

Appendix 1

Financial report



INDEPENDENT AUDITOR'S REPORT

To the Minister for Arts and Sport

Scope

I have audited the accompanying financial statements of the Australian Sports Commission for the year ended 30 June 2007, which comprise: a Statement by the Director, Chief Executive Officer and Chief Financial Officer; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedules of Commitments and Contingencies; a Summary of Significant Accounting Policies; and other explanatory notes.

The Responsibility of the Chief Executive for the Financial Statements

The Australian Sports Commission's Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997* and the Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements 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 Commission's internal control. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as evaluating the overall presentation of the financial statements.

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

Independence

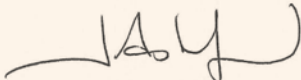
In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the Australian Sports Commission:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, and the Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australian Sports Commission's financial position as at 30 June 2007 and of its financial performance and its cash flows for the year then ended.

Australian National Audit Office



Jocelyn Ashford
Executive Officer

Delegate of the Auditor-General
Canberra
13 September 2007

AUSTRALIAN SPORTS COMMISSION

STATEMENT BY DIRECTOR, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the Australian Sports Commission for the year ended 30 June 2007 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Ministers Orders made under the *Commonwealth Authorities and Companies Act 1997*.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Commission will be able to pay its debts as and when they become due and payable.

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

Signed.....

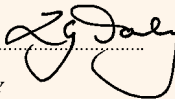
P. BARTELS
Chairman

30 August 2007

Signed.....

M. PETERS
Chief Executive Officer

30 August 2007

Signed.....

L. DALY
Chief Financial Officer

30 August 2007

INCOME STATEMENT*for the year ended 30 June 2007*

		2007	2006
	Notes	\$'000	\$'000
INCOME			
Revenue			
Revenue from Government	3A	193,017	168,631
Sale of goods and rendering of services	3B	19,664	17,933
Interest	3C	2,905	2,713
Rental income	3D	1,857	1,249
Total revenue		217,443	190,526
Gains			
Sale of assets	3E	233	-
Total gains		233	-
Total Income		217,676	190,526
EXPENSES			
Employee benefits	4A	58,480	50,090
Suppliers	4B	52,602	46,774
Grants	4C	100,808	82,750
Depreciation and amortisation	4D	11,314	9,581
Finance costs	4E	-	334
Losses from asset sales	4F	-	104
Total Expenses		223,204	189,633
(Deficit) Surplus attributable to the Australian Government		(5,528)	893

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

BALANCE SHEET
as at 30 June 2007

	Notes	2007 \$'000	2006 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	32,113	45,615
Trade and other receivables	5B	7,363	4,639
Loans	5C	4,166	4,450
Total financial assets		43,642	54,704
Non-Financial Assets			
Land and buildings	6A	206,386	150,955
Infrastructure, plant and equipment	6B	15,437	11,985
Intangibles	6C	920	1,036
Inventories	6D	601	824
Other non-financial assets	6E	361	3,765
Total non-financial assets		223,705	168,565
Total Assets		267,347	223,269
LIABILITIES			
Payables			
Suppliers	7A	7,632	9,961
Grants	7B	1,371	837
Other payables	7C	2,486	1,887
Total payables		11,489	12,685
Interest Bearing Liabilities			
Loans	8A	4,000	4,000
Total interest bearing liabilities		4,000	4,000
Provisions			
Employee provisions	9A	11,673	10,991
Total provisions		11,673	10,991
Total Liabilities		27,162	27,676
Net Assets		240,185	195,593
EQUITY			
Contributed equity		148,322	132,289
Reserves		99,863	65,778
Accumulated deficit		(8,000)	(2,474)
Total Equity		240,185	195,593
Current Assets		40,484	55,269
Non-Current Assets		226,863	168,000
Current Liabilities		19,162	25,182
Non-Current Liabilities		8,000	2,494

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

STATEMENT of CHANGES in EQUITY
as at 30th June 2007

	Retained Earnings		Asset Revaluation Reserves		Contributed Equity/Capital		Total Equity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Opening balance								
Balance carried forward from previous period	(2,474)	(3,367)	65,778	65,778	132,289	111,617	195,593	174,028
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
Adjusted opening balance	(2,474)	(3,367)	65,778	65,778	132,289	111,617	195,593	174,028
Income and expense								
Revaluation increment recognised directly in equity	-	-	34,085	-	-	-	34,085	-
General expense (accumulated rounding)	2	-	-	-	-	-	2	-
Sub-total income and expenses recognised directly in equity	2	-	34,085	-	-	-	34,087	-
(Deficit) Surplus for the period	(5,528)	893	-	-	-	-	(5,528)	893
Total income and expenses	(5,528)	893	34,085	-	-	-	28,559	893
Contributions by Owners								
Appropriation (equity injection)	-	-	-	-	16,033	20,672	16,033	20,672
Sub-total transactions with owners	-	-	-	-	16,033	20,672	16,033	20,672
Closing balance at 30 June	(8,000)	(2,474)	99,863	65,778	148,322	132,289	240,185	195,593
Closing Balance attributable to the Australian Government	(8,000)	(2,474)	99,863	65,778	148,322	132,289	240,185	195,593

