

2018 Annual Accounts



**BOND UNIVERSITY LIMITED
A.C.N. 010 694 121
AND CONTROLLED ENTITIES**

COMPANY PARTICULARS

Directors

Honourable Dr Annabelle Bennett AO SC	(Chancellor)
Professor Timothy Brailsford	(Vice Chancellor)
David Baxby	
Derek Cronin	
Dr Darryl Gregor OAM	
Victor Hoog Antink	
Professor Daryl Le Grew AO	
Lisa MacCallum	
Lisa Paul AO PSM	
Dr Emmanuel Pohl	

Secretary

Michael Dean

Registered Office

Bond University Limited
Level 6, The Arch
Bond University Qld 4229

Auditors

Ernst & Young
111 Eagle Street
Brisbane Qld 4000

Solicitors

Minter Ellison
Waterfront Place
1 Eagle Street
Brisbane Qld 4000

Bankers

Westpac Banking Corporation
260 Queen Street
Brisbane Qld 4000

DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of Bond University Limited and the entities it controlled ("Group") at the end of, or during, the year ended 31 December 2018.

Directors

The following persons were directors of Bond University Limited during the whole of the financial year and up to the date of this report:

Honourable Dr Annabelle Bennett AO SC
Professor Timothy Brailsford
David Baxby
Derek Cronin
Dr Darryl Gregor OAM
Victor Hoog Antink
Professor Daryl Le Grew AO
Lisa MacCallum
Lisa Paul AO PSM
Dr Emmanuel Pohl

Mission Statement

As Australia's first private non-profit university, Bond University seeks to be recognised internationally as a leading independent university, imbued with a spirit to innovate, a commitment to influence and a dedication to inspire tomorrow's professionals who share a personalised and transformational student experience.

Objectives and Strategies

<p>Objectives:</p> <ol style="list-style-type: none">1. Build on our international brand, underpinned by a distinctive value proposition centred on an outstanding student experience.2. Strengthen our financially sustainable business model and robust capital base.3. Grow and diversify our student enrolments, particularly through international and postgraduate students.4. Focus on niche centres of research excellence.

<p>Strategies:</p> <ol style="list-style-type: none">1. Delivering educational programs that are relevant, distinctive and high quality and ensuring our ability to innovate and move with the market.2. Distinguishing our University within the market by our commitment to innovate practices which improve student experience and graduate outcomes and emphasise our intellectual contribution.3. Elevating our standing and reach by engaging with business, industry, government, academe, schools and community through research, partnership and collaboration, as well as deepening our involvement with alumni in all aspects of our University life.4. Harnessing the abilities, commitment and cohesiveness of our workforce by promoting the culture of passionate support within our University, implementing technology that support new modes of learning and teaching, and supporting innovative practice.
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DIRECTORS' REPORT (continued)

Principal Activities and Significant Changes in Nature of Activities

The principal activity of the consolidated entity is the promotion and operation of Bond University in Queensland. The University also has an agreement with Business Breakthrough University (BBT) in Japan for the delivery of a Masters of Business Administration program in Japan.

Bond University provides a range of pathway programs into the University, including English language programs through the Bond University College.

In addition to this, Bond University Limited has two subsidiaries - Campus Operations Pty Ltd operates student accommodation including food and beverage facilities and Lashkar Pty Ltd owns and manages the Bond Institute of Health and Sport (BIHS) building.

These principal activities have directly contributed to Bond achieving its objectives. As a not-for-profit entity, the University reinvests its surplus from operations back into the University and continues to introduce new courses, maintain and enhance an innovative and agile teaching and learning environment with the increasing use of technology, and invests in research (including collaborations with industry partners).

Key Performance Indicators

The Council and management monitor the Group's overall performance, from its implementation of the mission statement and strategic plan through to the performance of the Group against its operating plan and budget.

The Council, together with management, have identified key performance indicators (KPIs) that will be used to monitor performance. These KPIs have been developed across each of the key objectives of the University and include measures of financial performance, surveys to assess the quality of services provided to the students including teaching and learning outcomes, improvements in the number of research active staff including measurement of research outputs, increase in industry sponsorships and internships for students.

Senior management report, on a regular basis, the outcome of these measures to Council.

Dividends

Bond University Limited is a not-for-profit company limited by guarantee. Accordingly, no dividend was declared (2017: nil).

Other Corporate Information

Bond University Limited was incorporated as a company limited by guarantee. Pursuant to the Constitution of the company, each member has undertaken in the event of a deficiency on winding up, to contribute an amount not exceeding \$10. At 31 December 2018, the registered membership of the company was 30 and the collective liability of members was \$300 (2017: \$300).

DIRECTORS' REPORT (continued)

Review of Operations

The University achieved a net profit of \$22.5 million for the year compared with \$12.5 million in the prior year.

The net profit was derived from total operating revenue of \$202.5 million (2017: \$181.0 million) and other income of \$12.4 million (2017: \$16.3 million), less total operating expenditure of \$192.4 million (2017: \$184.8 million).

The University includes in other income all research, donations and grants income, for which there can be specific restrictions on their use.

Fair value gains on financial assets are included in Other Comprehensive Income. The total gain for 2018 amounted to \$7.8 million (2017: \$5.3 million) and is primarily attributable to the University's investment in Education Australia Limited.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters Subsequent to the End of the Financial Year

No matter or circumstance has arisen since 31 December 2018 that has significantly affected or may significantly affect:

- (a) the consolidated entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the consolidated entity's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

There are no likely developments not otherwise disclosed in the accounts to report upon.

Environmental Regulation

The company is subject to environmental regulation only in respect to any tree clearing that may be associated with a new building site or in the case of a specialised building, the management of medical or trade waste.

DIRECTORS' REPORT (continued)

Information on Directors

Honourable Dr Annabelle Bennett

Chairman – Non-executive director

Qualifications

PhD (Syd.), BSc (Hons), LLB (NSW), D Univ *honoris causa* (ANU), D. Laws *honoris causa* (UNSW)

Experience

Independent non-executive director and Chairman of Bond University Limited since 19 April 2016. Dr Bennett retired as a Judge of the Federal Court of Australia in March 2016 after a distinguished career in the law. She became a Senior Counsel in New South Wales in 1994. Dr Bennett is serving as an Arbitrator of the Court of Arbitration for Sport, as well as an arbitrator with other bodies and President (part time) of the NSW Anti-Discrimination Board as well as Chair of Land Services SA and a Director of the Garvan Institute of Medical Research. She is the Chair of the Advisory Group of Judges to the World Intellectual Property Organisation. She has served, as the President of the Copyright Tribunal of Australia, Presidential Member of the Administrative Appeals Tribunal and an Additional Judge of the Supreme Court of the ACT. She is a member and Past President of Chief Executive Women. In 1998, she joined the Council of the Australian National University and served for over a decade as Pro Chancellor. She has also served as Chairman of the National Health and Medical Research Council. In 2005 she was appointed as an Officer of the Order of Australia (AO) for service to the law, particularly in the areas of intellectual property, administrative law and professional conduct, and to the community.

