

AUSTRALIAN SPORTS COMMISSION
STATEMENT BY DIRECTOR AND CHIEF EXECUTIVE

In our opinion, the attached financial statements for the Australian Sports Commission for the year ended 30 June 2006 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 *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

August 2006

Signed.....

M. PETERS
Chief Executive

August 2006

Signed.....

L. FORDHAM
Chief Financial Officer

August 2006

INCOME STATEMENTfor the year ended 30 June 2006

	Notes	2006 \$'000	2005 \$'000
INCOME			
Revenues from Government	4A	168,631	145,794
Goods and services	4B	19,182	17,653
Interest	4C	2,713	2,681
TOTAL INCOME		<u>190,526</u>	<u>166,128</u>
EXPENSES			
Employees	5A	50,090	40,953
Suppliers	5B	46,774	38,884
Depreciation and amortisation	5C	9,581	9,659
Grants	5D	82,750	70,702
Finance costs	5E	334	379
Write-down and impairment of assets	5F	-	40
Net loss from disposal of assets	5G	104	302
TOTAL EXPENSES		<u>189,633</u>	<u>160,919</u>
OPERATING RESULT		<u>893</u>	<u>5,209</u>

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

BALANCE SHEET

as at 30 June 2006

	Notes	2006 \$'000	2005 \$'000
ASSETS			
<i>Financial Assets</i>			
Cash and cash equivalents	6A	45,615	44,665
Receivables	6B	4,639	4,105
Loans	6C	4,450	4,250
Total Financial Assets		54,704	53,020
<i>Non-Financial Assets</i>			
Land and buildings	7A, D	150,955	125,500
Infrastructure, plant and equipment	7B, D	11,985	11,787
Intangibles	7C, D	1,036	818
Inventories	7E	824	986
Other non-financial assets	7F	3,765	4,718
Total Non-Financial Assets		168,565	143,809
TOTAL ASSETS		223,269	196,829
LIABILITIES			
<i>Payables</i>			
Suppliers	8A	7,859	4,173
Other payables	8B	4,826	5,208
Total Payables		12,685	9,381
<i>Interest Bearing Liabilities</i>			
Loans	9A	4,000	4,000
Total interest bearing liabilities		4,000	4,000
<i>Provisions</i>			
Employee provisions	10A	10,991	9,420
Total Provisions		10,991	9,420
TOTAL LIABILITIES		27,675	22,801
NET ASSETS		195,593	174,028
EQUITY			
Contributed equity		132,289	111,617
Reserves		65,778	65,778
Retained surpluses or (accumulated deficits)		(2,474)	(3,367)
TOTAL EQUITY		195,593	174,028
Current assets		55,268	54,738
Non-current assets		168,000	142,091
Current liabilities		25,181	13,752
Non-current liabilities		2,494	9,049

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

STATEMENT OF CASH FLOWS

for the year ended 30 June 2006

	Notes	2006 \$'000	2005 \$'000
OPERATING ACTIVITIES			
<i>Cash received</i>			
Goods and services		20,421	20,317
Appropriations		168,631	145,794
Interest		2,422	2,648
Net GST received from ATO		13,076	9,102
Total cash received		204,550	177,861
<i>Cash used</i>			
Employees		49,221	40,606
Suppliers		41,635	43,038
Grants		94,107	78,481
Total cash used		184,963	162,125
Net cash from or (used by) operating activities	11	19,587	15,736
INVESTING ACTIVITIES			
<i>Cash received</i>			
Proceeds from sales of property, plant and equipment		986	4,927
Loans		-	35
Total cash received		986	4,962
<i>Cash used</i>			
Purchase of property, plant and equipment		40,095	16,273
Loans		200	-
Total cash used		40,295	16,273
Net cash from or (used by) investing activities		(39,309)	(11,311)
FINANCING ACTIVITIES			
<i>Cash received</i>			
Capital injections		20,672	11,632
Total cash received		20,672	11,632
<i>Cash used</i>			
Total cash used		-	-
Net cash from or (used by) financing activities		20,672	11,632
Net increase or (decrease) in cash held		950	16,057
Cash at the beginning of the reporting period		44,665	28,608
Cash at the end of the reporting period	6A	45,615	44,665

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

SCHEDULE OF COMMITMENTS

as at 30 June 2006

	2006 \$'000	2005 \$'000
BY TYPE		
Capital commitments		
Land and buildings ¹	27,156	23,414
Infrastructure, plant and equipment	569	-
Total capital commitments	27,725	23,414
Other commitments		
Operating leases	1,861	946
Other commitments ²	87,953	67,310
Total other commitments	89,814	68,256
Commitments Receivable	(12,264)	(8,888)
Net commitments by type	105,275	82,782
BY MATURITY		
Capital commitments		
One year or less	27,725	22,391
From one to five years	-	1,023
Over five years	-	-
Total capital commitments	27,725	23,414
Operating lease commitments		
One year or less	1,440	663
From one to five years	421	283
Over five years	-	-
Total operating lease commitments	1,861	946
Other commitments		
One year or less	87,034	64,930
From one to five years	919	2,380
Over five years	-	-
Total other commitments	87,953	67,310
Commitments receivable		
One year or less	(11,171)	(8,384)
From one to five years	(1,093)	(504)
Over five years	-	-
Total commitments receivable	(12,264)	(8,888)
Net commitments by maturity	105,275	82,782

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.