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

CASH FLOW STATEMENT
for the period ended 30 June 2007

	2007	2006
Notes	\$'000	\$'000
OPERATING ACTIVITIES		
Cash received		
Goods and services	20,413	20,421
Appropriations	193,017	168,631
Interest	2,874	2,422
Net GST (paid) received	(986)	13,076
Total cash received	215,318	204,550
Cash used		
Employees	57,798	49,221
Suppliers	51,304	41,635
Grants	100,274	94,107
Total cash used	209,376	184,963
Net cash from Operating Activities	10 5,942	19,587
INVESTING ACTIVITIES		
Cash received		
Proceeds from sales of property, plant and equipment	798	986
Loans	284	-
Total cash received	1,082	986
Cash used		
Purchase of property, plant and equipment	36,559	40,095
Loans	-	200
Total cash used	36,559	40,295
Net cash used by investing activities	(35,477)	(39,309)
FINANCING ACTIVITIES		
Cash received		
Appropriations - capital injections	16,033	20,672
Total cash received	16,033	20,672
Cash used		
Repayment of borrowings	-	-
Total cash used	-	-
Net cash from financing activities	16,033	20,672
Net (decrease) or increase in cash held	(13,502)	950
Cash at the beginning of the reporting period	45,615	44,665
Cash at the end of the reporting period	5A 32,113	45,615

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

SCHEDULE OF CONTINGENCIES

as at 30 June 2007

Contingent Liabilities	Guarantees		Claims for damages or costs		TOTAL	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Balance from previous period	55	-	-	170	55	170
New	-	55	-	-	-	55
Re-measurement	-	-	-	(10)	-	(10)
Liabilities crystallised	-	-	-	(40)	-	(40)
Obligations expired	-	-	-	(120)	-	(120)
Total Contingent Liabilities	55	55	-	-	55	55
Net Contingent Assets (Liabilities)					55	55

Details of each class of contingent liabilities and assets, including those not included above because they cannot be quantified, are disclosed in Note 11: Contingent Liabilities and Contingent Assets.

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

SCHEDULE OF COMMITMENTS

as at 30 June 2007

	2007	2006
BY TYPE	\$'000	\$'000
Commitments Receivable		
Sponsorship	(1,918)	(1,462)
GST recoverable on commitments	(9,231)	(10,802)
Other commitments receivable	(100)	-
Total Commitments Receivable	(11,249)	(12,264)
Capital commitments		
Land and buildings ¹	2,566	27,156
Infrastructure, plant and equipment	-	569
Intangibles	30	-
Total capital commitments	2,596	27,725
Other commitments		
Operating leases	1,092	1,861
Grants ²	94,658	87,953
Other commitments	3,202	-
Total other commitments	98,952	89,814
Net commitments by type	90,299	105,275
BY MATURITY		
Commitments receivable		
One year or less	(10,183)	(11,171)
From one to five years	(1,066)	(1,093)
Over five years	-	-
Total commitments receivable	(11,249)	(12,264)
Commitments payable		
Capital commitments		
One year or less	2,596	27,725
From one to five years	-	-
Over five years	-	-
Total capital commitments	2,596	27,725
Operating lease commitments		
One year or less	1,079	1,440
From one to five years	13	421
Over five years	-	-
Total operating lease commitments	1,092	1,861
Other Commitments		
One year or less	96,759	87,034
From one to five years	1,101	919
Over five years	-	-
Total other commitments	97,860	87,953
Net Commitments by Maturity	90,299	105,275

NB: Commitments are GST inclusive where relevant.

1. Outstanding contractual payments for building under construction.
2. Amounts payable under grant agreements in respect of which the recipient is yet to either perform the services required or meet eligibility conditions, and other contracts for service in progress.

Notes to and Forming part of the Financial Statements

Note 1: Summary of Significant Accounting Policies

Note 2: Events after the Balance Sheet Date

Note 3: Income

Note 4: Expenses

Note 5: Financial Assets

Note 6: Non-Financial Assets

Note 7: Payables

Note 8: Interest Bearing Liabilities

Note 9: Provisions

Note 10: Cash Flow Reconciliation

Note 11: Contingent Liabilities and Assets

Note 12: Directors Remuneration

Note 13: Related Party Disclosures

Note 14: Executive Remuneration

Note 15: Remuneration of Auditors

Note 16: Average Staffing Levels

Note 17: Financial Instruments

Note 18: Appropriations

Note 19: Compensation and Debt Relief

Note 20: Assets Held in Trust

Note 21: Reporting of Outcomes

Note 1: Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Report

The Financial Statements and notes are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are a General Purpose Financial Report.

The continued existence of the Australian Sports Commission (the Commission) in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the Australian Sports Commission's administration and programs.

The Financial Statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 01 July 2006; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the entity and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an accounting standard. Liabilities and assets that are unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable contingencies, which are reported at Note 11).

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the Income Statement when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.2 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Commission has made the following judgements that have the most significant impact on the amounts recorded in the financial

The fair value of land is valued at market selling price. Buildings have been taken to be the depreciation replacement cost as determined by an independent value because Commission buildings are purpose built and may in fact realise more or less in the market place.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.3 Statement of Compliance

Australian Accounting Standards require a statement of compliance with International Financial Reporting Standards (IFRS) to be made where the financial report complies with these standards. Some Australian equivalents to IFRS and other Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. The Commission is a not for profit entity and has applied these requirements, so while this financial report complies with Australian Accounting Standards including Australian Equivalents to International Financial Reporting Standards (AEIFRS) it cannot make this statement.

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the effective date in the current period.

The following amendments, revised standards or interpretations have become effective but have had no financial impact or do not apply to the operations of the Commission.

