hand include cash held in operating and replenishing bank accounts which are subject to variable interest rates between 1.68% and 2.44% (2014 - 2.25% and 2.41%).

(c) At call

The cash at bank at call account is subject to variable interest rates between 1.80% and 3.15% (2014 - 2.30% and 3.35%).

(d) Term deposits

The deposits are bearing floating interest rates between 2.60% and 3.57% (2014 - 2.63% and 3.82%). These deposits have an average maturity of 180 days (2014 - 172 days).

(e) Bank guarantees

The University has two bank guarantees totalling \$0.431 million (2014: \$0.431m) for the lease of levels 10 and 11, 815 George Street, Sydney.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 15: RECEIVABLES

Current

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Debtors	5,418	20,032	4,133	17,619
Student Fees	1,885	2,638	1,885	2,638
Less: Provision for impaired receivables	(1,218)	(1,127)	(1,218)	(1,127)
Total receivables	6,085	21,543	4,800	19,130

Impaired receivables

As at 31 December 2015, current receivables of the consolidated entity with a nominal value of \$1.218 million (2014: \$1.127 million) were impaired. The provision for 2015 was \$1.218 million (2014: \$1.127 million). The individually impaired receivables mainly relate to students, whom are in unexpectedly difficult economic situations. It was assessed that a portion of these receivables is expected to be recovered.

The ageing of these receivables is:

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
3 to 6 months	364	354	364	354
Over 6 months	854	773	854	773
Total	1,218	1,127	1,218	1,127

As of 31 December 2015, trade receivables of the consolidated entity with a nominal value of \$0.77 million (2014: \$1.283 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

The ageing of these receivables is:

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
3 to 6 months	314	405	307	373
Over 6 months	458	878	458	878
Total	772	1,283	765	1,251

Movements in the provision for impaired receivables are as follows:

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
At 1 January	1,127	1,349	1,127	1,349
Provisions for impairment during the year	894	464	894	464
Receivables written off during the year as uncollectible	(801)	(652)	(801)	(652)
Unused amount reversed	(2)	(34)	(2)	(34)
At 31 December	1,218	1,127	1,218	1,127

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the Income Statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Consolidated		Parent Entity	
2015	2014	2015	2014
\$'000	\$'000	\$'000	\$'000

NOTE 16: INVENTORIES

Current

CDU Bookshop	712	738	712	738
Uniprint	43	53	43	53
Northern Editions	541	544	541	544
Less: Provision for impairment	(135)	(138)	(135)	(138)
Total inventories	1,161	1,197	1,161	1,197

NOTE 17: BIOLOGICAL ASSETS

Cattle

Carrying amount at 1 January	2,088	3,120	2,088	3,120
Gain/(loss) from changes to fair value less estimated point of sale costs	513	214	513	214
Purchases	-	44	-	44
Sales	(1,939)	(1,290)	(1,939)	(1,290)
Carrying amount at 31 December	662	2,088	662	2,088

Horses

Carrying amount at 1 January	47	70	47	70
Gain/(loss) from changes to fair value less estimated point of sale costs	12	(16)	12	(16)
Sales	(3)	(7)	(3)	(7)
Carrying amount at 31 December	56	47	56	47

Total biological assets

718	2,135	718	2,135
------------	--------------	------------	--------------

There is no restriction on the title of the cattle and horses and the carrying amounts of the livestock have not been pledged as security for liabilities.

In 2015 the fair value of biological assets is based on the valuation performed by Elders Rural Services Australia Ltd.

As at 31 December 2015, the University had no commitment to purchase any livestock.

As at 31 December 2015, livestock held for sale comprised 685 cattle and 26 horses (2014: 3,593 cattle and 29 horses).

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
NOTE 18: INVESTMENT PROPERTY				
At fair value				
Opening balance at 1 January	300	300	-	-
Revaluation of assets	(15)	-	-	-
Closing balance at 31 December	285	300	-	-

The fair value of the investment property which is held by Charles Darwin University Foundation was provided by an independent qualified valuer with experience in the location and category of the investment property.

Amounts recognised in profit or loss for investment properties

Rental income	12	11	-	-
Direct operating expenses (rent generating properties)	(6)	(5)	-	-
Total recognised in profit or loss	6	6	-	-

NOTE 19: OTHER FINANCIAL ASSETS

Current

Accrued revenue	20	1,186	-	-
Accrued interest receivable	824	776	824	776
Other	-	23	-	-
Total current	844	1,985	824	776

Non current

Listed securities

Opening value	303	279	-	-
- Investment revaluation reserve	4	24	-	-
Total non-current	307	303	-	-
Total other financial assets	1,151	2,288	824	776

NOTE 20: NON-CURRENT ASSETS CLASSIFIED

AS HELD FOR SALE

Land held for resale	16,244	16,976	16,244	16,976
Total non-current assets classified as held for sale	16,244	16,976	16,244	16,976

Charles Darwin University entered into an agreement with CIC-THD Pty Ltd to develop part of Lot 9765 Town of Palmerston (known as The Heights Durack). The development will deliver approximately 806 lots for residential purposes. The Agreement was dated 15 November 2010 and was effective from that date.

At 31 December 2015, stages 1 to 11 were available for sale and are expected to be sold during the year ending 31 December 2016.

The land classified as held for sale comprises stages 1-14, with stages 12 - 14 expected to be developed subsequent to 31 December 2016.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Consolidated		Parent Entity	
2015	2014	2015	2014
\$'000	\$'000	\$'000	\$'000

NOTE 21: OTHER NON-FINANCIAL ASSETS

Prepayments	5,136	5,111	5,066	4,915
Other assets	70	70	-	-
Total other non-financial assets	5,206	5,181	5,066	4,915

**NOTE 22: INVESTMENTS ACCOUNTED FOR USING
THE EQUITY METHOD**

Individually Immaterial Joint Ventures

The Parent Entity has a 50% interest in FCD Health Limited, a company limited by guarantee, incorporated and operating in Australia. The principal activity is the provision of medical services and training.

	Joint Ventures	
	2015	2014
	\$'000	\$'000
Profit from continuing operations	148	112
Profit from continuing operations after income tax	148	112
Total comprehensive income	148	112

Summarised financial information in respect of joint venture entity is set out below:

	Joint Ventures	
	2015	2014
	\$'000	\$'000
Financial Position		
Current assets	591	437
Non-current assets	331	184
Total assets	922	621
Current liabilities	346	193
Non-current liabilities	-	-
Total liabilities	346	193
Net assets	576	428
Financial Performance		
Revenues	2,983	2,551
Expenses	2,835	2,439
Net operating result before income tax	148	112

Share of partnership's commitments

Capital commitments and other expenditure commitments arising from the Group's interest in joint arrangements are disclosed in Note 34.