Other current directorships

Non-Executive Director, Garvan Institute of Medical Research.

President, Anti-Discrimination Board of New South Wales.

Chair, Land Services SA Holding Pty Ltd.

Member, Advisory Board of the Faculty of Law of The Chinese University of Hong Kong.

Commissioner (Part-time), Law Reform Commission conducting digital assets review.

Member, Academic Committee, Intellectual Property and Competition Academy of Shanghai and Jiao Tong University.

Member, World Intellectual Property Organisation (WIPO) Mediation and Arbitration List of Neutrals.

Special responsibilities

Chancellor.

Chairman of Nominations Advisory Committee.

Member of Audit & Risk Management Committee.

Member of Occupational Health and Safety Committee.

Member of Bond University Limited.

Professor Timothy Brailsford

Executive director

Qualifications

PhD Monash, MEc, FCPA, SFFin, FIML

Experience

Executive director, Vice-Chancellor and President of Bond University Limited since 11 January 2012. Former Executive Dean of Faculty of Business, Economics, Law and Tourism of the University of Queensland. Former Foundation Head & Dean of the UQ Business School. Former Dean of the Faculty of Economics and Commerce of the Australian National University.

Other current directorships

Director, Unisport Australia Ltd.

Special responsibilities

Vice-Chancellor and President.

DIRECTORS' REPORT (continued)

Information on Directors (continued)

David Baxby *Non-executive director*

Qualifications

BComm LLB (Hons) Bond

Experience

Independent non-executive director of Bond University Limited since 17 April 2015. Following his graduation from Bond University with Law and Commerce Degrees, Mr. Baxby completed ten years with Goldman Sachs both in Sydney and London. He then spent 10 years working for the Virgin Group in Sydney, Shanghai and Geneva culminating in his appointment as Group Co-CEO for the Virgin Group in Geneva. He has spent the past 20 years immersed in a diverse range of industries spanning aviation, banking, mobile telephony and technology. In August 2017, Mr. Baxby was appointed Managing Director, Wesfarmers Industrials Division which comprises of Resources, Industrial and Safety, Chemicals, Energy and Fertiliser businesses. Mr. Baxby is a 921 alumnus of the University. Mr. Baxby is a current member of the Australian Institute of Company Directors; Advance Australia Foundation; Australian Venture Capital Association and Family Office Circle.

Special responsibilities

Member of the Alumni Advisory Board.

Member of Audit & Risk Management Committee.

Member of Occupational Health and Safety Committee.

Derek Cronin *Non-executive director*

Qualifications

LLB Bond

Experience

Independent non-executive director of Bond University Limited since 17 April 2015. Mr. Cronin is an experienced lawyer with considerable expertise in dispute resolution and commercial litigation. He brings significant skills and experience in the legal, general business, commercial and community sectors, together with a sound understanding of the higher education sector. Mr. Cronin is an 892 alumnus of the University.

Other current directorships

Director, Northcliffe Surf Life Saving Supporters Club.

Special responsibilities

Chair of the Alumni Advisory Board.

Member of the Law Advisory Board.

DIRECTORS' REPORT (continued)

Information on Directors (continued)

Dr Darryl Gregor OAM *Non-executive director*

Qualifications

MBBS (QLD), FRANZCO, LASIK fellowship, Houston TX

Experience

Independent non-executive director of Bond University Council since 2 May 2014. Dr Darryl Gregor has worked as a leading Australian Cataract & Refractive Surgeon for almost four decades, performing over 25,000 cataract procedures. He is a founding partner of the Eye Centre and Laser Vision Centre, Gold Coast. Passionate about his craft, Dr Gregor has spearheaded many firsts throughout his career. Founding his practice in Southport in 1980, he was one of the first Australian ophthalmologists to implant an intraocular lens that same year, to perform Excimer Laser surgery in 1991, and LASIK in 1996. Dr Gregor also pioneered Day Surgery in Australia, building Queensland's first licensed Day Theatre, *Brockway House*, in 1985. Dr Gregor has held various memberships and directorships including founding member of the Australian Society of Cataract and Refractive Surgeons, member of the American Cataract and Refractive Surgery Society, member of the Australian Institute of Company Directors (MAICD), executive director of Gold Coast Day Hospitals Pty Ltd and executive director of Vision Eye Institute. He is medical tourism advisor to the City of Gold Coast, fellow of the Royal Australian College of Ophthalmologists, former president of the Gold Coast Medical Association and branch Councilor of Australian Medical Association Queensland (AMAQ). Dr Gregor has an appreciation for higher education and the arts and was instrumental in establishing Bond University Medical School with Dr Peter Heiner. The *Gregor Heiner Lecture Theatre* was named in their honour in 2004. He has also served on the Bond University Medical Student Interview panel since 2007. Dr Gregor has completed a course at National Institute of Dramatic Arts (NIDA) and currently serves on the board at Bleach* The Gold Coast Festival. Dr Gregor was awarded an Order of Australia Medal (OAM) in 2014 for services to ophthalmology and education.

Other current directorship

Non-Executive Director, Bleached Arts Ltd Board.

Victor P Hoog Antink *Non-executive director*

Qualifications

MBA Harv, BCom Qld, FCA, FAICD, FRICS, FAPI

Experience

Independent non-executive director of Bond University Limited since 26 December 2014. Mr. Hoog Antink is the Chairman of the Bond Business School Advisory Board. He is a Director of Sands China Ltd (HKSE 1928) listed in Hong Kong and a former Chairman of South Bank Corporation. Before becoming a Non-Executive Director in 2012, Mr. Hoog Antink was the CEO of the DEXUS Property Group for more than eight years. Prior to that, he was the Director of Funds Management at Westfield responsible for the Westfield Trust and the Westfield America Trust. Mr. Hoog Antink has also served as the Chairman of the Property Industry Foundation and as the National President of the Property Council of Australia and has been awarded honorary national life membership of the Property Council of Australia. He has extensive experience in managing businesses and investments in Australia and internationally.

Other current directorships

Director, Sands China Limited.

Chairman, Bond Business School Advisory Board.

Special responsibilities

Chair of Audit & Risk Management Committee.

Chair of Occupational Health & Safety Committee.

Member of Bond University Limited.

DIRECTORS' REPORT (continued)

Information on Directors (continued)

Professor Daryl Le Grew AO *Non-executive director*

Qualifications

MArch(Melb); DLitt (Hon) (Tas)

Experience

Independent non-executive director of Bond University Limited since 5 May 2017. Former Vice Chancellor of the University of Tasmania and of the University of Canterbury. Professor Le Grew runs his own design consultancy and is an internationally recognised researcher and practitioner who works extensively within the fields of University futures, campus futures, urban Architecture and creative thinking. Professor Le Grew has over 14 years as a Vice Chancellor intertwined with Architectural research and practice. The skills that Professor Le Grew brings to Council are: Education, Governance, Community Service, International and Corporate/Commercial.

Other current directorships

Director, Australian Centre for Innovation and Design.

Director, Creative Futures Limited.

Lisa MacCallum *Non-executive director*

Qualifications

BA; BComm (Bond); CPA

Experience

Independent non-executive director of Bond University Limited since 5 May 2017. She is the Founder and creator of Inspired Companies – a framework for Action and approach to brand strategy to support the corporate sector's transition from profit as purpose to profit through the pursuit of bigger more purposeful ideas. Ms. MacCallum provides independent strategic advice to a range of companies looking to navigate this transition, create competitive advantage and deliver sustained profitable growth. She brings the following skills to Council: Education; Brand Strategy, Strategic Communications; Corporate/Commercial; Community Service; Technology and global perspective. Ms. MacCallum founded a Japanese multi-media company and related university programs in 1998 and has held a number of senior positions in global companies, most recently as Vice President for NIKE Inc. She has consulted with a number of for-profit and not-for-profit organisations in a range of discipline areas. Ms. MacCallum is a 912 alumna of the University.

Other current directorships

Committee member of British Telecom PLC Board.

Independent non-executive director of Villa World Limited.

Member of Advisory Board, KAO Corporation, Japan.

Member of Advisory Board, Young Global Leaders of the World Economic Forum.

DIRECTORS' REPORT (continued)

Information on Directors (continued)

Lisa Paul AO PSM *Non-executive director*

Qualifications

BA (Hons), FAICD, FACEL, FAIM, FIPAA, FANZSOG

Experience

Independent non-executive director of Bond University Limited since 19 April 2016. Ms. Paul has been a Chief Executive in the Australian federal government from 2004 to 2016, most recently as the Secretary of the Australian Government Department of Education and Training. She is an Australian National University Policy Fellow, a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Council for Educational Leaders, National Fellow of the Institute of Public Administration Australia, a Fellow of the Australian Institute of Management, a member of Chief Executive Women and a Fellow of the Australian and New Zealand School of Government. Ms. Paul is Chair of Headspace, the National Youth Mental Health Foundation and serves on the Government's Naval Shipbuilding Advisory Board and Navitas. She is an Enterprise Professor at the University of Melbourne. She was formerly a Director of Advanced Personnel Management (APM), Australian Research Alliance for Children and Youth, Programmed Group and Advisory Board to the Melbourne Accelerator Program.

Other current directorships

Non-Executive Director, Australia America Education Leadership Foundation.

Non-Executive Director and Chair, Curriculum subcommittee, High Resolves.

Non-Executive Director, Schools Plus.

Non-Executive Director, Navitas.

Dr Emmanuel Pohl *Non-executive director*

Qualifications

B.Sc (Eng), MBA, DBA, FAICD, MSAA, F Fin

Experience

Independent non-executive director of Bond University Limited since 19 April 2016. Dr. Pohl is currently Chairman and CIO of investment house EC Pohl & Co, which he founded in June 2012. EC Pohl & Co is an investment manager that specialises in identifying and investing in quality Australian companies. He has more than thirty years of investment experience and has served on the boards of several major corporations and the Accounting Practices Board in his native South Africa and his adopted home Australia. He has extensive experience in the funds management industry. His past roles have included, Director, Queensland Gas Co Ltd; Director, Growth Equities Corp Ltd; Founding Managing Director and Chairman of the Investment Committee, Hyperion Asset Management Limited; Portfolio Manager, Westpac Investment Management and Director and Head of Research, Davis Borkum Hare Inc. He has also been heavily involved in the community sector, particularly with sport, health, environment and arts philanthropic organisations. He was member of the Mater Research Foundation and the Great Barrier Reef Research Foundation.

Other current directorships

Managing Director, Global Masters Fund Limited.

Managing Director, Flagship Investments.

Chairman, EC Pohl & Co Pty Ltd.

Chairman, ECP Asset Management Pty Ltd.

Chairman, EC Pohl & Co Private Equity Limited.

Chairman, Astuce Group Limited.

Director, Huysamer International Holdings (Pty) Ltd.

Trustee, Currumbin Wild Life Hospital Foundation.

Chairman and President, Bond University Rugby Club.

Special responsibilities

Member of Audit & Risk Management Committee.

Member of Occupational Health and Safety Committee.

Member of Nominations Committee.

DIRECTORS' REPORT (continued)

Information on Directors (continued)

Company Secretary

The Company Secretary is Mr. Michael Dean LIB, GDipAppCorpGov, MMgmt, FCIS. Mr Dean was appointed to the position of Company Secretary on 8 October 2009.

Meetings of Directors

The numbers of meetings that each Director was eligible to attend and the number they attended for the year ended 31 December 2018 were:

	MEETINGS OF DIRECTORS		MEETINGS OF COMMITTEES					
	Scheduled Meetings & Attendance		Nominations Advisory Committee		Audit & Risk Management Committee		Occupational Health & Safety Committee	
	No. of Mtgs Held*	No. of Mtgs Attended	No. of Mtgs Held*	No. of Mtgs Attended	No. of Mtgs Held*	No. of Mtgs Attended	No. of Mtgs Held*	No. of Mtgs Attended
A. Bennett	6	6	1	1	3	3	2	2
T. Brailsford	6	6	**	**	**	**	**	**
D. Baxby	6	4	**	**	3	3	2	1
D. Cronin	6	6	**	**	**	**	**	**
D. Gregor	6	6	1	1	**	**	**	**
V. Hoog Antink	6	6	**	**	3	2	2	1
D. Le Grew	6	5	**	**	**	**	**	**
L. MacCallum	6	4	**	**	**	**	**	**
L. Paul	6	5	**	**	**	**	**	**
E. Pohl	6	4	1	1	3	3	2	2

* Number of meetings held during the time the director held office or was a member of the committee during the year and was eligible to attend (including avoiding conflicts of interest).

** Not a member of the relevant committee.

All committees have one or more independent members who are not members of the board of directors.