Amendments:

2006-1 Amendments to Australian Accounting Standards [AASB 121]

2006-3 Amendments to Australian Accounting Standards [AASB 1045]

2006-4 Amendments to Australian Accounting Standards [AASB 134]

Interpretations:

UIG 4 Determining whether an arrangement contains a lease

UIG 5 Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds

UIG 7 Applying the restatement approach under AASB 129 Financial Reporting in Hyperinflationary Economies

UIG 8 Scope of AASB 2

UIG 9 Reassessment of Embedded Derivatives

UIG 10 Interim Financial Reporting and Impairment

UIG 11 AASB 2 - Group and Treasury Share Transactions

Future Australian Accounting Standard requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

- 2005-10 Amendments to Australian Accounting Standards [AASBs 132, 101, 114, 117, 133, 139, 1, 4, 1023, 1038]
- 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB]
- 2007-2 Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, 117, 118, 120, 121, 127, 131, 139]
- 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, 6, 102, 107, 119, 127, 134, 136, 1023, 1038]
- 2007-4 Amendments to Australian Accounting Standards arising from ED 151 and other amendments [AASB 1, 2, 3, 4, 5, 6, 7, 102, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 134, 136, 137, 138, 139, 141, 1023, 1038]
- 2007-5 Amendments to Australian Accounting Standard - Inventories held for distribution by Not-for-profit Entities [AASB 102]
- 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB1, 101, 112B, 107, 111, 116, 138 and Interpretations 1 & 12]
- 2007-7 Amendments to Australian Accounting Standards [AASBs 1, 2, 4, 5, 107.
- AASB 8 Operating Segments
- AASB 101 Presentation of Financial Statements - revised standard
- AASB Interpretation 13 Customer Loyalty Programmes
- AASB Interpretation 14 AASB 119 - The Limit on a Defined Benefit Asset, Minimum

Financial instrument disclosure

AASB 7 *Financial Instruments: Disclosures* is effective for reporting periods beginning on or after 1 January 2007 (the 2007-08 financial year) and amends the disclosure requirements for financial instruments. In general AASB 7 requires greater disclosure than that presently. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements through 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]. These changes have no financial impact but will affect the disclosure presented in future financial reports.

Other

The following standards and interpretations have been issued but are not applicable to the operations of the Commission:

- AASB 1049 Financial Reporting of General Government Sectors by Governments
- UIG 10 Interim Financial Reporting and Impairment
- IFRIC 11 Guidance on applying IFRS 2 - group and treasury share transactions; and
- IFRIC 12 Service concession arrangements

1.4 Revenue

Other Types of Revenue

Revenue from the sale of goods is recognised when:

- The risks and rewards of ownership have been transferred to the buyer;
- The seller retains no managerial involvement nor effective control over the goods;
- The revenue and transaction costs incurred can be reliably measured; and
- It is probable that the economic benefits associated with the transaction will flow to the Entity.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- The amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- The probable economic benefits of the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Revenues from Government

Amounts appropriated for Departmental outputs appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

1.5 Gains

Sale of Assets

Gains from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

1.6 Transactions with the Government as Owner

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Australian Government Agency or Agency under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other distributions to owners

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend.

1.7 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Commission is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the Commission's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2007. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Commission recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Staff of the Commission are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes of the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

The Commission makes employer contributions to the Employee Superannuation Scheme at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Commission's employees. The Commission accounts for the contributions as if they were contributions to defined contribution plans.

From 1 July 2005, new employees are eligible to join the PSSap scheme.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.8 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

1.9 Borrowing Costs

All borrowing costs are expensed as incurred.

1.10 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

1.11 Financial Risk Management

The Commission's activities expose it to normal commercial financial risk. As a result of the nature of the Commission's business and internal and Australian Government policies, dealing with the management of financial risk, the Commission's exposure to market, credit, liquidity and cash flow and fair value interest rate risk is considered to be low.

1.12 Derecognition of Financial Assets and Liabilities

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the asset is transferred to another Entity. In the case of a transfer to another Entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are derecognised when the obligation under the contract is discharged, cancelled or expires.

1.13 Impairment of Financial Assets

Financial assets are assessed for impairment at each balance date.

Financial Assets held at Amortised Cost

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Income Statement.

Financial Assets held at Cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because it cannot be reliably measured, or a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

Available for Sale Financial Assets

If there is objective evidence that an impairment loss on an available for sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Income Statement.

1.14 Interest Bearing Liabilities

Government loans are carried at the balance yet to be repaid. Interest is expensed as it accrues.

1.15 Supplier and other payables

Supplier and other payables are recognised at their nominal amounts. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.16 Contingent Liabilities and Contingent Assets

Contingent Liabilities and Contingent Assets are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Contingent assets are reported when settlement is probable, and contingent liabilities are recognised when settlement is greater than remote.

1.17 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor Commission's accounts immediately prior to the restructuring.

1.18 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000 which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'makegood' provisions in property leases taken up by the Commission where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Commission's leasehold improvements with a corresponding provision for the 'makegood' taken up.

Revaluations

Fair values for each class of asset are determined as shown below:

Asset class	Fair value measured at:
Land	Market selling price
Buildings	Depreciated replacement cost
Leasehold improvements	Depreciated replacement cost
Plant & equipment	Market selling price and depreciated replacement cost

Following initial recognition at cost, valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through surplus or deficit. Revaluation decrements for a class of assets are recognised directly through surplus or deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Commission using, in all cases, the straight-line method of depreciation. Leasehold improvements are amortised on a straight line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<u>2007</u>	<u>2006</u>
Land improvements	20-40 years	20-40 years
Buildings	3-75	3-75
Leasehold improvements	5-10	5-10
Infrastructure, fittings, plant and equipment	4-25	4-25
Computer hardware	4-15	4-15
Marine fleet	2-20	2-20
Motor vehicles	2-10	2-10

Impairment

All assets were assessed for impairment at 30 June 2007. Where indications of impairment exist, the assets recoverable amount is estimated and an impairment adjustment made if the assets recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Commission were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.19 Intangibles

The Commission's intangibles comprise purchased software and internally developed software for internal use. These assets are carried at cost.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Commission's software are 3 to 5 years (2005-06: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2007.