Contingent liabilities relating to joint ventures

There are no contingent liabilities relating to joint ventures.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 23: PROPERTY, PLANT AND EQUIPMENT

	Land	Land Improvements	Buildings	Demountables	Works of Art	Library Books and Periodicals	Plant and Equipment*	Leasehold Improvement	Work in Progress	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated										
At 1 January 2014										
- Cost	-	706	-	-	29	140	27,049	1,959	64,106	93,989
- Valuation	34,867	12,288	353,866	1,751	890	8,441	-	-	-	412,103
- Accumulated Depreciation	-	(779)	(1,064)	(15)	-	0	(15,551)	(196)	-	(17,605)
Net Book Amount	34,867	12,215	352,802	1,736	919	8,581	11,498	1,763	64,106	488,487
Year Ended 31 December 2014										
Opening Net Book Amount	34,867	12,215	352,802	1,736	919	8,581	11,498	1,763	64,106	488,487
Additions	-	840	1,116	32	25	114	3,816	-	40,401	46,344
Transfers	-	178	52,604	477	-	-	2,737	1,249	(57,618)	(373)
Transfers - intangible	-	-	-	-	-	-	-	-	(16,000)	(16,000)
Transfers to land held for resale	(7,431)	-	-	-	-	-	-	-	-	(7,431)
Disposals	-	-	-	-	-	-	(44)	-	(3,827)	(3,871)
Revaluation Surplus/(Deficit)	6,238	970	11,385	73	(8)	-	-	-	-	18,658
Depreciation Charge	-	(865)	(13,103)	(70)	-	(863)	(5,688)	(621)	-	(21,210)
Closing Net Book Amount	33,674	13,338	404,804	2,248	936	7,832	12,319	2,391	27,062	504,604
At 31 December 2014										
- Cost	-	1,018	53,720	509	54	254	32,501	3,208	27,062	118,326
- Valuation	33,674	12,391	353,144	1,755	882	8,441	-	-	-	410,287
- Accumulated Depreciation	-	(71)	(2,060)	(16)	-	(863)	(20,182)	(817)	-	(24,009)
Net Book Amount	33,674	13,338	404,804	2,248	936	7,832	12,319	2,391	27,062	504,604

* Plant and Equipment includes all operational assets

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 23: PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land	Land Improvements	Buildings	Demountables	Works of Art	Library Books and Periodicals	Plant and Equipment*	Leasehold Improvement	Work in Progress	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated										
At 1 January 2015										
- Cost	-	1,018	53,720	509	54	254	32,501	3,208	27,062	118,326
- Valuation	33,674	12,391	353,144	1,756	852	8,441	-	-	-	410,267
- Accumulated Depreciation	-	(71)	(2,060)	(16)	-	(663)	(20,162)	(817)	-	(24,009)
Net Book Amount	33,674	13,338	404,804	2,248	936	7,832	12,319	2,391	27,062	504,604
Year Ended 31 December 2015										
Opening Net Book Amount	33,674	13,338	404,804	2,248	936	7,832	12,319	2,391	27,062	504,604
Additions	-	79	4,655	-	33	65	5,209	-	10,724	20,765
Transfers	-	3,918	18,177	-	-	-	360	900	(28,353)	-
Transfers - intangible	-	-	-	-	-	-	-	-	(8,657)	(8,657)
Disposals	-	(564)	(270)	(375)	-	-	(2)	-	-	(1,211)
Revaluation Surplus/(Deficit)	-	(4)	617	-	47	-	-	-	-	660
Depreciation Charge	(25)	(1,106)	(14,771)	(64)	-	(671)	(6,498)	(672)	-	(24,007)
Closing Net Book Amount	33,649	15,659	413,212	1,809	1,016	7,026	11,388	2,619	5,876	492,254
At 31 December 2015										
- Cost	-	4,409	76,263	119	87	319	34,929	4,108	5,876	126,110
- Valuation	33,674	12,326	352,180	1,754	929	8,441	2,638	-	-	412,142
- Accumulated Depreciation	(25)	(1,076)	(15,231)	(64)	-	(1,734)	(26,379)	(1,489)	-	(45,998)
Net Book Amount	33,649	15,659	413,212	1,809	1,016	7,026	11,388	2,619	5,876	492,254

* Plant and Equipment includes all operational assets

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 23: PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land	Land Improvements	Buildings	Demountables	Works of Art	Library Books and Periodicals	Plant and Equipment*	Leasehold Improvement	Work in Progress	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity										
At 1 January 2014										
- Cost	-	-	-	-	29	140	23,227	1,959	29,740	55,095
- Valuation	34,867	12,286	353,866	1,751	850	8,441	-	-	-	412,101
- Accumulated Depreciation	-	(71)	(1,064)	(15)	-	-	(12,371)	(196)	-	(13,717)
Net Book Amount	34,867	12,215	352,802	1,736	919	8,581	10,856	1,763	29,740	453,479
Year Ended 31 December 2014										
Opening Net Book Amount	34,867	12,215	352,802	1,736	919	8,581	10,856	1,763	29,740	453,479
Additions	-	840	17,034	32	25	114	3,638	-	28,985	50,548
Transfers	-	178	36,686	477	-	-	(218)	1,249	(38,745)	(373)
Transfers to land held for resale	(7,431)	-	-	-	-	-	-	-	-	(7,431)
Disposals	-	-	-	-	-	-	(31)	-	-	(31)
Revaluation Surplus/(Deficit)	6,238	970	11,385	73	(8)	-	-	-	-	18,658
Depreciation Expense	-	(865)	(13,103)	(70)	-	(863)	(5,183)	(621)	-	(20,705)
Closing Net Book Amount	33,674	13,338	404,804	2,248	936	7,832	9,062	2,391	19,960	494,245
At 31 December 2014										
- Cost	-	1,018	53,720	509	54	254	25,615	3,208	19,960	104,338
- Valuation	33,674	12,391	353,144	1,755	882	8,441	-	-	-	410,287
- Accumulated Depreciation	-	(71)	(2,060)	(16)	-	(863)	(16,553)	(817)	-	(20,380)
Net Book Amount	33,674	13,338	404,804	2,248	936	7,832	9,062	2,391	19,960	494,245

