

	Notes	Consolidated		Parent entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	15	7,106	8,349	6,909	8,183
Receivables	16	3,250	6,227	3,329	6,188
Other financial assets	17	1,281	1,243	1,281	1,200
Total current assets		11,637	15,819	11,519	15,571
Non-current assets					
Property, plant and equipment	18	146,582	126,861	146,555	126,831
Intangible assets	19	240	-	240	-
Other financial assets	17	200	260	200	260
Total non-current assets		147,022	127,121	146,995	127,091
Total assets		158,659	142,940	158,514	142,662
LIABILITIES					
Current liabilities					
Trade and other payables	20	3,704	6,176	3,619	6,098
Borrowings	21	2,048	1,944	2,048	1,944
Provisions	22	5,743	3,980	5,723	3,960
Other liabilities	23	2,565	1,852	2,565	1,755
Total current liabilities		14,060	13,952	13,955	13,757
Non-current liabilities					
Borrowings	21	26,075	26,669	26,075	26,669
Provisions	22	1,095	998	1,084	989
Total non-current liabilities		27,170	27,667	27,159	27,658
Total liabilities		41,230	41,619	41,114	41,415
Net assets		117,429	101,321	117,400	101,247
EQUITY					
Reserves	24	54,152	46,131	54,152	46,131
Retained surplus	24	63,277	55,190	63,248	55,116
Total equity		117,429	101,321	117,400	101,247

The above balance sheet should be read in conjunction with the accompanying notes

Notes	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Total equity at the beginning of the financial year	101,321	87,290	101,247	87,197
Gain on revaluation of land and buildings, net of tax	8,021	8,401	8,021	8,401
Net income recognised directly in equity	8,021	8,401	8,021	8,401
Operating result for the period	8,087	5,630	8,132	5,649
Total recognised income and expense for the period	16,108	14,031	16,153	14,050
Total equity at the end of the year before adjustments	117,429	101,321	117,400	101,247
Effect of correction of error in previous year, being a reduction in retained surplus, attributable to members of the University of the Sunshine Coast	-	-	-	-
Effect of changes in accounting policy	-	-	-	-
Total equity at the end of the year	117,429	101,321	117,400	101,247

Total recognised income and expense for the year is attributable to the members of the University of the Sunshine Coast.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	Consolidated		Parent entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Cash flows from operating activities					
Australian Government Grants received	2(h)	59,756	42,088	59,756	42,049
State Government Grants received		3,791	2,515	3,606	2,390
Local Government Grants received		77	7	77	7
HECS-HELP - Student payments		2,042	2,004	2,042	2,004
Receipts from students fees and other customers		17,217	15,723	16,389	15,245
Interest received	5	590	996	584	992
Interest and other costs of finance paid	12	(1,582)	(1,451)	(1,582)	(1,451)
Payments to suppliers and employees (inclusive of goods and services tax)		(68,929)	(53,657)	(67,941)	(53,136)
GST recovered/(paid)		2,706	-	2,706	-
Net cash provided by / (used in) operating activities	29	15,668	8,225	15,637	8,100
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		42	12	42	11
Payments for property, plant and equipment		(16,462)	(24,721)	(16,462)	(24,724)
Net cash provided by / (used in) investing activities		(16,420)	(24,709)	(16,420)	(24,713)
Cash flows from financing activities					
Proceeds from borrowings		1,416	10,000	1,416	10,000
Repayment of borrowings		(1,907)	(1,629)	(1,907)	(1,629)
Net cash provided by / (used in) financing activities		(491)	8,371	(491)	8,371
Net increase / (decrease) in cash and cash equivalents		(1,243)	(8,113)	(1,274)	(8,242)
Cash and cash equivalents at beginning of the financial year		8,349	16,462	8,183	16,425
Cash and cash equivalents at the end of the year	15	7,106	8,349	6,909	8,183
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The above cash flow statement should be read in conjunction with the accompanying notes.

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Note 1 Summary of significant accounting policies

The University of the Sunshine Coast (the University) is established under the *University of the Sunshine Coast Act 1998* and is a statutory body as defined by the *Financial Administration and Audit Act 1977*.

The principal accounting policies adopted in the preparation of this financial report by the University are stated in order to assist in a general understanding of the financial statements. These policies have been consistently applied to all years presented, unless otherwise indicated. Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

The financial report includes separate financial statements for the University as an individual entity and the consolidated entity consisting of the University and its subsidiaries, the Innovation Centre Sunshine Coast Pty Ltd and Multi Access Productions Pty Ltd. The following is a summary of the material significant accounting policies adopted by the economic entity in the preparation of the financial report.

a) Basis of preparation

These financial statements are a general purpose financial report that has been prepared in accordance with the Financial Management Standard, issued under Section 46L of the *Financial Administration and Audit Act 1977*, applicable Australian Accounting Standards (AASB) AASB Interpretations and the requirements of the Department of Education, Employment and Workplace Relations (DEEWR) and other State/Australian Government legislative requirements.

Compliance with International Financial Reporting Standards (IFRS)

These financial statements and notes of the University comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with International Financial Reporting Standards (IFRS) requirements.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain classes of property, plant and equipment.

Accrual basis of accounting

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting.

Critical accounting estimates and judgments

The members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

There were no critical accounting estimates or judgments made during the preparation of the financial report.

b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University ("parent entity") as at 31 December 2007 and the results of all subsidiaries for the year then ended. The University and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all those entities over which the University has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control generally accompanies a shareholding of 100%. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases.