

Investment Portfolio

Background

The University maintains 2 long-term managed investment portfolios – the UQ Investment Fund and the UQ Socially Responsible Investment (SRI) Green Fund. These portfolios serve two purposes.

Firstly, they hold endowments received by the University over the past century. The principal amount of the endowment is invested in perpetuity and the investment earnings are used to support a particular purpose (e.g. scholarships, prizes, chairs) consistent with the donor's intent.

Secondly, they hold a portion of annual operating surpluses generated by the University in recent years. This is known as the UQ Future Fund and the funds are invested in the long-term to provide for (1) a stream of investment earnings that can be used for innovative or strategically important teaching and learning activities, and/or (2) a reserve to draw upon to absorb a large, unexpected financial shock.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

5 Fees and charges

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	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Course fees and charges				
GÓÁŠNVIRÓSRPÓSTÓASÚÓTÓNPAPIÚCEÓRIPA	628,395	EDÉÁBBÁ#	628,395	EDÉÁBBÁ#
GÓÁŠNVIRÓSRPÓSTÓASÚÓTÓNPAPIÚCEÓRIPA				

Financial assets at fair value through profit
or loss

294,790

17 Investments accounted for using the equity method

Consolidated		Parent	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000
30,110		-	

18 Property, plant and equipment

Parent

At 1 January 2019

Work in progress \$'000	Land \$'000	Buildings \$'000	Infrastructure and land improvements \$'000	Right-of- use assets \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Heritage and cultural assets \$'000	Total \$'000
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18 Property, plant and equipment (continued)

	Work in progress \$'000	Land \$'000	Buildings \$'000	Infrastructure and land improvements \$'000	Right-of-use assets \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Heritage and cultural assets \$'000	Total \$'000 aK
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Consolidated

At 1 January 2019

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18 Property, plant and equipment (continued)

The last full valuation was performed by AssetVal in 2019 (as at 31 December 2019). The last desktop valuation was performed by AssetVal in 2020 (as at 31 December 2020).

In determining building areas, the valuer has relied on site plans provided by the Group. Basic on-site measurements were only undertaken by the valuer where site plans were not available.

It is not possible for the valuer to sight all land improvement assets. Examples of assets which cannot be sighted include underground cables and pipes. The valuer has therefore relied on areas and quantities provided by the Group.

Heritage and cultural assets – reference collection

The Group performs a full valuation of its reference collection each year. This is performed internally based on the average cost of a publication.

Heritage and cultural assets – heritage collection

The Group performs a valuation of its heritage collection every 4 years. The collection contains a large number of low-

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Financing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. All other financing costs are recognised as an expense when incurred.

A lease liability is initially measured at the present value of unpaid lease payments at the commencement date of the lease. To calculate the present value, the unpaid lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable. If the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used. Lease payments included in the measurement of lease liabilities comprise:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. payments varying on account of changes in CPI)
- amounts expected to be payable by the lessee under residual value guarantees
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the income statement. The lease liability is remeasured when there are changes in future lease payments arising from a change in an index or rate with a corresponding adjustment to the right-of-use asset, e.g. change in a lease term, change in the assessment of an option to purchase the underlying asset. The adjustment amount is factored into depreciation of the right-of-use asset prospectively.

Right-of-use assets are presented within property, plant and equipment in Note 18.

The UniSuper Defined Benefit Division (DBD) is a multi-employer defined benefit plan under superannuation law but, as a result of amendments to Clause 34 of UniSuper, a defined contribution plan under AASB 119 Employee Benefits.

Clause 34 of the UniSuper Trust Deed outlines the action UniSuper will take if actuarial investigations determine there are insufficient funds to provide benefits payable under the UniSuper Trust Deed.

30 Key management personnel disclosures (continued)

(c) Total remuneration of

32 Fair value measurements

(b) Fair value hierarchy (continued)

- Level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly
- Level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

Details on the fair values of the major asset types are as follows:

(i) Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2019 and 31 December 2020.

Consolidated	Note	2020 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through profit and loss	16	909,440	716,345	190,530	2,565
Other financial assets at amortised cost	16	180,000	180,000	-	-
Investments in equity instruments designated at fair value through other comprehensive income	16	63,933	-	-	-

† \$5BF;EE3- @8 \$FDEC3+;3?) @G7C? > 7?E 8;?3?5;3- 3DD;DE3?57 '5@?E;?F76.

34 Acquittal of Australian Government financial assistance (continued)

(e) Australian Research Council g

Management Certificate

We have prepared the foregoing annual financial statements pursuant to the provisions of the *Financial Accountability Act 2009*, the *Financial Management and Performance Standard 2010* and other prescribed financial reporting standards.



INDEPENDENT AUDITOR'S REPORT

To the Senate of the University of Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the University of Queensland (the parent) and its controlled entities (the group).

In my opinion, the financial report:

[REDACTED]

- a) gives a true and fair view of the parent's and group's financial position as at 31 December 2020, and their financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the *Financial and Performance*

[REDACTED]

