



# Financial statements

## **64 Independent audit report**

## **67 Financial statements**

- Statement by Chief Executive Officer
- Statement of Financial Performance
- Statement of Financial Position
- Statement of Cash Flows
- Schedule of Commitments
- Schedule of Contingencies
- Schedule of Administered Items
- Notes to and forming part of the Financial Statements



## INDEPENDENT AUDIT REPORT

To the Attorney-General

### Matters relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial statements published in both the annual report and on the website of the Administrative Appeals Tribunal for the year ended 30 June 2004. The Administrative Appeals Tribunal is responsible for the integrity of both the annual report and the web site.

The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from the audited financial statements.

If the users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements in the Administrative Appeals Tribunal's annual report.

### Scope

*The financial statements and Chief Executive's Responsibility*

The financial statements comprise:

- Statement by the Chief Executive and Chief Finance Officer;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Commitments, Contingencies;
- Schedules of Administered Items; and
- Notes to and forming part of the Financial Statements

of the Administrative Appeals Tribunal for the year ended 30 June 2004.

The Administrative Appeals Tribunal's Chief Executive is responsible for the preparation and true and fair presentation of the financial statements in accordance with the Finance Minister's Orders. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

#### *Audit approach*

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

I performed procedures to assess whether, in all material respects, the financial statements presents fairly, in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Administrative Appeals Tribunal's financial position, and of its performance as represented by the statements of financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Chief Executive.

#### **Independence**

In conducting the audit, I have followed the independence requirements of the ANAO, which incorporate Australian professional ethical pronouncements.

**Audit Opinion**

In my opinion, the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and applicable Accounting Standards; and
- (ii) give a true and fair view, of the matters required by applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the Finance Minister's Orders, of the financial position of the Administrative Appeals Tribunal as at 30 June 2004, and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Mashelle Parrett  
Executive Director

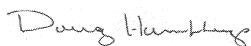
Delegate of the Auditor-General

Canberra  
8 September 2004

**ADMINISTRATIVE APPEALS TRIBUNAL**

**STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2004 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*.



DOUGLAS HUMPHREYS

Chief Executive



STEPHEN WISE

Chief Finance Officer

2 September 2004

2 September 2004

# STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2004

	Notes	2004 \$'000	2003 \$'000
<b>Revenues from ordinary activities</b>			
Revenues from government	4A	27,404	27,371
Goods and services	4B	802	684
Interest	4C	-	113
Revenue from sale of assets		-	-
<b>Revenues from ordinary activities</b>		<b>28,206</b>	<b>28,168</b>
<b>Expenses from ordinary activities</b>			
Employees	5A	15,484	14,194
Suppliers	5B	11,629	10,805
Depreciation and amortisation	5C	1,012	1,285
Write-down of assets	5D	29	-
Value of assets sold	5D	-	-
<b>Expenses from ordinary activities</b>		<b>28,154</b>	<b>26,284</b>
<b>Net surplus/(deficit) from ordinary activities</b>		<b>52</b>	<b>1,884</b>
Net credit to asset revaluation reserve	11	-	-
Increase/(decrease) in accumulated results on initial application of fair value under accounting standard AASRB 1041 <i>Revaluation of Non-Current Assets</i>	11	(352)	-
<b>Total revenues, expenses and valuation adjustments recognised directly in equity</b>		<b>(352)</b>	<b>-</b>
<b>Total changes in equity other than those resulting from transactions with the Australian Government as owner</b>	11	<b>(300)</b>	<b>1,884</b>

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

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2004

	Notes	2004 \$'000	2003 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash	6A	569	960
Receivables	6B	8,814	7,651
<b>Total financial assets</b>		<b>9,383</b>	<b>8,611</b>
<b>Non-financial assets</b>			
Land and buildings	7D	765	1,148
Infrastructure, plant and equipment	7B,D	1,700	2,238
Intangibles	7C,D	194	386
Other non-financial assets	7E	2,257	1,806
<b>Total non-financial assets</b>		<b>4,916</b>	<b>5,578</b>
<b>TOTAL ASSETS</b>		<b>14,299</b>	<b>14,189</b>
<b>LIABILITIES</b>			
<b>Non-Interest bearing liabilities</b>			
Other	8	217	323
<b>Total non-interest bearing liabilities</b>		<b>217</b>	<b>323</b>
<b>Provisions</b>			
Employees	9B	4,445	4,016
<b>Total provisions</b>		<b>4,445</b>	<b>4,016</b>
<b>Payables</b>			
Suppliers	10	587	500
<b>Total payables</b>		<b>587</b>	<b>500</b>
<b>TOTAL LIABILITIES</b>		<b>5,249</b>	<b>4,839</b>
<b>NET ASSETS</b>		<b>9,050</b>	<b>9,350</b>
<b>EQUITY</b>			
Contributed equity		2,133	2,133
Reserves			
Retained surpluses		6,917	7,217
<b>TOTAL EQUITY</b>	11	<b>9,050</b>	<b>9,350</b>
<b>Current assets</b>		<b>11,640</b>	<b>10,417</b>
<b>Non-current assets</b>		<b>2,659</b>	<b>3,772</b>
<b>Current liabilities</b>		<b>2,222</b>	<b>1,783</b>
<b>Non-current liabilities</b>		<b>3,027</b>	<b>3,056</b>