1.20 Inventories

Inventories held for sale are valued at the lower of cost and net realisable value.

Inventories acquired at no cost or nominal consideration are measured at current replacement cost at the date of acquisition.

All the Commission's inventories are held for resale.

1.21 Taxation

The Commission is exempt from all forms of taxation except fringe benefits tax (FBT) and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office;
- and
- except for receivables and payables.

Note 2: Events after the Balance Sheet Date

There are no events occurring after the reporting date which would significantly affect the ongoing structure or financial activities of the Commission.

Note 3: Income

<i>Revenue</i>	2007 \$'000	2006 \$'000
Note 3A: Revenue from Government		
Appropriation for Departmental outputs	193,017	168,631
Total revenue from Government	193,017	168,631
Note 3B: Sale of goods and rendering of services		
Provision of goods - external entities	1,208	1,331
Total sale of goods	1,208	1,331
Rendering of services - related entities	5,307	3,370
Rendering of services - external entities	13,149	13,232
Total rendering of services	18,456	16,602
Total sale of goods and rendering of services	19,664	17,933
Note 3C: Interest		
Loans	20	337
Deposits	2,885	2,376
Total interest	2,905	2,713
Note 3D: Rental income		
Other	1,857	1,249
Total rental income	1,857	1,249
Previously reported as Rendering of services - external entities		
Gains		
Note 3E: Sale of assets		
Property, plant and equipment		
Proceeds from sale	798	-
Carrying value of assets sold	565	-
Net gain from sale of assets	233	-

Note 4: Expenses

	2007	2006
	S'000	S'000
Note 4A: Employee benefits		
Wages and salaries	49,166	42,541
Superannuation	6,589	5,675
Leave and other entitlements	2,118	1,666
Separation and redundancies	607	208
Total employee benefits	58,480	50,090
Note 4B: Suppliers		
Provision of goods – external entities	4,211	4,092
Rendering of services – related entities	2,070	1,807
Rendering of services – external entities	42,606	38,716
Operating lease rentals	2,842	1,457
Workers compensation premiums	873	702
Total supplier expenses	52,602	46,774
Note 4C: Grants		
Non-profit organisations	100,808	82,750
Total grants	100,808	82,750
Note 4D: Depreciation and amortisation		
Depreciation:		
Infrastructure, plant and equipment	3,587	3,110
Land improvements & buildings	7,379	6,153
Total depreciation	10,966	9,263
Amortisation:		
Intangibles:		
Computer Software	348	318
Total amortisation	348	318
Total depreciation and amortisation	11,314	9,581
Note 4E: Finance costs		
Loans	-	334
Total finance costs	-	334
Note 4F: Losses from asset sales		
Land and buildings		
Proceeds from sale	-	-
Carrying value of assets sold	-	7
Infrastructure, plant and equipment		
Proceeds from sale	-	897
Carrying value of assets sold	-	994
Total losses from asset sales	-	104

Note 5: Financial Assets

	2007	2006
	\$'000	\$'000
Note 5A: Cash and cash equivalents		
Cash on hand and at bank	6,631	11,862
Deposits at call	25,482	33,753
Total cash and cash equivalents	32,113	45,615
Note 5B: Trade and other receivables		
Goods and services	3,472	2,297
GST receivable from the Australian Taxation Office	3,455	1,958
Other:		
Interest	447	416
Total other receivables	447	416
Total trade and other receivables (gross)	7,374	4,671
Less Allowance for doubtful debts:		
Goods and services	(11)	(32)
Total trade and other receivables (net)	7,363	4,639
Receivables are aged as follows:		
Not overdue	4,687	2,827
Overdue by:		
Less than 30 days	1,856	1,332
30 to 60 days	275	215
61 to 90 days	34	59
More than 90 days	522	238
Total receivables (gross)	7,374	4,671
The allowance for doubtful debts is aged as follows:		
Not overdue	-	-
Overdue by:		
Less than 30 days	-	-
30 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	(11)	(32)
Total allowance for doubtful debts	(11)	(32)
All receivables are current assets		
Note 5C: loans		
Loan - National Sporting Organisation	4,166	4,450
Total loans	4,166	4,450
The balance of loans is aged as follows:		
Less than one year	46	3,290
One to two years	1,374	1,040
More than two years	2,746	120
Total loans	4,166	4,450