* Plant and Equipment includes all operational assets

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 23: PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land	Land Improvements	Buildings	Demountables	Works of Art	Library Books and Periodicals	Plant and Equipment*	Leasehold Improvement	Work in Progress	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity										
At 1 January 2015										
- Cost	-	1,018	53,720	509	54	254	25,615	3,208	19,960	104,338
- Valuation	33,674	12,391	353,144	1,755	882	8,441	-	-	-	410,287
- Accumulated Depreciation	-	(71)	(2,060)	(16)	-	(863)	(16,553)	(817)	-	(20,380)
Net Book Amount	33,674	13,338	404,804	2,248	936	7,832	9,062	2,391	19,960	494,245
Year Ended 31 December 2015										
Opening Net Book Amount	33,674	13,338	404,804	2,248	936	7,832	9,062	2,391	19,960	494,245
Additions	-	79	4,655	-	33	65	5,044	-	9,026	18,902
Transfers	-	3,916	18,177	-	-	-	-	900	(22,993)	-
Transfers - intangible	-	-	-	-	-	-	-	-	(117)	(117)
Disposals	-	(564)	(270)	(375)	-	-	(2)	-	-	(1,211)
Revaluation Surplus/(Deficit)	-	(4)	617	-	47	-	-	-	-	660
Depreciation Expense	(25)	(1,106)	(14,771)	(64)	-	(871)	(5,622)	(672)	-	(23,131)
Closing Net Book Amount	33,649	15,659	413,212	1,809	1,016	7,026	8,482	2,619	5,876	489,348
At 31 December 2015										
- Cost	-	4,409	76,263	119	87	319	30,411	4,108	5,876	121,592
- Valuation	33,674	12,326	352,180	1,754	929	8,441	-	-	-	409,304
- Accumulated Depreciation	(25)	(1,076)	(15,231)	(64)	-	(1,734)	(21,929)	(1,489)	-	(41,548)
Net Book Amount	33,649	15,659	413,212	1,809	1,016	7,026	8,482	2,619	5,876	489,348

* Plant and Equipment includes all operational assets

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Consolidated		Parent Entity	
2015	2014	2015	2014
\$'000	\$'000	\$'000	\$'000

NOTE 24: INTANGIBLE ASSETS

At 1 January

Cost	16,538	-	538	-
Accumulated amortisation and impairment losses	(143)	-	(9)	-
Net book amount	16,395	-	529	-
Additions	8,902	16,538	-	538
Additions - Transfer from PPE	8,557	-	117	-
Amortisation charge	(1,615)	(143)	(125)	(9)
Closing net book amount	32,239	16,395	521	529

At 31 December

Cost	33,997	16,538	655	538
Accumulated amortisation and impairment losses	(1,758)	(143)	(134)	(9)
Net book amount	32,239	16,395	521	529

In both years intangible assets consist of software and the right of use of research buildings at Royal Darwin Hospital (RDH).

Software	521	529	521	529
The right to use the RDH buildings - Menzies School of Health Research	31,718	15,866	-	-
Net book amount	32,239	16,395	521	529

NOTE 25: TRADE AND OTHER PAYABLES

Trade and other payables	5,978	8,570	9,641	9,353
Total trade and other payables	5,978	8,570	9,641	9,353

Fair value

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

NOTE 26: BORROWINGS

Unsecured - Non Interest Bearing

NT Department of Education	2,000	2,000	2,000	2,000
Total current borrowings	2,000	2,000	2,000	2,000

Unsecured - Non Interest Bearing

NT Department of Education	2,000	4,000	2,000	4,000
Total non-current borrowings	2,000	4,000	2,000	4,000
Total borrowings	4,000	6,000	4,000	6,000

The University has an interest free loan with the Northern Territory Government of \$6 million for the Charles Darwin University Education and Training Facility at the Darwin Waterfront Precinct. The term of the loan is five years; the first of three payments was due 30 June 2015 and final payment is due 30 June 2017.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
NOTE 27: PROVISIONS				
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	12,589	12,386	10,429	10,167
Long service leave	13,277	12,332	11,967	11,288
Total current provisions	25,866	24,718	22,396	21,455
Non-current provisions				
Employee benefits				
Long service leave	2,722	2,362	2,241	2,055
Total non-current provisions	2,722	2,362	2,241	2,055
Total provisions	28,588	27,080	24,637	23,510

There were 1,383 equivalent full time and fixed period contract employees at the end of 2015 and there were 1,415 equivalent full time and fixed period contract employees at the end of 2014.

NOTE 28: OTHER LIABILITIES

Current				
Revenue received in advance	14,247	12,190	13,884	11,870
OS-HELP liability to Australian Government*	11	26	11	26
Other	223	230	22,950	230
Total other liabilities	14,481	12,446	36,845	12,126

* The 2015 Department of Education Guidelines require OS-HELP to be recorded as a liability as it considers that the University acts as an agent on behalf of the Australian Government in distributing the loans to students.

NOTE 29: GAIN/(LOSS) ON DISPOSAL OF ASSETS

Proceeds on sale of property, plant and equipment	1,679	5,218	1,679	5,199
Gain on recognition of intangible at fair value	8,901	-	-	-
Less: Carrying amount of property, plant and equipment sold	(1,211)	(3,871)	(1,211)	(31)
Less: Carrying amount of land held for resale	(733)	(2,876)	(733)	(2,876)
Total gain/(loss) on disposal of assets	8,636	(1,529)	(265)	2,292

Gain/(Loss) is disclosed in the income statement as follows:

Gain on disposal of assets	8,636	2,292	-	2,292
Loss on disposal of assets	-	3,821	265	-
Total gain/(loss) on disposal of assets	8,636	(1,529)	(265)	2,292

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
NOTE 30: RESERVES, RESTRICTED FUNDS AND ACCUMULATED FUNDS				
(a) Reserves				
Property, plant and equipment revaluation reserve	238,978	244,235	238,708	243,969
Capital asset reserve	5,791	4,915	-	-
Restricted reserve - building	201	1,819	-	-
Total reserves	244,970	250,969	238,708	243,969
Movements				
Property, plant and equipment revaluation reserve				
Balance at 1 January	244,235	225,671	243,969	225,429
Revaluation surplus/(deficit) on:				
Land	-	6,238	-	6,238
Land improvements	(4)	970	(4)	970
Buildings	617	11,385	617	11,385
Demountables	-	73	-	73
Library collection	-	-	-	-
Work of art	47	(8)	47	(8)
Sub-total	660	18,658	660	18,658
Investments	4	24	-	-
Assets retired transferred to accumulated funds:				
Land, Building, Plant and equipment	(5,921)	(118)	(5,921)	(118)
Balance at 31 December	238,978	244,235	238,708	243,969
Capital asset reserve				
Balance at 1 January	4,915	4,410	-	-
Transfers from/(to) accumulated funds	876	505	-	-
Balance at 31 December	5,791	4,915	-	-
Restricted reserve - building				
Balance at 1 January	1,819	5,500	-	-
Transfers from/(to) accumulated funds	(1,618)	(3,681)	-	-
Balance at 31 December	201	1,819	-	-
(b) Restricted funds reserve				
Balance at 1 January	40,683	39,856	40,683	39,856
Transfers from/(to) accumulated funds or				
Adjustments via revenue and (expenditure)	(11,715)	827	(11,715)	827
Balance at 31 December	28,968	40,683	28,968	40,683