Insurance of Officers

The company has entered into an agreement with its insurer to insure all directors of the company including executive officers of the company and its controlled entities and independent members of committees.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as directors or executive officers or independent members of committees of entities in the consolidated entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty or the improper use of inside information or position to gain advantage or to cause detriment to the company.

Disclosure of the amount of premium paid is prohibited under the terms of the insurance contract.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

DIRECTORS' REPORT (continued)

Rounding of Amounts

The company is of a kind referred to in Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor and Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Subdivision 60-C of the *Australian Charities and Not-for-Profits Commission Act 2012* is set out on the next page.

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



Honourable Dr Annabelle Bennett AO SC
Director and Chancellor

Gold Coast

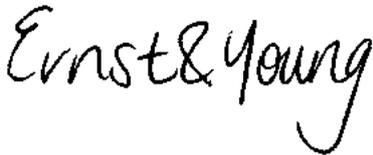
8 March 2019



Professor Tim Brailsford
Vice Chancellor and President

Auditor's Independence Declaration to the Directors of Bond University Limited

In relation to our audit of the financial report of Bond University Limited for the financial year ended 31 December 2018 and in accordance with Subdivision 60-C of the Australian Charities and Not-for profits Commission Act 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.



Ernst & Young



Alison de Groot
Partner
8 March 2019

FINANCIAL REPORT

31 DECEMBER 2018

CONTENTS

	Page
Financial statements	
Consolidated statement of profit or loss	13
Consolidated statement of comprehensive income	14
Consolidated statement of financial position	15
Consolidated statement of changes in equity	16
Consolidated statement of cash flows	17
Notes to the consolidated financial statements	18
Directors' declaration	46
Independent auditor's report to the members	47

Bond University Limited is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Bond University Limited
Level 6, The Arch
Bond University Qld 4229

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report on pages 1 - 2, which does not form part of these financial statements.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$'000	2017 \$'000
Revenue from continuing operations	5	202,486	180,979
Other income	6	12,401	16,340
Salaries and related expenses	7(a)	(122,712)	(116,178)
Facilities management and maintenance		(11,816)	(10,833)
Utilities and outgoings		(4,939)	(4,881)
Marketing and promotional expenses		(12,460)	(11,661)
Food and beverage cost – Conference Centre		(3,242)	(3,374)
Service fee – external programs		(1,049)	(1,104)
Consumables		(1,953)	(1,768)
Minor equipment		(867)	(943)
Other expenses from ordinary activities	7(d)	(14,615)	(15,852)
Earnings before interest, tax, depreciation and amortisation		41,234	30,725
Depreciation and amortisation expenses	7(b)	(17,355)	(16,889)
Finance costs	7(c)	(1,360)	(1,299)
Profit before income tax		22,519	12,537
Income tax expense	2.3(e)	-	-
Profit for the year		22,519	12,537

As a not-for-profit University, any profit is reinvested into the University's activities and facilities.

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$'000	2017 \$'000
Profit for the year		22,519	12,537
Other comprehensive income			
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Net gain on equity instruments designated at fair value through other comprehensive income	20	<u>7,864</u>	5,349
Total comprehensive income for the year, net of tax		<u>30,383</u>	17,886

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Note	2018 \$'000	2017 \$'000
ASSETS			
CURRENT ASSETS			
Cash and short-term deposits	8	73,357	74,200
Cash - Restricted	9	24,208	23,103
Trade and other receivables	10	7,350	3,558
Prepayments		4,830	3,270
Inventories	11	291	241
Other current financial assets	12	7	293
TOTAL CURRENT ASSETS		110,043	104,665
NON-CURRENT ASSETS			
Trade receivables	10	39	55
Property, plant and equipment	13	172,126	155,514
Intangible assets	14	3,631	3,683
Other non-current financial assets	12	28,253	20,105
TOTAL NON-CURRENT ASSETS		204,049	179,357
TOTAL ASSETS		314,092	284,022
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	17,268	15,577
Interest-bearing loans and borrowings	16	464	518
Provisions	17	20,407	18,701
Other current liabilities	18	15,444	18,761
TOTAL CURRENT LIABILITIES		53,583	53,557
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	16	36,666	37,098
Provisions	17	1,920	1,827
TOTAL NON-CURRENT LIABILITIES		38,586	38,925
TOTAL LIABILITIES		92,169	92,482
NET ASSETS		221,923	191,540
EQUITY			
Contributed equity	19	-	-
Reserves	20	24,337	16,473
Retained earnings		197,586	175,067
TOTAL EQUITY		221,923	191,540

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Contributed Equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
As at 1 January 2017		-	11,124	162,530	173,654
Profit for the year		-	-	12,537	12,537
Other comprehensive income		-	5,349	-	5,349
Total comprehensive income		-	5,349	12,537	17,886
As at 31 December 2017		-	16,473	175,067	191,540
Profit for the year		-	-	22,519	22,519
Other comprehensive income	20	-	7,864	-	7,864
Total comprehensive income		-	7,864	22,519	30,383
As at 31 December 2018	20	-	24,337	197,586	221,923

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$'000	2017 \$'000
Operating Activities			
Receipts from customers		204,377	192,637
Payments to suppliers and employees		(173,319)	(157,619)
Dividend received		714	-
Interest received		2,174	1,517
Interest paid		(1,362)	(1,257)
Net cash flows from operating activities		<u>32,584</u>	<u>35,278</u>
Investing Activities			
Payments for property, plant and equipment		(31,255)	(20,919)
Payments for intangible assets		(1,761)	(1,570)
Proceeds from sale of property, plant and equipment		92	45
Net cash flows used in investing activities		<u>(32,924)</u>	<u>(22,444)</u>
Financing Activities			
Payments of finance lease liabilities		(550)	(524)
Net cash flows used in financing activities		<u>(550)</u>	<u>(524)</u>
Net increase/(decrease) in cash and cash equivalents		(890)	12,310
Net foreign exchange difference		47	88
Cash and short-term deposits at 1 January		74,200	61,802
Cash and short-term deposits at 31 December	8	<u>73,357</u>	<u>74,200</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONTENTS OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Page
1 Corporate Information	19
2 Significant Accounting Policies	19
3 Significant Accounting Judgments, Estimates and Assumptions	32
4 Group information	32
5 Revenue	33
6 Other Income	33
7 Expenses	34
8 Cash and short-term deposits	34
9 Cash - Restricted	35
10 Trade and other receivables	35
11 Inventories	36
12 Other financial assets	36
13 Property, Plant and Equipment	37
14 Intangible Assets	38
15 Trade and other payables	38
16 Interest-bearing loans and borrowings	39
17 Provisions	40
18 Other current liabilities	40
19 Contributed equity	40
20 Reserves	41
21 Commitments and contingencies	41
22 Related party disclosures	42
23 Events after reporting period	42
24 Parent Entity Financial Information	43
25 Acquittal of Australian Government Financial Assistance Parent Entity (University) Only	44

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. Corporate information

The consolidated financial statements of Bond University Limited and its subsidiaries (collectively, the Group) for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on 8 March 2019. Bond University Limited (the Company or the parent) is a not-for-profit company limited by guarantee incorporated in Australia.