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Note 1: Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Statements

The financial statements 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 statements have been prepared in accordance with:

- Finance Minister's Orders (or FMO's, being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 01 July 2005)*);
- Australian Accounting Standards issued by the Australian Accounting Standards Board that apply for the reporting period; and
- Interpretations issued by the AASB and UIG that apply for the reporting period.

This is the first financial report to be prepared under Australian Equivalents to International Financial Reporting Standards (AEIFRS). The impacts of adopting AEIFRS are disclosed in Note 2.

The Income Statement, Balance Sheet and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets and liabilities, which as noted, are 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 disclosure of the full amount is specifically required.

Unless alternative treatment is specifically required by an accounting standard, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow 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 unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 12).

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 or 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 statements:

- The fair value of land and buildings has been taken to be the depreciated replacement cost as determined by an independent valuer because Commission buildings are purpose built and may in fact realise more or less in the market price.

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

The financial report complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AEIFRS).

Australian Accounting Standards require the Commission to disclose Australian Accounting Standards that have not been applied, for standards that have been issued but are not yet effective.

The AASB has issued amendments to existing standards, these amendments are denoted by year and then number, for example 2005-1 indicates amendment 1 issued in 2005.

The table below illustrates standards and amendments that will become effective for the Commission in the future. The nature of the impending change within the table, has been out of necessity abbreviated and users should consult the full version available on the AASB's website to identify the full impact of the change. The expected impact on the financial report of adoption of these standards is based on the Commission's initial assessment at this date, but may change. The Commission intends to adopt all of the standards upon their application date.

Title	Standard affected	Application date*	Nature of impending change	Impact expected on financial report
2005-1	AASB 139	1 Jan 2006	Amends hedging requirements for foreign currency risk of a highly probable intra-group transaction.	No expected impact.
2005-4	AASB 139, AASB 132, AASB 1, AASB 1023 and AASB 1038	1 Jan 2006	Amends AASB 139, AASB 1023 and AASB 1038 to restrict the option to fair value through profit or loss and makes consequential amendments to AASB 1 and AASB 132.	No expected impact.
2005-5	AASB 1 and AASB 139	1 Jan 2006	Amends AASB 1 to allow an entity to determine whether an arrangement is, or contains, a lease.	No expected impact.
2005-6	AASB 3	1 Jan 2006	Amends the scope to exclude business combinations involving entities or businesses under common control.	No expected impact.
2005-9	AASB 4, AASB 1023, AASB 139 and AASB 132	1 Jan 2006	Amended standards in regards to financial guarantee contracts.	No expected impact.
2005-10	AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023, and AASB 1038	1 Jan 2007	Amended requirements subsequent to the issuing of AASB 7.	No expected impact.
2006-1	AASB 121	31 Dec 2006	Changes in requirements for net investments in foreign subsidiaries depending on denominated currency.	No expected impact.
	AASB 7 Financial Instruments: Disclosures	1 Jan 2007	Revise the disclosure requirements for financial instruments from AASB 132 requirements.	No expected impact.

* Application date is for annual reporting periods beginning on or after the date shown

1.4 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 with 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.

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.

Resources Received Free of Charge

Services received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as revenue at their fair value when the asset qualifies for recognition.

1.5 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 Commonwealth agency or authority 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.

1.6 Employee Benefits

As required by the Finance Minister's Orders, the Commission has early adopted AASB 119 Employee Benefits as issued in December 2004.

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 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 as 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 2006. 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.

Superannuation

Employees 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 for the Commonwealth. 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 Australian Government 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

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

The liability for superannuation recognised as at 30 June is included in the salary accrual and represents outstanding contributions for the final fortnight of the year.

1.7 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 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 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.

1.8 Borrowing Costs

All borrowing costs are expensed as incurred.

1.9 Cash

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

1.10 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.

1.11 Investments

Investments are initially measured at their fair value.

After initial recognition, financial assets are to be measured at their fair values except for:

- a) loans and receivables which are measured at amortised cost using the effective interest method;
- b) held-to-maturity investments which are measured at amortised cost using the effective interest method; and
- c) investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, which shall be measured at cost.

1.12 Derecognition of Financial Assets and Liabilities

As prescribed in the Finance Minister's Orders, the Commission has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

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 or cancelled or expires.

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

For the comparative year, financial assets were derecognised when the contractual right to receive cash no longer existed. Financial liabilities were derecognised when the contractual obligation to pay cash no longer existed.

1.13 Impairment of Financial Assets

As prescribed in the Finance Minister's Orders, the Commission has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

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 profit and loss.

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 profit and loss, is transferred from equity to the profit and loss.

Comparative Year

The above policies were not applied for the comparative year. For receivables, amounts were recognised and carried at original invoice amount less a provision for doubtful debts based on an estimate made when collection of the full amount was no longer probable. Bad debts were written off as incurred.

Other financial assets carried at cost which were not held to generate net cash inflows, were assessed for indicators of impairment. Where such indicators were found to exist, the recoverable amount of the assets was estimated and compared to the assets carrying amount and, if less, reduced to the carrying amount. The reduction was shown as an impairment loss.

1.14 Interest Bearing Loans and Borrowings

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

1.15 Trade Creditors

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. 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 Assets are not recognised in the Balance Sheet but are discussed in the relevant schedule 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. Remote contingencies are part of this disclosure. Where settlement becomes probable, a liability or asset is recognised. A liability or asset is recognised when its existence is confirmed by a future event, settlement becomes probable (virtually certain for assets) or reliable measurement becomes possible.

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 authority's accounts immediately prior to the restructuring.

1.18 Property, Plant and Equipment (PP&E)

Asset Recognition Threshold

Purchases of land and buildings are recognised originally 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 set of similar items which are significant in total).

Purchases of infrastructure, 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 personal computers, laser printers or where they form part of a set 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 Commission's leasehold improvements with a corresponding provision for the 'makegood' taken up.

Revaluations

Basis

Land, buildings, plant and equipment are carried at fair value, being revalued with sufficient frequency such that the carrying amount of each asset is not materially different, at reporting date, from its fair value. Valuations undertaken in each year are as at 30 June.

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

Asset class	Fair value measured at:
Land	Depreciated replacement cost
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 to the same asset class that was previously recognised through profit and loss. Revaluation decrements for a class of assets are recognised directly through profit and loss 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 and amortisation

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>2006</u>	<u>2005</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

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 5C.

Impairment

All assets were assessed for impairment at 30 June 2006. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's 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.

No indicators of impairment were found for assets at fair value.

1.19 Intangibles

The Commission's intangibles comprise only purchased software. 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 is 3 to 5 years (2004-05: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2006.

1.20 Inventories

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

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: The impact of the transition to AEIFRS from previous AGAAP

The transition to AEIFRS from previous AGAAP has had no impact on the accounts of the Commission, including the cash flow statement which is equivalent under AEIFRS or previous AGAAP.

Reconciliation of total equity as presented under previous AGAAP to that under AEIFRS

	2005	2004
	\$'000	\$'000
Total equity under previous AGAAP	174,028	157,899
Total equity translated to AEIFRS	<u>174,028</u>	<u>157,899</u>

Note 3: 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.

	2006	2005
	\$'000	\$'000
Note 4: Income		
<u>Revenues</u>		
<u>Note 4A: Revenues from Government</u>		
Appropriations for outputs	<u>168,631</u>	145,794
Total revenues from Government	<u><u>168,631</u></u>	<u>145,794</u>
<u>Note 4B: Goods and Services</u>		
Goods	1,330	1,430
Services	<u>17,852</u>	16,223
Total sales of goods and services	<u><u>19,182</u></u>	<u>17,653</u>
Provision of goods to:		
Related entities	-	-
External entities	<u>1,331</u>	1,430
Total sales of goods	<u><u>1,331</u></u>	<u>1,430</u>
Rendering of services to:		
Related entities	3,370	3,698
External entities	<u>14,482</u>	12,525
Total rendering of services	<u><u>17,852</u></u>	<u>16,223</u>
<u>Note 4C: Interest</u>		
Interest on deposits	2,376	2,311
Loans	<u>337</u>	370
Total interest revenue	<u><u>2,713</u></u>	<u>2,681</u>

	2006 \$'000	2005 \$'000
Note 5: Operating Expenses		
<u>Note 5A: Employee Expenses</u>		
Wages and Salaries	42,541	34,417
Superannuation	5,675	4,561
Leave and other entitlements	1,666	1,329
Separation and redundancies	208	646
Total employee expenses	<u>50,090</u>	<u>40,953</u>

The Commission contributes to the Commonwealth Superannuation (CSS) and the Public Sector Superannuation (PSS) schemes which provide retirement, death and disability benefits to employees. Contributions to the schemes are at rates calculated to cover existing and emerging obligations. Current contribution rates are 27.2% of salary (CSS), 14.6% of salary (PSS) and 14.6% of salary (PSSap). An additional average 3% is contributed as Employer Productivity Superannuation Contributions.

<u>Note 5B: Suppliers</u>		
Provision of goods - external entities	4,092	2,856
Rendering of services - related entities	1,807	1,274
Rendering of services - external entities	38,716	33,305
Operating lease rentals*	1,457	893
Workers compensation premiums	702	556
Total supplier expenses	<u>46,774</u>	<u>38,884</u>

* These comprise minimum lease payments only.

<u>Note 5C: Depreciation and Amortisation</u>		
Depreciation of other infrastructure, plant and equipment	<u>9,581</u>	9,659
Total depreciation and amortisation	<u>9,581</u>	<u>9,659</u>

The aggregate amounts of depreciation expensed during the reporting period for each class of depreciable asset are as follows:

Land and buildings	6,153	6,376
Infrastructure, plant and equipment	3,110	3,037
Intangibles	318	246
Total depreciation and amortisation	<u>9,581</u>	<u>9,659</u>

Note: Land includes Land Improvements which is a depreciable asset.