Note 6: Non-Financial Assets

	2007 \$'000	2006 \$'000
Note 6A: Land and buildings		
Leasehold land at at fair value	<u>7,400</u>	<u>6,760</u>
Land improvements at fair value	3,345	9,038
Accumulated depreciation	<u>-</u>	<u>(4,640)</u>
	<u>3,345</u>	<u>4,398</u>
Buildings on leased land:		
– work in progress	2,558	31,716
– fair value	193,129	220,372
– accumulated depreciation	<u>(125)</u>	<u>(112,380)</u>
Total buildings on freehold land	<u>195,562</u>	<u>139,708</u>
Leasehold improvements		
– fair value	159	160
– accumulated depreciation	(80)	(71)
– accumulated impairment losses	<u>-</u>	<u>-</u>
Total leasehold improvements	<u>79</u>	<u>89</u>
Total land and buildings (non-current)	<u>206,386</u>	<u>150,955</u>
Land and Buildings assets were revalued at 30 June 2007 to fair value.		
All revaluations are conducted in accordance with the revaluation policy stated at Note 1. In 2006-07, the Australian Valuation Office, an independent valuer conducted the revaluations.		
Revaluation increment of \$289,000 for land (2006: nil), an increment of \$34,802,000 for buildings on leasehold land (2006: nil) and a decrement of \$1,006,000 for land improvements (2006: nil) were credited to the asset revaluation reserve and included in the equity section of the balance sheet; no decrements were expensed (2006: nil expensed).		
No indicators of impairment were found for land and buildings		
Note 6B: Infrastructure, plant and equipment		
Furniture, fittings, plant and equipment:		
- gross carrying value (at fair value)	17,457	15,095
- accumulated depreciation	<u>(9,948)</u>	<u>(9,022)</u>
Total furniture, fittings, plant and equipment	<u>7,509</u>	<u>6,073</u>
Computers:		
- Computers – at fair value	8,308	6,354
- accumulated depreciation	<u>(4,562)</u>	<u>(3,728)</u>
Total computers	<u>3,746</u>	<u>2,626</u>
Marine fleet:		
- Marine fleet – at fair value	2,474	1,424
- accumulated depreciation	<u>(1,247)</u>	<u>(893)</u>
Total marine fleet	<u>1,227</u>	<u>531</u>

Note 6: Non-Financial Assets (continued)

	2007	2006
	\$'000	\$'000
<u>Note 6B: Infrastructure, plant and equipment (continued)</u>		
Motor vehicles:		
- Motor vehicles – at fair value	4,071	3,637
- accumulated depreciation	<u>(1,116)</u>	<u>(882)</u>
<i>Total motor vehicles</i>	<u>2,955</u>	<u>2,755</u>
<i>Total infrastructure, plant and equipment (non-current)</i>	<u>15,437</u>	<u>11,985</u>

No indicators of impairment were found for infrastructure, plant and equipment

Note 6C: Intangibles

Purchased computer software at cost:		
Purchased software – at cost	2,092	1,860
Accumulated amortisation	<u>(1,172)</u>	<u>(824)</u>
<i>Total purchased computer software</i>	<u>920</u>	<u>1,036</u>
<i>Total intangibles (non-current)</i>	<u>920</u>	<u>1,036</u>

Software is valued at cost

No indicators of impairment were found for intangible assets

Note 6: Non-Financial Assets

Note 6A, 6B: Analysis of land, buildings, infrastructure, plant and equipment

TABLE A – Reconciliation of the opening and closing balances of land, buildings, infrastructure, plant and equipment (2006-07)

	Land \$'000	Buildings \$'000	Total Land and Buildings \$'000	Other & E \$'000	IP \$'000	Total \$'000
As at 1 July 2006						
Gross book value	13,896	255,213	269,109	28,093	28,093	297,202
Accumulated depreciation/amortisation and impairment	(4,442)	(113,712)	(118,154)	(16,108)	(16,108)	(134,262)
Net book value 1 July 2006	9,454	141,501	150,955	11,985	11,985	162,940
Additions:						
by purchase	562	28,166	28,728	7,699	7,699	36,427
Revaluations and impairments through equity	(717)	34,802	34,085	-	-	34,085
Reclassification	1,705	(1,708)	(3)	(95)	(95)	(98)
Depreciation/amortisation expense	(259)	(7,120)	(7,379)	(3,587)	(3,587)	(10,966)
Disposals:						
Other disposals	-	-	-	(565)	(565)	(565)
Net book value 30 June 2007	10,745	195,641	206,386	15,437	15,437	221,823
Net book value as of 30 June 2007 represented by:						
Gross book value	10,745	195,846	206,591	32,310	32,310	238,901
Accumulated depreciation/amortisation and impairment	-	(205)	(205)	(16,873)	(16,873)	(17,078)
	10,745	195,641	206,386	15,437	15,437	221,823

TABLE A – Reconciliation of the opening and closing balances of land, buildings, infrastructure, plant and equipment (2005-06)

Item	Total Land and Buildings and IP			
	Land \$'000	Buildings \$'000	Buildings & E \$'000	Total \$'000
As at 1 July 2005				
Gross book value	13,896	223,605	237,501	24,785
Accumulated depreciation/amortisation and impairment	(4,442)	(107,559)	(112,001)	(12,998)
Net book value 1 July 2005	9,454	116,046	125,500	11,787
Additions:				
by purchase	-	31,615	31,615	4,302
Reclassification	-	-	-	-
Depreciation/amortisation expense	-	(6,153)	(6,153)	(3,110)
Disposals:				
Other disposals	-	(7)	(7)	(994)
Net book value 30 June 2006	9,454	141,501	150,955	11,985
Net book value as of 30 June 2006 represented by:				
Gross book value	13,896	255,213	269,109	28,093
Accumulated depreciation/amortisation and impairment	(4,442)	(113,712)	(118,154)	(16,108)
	9,454	141,501	150,955	11,985
				162,940

Note 6C: Intangibles (cont.)

Table B: Reconciliation of the opening and closing balances of intangibles (2006-07).

Item	Computer software purchased \$'000	Total \$'000
As at 1 July 2006		
Gross book value	2,015	2,015
Accumulated depreciation/amortisation and impairment	(979)	(979)
Net book value 1 July 2006	1,036	1,036
Additions:		
by purchase or internally developed	232	232
Reclassifications	-	-
Amortisation	(348)	(348)
Disposals:		
other disposals	-	-
Net book value 30 June 2007	920	920
Net book value as of 30 June 2007 represented by:		
Gross book value	2,092	2,092
Accumulated depreciation/amortisation and impairment	(1,172)	(1,172)
	920	920

Table B: Reconciliation of the opening and closing balances of intangibles (2005-06).