The Group is principally engaged in the promotion and operation of Bond University. The Group's principal place of business is Robina, Queensland, Australia. Further information on the nature of the operations and principal activities of the Group is provided in the directors' report. Information on the Group's structure is provided in Note 4. Information on other related party relationships of the Group is provided in Note 24.

2. Significant accounting policies

2.1 Basis of preparation

Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The Group is a not-for-profit, private sector entity which is not publicly accountable. Therefore, the consolidated financial statements for the Group are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs).

The financial report has been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and donated artworks, which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

The consolidated financial statements provide comparative information in respect of the previous period.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Bond University Limited and its subsidiaries (the Group) as at 31 December 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Specifically, the Group controls a subsidiary if and only if the Group has:

- Power over the subsidiary (i.e. existing rights that give it the current ability to direct the relevant activities of the subsidiary);
- Exposure, or rights, to variable returns from its involvement with the subsidiary; and
- The ability to use its power over the subsidiary to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of a subsidiary, the Group considers all relevant facts and circumstances in assessing whether it has power over a subsidiary, including:

- The contractual arrangement(s) with the other vote holders of the subsidiary;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

2. Significant accounting policies (continued)

2.2 Basis of consolidation (continued)

The Group re-assesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 Summary of significant accounting policies

(a) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realised within twelve months after the reporting period
- Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period
- Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

The Group measures financial instruments such as equity investments and non-financial assets such as donated artworks at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

2.3 Summary of significant accounting policies (continued)

(b) Fair value measurement

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of activity, the type of transaction and the specifics of each arrangement.

Rendering of services

Revenue from tuition and student food and accommodation is recognised as the services are provided to students. Tuition revenue is net of financial aid provided to students by the University. Other food and beverage income is recognised upon provision to customers.

Interest revenue

Interest revenue is recorded on a time proportion basis using the effective interest method.

Dividends

Revenue is recognised when the Group's right to receive the payment is established. For a listed investment this is usually when it is recorded by the company as ex-dividend. If through a non-listed entity it may be considered upon declaration ahead of receipt.

Contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the group obtains control over them. Contributed assets are recognised at their fair value.

(d) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

2.3 Summary of significant accounting policies (continued)

(e) Taxes

Income tax

The Company, Bond University Ltd, and its controlled entities, Campus Operations Pty Ltd and Lashkar Pty Ltd are exempt from income tax under section 50-5 of the Income Tax Assessment Act 1997.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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

(f) Foreign Currencies

The Group's consolidated financial statements are presented in Australian dollars, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates when the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

(g) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. For the purposes of the statement of cash flows, cash excludes cash balances with restrictions on their use, such as endowment fund, research and other restricted funds.

(h) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned to inventory quantities on hand at balance date on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

2.3 Summary of significant accounting policies (continued)

(i) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in these categories:

- Financial assets at amortised cost (trade receivables)
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (trade receivables)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

2.3 Summary of significant accounting policies (continued)

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed and non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other revenue in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the financial assets have expired

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

2.3 Summary of significant accounting policies (continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all trade receivables not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

For trade receivables, the Group applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables or loans and borrowings, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included as finance costs in the statement of profit or loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as part of the loan and amortised over the period of the facility to which it relates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

2.3 Summary of significant accounting policies (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(j) Property, Plant and Equipment

Construction in progress and all property, plant and equipment (except donated artworks) are stated at cost, net of accumulated depreciation. Such cost includes expenditure that is directly attributable to the acquisition of the items. Donated artworks are capitalised at their fair value at the date of acquisition.

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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss during the reporting period in which they are incurred.

Where assets which would otherwise be classified as investment properties are held to meet service delivery objectives rather than to earn rental or for capital appreciation, they are classified as property in the financial statements.

Land and artworks are not depreciated. Depreciation on other assets is calculated using the straight line basis over their estimated useful lives or, in the case of certain leased plant and equipment, the shorter lease term. The assets have been depreciated as follows:

Buildings	10-50 years
Computer Equipment	3 years
Other Plant and Equipment	5 years
Leased Plant and Equipment	3-5 years
Furniture and Fitout	5 years
Library Books and Journals	5 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

2.3 Summary of significant accounting policies (continued)

(k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

(l) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Computer software

Computer software has a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of computer software over their estimated useful life of 3 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

2.3 Summary of significant accounting policies (continued)

Research and development costs - Course Development Costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use
- Its intention to complete and its ability to use
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment loss. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in operating expense. During the period of development, the asset is tested for impairment annually.

(m) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit (CGU)'s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(n) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(o) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when liabilities are settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

2.3 Summary of significant accounting policies (continued)

Long service leave

The Group recognises a liability for long service leave measured as 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 that match, as closely as possible, the estimated future cash outflows.

(p) Post-employment benefits

All employees of the Group are entitled to benefits on retirement, disability or death from the Group's superannuation plan. The Group has a defined contribution plan that receives fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions.

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.4 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Group applied AASB 9 Financial Instruments for the first-time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Group applied AASB 9 prospectively, with the initial application date of 1 January 2018.

(a) Classification and measurement

Under AASB 9, financial instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's business model was made as of the date of initial application, 1 January 2018. The classification and measurement requirements of AASB 9 did not have a significant impact on the Group. The Group continued measuring at fair value all financial assets previously held at fair value under AASB 139.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

2.4 Changes in accounting policies and disclosures (continued)

(a) Classification and measurement (continued)

The following are the changes in the classification of the Group's financial assets:

- Trade receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured at amortised cost.
- Equity investments in listed and non-listed companies previously classified as Available For Sale (AFS) financial assets are now classified and measured as Equity instruments designated at fair value through OCI. The Group elected to classify irrevocably its non-listed equity and some listed equity investments under this category as it intends to hold these investments for the foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior periods.
- Listed equity investments previously classified as AFS financial assets are now classified and measured as Financial assets at fair value through profit or loss.

The Group has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Group to recognise an allowance for ECLs for trade receivables at inception and then updated at each reporting period. The Group applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses.