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 30: RESERVES, RESTRICTED FUNDS AND ACCUMULATED FUNDS (Continued)

(c) Accumulated funds

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Accumulated funds at 1 January	332,642	321,371	282,541	260,472
Operating result for the period	(13,896)	8,958	(22,148)	7,014
Accumulated funds before transfers to				
Restricted funds	318,746	330,329	260,393	267,486
Transfers (to) / from restricted funds	11,715	(827)	11,715	(827)
Transfer of property, plant and equipment revaluation reserve for retired assets	6,663	3,294	5,921	118
Transfer from retained earning	-	(154)	-	(154)
Distribution from Subsidiaries	-	-	141	15,918
Total accumulated funds at 31 December	337,124	332,642	278,170	282,541

(d) Nature and purpose of reserves

Property, plant and equipment revaluation reserve

The property, plant and equipment revaluation reserve arises on the revaluation of non-current assets. Where a revalued asset is sold that portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred to accumulated funds.

Capital assets reserve

Capital assets reserve arises from the need to plan the purchase of large capital items. Amounts transferred to the capital assets reserve are calculated on an annual basis as follows:

- an amount equal to the depreciation expense recorded for that year
- an amount equal to twenty (20) percent of any surplus generated by the administration cost centre
- an amount equal to ten (10) percent of any surplus generated from the research projects that are not tied to grant funding and have been undertaken on a fee for service basis.

Restricted funds

Restricted funds arise where funds are received in advance and are subject to contractual obligations, including activity and financial acquittal.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 31: KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of the Group during the financial year:

Council members

Mr Neil Balnaves AO	Chancellor - appointed on 22 April 2016
The Honourable Sally Thomas AC	Chancellor - until 22 April 2016
Professor Simon Maddocks *	Vice-Chancellor
Associate Professor Steve Shanahan	Chair, Academic Board
Professor Judith Whitworth AC	Member appointed by the Administrator
Professor Mary O'Kane AC	Member appointed by the Administrator
Mr Lorenzo Strano OAM	Member appointed by the Administrator
Mr Alan Morris	Member appointed by the Administrator
Ms Jodie Ryan	Member appointed by the Administrator
Mr Richard Ryan AO	Member appointed by the Administrator
Mr Ken Davies	Member appointed by the Administrator
Professor Keith Christian	Member elected by the Academic Staff (Higher Education)
Ms Louise King	Member elected by the Academic Staff (VET)
Mr Kingsley Brenton	Member elected by the Undergraduate Students
Mr Jeffery Gaden	Member elected by the Postgraduate Students

(b) Executive officers

Professor Simon Maddocks	Vice-Chancellor
Professor Sharon Bell	Deputy Vice-Chancellor
Professor Giselle Byrnes	Pro Vice-Chancellor, Faculty of Law, Education, Business and Arts
Professor Martin Carroll	Pro Vice-Chancellor, Academic
Professor Sue Carthew	Pro Vice-Chancellor, Faculty of Engineering, Health, Science and the Environment
Professor Lawrence Cram	Pro Vice-Chancellor, Research and Research Training
Ms Debra Farrelly	Chief Operating Officer
Ms Christine Robertson	Pro Vice-Chancellor, Faculty of Vocational Education and Training from October 2015
Associate Professor Steve Shanahan	Pro Vice-Chancellor, Faculty of Vocational Education and Training until October 2015
Mr Mark Hewitson	Chief Financial Officer
Professor Steven Larkin	Pro Vice-Chancellor, Indigenous Leadership
Mr Andrew Woodmansey	Deputy Chief Operating Officer

All of the above persons were also key management persons during the year ended 31 December 2015.

* Council members may include the Group's employees who may be ex-officio members or elected staff members. No Council member (including Chancellor or Vice-Chancellor) has received any remuneration in his/her capacity as a Council member. Council members may also be executive officers of the parent entity. Where this is the case they have been included in the following executive officer remuneration bands.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 31: KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

(c) Remuneration of Council members and executives

Remuneration paid or payable or otherwise made available to Council members and executives of the Group:

	Parent Entity	
	2015	2014
	Number	
Remuneration of Council members		
Nil to \$14,999	14	14
	Parent Entity	
	2015	2014
	Number	
Remuneration of executives		
Less than \$14,999		2
\$180,000 to \$194,999	1	
\$195,000 to \$209,999		
\$210,000 to \$224,999		1
\$225,000 to \$239,999	1	1
\$240,000 to \$254,999		1
\$255,000 to \$269,999	2	
\$270,000 to \$284,999	2	1
\$285,000 to \$299,999		2
\$300,000 to \$314,999	2	2
\$315,000 to \$329,999	1	2
\$330,000 to \$344,999		
\$345,000 to \$359,999	1	
\$360,000 to \$374,999		
\$375,000 to \$389,999		
\$390,000 to \$404,999		
\$420,000 to \$434,999		1
\$435,000 to \$449,999	1	
\$450,000 to \$464,999		1
\$570,000 to \$584,999	1	

(d) Key management personnel compensation

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	5,308	4,819	3,239	3,070
Termination Benefits	-	264	-	264
Post-employee benefits*	685	630	462	415
	5,993	5,713	3,701	3,749

* Superannuation is included in post-employee benefits.

(e) Loans to key management personnel

There were no loans provided to Council members or other key management personnel of the Group, including their personally related parties, during the year.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 32: REMUNERATION OF AUDITORS

Audit services

Fees paid to the Northern Territory Auditor-General's Office

Total remuneration for audit services

Consolidated		Parent Entity	
2015	2014	2015	2014
\$'000	\$'000	\$'000	\$'000
188	209	139	168
188	209	139	168

NOTE 33: CONTINGENCIES

Contingent liabilities

There were no material contingent liabilities as at 31 December 2015 and 2014.

NOTE 34: COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

Building works

Payable:

Within one year

Later than one year but not later than five years

Later than five years

Consolidated		Parent Entity	
2015	2014	2015	2014
\$'000	\$'000	\$'000	\$'000
1,121	14,446	920	12,626
-	-	-	-
-	-	-	-
1,121	14,446	920	12,626

(b) Lease commitments

All leases of the Group are operating leases.

Operating leases

Motor vehicles

Office equipment

Computing equipment

Property

Cancellable property

Total leases

-	10	-	10
537	442	537	442
2,443	1,361	2,443	1,361
3,475	3,775	3,475	3,775
111	302	-	-
6,566	5,890	6,455	5,588

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year

Later than one year but not later than five years

Total leases

2,440	2,115	2,440	2,115
4,015	3,473	4,015	3,473
6,455	5,588	6,455	5,588

Commitments for minimum lease payments in relation to cancellable operating leases are payable as follows:

Within one year

Later than one year but not later than five years

Later than 5 years

Total cancellable leases

111	191	-	-
-	111	-	-
-	-	-	-
111	302	-	-

The weighted average interest rate implicit in the non-cancellable operating leases is 2.49% (2014: 8.06%).

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 34: COMMITMENTS (Continued)

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
(c) Other expenditure commitments				
Other				
Within one year	3,989	4,662	3,989	4,642
Later than one year but not later than five years	-	-	-	-
Later than five years	-	-	-	-
	3,989	4,662	3,989	4,642
Joint ventures				
Within one year	1,039	494	1,029	484
Later than one year but not later than five years	3,190	1,060	3,150	1,020
Later than five years				
	4,229	1,554	4,179	1,504

(d) Revenue

Included in the 2015 consolidation revenue amount of \$308 million is capital funding received of \$3 million and structural adjustment funding of \$1 million which are committed to specific projects in 2015 and future years.

NOTE 35: RELATED PARTIES

(a) Parent entity

The parent entity is Charles Darwin University.

(b) Subsidiaries

Subsidiaries are set out in Note 36.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in Note 31.

(d) Transactions with related parties

The following transactions took place with related parties:

Menzies School of Health Research (MSHR)

	2015	2014
	\$'000	\$'000
Income		
Other	1,477	1,522
Student fees	-	-
Expenditure		
Student fees *	1,580	1,565
Projects	417	2,996
JRE, SRE and RIBG	2,874	2,988
Other	904	65
Total transactions with related parties	(4,298)	(6,092)

* Student fee income was earned by Menzies School of Health Research from students enrolled with the University but undertaking course work with the Education Section of Menzies School of Health Research. The terms and conditions governing the payment of these fees are covered in Attachments One and Two of the Memorandum of Understanding signed between Menzies School of Health Research and the University in March 2004.

Effective from September 2015 Menzies School of Health Research liquid investments have been pooled with Charles Darwin University investments. As at 31 December 2015 CDU hold \$22.7m investment on behalf of Menzies School of Health Research (disclosed in Note 28).

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 35: RELATED PARTIES (Continued)

Charles Darwin University Foundation Trust (CDUF)

	2015 \$'000	2014 \$'000
Income		
Donor disbursements for University activities	1,486	1,268
Expenditure		
Interest expense	130	152
Total transactions with related parties	1,356	1,116

CDU Amenities Limited (CDUA)

	2015 \$'000	2014 \$'000
Income		
CDU provides rental and administrative support at no charge	-	-
Expenditure		
Staff gym membership	15	20
Grant funding	259	184
Total transactions with related parties	(274)	(204)

Charles Darwin University Charitable Trust

During the year ended 31 December 2015, there were no transactions with Charles Darwin University Charitable Trust.

Centre for Remote Health

	2015 \$'000	2014 \$'000
Income		
Consultancy fees	112	122
Expenditure		
Grant funding	-	-
Total transactions with related parties	112	122

FCD Health Limited

During the year ended 31 December 2015, the University had no material transactions with FCD Health Limited.

(e) Loans to/from related parties

During the year ended 31 December 2015, there were no loans to/from related parties.

(f) Outstanding balances

As at 31 December 2015 the University is holding funds of \$13,914 on behalf of CDU Amenities Limited (2014: \$45,296).

As at 31 December 2015 the University was holding \$4,300,000 (2014: \$4,300,000) of liquid investments on behalf of the CDU Foundation Trust. Nil interest payable in 2015 and 2014 and \$5 (2014: \$95) of intercompany receivable/payable to CDU Foundation Trust.

(g) Additional information - Menzies School of Health Research (MSHR)

Menzies School of Health Research has been granted funds from the Commonwealth and Northern Territory Governments (NTG) for the purpose of constructing research and training facilities at Charles Darwin University and Royal Darwin Hospital and for refurbishing an existing building at Royal Darwin Hospital.

The new buildings will accommodate 420 Menzies School of Health Research staff and will allow the School to continue medical research and training, including laboratory and clinical research.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 35: RELATED PARTIES (Continued)

Menzies School of Health Research has transferred ownership of the buildings to the University and NTG respectively upon completion of the works and for Menzies School of Health Research to occupy the buildings for nominal rent. The University has offered Menzies School of Health Research a 20 year lease option at peppercorn rent. The University will occupy a portion of the building. The Northern Territory Department of Health is required to provide Menzies School of Health Research with a 20 year lease at peppercorn rent of \$1.00 per annum under the Funding Agreement.

The refurbishment of the existing building on the Royal Darwin Hospital campus was completed on 23 March 2015 at a cost of \$8.4m. The Northern Territory Department of Health has granted Menzies School of Health Research, the right to use the refurbished building under a lease (current lease expires in August 2018 with an option to extend to September 2034) at a peppercorn rent of \$1.00 per annum.

The balance of unspent project costs of \$201,199 at 31 December 2015 (2014: \$1,819,654) forms part of restricted reserves at year end. These funds are restricted for the use of refurbishment of the buildings as detailed above.

Menzies School of Health Research have accepted unconditional undertakings in the form of bank guarantees (to pay on demand) in favour of Lahey Construction Pty Ltd to a total of \$1,613,652 (2014: \$1,994,472).

NOTE 36: SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b)(i):

Name of entity	Country of Incorporation	Equity Holding	
		2015	2014
		%	%
Charles Darwin University Foundation	Australia	100	100
Menzies School of Health Research	Australia	100	100
CDU Amenities Limited	Australia	100	100
Charles Darwin University Charitable Trust	Australia	100	-

NOTE 37: JOINT OPERATIONS

(a) Joint Operations

Name of Joint Operation:	Centre of Remote Health
Nature of relationship:	Jointly providing health education and training for rural and remote areas
Principal place of business:	Alice Springs, NT
Ownership interest	50% for both 2015 and 2014

The assets employed in the above jointly controlled operations and assets are detailed below. The amounts are included in the financial statements under their respective categories.