<u>Note 5D: Grants</u>		
Grants to non-profit institutions	<u>82,750</u>	70,702
Total grants	<u>82,750</u>	<u>70,702</u>

<u>Note 5E: Finance Costs</u>		
Loans	<u>334</u>	379
Total finance costs expense	<u>334</u>	<u>379</u>

<u>Note 5F: Write down and impairment of assets</u>		
Computer hardware - revaluation decrement	-	40
Total write down of assets	<u>-</u>	<u>40</u>

Note 5G: Net Loss from Sale of Assets

Land and buildings:

Proceeds from disposal	-	3,500
Net book value of assets disposed	<u>7</u>	<u>3,553</u>
Net loss from disposal of land and buildings	7	53

Infrastructure, plant and equipment:

Proceeds from disposal	897	979
Net book value of assets disposed	<u>994</u>	<u>1,228</u>
Net loss from disposal of infrastructure, plant and equipment	<u>97</u>	<u>249</u>

Total proceeds from disposals	897	4,479
Total value of assets disposed and selling expenses	<u>1,001</u>	<u>4,781</u>
Total net loss from disposal of assets	<u>104</u>	<u>302</u>

	2006 \$'000	2005 \$'000
Note 6: Financial Assets		
<u>Note 6A: Cash and cash equivalents</u>		
Cash at bank and on hand	11,862	5,789
Deposits at call	<u>33,753</u>	<u>38,876</u>
Total cash and cash equivalents	<u><u>45,615</u></u>	<u><u>44,665</u></u>
 <u>Note 6B: Receivables</u>		
Goods and services	2,297	2,343
Less Allowance for doubtful debts	<u>(32)</u>	<u>(8)</u>
	2,265	2,335
Interest receivable	416	125
GST receivable from the Australian Taxation Office	<u>1,958</u>	<u>1,645</u>
Total receivables (net)	<u><u>4,639</u></u>	<u><u>4,105</u></u>
All receivables are current assets		
Receivables (gross) are aged as follows:		
Overdue by:		
Less than 30 days	4,159	3,152
30 to 60 days	215	764
60-90 days	59	44
More than 90 days	<u>238</u>	<u>153</u>
Total receivables (gross)	<u><u>4,671</u></u>	<u><u>4,113</u></u>
The provision for doubtful debts is aged as follows:		
Less than 30 days	-	-
30 to 60 days	-	-
60-90 days	-	-
More than 90 days	<u>(32)</u>	<u>(8)</u>
Total provision for doubtful debts	<u><u>(32)</u></u>	<u><u>(8)</u></u>
 <u>Note 6C: Loans</u>		
Loan - National Sporting Organisation	<u>4,450</u>	4,250
Total loans	<u><u>4,450</u></u>	<u><u>4,250</u></u>
The balance of loans is aged as follows:		
Less than one year	3,290	1,250
One to two years	1,040	2,000
More than two years	<u>120</u>	<u>1,000</u>
	<u><u>4,450</u></u>	<u><u>4,250</u></u>

	2006 \$'000	2005 \$'000
Note 7: Non-Financial Assets		
<u>Note 7A: Land and Buildings</u>		
Leasehold land at fair value	6,760	6,760
	<u>6,760</u>	<u>6,760</u>
Land Improvements at fair value	9,038	6,590
Accumulated depreciation	<u>(4,640)</u>	<u>(4,442)</u>
	<u>4,398</u>	<u>2,148</u>
Buildings at fair value	220,372	214,664
Accumulated depreciation	<u>(112,380)</u>	<u>(107,430)</u>
	<u>107,992</u>	<u>107,234</u>
Leasehold improvements at fair value	160	80
Accumulated amortisation	<u>(71)</u>	<u>(61)</u>
	<u>89</u>	<u>19</u>
Land and Buildings - assets under construction	<u>31,716</u>	<u>9,339</u>
Total land & buildings	<u>150,955</u>	<u>125,500</u>

Land and Buildings assets were revalued at 30 June 2004 at fair value.

Note 7B: Infrastructure, Plant and Equipment

Furniture, fittings, plant and equipment at fair value	15,095	14,068
Accumulated depreciation	<u>(9,022)</u>	<u>(8,262)</u>
	<u>6,073</u>	<u>5,806</u>
Computers at fair value	6,354	5,771
Accumulated depreciation	<u>(3,728)</u>	<u>(3,123)</u>
	<u>2,626</u>	<u>2,648</u>
Marine Fleet at fair value	1,424	1,400
Accumulated depreciation	<u>(893)</u>	<u>(575)</u>
	<u>531</u>	<u>825</u>
Motor vehicles at fair value	3,637	3,546
Accumulated depreciation	<u>(882)</u>	<u>(1,038)</u>
	<u>2,755</u>	<u>2,508</u>
Total infrastructure, plant and equipment	<u>11,985</u>	<u>11,787</u>

Infrastructure, Plant and Equipment assets were revalued at 30 June 2005 at fair value.