Item	Computer software purchased \$'000	Total \$'000
As at 1 July 2005		
Gross book value	1,479	1,479
Accumulated amortisation and impairment	(661)	(661)
Net book value 1 July 2005	818	818
Additions:		
by purchase or internally developed	536	536
Reclassifications	-	-
Amortisation	(318)	(318)
Disposals:		
other disposals	-	-
Net book value 30 June 2006	1,036	1,036
Net book value as of 30 June 2006 represented by:		
Gross book value	2,015	2,015
Accumulated depreciation/amortisation and impairment	(979)	(979)
	1,036	1,036

Note 6: Non-Financial Assets (continued)

	2007	2006
	\$'000	\$'000
<u>Note 6D: Inventories</u>		
Inventories held for sale	601	824
<i>Total inventories (current)</i>	<u>601</u>	<u>824</u>

All inventories are current assets.

Note 6E: Other non-financial assets

Prepayments	361	3,765
<i>Total other non-financial assets</i>	<u>361</u>	<u>3,765</u>

All other non-financial assets are current assets.

Note 7: Payables

	2007	2006
	\$'000	\$'000
Note 7A: Suppliers		
Trade creditors	7,632	9,961
Total supplier payables	<u>7,632</u>	<u>9,961</u>

Accrued expenses previously reported as other payables now reported as trade creditors

All supplier payables are current liabilities

Note 7B: Grants

Non-profit organisations	1,371	837
Total grants	<u>1,371</u>	<u>837</u>

All grant payables are current liabilities

Note 7C: Other payables

Prepayments received/unearned income	1,869	1,781
GST payable to ATO	617	106
Total other payables	<u>2,486</u>	<u>1,887</u>

Note 8: Interest bearing liabilities

Note 8: Loans

Loan from Government	4,000	4,000
Total loans	<u>4,000</u>	<u>4,000</u>

Maturity schedule for loans:

Payable:

Within one year	-	3,000
In one to five years	1,334	1,000
In more than five years	2,666	-
Total loans	<u>4,000</u>	<u>4,000</u>

The loan was issued to the ASC in April 2004 and then in turn was reissued by the ASC to the FFA (Football Federation of Australia) with a maturity date of June 2008 and an interest rate of the 10yr Govt. bond rate plus 3%. The loan was renegotiated in January 2007 with an interest rate of 4.3% as at 30 June 2007 and a maturity date of June 2011.

Note 9: Provisions

Note 9: Employee provisions

Salaries and wages	359	893
Leave	10,260	8,329
Superannuation	50	1,239
Separations and redundancies	1,004	530
Total employee provisions	<u>11,673</u>	<u>10,991</u>

Employee provisions are represented by:

Current	7,673	9,497
Non-current	4,000	1,494
Total employee provisions	<u>11,673</u>	<u>10,991</u>

The classification of current includes amounts for which there is not an unconditional right of deferral of one year, hence in the case of employee provisions the above classification does not equal the amount expected to be settled within one year of reporting date.

Note 10: Cash flow reconciliation

	2007	2006
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Report cash and cash equivalents as per:		
Cash Flow Statement	32,113	45,615
Balance Sheet	<u>32,113</u>	<u>45,615</u>
Difference	<u>-</u>	<u>-</u>
Reconciliation of operating result to net cash from operating activities:		
Operating result	(5,528)	893
Depreciation /amortisation	11,314	9,581
(Gain) / Loss on disposal of assets	(232)	104
(Increase) / decrease in interest receivable	(31)	70
(Increase) / decrease in net receivables	(1,196)	(291)
(Increase) / decrease in inventories	223	162
(Increase) / decrease in prepayments	3,403	953
Increase / (decrease) in grant creditors	534	443
Increase / (decrease) in employee provisions	682	1,570
Increase / (decrease) in supplier payables	(2,329)	3,396
Increase / (decrease) in prepayments received	88	(603)
(Increase) / decrease in GST receivable	(986)	3,309
Net cash from / (used by) operating activities	<u><u>5,942</u></u>	<u><u>19,587</u></u>

Note 11: Contingent Liabilities and Assets

Quantifiable Contingencies

The Schedule of Contingencies in the Financial Report reports a contingent liability as at 30 June 2007 in respect of a bank guarantee in respect of office accommodation under lease. This guarantee expires in June 2008. As a result, the Australian Sports Commission has recognised the liability as at 30 June 2007.

Unquantifiable Contingencies

At 30 June 2007, the Australian Sports Commission has no unquantifiable contingent liabilities.

Remote Contingencies

At 30 June 2007, the Australian Sports Commission has no remote contingencies.

Note 12: Directors Remuneration

The number of directors of the Australian Sports Commission included in these figures are shown below in the relevant remuneration bands:

	2007	2006
	No.	No.
\$ Nil - \$ 14,999	2	2
\$ 15,000 - \$ 29,999	5	8
\$ 30,000 - \$ 44,999	4	2
Total number of directors of the Commission	11	12
	2007	2006
	\$	\$
Total remuneration received or due and receivable by directors of the Australian Sports Commission	220,537	273,777

Note 13: Related Party Disclosures

Commissioners and Commissioner-related entities

The Australian Sports Commission provides funding to the Australian Sports Foundation. For the year ended 30 June 2007, the funding totalled \$460,729 (2006 - \$476,924). The operating result of the Australian Sports Commission also takes into account an administration charge to the Australian Sports Foundation totalling \$42,429 (2006 - \$74,771).