Standards issued but not yet effective

Australian Accounting Standards and Interpretations that are issued, but are not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards on the required effective date. The nature and impact of each new standard or amendment is described below:

AASB 15 Revenue from Contracts with Customers

This Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group will adopt this standard on the effective date of 1 January 2019. The Group has assessed the potential impact of this change and expects no significant impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

2.4 Changes in accounting policies and disclosures (continued)

AASB 1058 Income of Not-for-Profit Entities

This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. It is expected that application of the new standard would result in a portion of revenue from grants, where the grant is received upfront and any performance obligations are satisfied over a number of accounting periods to be deferred to future periods to match the timing of the provision of the services. The Group will adopt this standard on the effective date of 1 January 2019. The Group has assessed the potential impact of this change and expects no material impact on the Group's financial statements.

AASB 16 Leases

This Standard sets out the principles for the recognition, measurement and presentation of all leases with a term of more than 12 months, unless they are of low value. It also contains the disclosure requirements for lessees and lessors. At the commencement date of a lease, a liability will be recognised to make lease payments and an asset representing the right to use the asset during the term. Interest and depreciation expense will be required to be recognised. The Group will adopt this standard on the required effective date of 1 January 2019. The Group has assessed the potential impact of this change and expects no significant impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Investment in Education Australia Limited

The Group fair values its investment in Education Australia Limited. Education Australia Limited holds a 50% interest in IDP Education Limited (IDP). IDP is listed on the Australian Stock Exchange (ASX). The fair value of the Group's investment in Education Australia Limited was based on the net assets of Education Australia, including the quoted market price of IDP Education Limited with a discount applied in consideration of liquidity risk and other factors. Refer to Note 12 and 20 for further disclosures.

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the trade receivable's actual default in the future. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

4. Group information

Information about subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2.2.

Name of Entity	Country of Incorporation	Class of shares	Cost of Parent Entity's Investment		Equity Holding *	
			2018	2017	2018	2017
			\$	\$	%	%
Campus Operations Pty Ltd	Australia	Ordinary	2	2	100	100
Lashkar Pty Ltd	Australia	Ordinary	1	1	100	100
			3	3		

* The proportion of ownership interest is equal to the proportion of voting power held.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

5. Revenue

	2018	2017
	\$'000	\$'000
From continuing operations		
<i>Sales Revenue</i>		
Tuition revenue – University	170,044	150,011
Tuition revenue – External Programs	1,959	2,045
Tuition revenue – Bond College	5,799	6,760
Sale of goods – food and beverages	7,058	7,253
Student accommodation rent	4,673	4,674
Consulting income	960	665
Other student fees and charges	535	730
Sports centre income	401	572
Student activities fee income	1,045	981
Sundry income	4,262	4,263
	196,736	177,954
<i>Other Revenue</i>		
Interest	2,734	2,202
Dividends	3,016	823
	202,486	180,979

Tuition revenue is net of scholarships provided by the University to students which amounted to \$16,343,554 in 2018 and \$18,086,418 in 2017.

Dividends revenue include dividend from Education Australia Limited of \$2,714,286 in 2018 and \$714,286 in 2017.

6. Other Income

	2018	2017
	\$'000	\$'000
Donations	2,552	6,739
Research grants	8,261	8,407
Other grants	1,588	1,194
	12,401	16,340

Donations include donated artworks which amounted to \$592,772 in 2018 and \$841,120 in 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

7. Expenses

	2018	2017
	\$'000	\$'000
Profit before income tax includes the following specific expenses:		
(a) Salaries and related expenses		
Operating salaries and related expenses	110,355	104,341
Defined contribution superannuation expense	12,357	11,837
Total Salaries and related expenses	122,712	116,178
(b) Depreciation and Amortisation		
Depreciation		
Buildings	4,759	5,083
Plant and equipment	4,500	4,620
Furniture and fitout	4,837	3,844
Motor vehicles	43	52
Library, books and journals	862	848
Total depreciation	15,001	14,447
Amortisation		
Plant and equipment under finance leases	537	528
Course Development Cost	-	136
Computer software	1,817	1,778
Total amortisation	2,354	2,442
Total depreciation and amortisation	17,355	16,889
(c) Finance costs		
Interest and finance charges paid/payable	1,360	1,299
(d) Other expenses from ordinary activities		
Net loss on disposal of property, plant and equipment	18	1
Rental expense relating to operating leases		
Minimum lease payments	572	573
Teaching and other expenses	14,025	15,278
Total other expenses from ordinary activities	14,615	15,852

8. Cash and short-term deposits

	2018	2017
	\$'000	\$'000
Cash at banks and on hand	17,882	28,164
Short-term deposits	55,475	46,036
	73,357	74,200

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for periods of six months or less, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

9. Cash - Restricted

	2018	2017
	\$'000	\$'000
Cash - Restricted	24,208	23,103

Of the above balance, a total amount of \$4,562,053 (2017: \$4,097,270) is set aside in the Endowment Fund and a total of \$19,646,000 (2017: \$19,006,200) represents grants, donations and other funds set aside for restricted purposes.

Restricted funds include funds granted by external parties under conditions that they may only be utilised for specified expenditure purposes and cannot be allocated to general purpose expenditure. The grantor of the funds specifies how the funds are to be used.

10. Trade and Other receivables

	2018	2017
	\$'000	\$'000
Current		
Trade receivables	1,315	1,386
Less: Allowance for expected credit losses	(434)	(619)
	881	767
Other receivables	6,614	2,939
Less: Allowance for expected credit losses	(145)	(148)
	6,469	2,791
	7,350	3,558
Non-current		
Trade receivables	130	184
Less: Allowance for expected credit losses	(91)	(129)
	39	55

See below for the movements in allowance for expected credit losses:

	Trade	Other	Total
	\$'000	\$'000	\$'000
At 1 January 2017	833	146	979
Provision for impairment	76	4	80
Write-off	(161)	(2)	(163)
As at 31 December 2017	748	148	896
Provision for expected credit losses	(44)	(3)	(47)
Write-off	(179)	-	(179)
As at 31 December 2018	525	145	670

Other receivables are debtors other than students and Campus Operations debtors. There is no interest charged on overdue amounts. Collateral is not normally obtained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

11. Inventories

	2018	2017
	\$'000	\$'000
At cost		
Food	67	70
Beverages	88	57
General stores	136	114
	291	241

12. Other financial assets

	2018	2017
	\$'000	\$'000
Financial Assets at Fair Value through Profit or Loss		
Quoted equity shares	7	293
Total current other financial assets	7	293

Financial Assets at Fair Value through Other Comprehensive Income (OCI)

Quoted equity shares	3,743	3,720
Unquoted equity shares	24,510	16,385
Total non-current other financial assets	28,253	20,105

Financial assets at fair value through profit or loss include equity shares of listed companies, fair values of these quoted securities are determined by reference to published price quotations in an active market. Changes in fair values are recorded in other income or other expense in the consolidated statement of profit or loss.