Note 7C: Intangible Assets

Computer software:		
Purchased software - at cost	1,760	1,479
Accumulated amortisation	<u>(824)</u>	<u>(661)</u>
	<u>936</u>	<u>818</u>
Software - assets under construction	<u>100</u>	<u>-</u>
Total intangibles	<u>1,036</u>	<u>818</u>

Software is valued at cost.

2006	2005
\$'000	\$'000

Note 7E: Inventories

Inventory held for resale	<u>824</u>	<u>986</u>
Total inventories	<u><u>824</u></u>	<u><u>986</u></u>

All inventories are current assets.

Note 7F: Other Non-Financial Assets

Prepayments	<u>3,765</u>	<u>4,718</u>
Total other non-financial assets	<u><u>3,765</u></u>	<u><u>4,718</u></u>

	2006	2005
	\$'000	\$'000
Note 8: Payables		
<u>Note 8A: Suppliers</u>		
Trade creditors	7,022	3,779
Grant creditors	<u>837</u>	<u>394</u>
Total supplier payables	<u><u>7,859</u></u>	<u><u>4,173</u></u>

All supplier payables are current liabilities.

<u>Note 8B: Other Payables</u>		
Revenue in advance	1,781	2,383
GST payable to the Australian Taxation Office	106	39
Accrued Expenses	<u>2,939</u>	<u>2,786</u>
Total other payables	<u><u>4,826</u></u>	<u><u>5,208</u></u>

All other payables are current liabilities.

	2006	2005
	\$'000	\$'000
Note 9: Interest Bearing Liabilities		
<u>Note 9A: Loans</u>		
Loan from Department of Finance	<u>4,000</u>	4,000
Total loans	<u><u>4,000</u></u>	<u><u>4,000</u></u>
The balance of loans is aged as follows:		
Less than one year	3,000	1,000
One to two years	1,000	2,000
More than two years	<u>-</u>	<u>1,000</u>
Total loan liability	<u><u>4,000</u></u>	<u><u>4,000</u></u>

	2006	2005
	\$'000	\$'000
Note 10: Provisions		
<u>Note 10A: Employee Provisions</u>		
Salaries and wages	893	306
Annual Leave	4,019	3,454
Long Service Leave	4,310	4,125
Superannuation	1,239	1,059
Separation and redundancies	<u>530</u>	<u>476</u>
Total employee provisions	<u><u>10,991</u></u>	<u><u>9,420</u></u>
Employee provisions are categorised as follows:		
Current	9,497	3,372
Non-current	<u>1,494</u>	<u>6,048</u>
Total employee provisions	<u><u>10,991</u></u>	<u><u>9,420</u></u>

Liabilities for which a legal right to payment within 12 months exists are reported as a current liability, even where payment within 12 months is not expected. Current employee provisions have increased as a result.

	2006 \$'000	2005 \$'000
Note 11: Cash Flow Reconciliation		
Reconciliation of cash per Income Statement to Statement of Cash Flows		
Cash at year end per Statement of Cash Flows	45,615	44,665
Balance Sheet items comprising above cash: 'Financial Asset - Cash'	45,615	44,665
Reconciliation of operating result to net cash from operating activities:		
Operating result	893	5,209
Depreciation and amortisation	9,581	9,659
Net write down of non-financial assets	-	40
Loss on disposal of assets	104	301
(Increase)/Decrease in net receivables	70	200
(Increase)/Decrease in interest receivable	(291)	(34)
(Increase)/Decrease in net GST receivable	3,309	645
(Increase)/Decrease in inventories	162	289
(Increase)/Decrease in prepayments	953	(3,792)
Increase/(Decrease) in revenue in advance	(603)	1,007
Increase/(Decrease) in grant creditors	443	(645)
Increase/(Decrease) in trade creditors	3,243	409
Increase/(Decrease) in accrued expenses	153	1,663
Increase/(Decrease) in employee provisions	1,570	903
Increase/(Decrease) in lease incentive	-	(120)
Net cash from / (used by) operating activities	19,587	15,736

	2006 \$'000	2005 \$'000
Note 12: Contingent Liabilities		
Contingent Liabilities		
Other guarantees	55	-
Claims for damages/costs	-	170
Total contingent liabilities	55	170

The Commission has provided a bank guarantee in respect of office accommodation under lease. This guarantee expires in June 2008.

Unquantifiable Contingent Liabilities

The Australian Sports Commission has no unquantifiable contingent liabilities at 30 June 2006.

Remote Contingencies

The Australian Sports Commission has no remote contingencies at 30 June 2006.