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current assets	951	854	951	854
Non-current assets	2,485	2,587	2,485	2,587
Total assets	3,436	3,441	3,436	3,441
Current liabilities	115	113	115	113
Non-current liabilities	138	148	138	148
Total liabilities	253	261	253	261
Net assets	3,183	3,180	3,183	3,180
Revenues	2,194	2,584	2,194	2,584
Expenses	2,191	2,835	2,191	2,835
Net operating result before income tax	3	(251)	3	(251)

Share of partnership's commitments

The consolidated entity's share of capital commitments and other expenditure commitments relating to joint venture operations are disclosed in Note 34.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 37: JOINT OPERATIONS (Continued)

Name of Joint Operation:	The Heights, Durack
Nature of relationship:	Development of land for residential purposes
Principal place of business:	Palmerston, NT
Ownership interest	50% for both 2015 and 2014

Charles Darwin University entered into an agreement with CIC-THD Pty Ltd to develop part of Lot 9765 Town of Palmerston (known as The Heights, Durack). The development will deliver approximately 806 lots for residential purposes. The Agreement was dated 15 November 2010 and effective from that date. Under the Agreement, the University remains the registered proprietor of the land until the sub-divided lots are sold to the new purchasers. CIC-THD Pty Ltd as the developer of the land for re-sale is responsible for the costs and liabilities associated with the project. CIC-THD Pty Ltd also undertakes all marketing and sale activities.

The proceeds of the sale of land are accounted for on a net gain basis. Should the University become entitled to any distribution as a result of the project, this will be recognised by the University when the right to receive payment has been established (provided that it is probable that economic benefits will flow to the University and the amount of income can be measured reliably).

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Share of joint controlled operations assets and liabilities				
Current assets	16,244	16,976	16,244	16,976
Non-current assets	6,169	6,169	6,169	6,169
Total assets	22,413	23,145	22,413	23,145
Net assets	22,413	23,145	22,413	23,145
Share of joint controlled operations revenues, expenses and results				
Revenues	11,966	35,924	11,966	35,924
Expenses	10,661	32,865	10,661	32,865
Net operating result before income tax	1,305	3,059	1,305	3,059

Assets pledged as security

Charles Darwin University has entered into a mortgage in favour of the Commonwealth Bank of Australia (CBA) the effect of which is to secure repayment of the monies owing by CIC-THD Pty Ltd to CBA. The land has been pledged as security for CIC-THD Pty Ltd bank loans as required under the development agreement. The total borrowings of CIC-THD Pty Ltd at 31 December 2015 and 2014 were nil.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 37: JOINT OPERATIONS (Continued)

(b) Other

The University also participates in other joint venture entities for which the University's interest is not considered to be material. Accordingly, they have not been taken up in the accounts on an equity or proportional consolidation basis as per Australian Accounting Standard AASB 11 *Joint Arrangements*.

NOTE 38: ECONOMIC DEPENDENCY

The Group is funded predominantly by annual appropriations from both the Commonwealth and Northern Territory Government to meet proposed cash expenditure on both operational and capital items in the current financial year. These financial statements have been prepared on a going concern basis in the expectation that such funding will continue.

NOTE 39: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Since the end of the financial year a portion of the VET funding provided from the Northern Territory Government has become subject to competitive tender. The University is not aware of any other events affecting the Consolidated entity.

**NOTE 40: RECONCILIATION OF OPERATING RESULT
AFTER INCOME TAX TO NET CASH FLOWS FROM
OPERATING ACTIVITIES**

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Operating result for the period	(13,896)	8,958	(22,148)	7,014
Depreciation and amortisation	25,622	21,353	23,256	20,714
Net (gain)/loss on disposal of non-current assets	(8,636)	1,529	265	(2,292)
Purchase of biological assets	-	44	-	44
Fair value gains on other assets at fair value through profit or loss	15	-	-	-
Non-cash accounting adjustments on investment method	-	(35)	-	(35)
Non-cash investment income	(148)	(112)	(148)	(112)
	2,957	31,737	1,225	25,333
Change in operating assets and liabilities				
(Increase)/decrease in receivables	15,458	(10,783)	14,330	(10,674)
(Increase)/decrease in Inventories	37	(200)	37	(200)
(Increase)/decrease in biological assets	1,417	1,055	1,417	1,055
(Increase)/decrease in other financial assets	1,141	(26)	(48)	9
(Increase)/decrease in other non-financial assets	(25)	1,126	(151)	1,079
Increase/(decrease) in trade and other payables	(2,595)	(586)	288	(2,150)
Increase/(decrease) in other liabilities	2,035	5,908	24,717	5,984
Increase/(decrease) in provisions	1,508	1,928	1,127	1,814
	18,976	(1,578)	41,717	(3,083)
Net cash provided by/(used in) operating activities	21,933	30,159	42,942	22,250

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 41: FINANCIAL RISK MANAGEMENT

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. There has been no significant change in the risk factors from the prior year or management thereof.

The Group's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable and borrowing. The main risks that the Group is exposed through financial instruments are deposit interest rate risk and credit risk. Any borrowings are at fixed interest rates and consequently upward risk is minimal.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from overseas sources of income for research and consultancies and payments to creditors for overseas sourced supplies. The main currencies the Group is exposed to are the US dollar followed by British pounds and the Euro. The level of exposure to foreign exchange risk is not considered to be material. The Group does not engage in hedge contracts or other hedging instruments.

(ii) Price risk

The Group has limited exposure to financial instruments subject to price risk. The parent's investment policy is limited to deposits in Authorised Deposit-taking Institutions (ADIs). Some of the entities controlled by the Group have exposure to shares. The level of exposure is not considered material.

(iii) Cash flow and fair value interest rate risk

The Group has \$4,000,000 in borrowings as at balance date. The Group's funds on deposit are at rates fixed for the term of the deposit. At balance date, all funds were deposited with ADIs with Standard and Poor's credit ratings of A-2 or higher. Movement of rates will not affect the fair value of the assets as the deposits will be held to maturity. At call funds are subject to market rate movements. During 2015 the term deposit interest rate range was 0.97%. This is compared to the interest rate range in 2014 of 1.19%. The decrease in the interest rate range from 2014 to 2015 reflects the change in the cash rate from 2.50% at the end of 2014 to 2.00% at the end of 2015. The interest rate outlook for 2016 is likely to remain in the target range of 2.00%.