Financial assets designated at fair value through OCI include investments in equity shares of listed companies that are not held for trading and equity shares of non-listed companies, including the Group's investment in Education Australia Limited. Changes in fair values are recognised in the financial asset reserve in other comprehensive income – refer to note 20.

The quoted equity shares were derived from donations by external parties under conditions that they may only be utilised for specified purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

13. Property, Plant and Equipment

	Land	Buildings	Construc- tion in progress	Artworks	Equipment	Plant & Leased plant & fitout & other equipment	Furniture, fitout & other assets	Fitout - Work in progress	Motor vehicles	Library	Total
Cost											
At 1 January 2017	25,986	154,240	-	5,912	37,780	1,829	59,117	676	264	20,711	306,515
Additions	3,924	-	809	1,018	4,036	573	10,635	423	-	940	22,358
Disposals	-	(25)	-	-	(940)	(544)	(1,646)	-	-	(1,034)	(4,189)
Transfers	-	-	-	-	-	-	676	(676)	-	-	-
At 31 December 2017	29,910	154,215	809	6,930	40,876	1,858	68,782	423	264	20,617	324,684
Additions	9,083	2,963	10,791	770	4,099	206	2,970	373	80	924	32,259
Disposals	-	-	-	-	(1,836)	(153)	(1,266)	-	-	(2,606)	(5,861)
Transfers	-	809	(809)	-	-	-	423	(423)	-	-	-
At 31 December 2018	38,993	157,987	10,791	7,700	43,139	1,911	70,909	373	344	18,935	351,082
Depreciation											
At 1 January 2017	-	61,715	-	-	26,437	894	50,728	-	107	18,432	158,313
Depreciation charge for the year	-	5,083	-	-	4,620	528	3,844	-	52	848	14,975
Disposals	-	-	-	-	(921)	(541)	(1,645)	-	-	(1,011)	(4,118)
At 31 December 2017	-	66,798	-	-	30,136	881	52,927	-	159	18,269	169,170
Depreciation charge for the year	-	4,759	-	-	4,500	537	4,837	-	43	862	15,538
Disposals	-	-	-	-	(1,787)	(153)	(1,230)	-	-	(2,582)	(5,752)
At 31 December 2018	-	71,557	-	-	32,849	1,265	56,534	-	202	16,549	178,956
Net book value											
At 31 December 2017	29,910	87,417	809	6,930	10,740	977	15,855	423	105	2,348	155,514
At 31 December 2018	38,993	86,430	10,791	7,700	10,290	646	14,375	373	142	2,386	172,126

(a) Non-current assets pledged as security

Refer to note 16 for information on non-current assets pledged as security by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

14. Intangible Assets

	Computer software	Computer software - work in progress	Course Development Costs	Total
	\$'000	\$'000	\$'000	\$'000
Cost				
At 1 January 2017	14,843	779	528	16,150
Additions - internally developed	181	-	-	181
Additions - separately acquired	1,349	39	-	1,388
Transfers	779	(779)	-	-
At 31 December 2017	17,152	39	528	17,719
Additions - internally developed	357	306	106	769
Additions - separately acquired	282	752	-	1,034
Transfers/Disposals	(93)	(39)	-	(132)
At 31 December 2018	17,698	1,058	634	19,390
Amortisation				
At 1 January 2017	11,730	-	392	12,122
Amortisation	1,778	-	136	1,914
At 31 December 2017	13,508	-	528	14,036
Amortisation	1,817	-	-	1,817
Disposals	(94)	-	-	(94)
At 31 December 2018	15,231	-	528	15,759
Net book value				
At 31 December 2017	3,644	39	-	3,683
At 31 December 2018	2,467	1,058	106	3,631

15. Trade and other payables

	2018	2017
	\$'000	\$'000
Trade payables	16,665	14,758
Other payables	603	819
	17,268	15,577

Other payables

Other payables relate to Fee-Help payable to the Department of Education.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

16. Interest-bearing loans and borrowings

	2018	2017
	\$'000	\$'000
Current interest-bearing loans and borrowings		
Obligations under finance leases (Note 21)	464	518
Total current interest-bearing loans and borrowings	464	518
Non-current interest-bearing loans and borrowings		
Obligations under finance leases (Note 21)	225	516
Secured bank loan	36,441	36,582
Total non-current interest-bearing loans and borrowings	36,666	37,098
Total interest-bearing loans and borrowings	37,130	37,616

The secured bank loan has been drawn down under a cash advance facility. The current interest rate on the bank loans drawn is 2.66% (2017: 2.51%). The amortised balance of the loan establishment and extension fee capitalised as at 31 December 2018 is \$225,200 (2017: \$85,000). The maturity date of this bank facility has been extended to 18 November 2022 during the year.

Collateral

The bank loan is secured by:

- first registered mortgages over freehold land and buildings;
- first registered company charge over all assets and undertakings of all entities in the Group;
- cross guarantee between Bond University Limited and all entities in the Group.

Lease liabilities are effectively secured as the rights to the leased asset recognised in the financial statements revert to the lessor in the event of default.

The following financial covenants apply to the bank loan using terms defined therein:

- gearing ratio must at all times be less than 3.0 times; and
- interest cover ratio must at all times to be more than 2.5 times.

The company complied at all times during the year with the above covenants.