At 30 June 2007 the following are members of the Board of the Australian Sports Commission: Mr P Bartels, Mr R Masters, Mr K Perkins, Mr A Jones, Mr J Eales, Mr G Hartung, Mr G Stooke, Ms P Tye, Ms M Ford-Eriksson, Ms A Camplin and Ms P Scott (Ex-officio). Mr C Bernardi and Ms M Foster that were listed in last years report resigned in April and May 2006. Ms A Camplin was appointed to the Board in March 2007. Ms P Scott replaced Ms H Williams in May 2007. There were no loans advanced to or outstanding with the Commissioners during either 2006-07 or 2005-06. The aggregate amounts brought to account in respect of the following types of transactions with Commissioner related entities were (only transactions occurring during the term of the Commissioners are recorded):

		2007	2006
		\$	\$
ENTITY	COMMISSIONER		

Donations to related entities:

Reimbursement of National Sport Program expenses:

NSW Department of Sport & Recreation	Mr A Jones	82,520	86,841
Hockey Australia	Ms P Tye	95,270	8,120
Swimming Australia	Mr K Perkins	241,439	134,557
Australian Paralympic Committee	Mr G Hartung	27,141	1,172

Grants to National Sporting Organisations:

NSW Department of Sport & Recreation	Mr A Jones	586,644	604,262
Hockey Australia	Ms P Tye	4,922,555	4,479,933
Swimming Australia	Mr K Perkins	5,289,900	4,710,200
Australian Paralympic Committee	Mr G Hartung	6,262,300	6,281,000
National Aboriginal Sports Corporation	Mr A Jones	6,365	-

Provision of services:

National Library of Australia	Ms H Williams (1)	97,519	22,794
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(1) Ms H Williams is an ex-officio Director appointed on behalf of the Department of Communications, Information Technology and the Arts, who ceased duties on 7 May 2007. Transactions with these entities are based on normal terms and conditions.

Funding received by Commission programs:

There were also payments of a domestic nature to Commissioners and related entities to reimburse costs incurred on behalf of the Commission. These and the transactions referred to above were conducted with conditions no more favourable than would be expected if the transactions occurred at arms length.

Note 14: Executive Remuneration

	2007 No.	2006 No.
The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:		
\$130 000 to \$144 999	-	1
\$160 000 to \$174 999	1	-
\$175 000 to \$189 999	1	-
\$190 000 to \$204 999	-	1
\$205 000 to \$219 999	1	2
\$250 000 to \$264 999	1	-
\$295 000 to \$309 999	-	1
\$325 000 to \$339 999	1	-
Total	5	5

	2007 \$	2006 \$
The aggregate amount of total remuneration of executives shown above.	1,165,332	1,055,056
The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.	32,311	-

Note 15: Remuneration of Auditors

	2007 \$	2006 \$
The cost of financial statement audit services provided to the Australian Sports Commission were:	98,000	94,000

No other services were provided by the Auditor-General.

Note 16: Average Staffing Levels

	2007 No.	2006 No.
The average staffing levels for the Australian Sports Commission during the year were:	782	689

Note 17: Financial Instruments

Note 17A: Interest Rate Risk

Financial Instrument	Note	Floating Interest Rate		Fixed Interest Rate Maturing In						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate	
		2007 \$'000	2006 \$'000	1 Year or Less		1 to 5 Years		> 5 Years		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 %	2006 %
				2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000						
Financial Assets															
Cash at bank	5A	32,113	45,615	-	-	-	-	-	-	-	32,113	45,615	6.30%	5.30%	
Receivables for goods and services	5B	-	-	-	-	-	-	-	7,363	4,639	7,363	4,639	0.00%	0.00%	
Loan	5C	4,166	4,200	-	-	-	-	-	-	250	4,166	4,450	4.35%	8.70%	
Total		36,279	49,815	-	-	-	-	-	7,363	4,889	43,642	54,704			
Total Assets											267,347	223,269			
Financial Liabilities															
Government loans	8A	4,000	4,000	-	-	-	-	-	-	-	4,000	4,000	4.35%	8.70%	
Trade creditors	7A	-	-	-	-	-	-	-	7,632	9,961	7,632	9,961	0.00%	0.00%	
Grants Payable	7B	-	-	-	-	-	-	-	1,371	837	1,371	837	0.00%	0.00%	
Total		4,000	4,000	-	-	-	-	-	7,632	9,961	13,003	14,798			
Total Liabilities											27,162	27,676			

Note 17B: Fair Values of Financial Assets and Liabilities

	Notes	2007		2006	
		Total Carrying Amount	Aggregate Fair Value	Total Carrying Amount	Aggregate Fair Value
		\$'000	\$'000	\$'000	\$'000
Departmental					
Financial Assets					
Cash at bank	5A	32,113	32,113	45,615	45,615
Receivables for goods and services	5B	7,363	7,363	4,639	4,639
Loans	5C	4,166	4,166	4,450	4,450
Total Financial Assets		43,642	43,642	54,704	54,704
Financial Liabilities (Recognised)					
Government loans	8A	4,000	4,000	4,000	4,000
Finance lease liabilities	N/A	-	-	-	-
Trade creditors	7A	7,632	7,632	9,961	9,961
Grants payable	7B	1,371	1,371	837	837
Total Financial Liabilities (Recognised)		13,003	13,003	14,798	14,798

Note 17C: Credit Risk Exposures

The Australian Sports Commission's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

The Australian Sports Commission has no significant exposures to any concentrations of credit risk. All figures for credit risk referred to do not take into account the value of any collateral or other security.