Note 13: Director Remuneration

The following were members of the Commission during 2005-06:

Mr P Bartels , Chairman
Ms H Williams (Ex-officio)
Ms M Foster
Mr R Masters
Mr K Perkins
Mr A Jones
Ms P Tye
Ms M Ford-Eriksson
Mr C Bernardi
Mr J Eales
Mr G Hartung
Mr G Stooke

Total remuneration paid or payable to the Commissioners during 2005-06 was \$273,777 (\$240,278 in 2004-05). The number of Commissioners included in these figures are shown below in the relevant remuneration bands:

	2006	2005
\$Nil - \$14,999	2	3
\$15,000 - \$29,999	8	8
\$30,000 - \$44,999	2	2
Total number of members of the Commission	12	13

Commissioners of the Commission are appointed by the Federal Minister for the Arts and Sport.

Superannuation payments:

A total of \$79,893 was paid into superannuation funds for Commissioners during 2005-06 (\$80,503 in 2004-05).

Note 14: Related Party Disclosures**Commissioners and Commissioner-related entities**

At 30 June 2006 the following Commissioners were directors of the Australian Sports Foundation: Mr J Eales, Mr G Hartung, Mr G Stooke, Ms P Tye and Ms M Ford-Eriksson.

The Australian Sports Commission provides funding to the Australian Sports Foundation. For the year ended 30 June 2006, the funding totalled \$476,924 (2005 - \$482,784). The operating result of the Australian Sports Commission also takes into account an administration charge to the Australian Sports Foundation totalling \$74,771 (2005 - \$92,437).

A list of Commissioners is provided at Note 13. There were no loans advanced to or outstanding with the Commissioners during either 2005-06 or 2004-05. 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):

ENTITY	COMMISSIONER	2006 \$	2005 \$
Donations to related entities:			
		-	-
Reimbursement of National Sport Program expenses:			
NSW Department of Sport and Recreation	Mr A Jones	86,841	8,919
Gymnastics Australia	Ms M Foster	13,962	1,424
Hockey Australia	Ms P Tye	8,120	42,995
Swimming Australia	Mr K Perkins	134,557	17,069
	Ms M Ford-Eriksson		
Australian Paralympic Committee	Mr G Hartung	1,172	4,676
Grants to National Sporting Organisations:			
NSW Dept of Sport & Recreation	Mr A Jones	604,262	84,425
Gymnastics Australia	Ms M Foster	1,479,683	1,331,474
Hockey Australia	Ms P Tye	4,479,933	4,200,526
Swimming Australia	Mr K Perkins	4,710,200	3,872,000
	Ms M Ford-Eriksson		
Australian Paralympic Committee	Mr G Hartung	6,281,000	6,643,999
Provision of services:			
National Library of Australia	Ms H Williams ⁽¹⁾	22,794	22,679

(1) Ms H Williams is an ex-officio Director appointed on behalf of the Department of Communications, Information Technology and the Arts. Transactions with these entities are based on normal items 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 transaction referred to above were conducted with conditions no more favourable than would be expected if the transactions occurred at arms length.

Note 15: Executive Remuneration

The value of remuneration to executive officers is:

	2006	2005
	\$	\$
Income received or due and receivable by officers	<u>1,055,056</u>	<u>907,307</u>

	2006	2005
The number of officers included in these figures are shown below in the relevant remuneration bands:		
\$130,000 to \$144,999	1	
\$145,000 to \$159,999		
\$160,000 to \$174,999		
\$175,000 to \$189,999		
\$190,000 to \$204,999	1	2
\$205,000 to \$219,999	2	
\$220,000 to \$234,999		
\$235,000 to \$249,999		
\$250,000 to \$264,999		
\$265,000 to \$279,999		
\$280,000 to \$294,999		
\$295,000 to \$309,999	<u>1</u>	<u>1</u>
Total number of officers of the Commission	<u>5</u>	<u>3</u>

The officer remuneration for 2006 includes all officers concerned with or taking part in the senior management of the Commission during 2005-06.

In 2005 the Commission had four executive officers. However, one of these officers resigned from the Commission mid year. Their remuneration, and that of the replacement executive officer, is not included in the number of officers shown above because it falls below the \$130,000 threshold. However, their remuneration is included in the total amount.

Performance based pay is included in the calculation of the above remuneration.

Note 16: Remuneration of Auditors

2006

2005

\$

\$

The cost of financial statement audit services provided to the Commission were:

Australian Sports Commission

94,000

93,000

No other services were provided by the Auditor-General during the reporting period.

Note 17: Staffing Levels

2006

2005

The number of employees of the Commission at the reporting date was:

689

656

Note 18B: Interest Rate Risk

The Commission's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below.

	Note	2006 \$'000	Effective Interest rate	2005 \$'000	Effective Interest rate
<u>Financial Assets</u>					
Floating interest rates					
Cash	6A	45,615	5.30%	44,665	5.30%
Loan	6C	4,000	8.87%	4,000	8.87%
Loan	6C	200	8.85%	-	
Non interest bearing					
Receivables	6B	4,639	n/a	4,105	n/a
Loan	6C	250	n/a	250	n/a
		<u>54,704</u>		<u>53,020</u>	

(1) Effective interest rate equals the weighted average interest rate of all cash holdings.

		2006 \$'000	Effective Interest rate	2005 \$'000	Effective Interest rate
<u>Financial Liabilities</u>					
Non interest bearing					
Trade creditors	8A	10,811	n/a	6,998	n/a
Floating interest rates					
Loan	9A	4,000	8.87%	4,000	8.87%
Net financial assets (liabilities)		<u>14,811</u>		<u>10,998</u>	

Note 18C: Fair Values of Financial Assets and Liabilities

The net fair value of all financial assets and liabilities of the Commission approximate their carrying value. Financial assets and liabilities are disclosed in the Balance Sheet and the related notes.

Note 18D: Credit risk exposures

The 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 Income Statement.

The Commission does not have significant exposures to any concentrations of credit risk.

Note 20: Assets Held in Trust

The Commission operates the following trust funds:

- * The Gary Knoke Memorial Scholarship Trust
- * Promoters Trust
- * Australian College of Sport Education Trust

Monies received under these trusts are placed into a special bank account and expended in accordance with the terms of the trusts. These monies are not available for the purpose of the Commission and are not recognised in the financial statements other than by note disclosure.

GARY KNOKE MEMORIAL SCHOLARSHIP TRUST

The Gary Knoke Memorial Scholarship Trust is to be used for the provision of scholarships to eligible persons.

	2006	2005
	\$'000	\$'000
Balance carried forward from previous year	54	53
Receipts during the year	-	-
Interest received	1	1
Available for payment	-	-
Payments made	-	-
	<hr/>	<hr/>
Balance carried forward to next year	<u>55</u>	<u>54</u>

PROMOTERS TRUST

The 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.

	2006	2005
	\$'000	\$'000
Receipts		
Takings for events	1,284	873
	<hr/>	<hr/>
	1,284	873
Expenditure		
Distributions to:		
Promoters	(1,006)	(730)
Australian Sports Commission	(101)	(75)
Payments to suppliers	(177)	(68)
Other	-	-
	<hr/>	<hr/>
	(1,284)	(873)
Excess of receipts over expenditure	<hr/>	<hr/>
	-	-
Assets		
Cash at Bank	88	325
Debtors	-	54
	<hr/>	<hr/>
	88	379
Liabilities		
Distributions to:		
Monies held	8	294
Australian Sports Commission	26	34
Promoters	36	30
Payments to Suppliers	18	21
	<hr/>	<hr/>
	88	379

AUSTRALIAN COLLEGE OF SPORT EDUCATION TRUST

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.

	2006	2005
	\$'000	\$'000
Balance carried forward from previous year	104	100
Receipts during the year	-	-
Interest received	4	4
Available for payment	-	-
Payments made	-	-
	<hr/>	<hr/>
<i>Balance carried forward to next year</i>	108	104
	<hr/> <hr/>	<hr/> <hr/>

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2006

	Accumulated Results		Asset Revaluation Reserve		Contributed Equity/Capital		Total Equity	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Opening Balance	(3,367)	(8,576)	65,778	66,490	111,617	99,985	174,028	157,899
Income and Expense								
Revaluation adjustment	-	-	-	(712)	-	-	-	(712)
Subtotal income and expenses recognised directly in equity	-	-	-	(712)	-	-	-	(712)
Net Operating Result	893	5,209	-	-	-	-	893	5,209
Total income and expenses	893	5,209	-	(712)	-	-	893	4,497
Transactions with Owners								
Appropriations (equity injection)	-	-	-	-	20,672	11,632	20,672	11,632
Total Transactions with Owners	-	-	-	-	20,672	11,632	20,672	11,632
Closing balance at 30 June	(2,474)	(3,367)	65,778	65,778	132,289	111,617	195,593	174,028

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

SCHEDULE OF CONTINGENCIES

as at 30 June 2006

Contingent liabilities	Guarantees		Claims for damages/costs		Total	
	2006	2005	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance from previous period	-	-	170	120	170	120
New	55	-	-	50	55	50
Re-measurement	-	-	(10)	-	(10)	-
Liabilities crystallised	-	-	(40)	-	(40)	-
Obligations expired	-	-	(120)	-	(120)	-
Total Contingent Liabilities	55	-	-	170	55	170

Contingent assets	Guarantees		Claims for damages/costs		Total	
	2006	2005	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance from previous period	-	-	-	-	-	-
New	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-
Assets crystallised	-	-	-	-	-	-
Expired	-	-	-	-	-	-
Total Contingent Assets	-	-	-	-	-	-
Net Contingent Liabilities	-	-	-	-	55	170

Details of each class of contingent liabilities and assets, including those not included above because they cannot be quantified or are considered remote, are disclosed in Note 12: Contingent Liabilities and Assets.

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

Note 7D: Summary of Assets at Valuation as at 30 June 2006

Table A - Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

MOVEMENT SUMMARY 2005-06 FOR ALL ASSETS IRRESPECTIVE OF VALUATION BASIS

	Land	Buildings	Infrastructure, Plant & Equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2005					
Gross book value	13,896	223,605	24,785	1,479	263,765
Accumulated depreciation/amortisation	(4,442)	(107,559)	(12,998)	(661)	(125,660)
Opening net book value	9,454	116,046	11,787	818	138,105
Additions:					
by purchase	-	31,615	4,302	536	36,453
Net revaluation increment/(decrement)	-	-	-	-	-
Depreciation/amortisation expense	-	(6,153)	(3,110)	(318)	(9,581)
Disposals:					
Other disposals	-	(7)	(994)	-	(1,001)
As at 30 June 2006					
Gross Book Value	13,896	255,213	28,093	2,015	299,217
Accumulated depreciation/amortisation	(4,442)	(113,712)	(16,108)	(979)	(135,241)
Closing net book value	9,454	141,501	11,985	1,036	163,976

Note: Land includes Land Improvements which are a depreciable asset.

Table B - Property, Plant and Equipment and Intangibles under Construction

Item	Land	Buildings	Infrastructure, Plant & Equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 30 June 2006	350	31,366	-	100	31,816
Carrying amount at 30 June 2005	546	8,793	-	-	9,339

Note 18: FINANCIAL INSTRUMENTS

Note 18 A: Terms, conditions and accounting policies

Financial instruments	Accounting policies and methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows).
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Financial assets

Cash Note 6A	Items included in cash are recognised at their nominal amounts. Interest is credited to revenue as it accrues.	Cash on hand, cash held on account including; 11am call accounts, fixed term deposits and other bank deposits. Interest is earned on daily balances of funds held with the banks.
Receivables for goods & services Note 6B	Receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Provision for bad and doubtful debts is made when collection is unlikely.	Credit terms are 30 days net (04-05: 30 days).
Interest receivable Note 6B	Interest is accrued as it is earned.	The interest rates range is 2.38% to 5.68% and the frequency of payments range from monthly to quarterly.
Loans Note 6C	Loans are recognised at the amount loaned. Provision is made for bad and doubtful debts when collection of the loan, or part thereof, is judged to be less likely than more likely. Interest is credited to revenue as it accrues.	Interest bearing loans are made on commercial terms with variable interest rates.

Financial liabilities

Trade creditors Note 8A	Creditors and accruals are recognised at their nominal amounts, being amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	Settlement is usually made net 30 days.
Grants payable Note 8A	This payable is recognised as the amount outstanding on the amount to be paid in accordance with the terms of the grants.	Amounts are payable when the conditions of the grant are met.
Loan Note 9A	The loan is recognised at the amount borrowed. Interest is debited to expenses as it accrues.	Repayments of principal are six-monthly from 31 July 2006. Interest rate is variable. Interest payments are due annually.

Note 19: Appropriations

Particulars	Departmental Outputs		Loans		Equity		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Year Ended 30 June 2006								
Balance carried forward from previous year	-	-	1,000	1,000	-	-	1,000	1,000
Appropriation Acts 1 and 3	168,631	145,794	-	-	-	-	168,631	145,794
Appropriation Acts 2 and 4	-	-	-	-	20,672	11,632	20,672	11,632
Available for payment of CRF	168,631	145,794	1,000	1,000	20,672	11,632	190,303	158,426
Payments made out of CRF	168,631	145,794	-	-	20,672	11,632	189,303	157,426
Balance carried forward to next year	-	-	1,000	1,000	-	-	1,000	1,000

This table reports on appropriations made by the Parliament of the Consolidated Revenue Fund (CRF) for payment to the Commission. When received by the Commission, the payments made are legally the money of the Commission and do not represent any balance remaining in the CRF.

Note 21: Reporting of OutcomesNote 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	
	2006	2005	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental Expenses	64,698	44,500	124,936	116,419	189,633	160,919
Total expenses	64,698	44,500	124,936	116,419	189,633	160,919
Other external revenues						
Departmental						
Sales of goods and services	7,216	5,784	11,966	11,869	19,182	17,653
Interest	1,021	879	1,692	1,802	2,713	2,681
Total other external revenues	8,237	6,663	13,658	13,671	21,895	20,334
Net cost of outcome	56,461	37,837	111,278	102,748	167,738	140,585

Note 21C: Revenues and Expenses by Output Groups and Outputs

	Outcome 1		Outcome 2		Total	
	Output 1.1		Output 2.1			
	2006	2005	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating expenses						
Employees	17,096	11,381	32,994	29,572	50,090	40,953
Suppliers	15,964	10,817	30,810	28,107	46,774	38,924
Depreciation and amortisation	3,270	2,685	6,311	6,974	9,581	9,659
Grants	28,243	19,650	54,507	51,052	82,750	70,702
Finance Costs	114	105	220	274	334	379
Net losses from asset sales	11	(138)	93	440	104	302
Total operating expenses	64,698	44,500	124,935	116,419	189,633	160,919
Funded by:						
Revenues from Government	57,666	42,129	110,965	103,665	168,631	145,794
Sale of goods and services	7,216	5,784	11,966	11,869	19,182	17,653
Interest	1,021	879	1,692	1,802	2,713	2,681
Total operating revenues	65,903	48,792	124,623	117,336	190,526	166,128