

AUSTRALIAN SPORTS COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2016

2016 Budget \$'000		Notes	2016 Actual \$'000	2015 Actual \$'000
NET COST OF SERVICES EXPENSES				
63,626	Employee benefits	3A	62,400	66,625
34,945	Suppliers	3B	41,652	45,107
161,962	Grants	3C	168,890	179,928
22,936	Depreciation and amortisation	6	22,207	21,841
-	Write-down and impairment of assets	3D	1,449	748
-	Foreign exchange losses - not speculative		30	72
-	Other expenses	3E	524	1,244
283,469	TOTAL EXPENSES		297,152	315,565
OWN-SOURCE INCOME				
	Own-source revenue			
20,261	Sale of goods and rendering of services		21,667	19,226
355	Contributions from Government entities		1,136	20,142
3,056	Interest	4A	3,054	3,623
107	Rental income	4B	157	137
-	Other revenue		2,204	2,050
23,779	Total own-source revenue		28,218	45,178
	Gains			
-	Reversals of impairment losses		59	75
-	Gain from sale of assets	4C	57	56
-	Total gains		116	131
23,779	TOTAL OWN-SOURCE INCOME		28,334	45,309
259,690	NET COST OF SERVICES		268,818	270,256
253,646	Revenue from Government (corporate Commonwealth entity payment)		253,646	266,068
(6,044)	SURPLUS / (DEFICIT)		(15,172)	(4,188)
OTHER COMPREHENSIVE INCOME				
	ITEMS NOT SUBJECT TO SUBSEQUENT RECLASSIFICATION TO NET COST OF SERVICES			
-	Changes in asset revaluation reserves		9,931	6,956
-	TOTAL OTHER COMPREHENSIVE INCOME		9,931	6,956
(6,044)	TOTAL COMPREHENSIVE INCOME / (LOSS)		(5,241)	2,768

The above statement should be read in conjunction with the accompanying notes.
Explanations of major budget variances are provided at Note 17.

AUSTRALIAN SPORTS COMMISSION
STATEMENT OF FINANCIAL POSITION
For the year ended 30 June 2016

2016 Budget \$'000		Notes	2016 Actual \$'000	2015 Actual \$'000
ASSETS				
	Financial assets			
24,262	Cash and cash equivalents - on hand and deposit	9	25,842	11,798
6,828	Trade and other receivables	5A	4,989	5,092
60,000	Term deposits		50,000	65,000
1,550	Loans	5B	3,005	2,721
92,640	Total financial assets		83,836	84,611
	Non-financial assets			
212,661	Land and buildings	6	224,651	227,555
8,699	Infrastructure, plant and equipment	6	12,892	12,343
2,192	Computer software	6	3,292	4,210
486	Inventories		419	467
2,610	Prepayments		2,368	1,749
226,648	Total non-financial assets		243,622	246,324
319,288	TOTAL ASSETS		327,458	330,935
LIABILITIES				
	Payables			
2,113	Suppliers		2,354	2,764
1,608	Grant payables		86	40
2,787	Other payables	7	1,481	1,213
6,508	Total payables		3,921	4,017
	Provisions			
13,564	Employee provisions	8A	14,107	12,241
145	Other provisions	8B	72	78
13,709	Total provisions		14,179	12,319
20,217	TOTAL LIABILITIES		18,100	16,336
299,071	NET ASSETS		309,358	314,599
EQUITY				
150,210	Contributed equity		150,210	150,210
183,904	Asset revaluation reserve		193,836	183,905
(35,043)	Retained surplus / (accumulated deficit)		(34,688)	(19,516)
299,071	TOTAL EQUITY		309,358	314,599

The above statement should be read in conjunction with the accompanying notes.
Explanations of major budget variances are provided at Note 17.