Note 19: Compensation and Debt Relief

	2007	2006
	\$	\$
Departmental		
No payments were made during the reporting period. (2006: No payments made)	-	-

Note 20: Assets Held in Trust

Gary Knoke Memorial Scholarship Trust Account

Purpose – The Gary Knoke Memorial Scholarship trust is to be used for the provision of scholarships to eligible persons. These monies are not available for other purposes of the Commission and are not recognised in the financial statements.

	2007	2006
	\$'000	\$'000
Balance carried forward from previous year	55	54
Receipts during the year	-	-
Interest received	1	1
Available for payments	56	55
Payments made	(5)	-
Balance carried forward to next year	51	55

Promoters Trust Account

Purpose – The Australian Sports Commission operates a Promoters Trust Account into which it deposits monies received in the course of conducting events at the Commission. These monies are held until such time as the events are completed and all costs associated with the events have been finalised. The remaining funds are then apportioned between the promoter and the Commission in accordance with the terms of each agreement. These monies are not available for other purposes of the Commission and are not recognised in the financial statements.

	2007	2006
	\$'000	\$'000
Receipts		
Takings for events	1,704	1,284
	1,704	1,284
Expenditure		
Distributions to:		
Promoters	(1,315)	(1,006)
Australian Sports Commission	(169)	(101)
Payments to suppliers	(220)	(177)
Other	-	-
	(1,704)	(1,284)
Excess of receipts over expenditure	-	-
Assets		
Cash at bank	601	88
Debtors	-	-
	601	88

Liabilities

Distribution to:

Interest payable	3	8
Australian Sports Commission	31	26
Promoters	555	36
Payments to suppliers	12	18
	<u>601</u>	<u>88</u>

Australian College of Sport Trust Account

Purpose – The trust receives monies from fees for courses related to sport and from contributions from the University of Canberra and the Commission. The trust incurs costs associated with the development and presentation of these courses. These monies are not available for other purposes of the Commission and are not recognised in the financial statements.

	2007	2006
	\$'000	\$'000
Balance carried forward from previous year	108	104
Receipts during the year	-	-
Interest received	5	4
Available for payments	<u>113</u>	<u>108</u>
Payments made	-	-
<i>Balance carried forward to next year</i>	<u>113</u>	<u>108</u>

Note 21: Reporting of Outcomes

Note 21A: Outcomes of the Australian Sports Commission

The Commission is structured to meet two outcomes:

Outcome 1: An effective national sports system that offers improved participation in quality sports activities by Australians.

Outcome 2: Excellence in sports performances by Australians.

Only one Output is identified for each outcome.

Note 21B: Net Cost of Outcome Delivery

	Outcome 1		Outcome 2		Total	
	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses						
Departmental	68,211	64,698	154,993	124,935	223,204	189,633
Total expenses	68,211	64,698	154,993	124,935	223,204	189,633
Provision of goods and services to the non government sector						
Departmental	4,388	5,776	9,969	9,577	14,357	15,353
Total costs recovered	4,388	5,776	9,969	9,577	14,357	15,353
Other external revenues						
Departmental						
Sale of Goods and Services to Related Parties	1,622	969	3,685	1,611	5,307	2,580
Interest	888	1,021	2,017	1,692	2,905	2,713
Other	638	471	1,452	778	2,090	1,249
Total Departmental	3,148	2,461	7,154	4,081	10,302	6,542
Total other external revenues	3,148	2,461	7,154	4,081	10,302	6,542
Net cost of outcome	60,675	56,461	137,870	111,277	198,545	167,738

A review was conducted of all cost centres used by the Commission. Where a cost centre could be directly attributed to a particular outcome all costs associated with that cost centre were attributed to that outcome. Where a cost centre was an overhead cost centre the attribution is based on the grants for the SPD (Sport Performance and Development) funding.

Note 21C: Major Classes of Departmental Revenues and Expenses by Output Groups and Outputs

Outcome 1	Output Group 1.1		Outcome 1 Total	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Departmental expenses				
Employees	17,872	17,096	17,872	17,096
Suppliers	16,074	15,964	16,074	15,964
Depreciation and amortisation	3,458	3,270	3,458	3,270
Grants	30,807	28,243	30,807	28,243
Finance costs	-	114	-	114
Net losses from asset sales	-	11	-	11
Total Departmental expenses	68,211	64,698	68,211	64,698
Funded by:				
Revenues from Government	58,986	57,666	58,986	57,666
Sale of goods and services	6,009	6,745	6,009	6,745
Interest	888	1,021	888	1,021
Other	567	471	567	471
Total Departmental revenues	66,450	65,903	66,450	65,903

Note 21C: Major Classes of Departmental Revenues and Expenses by Output Groups and Outputs (continued)

Outcome 2	Output Group 2.1		Outcome 2 Total	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Departmental expenses				
Employees	40,608	32,994	40,608	32,994
Suppliers	36,468	30,810	36,468	30,810
Depreciation and amortisation	7,856	6,311	7,856	6,311
Grants	70,001	54,507	70,001	54,507
Finance costs	-	220	-	220
Net losses from asset sales	-	93	-	93
Total Departmental expenses	154,933	124,935	154,933	124,935
Funded by:				
Revenues from Government	134,031	110,965	134,031	110,965
Sale of goods and services	13,655	11,188	13,655	11,188
Interest	2,017	1,692	2,017	1,692
Other	1,290	778	1,290	778
Total Departmental revenues	150,993	124,623	150,993	124,623