(iv) Summarised sensitivity analysis

The table on the next page summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk. There have been no changes from the previous period in the methods and assumptions used.

Significant assumptions used in the interest rate sensitivity analysis include, reasonably possible movements in interest rates determined based on the Group's mix of investments in Australia, relationships with financial institutions as well as the last two year's historical movements and economic forecaster's expectations.

As the Group does not engage in hedging it is subject to market variations in foreign exchange. The majority of its income and expenditure for foreign currency is the US dollar which has been subject to range of \$0.13 from the lowest exchange rate received to the highest in 2015 and 2014. The Australian dollar has been at historically low levels against the US dollar based on 2015 average rates. Forecasts vary on the expectations of the exchange rate for 2016. The Group has factored in a 10% variation (\$ 0.10) based on the 2015 average of \$0.84.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 41: FINANCIAL RISK MANAGEMENT (Continued)

At December 2015, if interest rates had moved, as illustrated in the table below, with all the other variables held constant, result and equity would have been affected as follows:

	Consolidated carrying amount \$'000	Interest rate risk			
		-2%		+2%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
31 December 2015					
Financial assets					
Cash and cash equivalents	108,190	(2,164)	(2,164)	2,164	2,164
Total increase/(decrease)		(2,164)	(2,164)	2,164	2,164
31 December 2014					
Financial assets					
Cash and cash equivalents	107,343	(2,147)	(2,147)	2,147	2,147
Total increase/(decrease)		(2,147)	(2,147)	2,147	2,147

The movements in result are due to higher/lower interest revenue from variable rate cash balances. Borrowings are at fixed interest rates.

(b) Credit risk

The Group's exposure to credit risk is mainly restricted to receivables. The Group does not have significant exposure to any one debtor. At balance date, all funds were deposited with Authorised Deposit-taking Institutions with Standard and Poor's credit ratings of A-2 or higher. The consolidated entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

(c) Liquidity risk

There is no significant risk associated with the Group meeting its obligations associated with financial liabilities. Cash flow to meet ongoing commitments is monitored daily. Strict budgeting and forecasting procedures are in place.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly-traded derivatives) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to their short-term nature of trade receivables and payables.

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 42: ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE
NOTE 42.1 EDUCATION - CGS AND OTHER EDUCATION GRANTS

Parent Entity (HEP) ONLY												
Note	Commonwealth Grants Scheme #1		Indigenous Support Fund		Partnership & Participation Program #2		Disability Support Program		Workplace Reform Program		Workplace Productivity Program	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial Assistance received in Cash during the reporting period (total cash received from the Australian Government for the Programs)	58,516	55,629	1,156	1,189	1,478	7,666	11	16	-	-	-	-
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	58,516	55,629	1,156	1,189	1,478	7,666	11	16	-	-	-	-
Surplus/(deficit) from the previous year	-	-	-	-	5,763	1,963	-	-	-	-	-	-
Total revenue including accrued revenue	58,516	55,629	1,156	1,189	7,241	9,629	11	16	-	-	-	-
Less expenses including accrued expenses	58,516	55,629	1,156	1,189	917	3,866	11	16	-	-	-	-
Surplus/(deficit) for reporting period	-	-	-	-	6,324	5,763	-	-	-	-	-	-

#1 Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

#2 Includes Equity Support Program.

Note	Capital Development Pool		Diversity & Structural Adjustment Fund #3		Promo of Exc in Learning and Teaching		Reward Funding		Other		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial Assistance received in Cash during the reporting period (total cash received from the Australian Government for the Programs)	-	-	-	1,880	40	115	-	-	327	-	59,528	66,475
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	-	-	-	1,880	40	115	-	-	327	-	59,528	66,475
Surplus/(deficit) from the previous year	-	-	2,905	5,275	162	250	430	430	-	-	9,260	7,918
Total revenue including accrued revenue	-	-	2,905	7,155	202	365	430	430	327	-	68,788	74,393
Less expenses including accrued expenses	-	-	2,905	4,260	169	203	430	-	248	-	62,372	65,133
Surplus/(deficit) for reporting period	-	-	-	2,905	13	162	-	430	79	-	6,416	9,260

#3 Includes Collaboration and Structural Adjustment Program.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 42: ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (Continued)

NOTE 42.2 HIGHER EDUCATION LOAN PROGRAMS (excl OS-HELP)

Cash Payable/(Receivable) at beginning of Financial Assistance received in Cash during the reporting period
Net accrual adjustments
Cash available for period

Less: Revenue earned

Cash Payable/(Receivable) at end of year

Parent Entity (HEP) ONLY									
HECS-HELP Australian Government Payments only		FEE-HELP #4		VET FEE-HELP		SA-HELP		Total	
2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
-	-	-	-	-	-	-	(24)	-	(24)
22,860	23,821	302	405	362	-	537	625	24,061	24,851
-	-	-	-	-	-	-	24	-	24
22,860	23,821	302	405	362	-	537	625	24,061	24,851
22,860	23,821	302	405	362	-	537	625	24,061	24,851
-	-	-	-	-	-	-	-	-	-

#4 Program in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.

NOTE 42.3 SCHOLARSHIPS

Financial Assistance received in Cash during the reporting period (total cash received from the Australian Government for the Programs)
Net accrual adjustments
Revenue for the period
Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

Parent Entity (HEP) ONLY											
Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships ^{#5}		Commonwealth Accommodation Scholarships ^{#5}		Indigenous Access Scholarship		Total	
2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
1,842	1,830	135	134	(47)	650	(90)	60	273	447	2,113	3,121
-	-	-	-	323	(418)	30	(286)	108	(14)	461	(718)
1,842	1,830	135	134	276	232	(60)	(226)	381	433	2,574	2,403
2,187	1,855	125	85	463	491	30	291	108	14	2,913	2,736
4,029	3,685	260	219	739	723	(30)	65	489	447	5,487	5,139
-	1,498	162	94	739	260	(30)	35	489	339	1,360	2,226
4,029	2,187	98	125	-	463	-	30	-	108	4,127	2,913

#5 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 42: ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (Continued)

NOTE 42.4 EDUCATION RESEARCH

Financial Assistance received in Cash during the reporting period (total cash received from the Australian Government for the Programs)
Net accrual adjustments
Revenue for the period
Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