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

# STATEMENT OF CASH FLOWS

for the year ended 30 June 2004

	Notes	2004 \$'000	2003 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Goods and services		690	740
Appropriations		26,176	27,216
Interest		-	113
Net GST received from ATO		984	835
<b>Total cash received</b>		<u>27,850</u>	<u>28,904</u>
<b>Cash used</b>			
Employees		(14,912)	(13,804)
Suppliers		(13,049)	(11,429)
Cash transferred to the Official Public Account		-	(7,500)
<b>Total cash used</b>		<u>(27,961)</u>	<u>(32,733)</u>
<b>Net cash from/(used by) operating activities</b>	12	<u>(111)</u>	<u>(3,829)</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of property, plant and equipment		(280)	(535)
Purchase of intangibles		-	(8)
<b>Total cash used</b>		<u>(280)</u>	<u>(543)</u>
<b>Net cash from/(used by) investing activities</b>		<u>(280)</u>	<u>(543)</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash used</b>			
Capital use charge paid	9	-	(926)
Return on Contributed Equity	11	-	(525)
<b>Total cash used</b>		-	<u>(1,451)</u>
<b>Net cash from/(used by) financing activities</b>		-	<u>(1,451)</u>
<b>Net increase/(decrease) in cash held</b>		<b>(391)</b>	<b>(5,823)</b>
Cash at beginning of the reporting period		960	6,783
<b>Cash at the end of the reporting period</b>	12	<u>569</u>	<u>960</u>

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



## SCHEDULE OF COMMITMENTS

as at 30 June 2004

	Notes	2004 \$'000	2003 \$'000
<b>BY TYPE</b>			
<b>Other commitments</b>			
Operating leases <sup>1,2</sup>		15,972	21,317
<b>Total other commitments</b>		<b>15,972</b>	<b>21,317</b>
<b>Commitments receivable</b>		<b>(1,452)</b>	<b>(1,697)</b>
<b>Net commitments</b>		<b>14,520</b>	<b>19,620</b>
<b>BY MATURITY</b>			
<b>Operating lease commitments</b>			
One year or less		5,683	6,219
From one to five years		10,289	15,098
Over five years		-	-
<b>Total operating lease commitments by maturity</b>		<b>15,972</b>	<b>21,317</b>
<b>Commitments receivable</b>		<b>(1,452)</b>	<b>(1,697)</b>
<b>Net commitments by maturity</b>		<b>14,520</b>	<b>19,620</b>

NB: Commitments are GST inclusive where relevant.

<sup>1</sup> These commitments comprise leases of hearing rooms and office accommodation for the Tribunal.

<sup>2</sup> Operating leases included are effectively non-cancellable and comprise:

<i>Nature of lease</i>	<i>General description of leasing arrangement</i>
Leases for office accommodation	<ul style="list-style-type: none"> <li>lease payments are subject to fixed or market review increases as listed in the lease agreements; and</li> <li>all office accommodation leases are current and most have extension options for the Tribunal following a review of rentals to current market.</li> </ul>
Agreements for the provision of motor vehicles to senior executives	<ul style="list-style-type: none"> <li>no contingent rentals exist; and</li> <li>there are no renewal or purchase options available to the Tribunal.</li> </ul>

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

## SCHEDULE OF CONTINGENCIES

as at 30 June 2004

---

	Notes	2004 \$'000	2003 \$'000
<b>Contingent liabilities</b>			
Restoration of lease costs		510	-
<b>Total contingent liabilities</b>		<u>510</u>	<u>-</u>

Details of the above contingent liabilities are disclosed at Note 13.

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

## SCHEDULE OF ADMINISTERED ITEMS

	Notes	2004 \$'000	2003 \$'000
<b>Revenues administered on behalf of government</b>			
<i>For the year ended 30 June 2004</i>			
<b>Non-taxation revenue</b>			
Filing Fees		729	567
Total revenues administered on behalf of government		729	567
<b>Expenses administered on behalf of government</b>			
<i>For the year ended 30 June 2004</i>			
Refund of filing fees		784	984
Total expenses administered on behalf of government		784	984

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

## SCHEDULE OF ADMINISTERED ITEMS (continued)

---

There were no administered assets or liabilities as at 30 June 2004.

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

## SCHEDULE OF ADMINISTERED ITEMS (continued)

	2004 \$'000	2003 \$'000
<b>Administered cash flows</b>		
<i>For the year ended 30 June 2004</i>		
<b>Operating activities</b>		
<b>Cash received</b>		
Filing Fees	729	567
<b>Total cash received</b>	<u>729</u>	<u>567</u>
<b>Cash used</b>		
Refund of filing fees	784	984
<b>Total cash used</b>	<u>784</u>	<u>984</u>
<b>Net cash from/(used in) operating activities</b>	<u>(55)</u>	<u>(417)</u>
<b>Net increase/(decrease) in cash held</b>	(55)	(417)
Cash at the beginning of the reporting period	-	-
Cash from Public Account for Appropriations	784	984
Cash to Public Account for Appropriations	(729)	(567)
<b>Cash at the end of the reporting period</b>	<u>-</u>	<u>-</u>

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

## SCHEDULE OF ADMINISTERED ITEMS (continued)

*As at 30 June 2004*

---

There were no administered commitments as at 30 June 2004.

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

## SCHEDULE OF ADMINISTERED CONTINGENCIES

As at 30 June 2004

---

There were no administered contingencies as at 30 June 2004.

### Statement of Activities Administered on behalf of the Government

The major administered activities of the Tribunal are directed towards achieving the outcome described in Note 1 to the Financial Statements. The major financial activities are the collection of fees payable on the lodging with the Tribunal of an application for a review of a decision, other than in income maintenance matters. On matters other than income maintenance, applicants may apply for a waiver of the fee under regulation 19(6) of the *Administrative Appeals Tribunal Regulations 1976*.

Fees are refunded in whole if the proceedings terminate in a manner favourable to the applicant except for Small Taxation Claims Tribunal applications where a smaller once-only fee is payable irrespective of the outcome of the decision.

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