AUSTRALIAN SPORTS COMMISSION
STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	Retained surplus / (accumulated deficit)			Asset revaluation reserve			Contributed equity / capital			Total equity		
	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance carried forward from previous period	(28,999)	(19,516)	(15,328)	183,904	183,905	176,949	150,210	150,210	148,710	305,115	314,599	310,331
Opening balance	(28,999)	(19,516)	(15,328)	183,904	183,905	176,949	150,210	150,210	148,710	305,115	314,599	310,331
Other comprehensive income	-	-	-	-	9,931	6,956	-	-	-	-	9,931	6,956
Deficit for the period	(6,044)	(15,172)	(4,188)	-	-	-	-	-	-	(6,044)	(15,172)	(4,188)
Total comprehensive income	(6,044)	(15,172)	(4,188)	-	9,931	6,956	-	-	-	(6,044)	(5,241)	2,768
Transactions with owners:												
Appropriation (equity injection)	-	-	-	-	-	-	-	-	1,500	-	-	1,500
Total transactions with owners	-	-	-	-	-	-	-	-	1,500	-	-	1,500
Closing balance attributable to the Australian Government	(35,043)	(34,688)	(19,516)	183,904	193,836	183,905	150,210	150,210	150,210	299,071	309,358	314,599

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

Explanations of major budget variances are provided at Note 17.

AUSTRALIAN SPORTS COMMISSION
CASH FLOW STATEMENT
For the year ended 30 June 2016

2016 Budget \$'000		Notes	2016 Actual \$'000	2015 Actual \$'000
OPERATING ACTIVITIES				
	Cash received			
20,261	Sale of goods and rendering of services		24,865	24,323
355	Contributions from Government entities		1,136	20,142
253,646	Receipts from Government		253,646	266,068
3,000	Interest		2,861	3,791
-	Net GST received		16,788	18,077
277,262	Total cash received		299,296	332,401
	Cash used			
(63,394)	Employees		(60,423)	(70,810)
(34,945)	Suppliers		(47,596)	(49,594)
(161,962)	Grants		(181,417)	(195,475)
(260,301)	Total cash used		(289,436)	(315,879)
16,961	Net cash from operating activities	9	9,860	16,522
INVESTING ACTIVITIES				
	Cash received			
-	Proceeds from sales of property, plant and equipment		516	1,177
29	Repayments of loans and interest		89	9
29	Total cash received		605	1,186
	Cash used			
(3,537)	Purchase of property, plant and equipment		(10,371)	(12,701)
-	Loans issuance		(1,050)	(2,700)
(3,537)	Total cash used		(11,421)	(15,401)
(3,508)	Net cash used by investing activities		(10,816)	(14,215)
FINANCING ACTIVITIES				
	Cash received			
-	Appropriations - contributed equity		-	1,500
-	Total cash received		-	1,500
-	Net cash from financing activities		-	1,500
13,560	Net increase / (decrease) in cash held		(956)	3,807
70,702	Cash and cash equivalents at the beginning of the reporting period		76,798	72,991
84,155	Cash and cash equivalents at the end of the reporting period	9	75,842	76,798

The above statement should be read in conjunction with the accompanying notes.
Explanations of major budget variances are provided at Note 17.

AUSTRALIAN SPORTS COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

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Note 1: Summary of significant accounting policies

1.1 Objectives of the Australian Sports Commission

The Australian Sports Commission (the Commission) is an Australian Government controlled entity. It is a not-for-profit corporate Commonwealth entity. The purpose of the Commission is to strengthen Australian sport – to enable more people to play sport and Australian athletes and teams to succeed on the world stage. The Commission promotes and supports the development of a cohesive and effective national sports sector that creates opportunities for all Australians to participate and excel in sport.

The Commission is structured to meet two outcomes:

Outcome 1: Improved participation in structured physical activity, particularly organised sport, at the community level, including through leadership and targeted community-based sports activity.

Outcome 2: Excellence in sports performance and continued international sporting success, by talented athletes and coaches, including through leadership in high-performance athlete development, and targeted science and research.

On 1 July 2016 the Commission will transition to the following single outcome:

Outcome 1: Increased participation in organised sport and continued international sporting success including through leadership and development of a cohesive and effective sports sector, provision of targeted financial support, and the operation of the Australian Institute of Sport.

The continued existence of the Commission in its present form and with its present program is dependent on Government policy and on continuing funding by Parliament for the Commission's administration and program.

1.2 Basis of preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements and notes have been prepared in accordance with:

- the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) for reporting periods ending on or after 1 July 2014; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

AUSTRALIAN SPORTS COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities 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 statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

1.3 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:

- a) The fair value of buildings has been taken to be the depreciated replacement cost as determined by an independent valuer. The Commission uses this valuation methodology as the buildings are purpose built and may in fact realise more or less than the market value.
- b) The Commission assesses impairment of all assets at each reporting date by evaluating conditions specific to the Commission and to the particular asset that may lead to impairment. If an impairment trigger exists then the recoverable amount is restated.

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

1.4 New Australian Accounting Standards

Adoption of new Australian Accounting Standard Requirements

The Commission has elected to apply *AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* for this financial year, even though the Standard is not required to be applied until annual reporting periods beginning on or after 1 July 2016. AASB 2015-7 provides relief from disclosing quantitative information about significant unobservable inputs used in fair value, where property, plant and equipment is held for its current service potential rather than to generate future net cash inflows.

No new, revised or amended standards were issued prior to the signing of the Statement by the Chair of the Board, Chief Executive Officer and the Chief Financial Officer applicable to the current reporting period that have a material effect, and are not expected to have a future material effect, on the Commission's financial statements.

Future Australian Accounting Standard Requirements

The following new standards, amendments to standards or interpretations were issued by the Australian Accounting Standards Board prior to the signing of the Statement by the Chair of the Board, Chief Executive Officer and Chief Financial Officer and are expected to have an impact on the Commission for future reporting periods.

- AASB 9 *Financial instruments* (applicable to reporting periods beginning on or after 1 January 2018) represents the first phase of a three-phase process to replace AASB 139 *Financial Instruments*:

AUSTRALIAN SPORTS COMMISSION
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For the year ended 30 June 2016

Recognition and Measurement. The standard reduces the four categories of financial asset to two: amortised cost and fair value. Given the make-up of the Commission's financial assets (amortised cost items such as loans, receivables, term deposits), the new standard is not expected to impact its treatment or valuation of these assets.

- AASB 15 *Revenue from Contracts with Customers* (applicable to reporting periods beginning on or after 1 January 2018) establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers, with revenue recognised once performance obligations are satisfied. While this will apply for contracts that are exchange transactions, non-exchange transactions will continue to come under AASB 1004 *Contributions*. The Commission's treatment of exchange transactions and performance obligations is consistent with the requirements of the standard, and its introduction is not expected to materially impact revenue recognition.
- AASB 16 *Leases* (applicable to reporting periods beginning on or after 1 January 2019) requires all lessees to account for their leases (except those at low value or less than 12 months) on the Statement of Financial Position. Accounting treatment for lessors will be unchanged. This will impact the treatment and disclosure of the operating leases the Commission has entered into as the lessee.

Other reissued standards and amendments that were issued prior to the signing of the Statement by the Chair of the Board, Chief Executive Officer and the Chief Financial Officer and are applicable to the future reporting periods are not expected to have a future financial impact on the Commission.

1.5 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the Commission retains no managerial involvement or 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 Commission.

Revenue from the 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 associated with the transaction will flow to the Commission.

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 impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

AUSTRALIAN SPORTS COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Resources received free of charge

Resources 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. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Revenue from Government

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the entity as a corporate Commonwealth entity payment item for payment to the Commission) is recognised as Revenue from Government unless they are in the nature of an equity injection or a loan.

Contributions received

Revenue arising from the contribution of an asset to the Commission (including sponsorship) is recognised when:

- the Commission obtains control of the contribution or has the right to receive the contribution;
- it is probable that the economic benefits comprising the contribution will flow to the entity; and
- the amount of the contribution can be reliably measured.

Revenue is recognised irrespective of whether restrictions or conditions are imposed on the use of the contribution.

1.6 Gains

Sale of assets

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

1.7 Transactions with the Government as owner

Equity injections

Amounts which are designated as 'equity injections' for a year are recognised directly in contributed equity in that year.

Other distributions to owners

Other distributions to owners are debited to contributed equity unless in the nature of a dividend.

1.8 Employee benefits

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits expected within twelve months of the end of the reporting period 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.

AUSTRALIAN SPORTS COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

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 at the estimated salary rates that will be applied at the time the leave is taken, 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 liability for long service leave and annual leave has been determined by reference to the work of an actuary as at 30 June 2015. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

A liability is recognised for separation and redundancy benefit payments. The entity recognises a liability for termination when it has developed a detailed formal plan for the terminations or when an offer is made to an employee and is accepted.

Superannuation

Staff of the Commission are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap), Australian Super, CARE Superannuation, CBUS Industry Super Pty Ltd, Health Employees Super Trust (HESTA), Media Super (MEDIA) and Labour Union Co-operative Retirement Fund (LUCRF).

The CSS and PSS are defined benefit schemes for the Australian Government. The remaining funds are defined contribution schemes.

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. This liability is reported in the Department of Finance's administered schedules and notes.

The Commission makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current 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.

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

AUSTRALIAN SPORTS COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

1.9 Leases

Operating lease payments are expensed evenly over the lease term. The Commission does not have any finance leases.

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand and demand deposits in bank accounts that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

1.11 Financial assets

The Commission classifies its financial assets in the following categories:

- held-to-maturity investments; and
- loans and receivables.

Financial assets are recognised and derecognised upon trade date.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis.

Held-to-maturity investments

Term deposits held by the Commission are classified as 'held-to-maturity investments' and are initially recognised at fair value. Term deposits are subsequently recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and receivables

Loans, trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Loans and other receivables provided on more favourable terms than the borrower could obtain in the market place contain a concessional discount. The concessional loan is initially recognised at fair value and the difference between notional and fair values is expensed upon initial recognition, if material. Concessional loans are subsequently amortised using the effective interest rate method.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period. If there is objective evidence that an impairment loss has been incurred, 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 Statement of Comprehensive Income.

1.12 Financial liabilities

Supplier and other payables are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. Financial liabilities are recognised and derecognised upon trade date. Supplier and other payables are settled within 30 days.

Liabilities are recognised to the extent that the goods or services have been received (irrespective of having been invoiced).

1.13 Contingent liabilities and contingent assets

The Commission has no quantifiable or unquantifiable contingent assets or liabilities as at 30 June 2016 (2015: nil).

1.14 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 income at their fair value at the date of acquisition.

1.15 Property, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than the threshold for the asset's sub-class, 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 or are purchases of computer equipment).

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 'make-good' provisions in property leases taken up by the Commission where there exists an obligation to restore the property to its original condition. These costs

AUSTRALIAN SPORTS COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

are included in the value of the Commission's leasehold improvements with a corresponding provision for the make-good recognised.

Revaluations

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

Asset Class	Sub-class
Land	Market selling price
Land improvements	Depreciated replacement cost
Buildings (excluding leasehold improvements)	Depreciated replacement cost
Leasehold improvements	Depreciated replacement cost
Property, plant and equipment	Market selling price and depreciated replacement cost

Following initial recognition at cost, property plant and equipment are carried at fair value. 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 operating result. Revaluation decrements for a class of asset are recognised directly through operating result except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its re-valued 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.

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.

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

Asset Class	Sub-class	2016	2015
Buildings	Buildings	3 - 75 years	3 - 75 years
Land improvements	Land improvements	15 - 40 years	15 - 40 years
Leasehold improvements	Leasehold improvements	Lease term	Lease term
Property, plant and equipment	Furniture, fittings, plant and equipment	4 - 25 years	4 - 25 years
Property, plant and equipment	Computer hardware	3 - 5 years	3 - 5 years
Property, plant and equipment	Marine fleet	2 - 20 years	2 - 20 years
Property, plant and equipment	Motor vehicles	2 - 10 years	2 - 10 years

Impairment

All assets were assessed for impairment at 30 June 2016. 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.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.16 Intangibles

The Commission's intangibles comprise purchased and internally-developed software.

Purchases of intangibles are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than the threshold of the asset's sub-class, 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).

These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Commission's software are 3 to 7 years (2015: 3 to 7 years).

All software assets were assessed for indications of impairment as at 30 June 2016.

1.17 Inventories

Inventories held for sale are valued at the lower of cost and net realisable value. Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

Inventories acquired at no cost or for nominal consideration are initially measured at current replacement cost at the date of acquisition. All inventories are expected to be sold or distributed in the next 12 months.

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1.18 Taxation

The Commission is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). Revenues, expenses, liabilities and assets are recognised net of GST except:

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

1.19 Grants

Grant expenses and liabilities are recognised to the extent that:

- (i) the services required to be performed by the grantee have been performed; or
- (ii) the grant eligibility criteria have been satisfied, but payments due have not been made.

Where some or all of a grant is required to be repaid, the Commission recognises the amount to be repaid, or due to be repaid as:

- (i) a reduction in grant expenses if the repayment of grant monies arises in the same financial year that the grant expense was incurred; or
- (ii) an increase in income if the grant expense was incurred in a prior financial year.

1.20 Foreign currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at the end of the financial year. Net foreign exchange gains and losses (both realised and unrealised) arising from foreign currency transactions are reported in the Statement of Comprehensive Income.

Note 2: Events after the reporting period

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

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2016 \$'000	2015 \$'000
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Note 3: Expenses

Note 3A: Employee benefits

Wages and salaries	48,119	50,572
Superannuation:		
Defined contribution plans	4,751	4,932
Defined benefit plans	3,161	3,450
Leave and other entitlements	5,990	4,915
Separation and redundancies	379	2,756
Total employee benefits	62,400	66,625

Note 3B: Suppliers

Goods and services		
Consultants and contractors	12,478	14,201
Travel	3,062	3,545
Property operating	11,806	11,183
Materials	4,068	4,573
Communications and IT	3,553	3,349
Other	4,717	5,486
<i>Total goods and services</i>	39,684	42,337
Other suppliers		
Operating lease rentals – external parties:		
Minimum lease payments	1,521	1,870
Workers compensation expenses	447	900
<i>Total other suppliers</i>	1,968	2,770
Total suppliers	41,652	45,107

Operating Lease Commitments

The Commission in its capacity as lessee has obligations for offices, accommodation, motor vehicles and the lease obligation under the Heads of Agreement for the European Training Centre in Varese, Italy. The lease payments for offices are subject to annual increases in accordance with upward movements in the Consumer Price Index. The lease obligation for the European Training Centre is based on the final construction costs for the facility. With respect to motor vehicle leases there are no renewal or purchase options available.

2016 \$'000	2015 \$'000
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Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

One year or less	1,172	974
From one to five years	2,573	2,824
Over five years	25	302
<i>Total operating lease commitments payable</i>	3,770	4,100

AUSTRALIAN SPORTS COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

	2016	2015
	\$'000	\$'000

Note 3: Expenses

Note 3C: Grants

Public sector:

Australian Government entities	130	342
State and Territory Governments	19,988	14,485
Local Governments	-	147

Private sector:

Non-profit organisations	133,693	148,906
Other	40	232

Overseas	24	627
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Other	15,015	15,189
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Total grants	168,890	179,928
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Note 3D: Write-down and impairment of assets

Impairment of financial instruments	820	83
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Non-financial assets:

Write-down and impairment - land and buildings	571	364
Write-down and impairment - property, plant and equipment	50	215
Write-down and impairment - intangibles	2	29
Write-down and impairment of inventory	6	57

Total write-down and impairment of assets	1,449	748
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Note 3E: Other expenses

Return of program funds	15	497
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Sponsorship in kind	416	302
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Other	93	445
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Total other expenses	524	1,244
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AUSTRALIAN SPORTS COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2016	2015
	\$'000	\$'000

Note 4: Own-source Income

Note 4A: Interest

Investments	2,912	3,579
Loans	142	44
Total interest	3,054	3,623

Note 4B: Rental income

Rental income	157	137
Total rental income	157	137

Operating lease commitments receivable

The Commission in its capacity as lessor has rental agreements with national sporting organisations to access specified facilities and services at the AIS Campus.

Commitments for rental income receivables are as follows:

One year or less	171	154
From one to five years	-	149
<i>Total rental income commitments</i>	171	303

Note 4C: Gain from sale of assets

Property, plant and equipment:

Proceeds from sale	516	1,177
Carrying value of assets sold	(425)	(1,078)
Selling expense	(34)	(43)
Total gain from sales of assets	57	56

AUSTRALIAN SPORTS COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

	2016	2015
	\$'000	\$'000

Note 5: Financial assets

Note 5A: Trade and other receivables

Goods and services	2,942	2,421
GST receivable from the Australian Taxation Office	1,675	2,451
Interest	407	326
Total trade and other receivables (gross)	5,024	5,198
Less impairment allowance:		
Goods and services	(35)	(106)
Total trade and other receivables (net)	4,989	5,092

Receivables (gross) are aged as follows:

Not overdue	4,014	4,362
Overdue by:		
Less than 30 days	532	369
30 to 60 days	278	121
61 to 90 days	62	16
More than 90 days	138	330
<i>Total receivables (gross)</i>	5,024	5,198

The impairment allowance account is aged as follows:

More than 90 days	(35)	(106)
<i>Total impairment allowance account</i>	(35)	(106)

Reconciliation of the impairment allowance account:

Opening balance	(106)	(111)
Amounts written-off	31	83
Amounts recovered and reversed	59	75
Decrease in impairments recognised in net surplus	(19)	(153)
<i>Closing balance</i>	(35)	(106)

AUSTRALIAN SPORTS COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

	2016 \$'000	2015 \$'000
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Note 5: Financial assets

Note 5B: Loans

Cycling Australia	1,544	1,521
Australian Paralympic Committee	2,250	1,200
Total loans (gross)	3,794	2,721
Less impairment allowance:		
Cycling Australia	(789)	-
Total loans (net)	3,005	2,721

2016 \$'000	2015 \$'000
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Loans expected to be recovered in:

No more than 12 months	167	-
More than 12 months	2,838	2,721
<i>Total loans</i>	3,005	2,721

2016 \$'000	2015 \$'000
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Reconciliation of the impairment allowance account:

Opening balance	-	-
Increase in impairments recognised in net surplus	(789)	-
<i>Closing balance</i>	(789)	-

Australian Paralympics Committee Ltd Loan

In June 2015, the Commission provided a \$2,500,000 loan facility to the Australian Paralympics Committee Ltd (APC) as part of an assistance package for restructuring and other financial assistance. At 30 June 2016, \$2,250,000 of this facility was drawn and no further payments are expected from the undrawn portion of the facility. The loan is repayable over a 6 year loan term and attracts a floating interest charge.

Cycling Australia Ltd Loan

In September 2014, the Commission provided two loans of \$500,000 and \$1,000,000 to Cycling Australia Ltd (CA) as part of an assistance package for restructuring and other financial assistance. The loans are repayable over 4 and 6 year loan terms (respectively) and both loans attract a floating interest charge.

During 2016, the Commission recognised an impairment allowance in connection with the loans to CA. The amount has been measured as the difference between the loan carrying amount and the value of estimated future cashflows. Estimated future cash flows are based on the ASC's best estimate after assessing all available evidence and considering a range of potential outcomes. The ASC is working closely with CA to address this financial situation.

AUSTRALIAN SPORTS COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

Note 6: Non-financial assets

Reconciliation of the opening and closing balances of property, plant, equipment and intangibles (2015-16)

	Land \$'000	Buildings & land improvements \$'000	Total land, buildings & land improvements \$'000	Infrastructure, plant & equipment \$'000	Purchased software \$'000	Internally developed software \$'000	Total Computer Software \$'000	Total \$'000
As at 1 July 2015								
Gross book value	10,000	514,325	524,325	29,279	5,641	4,196	9,837	563,441
Accumulated depreciation and impairment	-	(296,770)	(296,770)	(16,936)	(4,094)	(1,533)	(5,627)	(319,333)
Net book value 1 July 2015	10,000	217,555	227,555	12,343	1,547	2,663	4,210	244,108
Additions:								
By purchase	-	4,899	4,899	4,696	47	-	47	9,642
by internal development	-	-	-	-	-	409	409	409
Revaluations recognised in other comprehensive income	-	9,931	9,931	-				9,931
Write-down and impairment recognised in the net cost of services	-	(571)	(571)	(50)	(2)	-	(2)	(623)
Written-down value of assets sold	-	-	-	(425)	-	-	-	(425)
Depreciation and amortisation	-	(17,163)	(17,163)	(3,672)	(562)	(810)	(1,372)	(22,207)
Net book value 30 June 2016	10,000	214,651	224,651	12,892	1,030	2,262	3,292	240,835
Net book value as of 30 June 2016 represented by:								
Gross book value	10,000	531,509	541,509	30,336	5,686	4,605	10,291	582,136
Accumulated depreciation	-	(316,858)	(316,858)	(17,444)	(4,656)	(2,343)	(6,999)	(341,301)
Total as at 30 June 2016	10,000	214,651	224,651	12,892	1,030	2,262	3,292	240,835

The above carrying values include work in progress costs for buildings and land improvements (\$1,485,967) and computer software (\$510,512).