The carrying amounts of assets pledged as security for interest-bearing loans and borrowings are:

	2018	2017
	\$'000	\$'000
Current		
<i>Floating charge</i>		
Cash and Short-term deposits	73,357	74,200
Cash - Restricted	24,208	23,103
Receivables	7,350	3,558
Prepayments and other assets	4,830	3,270
Inventories	291	241
Other current financial assets	7	293
Total current assets pledged as security	110,043	104,665

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

	2018	2017
	\$'000	\$'000
Non-current		
<i>First mortgage</i>		
Freehold land and buildings	122,619	118,136
<i>Finance lease</i>		
Plant and equipment under finance lease	646	977
<i>Floating charge</i>		
Receivables	39	55
Other financial assets	28,253	20,105
Plant and equipment	35,266	36,401
Intangible assets	3,631	3,683
	67,189	60,244
Total non-current assets pledged as security	190,454	179,357
Total assets pledged as security	300,497	284,022

17. Provisions

	2018	2017
	\$'000	\$'000
Current		
Annual leave	8,528	8,077
Long service leave	11,879	10,624
	20,407	18,701
Non-current		
Long service leave	1,920	1,827
	1,920	1,827
Total	22,327	20,528

18. Other current liabilities

	2018	2017
	\$'000	\$'000
Deferred income		
- student fees	15,424	18,653
- sports centre	20	108
	15,444	18,761

19. Contributed equity

Bond University Limited was incorporated as a company limited by guarantee on 12 February 1987. Pursuant to the Constitution of the company, every member has undertaken in the event of a deficiency on winding up to contribute an amount not exceeding \$10. At 31 December 2018, Bond University Limited had 30 members (2017: 30).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

20. Reserves

	2018	2017
	\$'000	\$'000
Fair value reserve of financial assets at FVOCI	24,337	16,473
<i>Movements:</i>		
Balance 1 January	16,473	11,124
Fair value gain on financial assets designated at FVOCI	7,864	5,349
Balance 31 December	24,337	16,473

Nature and purpose of reserves

The fair value reserve of financial assets at Fair Value through Other Comprehensive Income (FVOCI) is used to record the changes in the fair value of financial assets designated at FVOCI.

21. Commitments and contingencies

Operating lease commitments - Group as lessee

The Group has entered into operating leases on certain motor vehicles and plant and equipment, with lease terms between two to five years. The leases have varying terms and renewal rights. On renewal, the terms of the leases are renegotiated.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are, as follows:

	2018	2017
	\$'000	\$'000
Within one year	624	582
Later than one year but not later than five years	749	785
Later than five years	-	-
	1,373	1,367

Finance leases

The Group has finance leases for various items of plant and equipment. The Group's obligations under finance leases are secured by the lessor's title to the leased assets. Under the terms of the leases, the Group has the option to extend the lease term or return the leased assets to the financier on expiry of the leases.

Future minimum lease payments under finance leases as at 31 December are, as follows:

	2018	2017
	\$'000	\$'000
Within one year	482	566
Later than one year but not later than five years	234	531
Later than five years	-	-
Minimum lease payments	716	1,097
Less: Future finance charges	27	63
Total lease liabilities	689	1,034

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

Capital commitments

Capital expenditure contracted at the reporting date but not recognised as liabilities are:

	2018	2017
	\$'000	\$'000
Property, plant and equipment		
Within one year	7,585	2,616

Contingent liabilities

The parent entity and consolidated entity had no contingent liabilities at 31 December 2018.

22. Related party disclosures

The ultimate parent

The ultimate parent entity within the Group is Bond University Limited.

Transactions with key management personnel

There are no other transactions with key management personnel during the year other than salary payments.

Compensation of key management personnel of the Group

	2018	2017
	\$'000	\$'000
Total compensation paid to key management personnel	3,889	3,636

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

23. Events after the reporting period

Since 31 December 2018 there has not been any matter or circumstance not otherwise dealt with in the financial report that has significantly affected or may significantly affect the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

24. Parent Entity Financial Information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2018	2017
Information relating to Bond University Ltd.	\$'000	\$'000
Current assets	143,784	126,908
Total assets	312,915	279,718
Current liabilities	52,197	49,253
Total liabilities	90,783	88,178
Issued capital	-	-
Reserves	24,337	16,473
Retained earnings	197,586	175,067
Total shareholder's equity	221,923	191,540
Profit or loss of the Parent entity	22,519	12,537
Total comprehensive income of the Parent entity	30,383	17,886

(b) Guarantees entered into by the parent entity

Cross guarantees have been executed between Bond University Ltd and all of its subsidiaries to satisfy the requirements of the Group's financing arrangement. The Group has not sought relief under ASIC Class Order 98/1418. However, these entities are not required to prepare accounts on the basis that they do not meet the criteria to be classified as large proprietary companies.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2018 or 31 December 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

25. Acquittal of Australian Government Financial Assistance Parent Entity (University) Only

(a) Higher Education Loan Programs (excl OS-HELP)

	FEE-HELP		SA-HELP		Total	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Payable/(Receivable) at beginning of year	821	1,016	(2)	10	819	1,026
Financial assistance received in Cash during the reporting period	45,900	49,850	53	39	45,953	49,889
Cash available for the period	46,721	50,866	51	49	46,772	50,915
Revenue Earned	46,119	50,045	50	51	46,169	50,096
Cash Payable/(Receivable) at end of year	602	821	1	(2)	603	819

(b) Department of Education and Training Research

	Research Training Program		Research Support Program		Total	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in Cash during the reporting period	1,893	1,833	1,902	1,968	3,795	3,800
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	1,893	1,833	1,902	1,968	3,795	3,800
Surplus from the previous year	-	386	-	48	-	434
Total revenue including accrued revenue	1,893	2,219	1,902	2,016	3,795	4,234
Expenses including accrued expenses	1,893	2,219	1,902	2,016	3,795	4,234
Surplus for the reporting period	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

25. Acquittal of Australian Government Financial Assistance Parent Entity (University) Only (continued)

(c) Total Higher Education Provider Research Training Program expenditure

	Total domestic students		Total overseas students	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Research Training Program Fees offsets	1,112	1,531	72	139
Research Training Program Stipends	655	530	54	19
Total for all types of support	1,767	2,061	126	158

(d) Australian Research Council Grants

(i) Discovery

Financial assistance received in Cash during the reporting period

	Projects		Fellowships		Total	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net accrual adjustments	-	86	-	-	-	86
Revenue for the period	247	293	-	-	247	293
Surplus from the previous year	247	379	-	-	247	379
Total revenue including accrued revenue	247	132	-	-	247	132
Expenses including accrued expenses	(0)	247	-	-	(0)	247
Surplus for the reporting period						

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Bond University Limited, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of Bond University Limited for the financial year ended 31 December 2018 are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
 - (i) Giving a true and fair view of its financial position as at 31 December 2018 and performance for the year ended on that date; and
 - (ii) Complying with Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On Behalf of the Board



Honourable Dr Annabelle Bennett AO SC
Director and Chancellor



Professor Tim Brailsford
Vice Chancellor and President

Gold Coast
8 March 2019

Independent Auditor's Report to the members of Bond University Limited

Opinion

We have audited the financial report of Bond University Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Regulation 2013.

Basis for Opinion

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

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young



Alison de Groot
Partner
Brisbane
8 March 2019

Bond University
Gold Coast Queensland 4229
Australia

Toll free: 1800 074 074
Phone: 07 5595 1111
Fax: 07 5595 1015
bond.edu.au/enquire

bond.edu.au



CRICOS Provider Code 00017B

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