#6 Includes Institutional Grants Scheme

Parent Entity (HEP) ONLY											
Joint Research Engagement #6		Research Training Scheme		Research Infrastructure Block Grants		Implementation Assistance Program		Sustainable Research Excellence in Universities		Total	
2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
3,316	3,376	4,559	4,539	2,582	2,503	-	-	1,938	1,754	12,395	12,172
-	-	-	-	-	-	-	-	-	-	-	-
3,316	3,376	4,559	4,539	2,582	2,503	-	-	1,938	1,754	12,395	12,172
-	-	-	-	592	602	-	-	-	-	592	602
3,316	3,376	4,559	4,539	3,174	3,105	-	-	1,938	1,754	12,987	12,774
3,316	3,376	4,559	4,539	3,174	2,513	-	-	1,938	1,754	12,987	12,182
-	-	-	-	-	592	-	-	-	-	-	592

NOTE 42.5 OTHER CAPITAL FUNDING

Financial Assistance received in Cash during the reporting period (total cash received from the Australian Government for the Programs)
Net accrual adjustments
Revenue for the period
Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

Parent Entity (HEP) ONLY							
Better Universities Renewal Funding		Teaching & Learning Capital Fund		Education Investment Fund		Total	
2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
-	-	-	-	3,931	10,000	3,931	10,000
-	-	-	-	(2,846)	2,846	(2,846)	2,846
-	-	-	-	1,085	12,846	1,085	12,846
-	-	-	-	2,846	-	2,846	-
-	-	-	-	3,931	12,846	3,931	12,846
-	-	-	-	3,931	10,000	3,931	10,000
-	-	-	-	-	2,846	-	2,846

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 42: ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (Continued)

NOTE 42.6 AUSTRALIAN RESEARCH COUNCIL GRANTS

(a) Discovery

Financial Assistance received in Cash during the reporting period (total cash received from the Australian Government for the Programs)

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

Parent Entity (HEP) ONLY							
Projects		Fellowships		Indigenous Researchers Development		Total	
2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
226	92	-	352	36	-	262	444
-	-	-	-	-	-	-	-
226	92	-	352	36	-	262	444
11	61	-	-	-	-	11	61
237	153	-	352	36	-	273	505
90	142	-	352	5	-	95	494
147	11	-	-	31	-	178	11

(b) Linkages

Financial Assistance received in Cash during the reporting period (total cash received from the Australian Government for the Programs)

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

Parent Entity (HEP) ONLY					
Infrastructure		Projects		Total	
2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
143	539	151	250	294	789
-	-	-	-	-	-
143	539	151	250	294	789
147	-	489	481	636	481
290	539	640	731	930	1,270
147	392	547	242	694	634
143	147	93	489	236	636

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 42: ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (Continued)

NOTE 42.7 OS-HELP

Parent Entity (HEP) ONLY			
OS-HELP		Total	
2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash received during the reporting period	9	9	50
Cash spent during the reporting period	24	24	42
Net Cash received	(15)	(15)	8
Cash Surplus/(deficit) from the previous period	26	26	14
Carry forward adjustment	-	-	4
Cash Surplus/(deficit) for reporting period	11	11	26

NOTE 42.8 HIGHER EDUCATION SUPERANNUATION

Parent Entity (HEP) ONLY			
Superannuation Supplementation		Total	
2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash received during the reporting period	29	29	36
University contribution in respect of current employees	-	-	-
Cash available	29	29	36
Cash surplus/(deficit) from the previous period	-	-	-
Cash available for current period	29	29	36
Contributions to specified defined benefit funds	29	29	36
Cash surplus/(deficit) this period	-	-	-

CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 42: ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (Continued)

NOTE 42.9 STUDENT SERVICES AND AMENITIES FEE

	Parent Entity (HEP) ONLY			
	Student Services and Amenities Fee		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Unspent/(overspent) revenue from previous period	1,510	130	1,510	130
Carry Forward Adjustment	-	568	-	568
SA-HELP Revenue Earned	537	625	537	625
Student services fees direct from students	-	494	-	494
Total revenue expendable in period	2,047	1,817	2,047	1,817
Student services expenses during period	466	307	466	307
Underspent/(overspent) student services revenue	1,581	1,510	1,581	1,510

**CHARLES DARWIN UNIVERSITY AND ITS CONTROLLED ENTITIES
REPORT BY MEMBERS OF COUNCIL**

1. In our opinion:

(a) the accompanying financial statements of the University and the consolidated entity are drawn up so as to give a true and fair view of the state of affairs as at 31 December 2015, and the results for the year ended on that date, of the University and the consolidated entity; and

(b) at the date of this statement there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due.

2. The accompanying financial statements and notes thereto, of the University and the economic entity have been prepared in accordance with the *Charles Darwin University Act* and Australian Accounting Standards, *Australian Charities and Not-for-profits Commission Act 2012*, Australian Charities and Not-for-profits Commission Regulation 2013, and as per the Commonwealth Department of Education Guidelines for the Preparation of Annual Financial Statements for the 2015 Reporting Period by Australian Higher Education Institutions.

3. The amount of Australian Government financial assistance expended during the reporting period was for the purpose(s) for which it was provided.

4. Charles Darwin University has complied with the requirements of various program guidelines that apply to the Australian Government financial assistance identified in the financial statements.

Signed at Darwin this 13 day of May 2016

CHANCELLOR

VICE-CHANCELLOR



Auditor-General

Independent Auditor's Report the Members of Charles Darwin University and its Controlled Entities Year Ended 31 December 2015

Page 1 of 2

I have audited the accompanying financial report of Charles Darwin University and its Controlled Entities ("the University") which comprises the statement of financial position as at 31 December 2015, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Vice-Chancellor's declaration.

The Vice-Chancellor's Responsibility for the Financial Report

The Vice-Chancellor of the University is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, *Australian Charities and Not-for-Profits Commission Act 2012* and the *Charles Darwin University Act*, and for such internal control as the Vice-Chancellor determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Vice-Chancellor, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

I am independent of Charles Darwin University and its Controlled Entities and in conducting my audit, I followed the applicable independence requirements of the *Audit Act* and of Australian professional ethical pronouncements.



Auditor-General

Page 2 of 2

Opinion

In my opinion the financial report of Charles Darwin University and its Controlled entities has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the University's financial position at 31 December 2015, and its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards, *Charles Darwin University Act* and Division 60 of the *Australian Charities and Not-for-Profits Regulation 2013*.

Julie Crisp
Auditor-General for the Northern Territory
Darwin, Northern Territory

13 May 2016



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Front and back cover: Menzies School of Health Research building on Casuarina campus.