AUSTRALIAN SPORTS COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

Reconciliation of the opening and closing balances of property, plant, equipment and intangibles (2014-15)

	Land \$'000	Buildings & land improvements \$'000	Total land, buildings & land improvements \$'000	Property, plant & equipment \$'000	Purchased Software \$'000	Internally developed software \$'000	Total Computer Software \$'000	Total \$'000
As at 1 July 2014								
Gross book value	10,000	497,401	507,401	28,468	5,237	1,977	7,214	543,083
Accumulated depreciation and impairment	-	(274,015)	(274,015)	(15,881)	(3,635)	(1,053)	(4,688)	(294,584)
Net book value 1 July 2014	10,000	223,386	233,386	12,587	1,602	924	2,526	248,499
Additions								
By purchase	-	4,819	4,819	4,636	507	-	507	9,962
by internal development	-	-	-	-	-	2,219	2,219	2,219
Revaluations recognised in other comprehensive income	-	6,603	6,603	352	-	-	-	6,955
Write-down and impairment recognised in the net cost of services	-	(364)	(364)	(215)	(29)	-	(29)	(608)
Written-down value of assets disposed	-	-	-	(1,078)	-	-	-	(1,078)
Depreciation and amortisation	-	(16,889)	(16,889)	(3,939)	(533)	(480)	(1,013)	(21,841)
Net book value 30 June 2015	10,000	217,555	227,555	12,343	1,547	2,663	4,210	244,108
Net book value as of 30 June 2015 represented by:								
Gross book value	10,000	514,325	524,325	29,279	5,641	4,196	9,837	563,441
Accumulated depreciation	-	(296,770)	(296,770)	(16,936)	(4,094)	(1,533)	(5,627)	(319,333)
Total as at 30 June 2015	10,000	217,555	227,555	12,343	1,547	2,663	4,210	244,108

The above carrying values include work in progress costs for buildings and land improvements (\$1,216,812) and computer software (\$1,072,572).

Revaluation of property, plant and equipment

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. An independent valuer conducted the most recent revaluation of land and buildings as at 30 June 2016 and infrastructure, plant and equipment as at 31 December 2014.

Contractual commitments for the acquisition of property, plant, equipment and intangibles

The Commission had \$155,367 outstanding contractual commitments for property, plant, equipment and intangibles as at 30 June 2016 (2015: \$280,776). Contractual commitments primarily relate to equipment purchases. The Commission expects all contractual commitments to be settled within 12 months.

AUSTRALIAN SPORTS COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

	2016 \$'000	2015 \$'000
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Note 7: Other payables

Wages and salaries	255	-
Superannuation	30	-
Unearned income	1,042	965
Redundancies	154	248
<i>Total other payables</i>	1,481	1,213

Note 8: Provisions

Note 8A: Employee provisions

Leave	14,107	12,241
Total employee provisions	14,107	12,241

Employee provisions are expected to be settled

No more than 12 months	4,835	4,241
More than 12 months	9,272	8,000
<i>Total employee provisions</i>	14,107	12,241

Note 8B: Other provisions

Provision for make good	49	49
Lease incentive	23	29
Total other provisions	72	78

1. The ASC currently has one agreement (2014-15: one) for the leasing of premises which have provisions requiring the Commission to restore the premises to their original condition at the conclusion of the lease. The Commission has made a provision to reflect the present value of this obligation.

2. The ASC currently has one agreement (2014-15: one) for the leasing of premises which has a lease incentive requiring the Commission to recognise a lease incentive provision for the life of the lease. The Commission has made a provision to reflect the present value of this obligation.

AUSTRALIAN SPORTS COMMISSION
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For the year ended 30 June 2016

	2016	2015
	\$'000	\$'000

Note 9: Cash flow reconciliation

Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement

Cash and cash equivalents as per Cash Flow Statement	75,842	76,798
Statement of Financial Position items comprising cash and cash equivalents		
Cash in hand or on deposit	25,842	11,798
Term deposits	50,000	65,000
Total cash and cash equivalents per Statement of Financial Position	75,842	76,798

Reconciliation of net cost of services to net cash from operating activities:

Net cost of services	(268,818)	(270,256)
Revenue from Government	253,646	266,068
Investing income included in net cost of services	(142)	(44)

Adjustments for non-cash items:

Depreciation and amortisation	22,207	21,841
Impairment of assets	1,449	608
Assets now recognised	-	(28)
Gain on disposal of assets	(91)	(98)
Other non-cash income	(81)	-

Movements in assets / liabilities:

(Increase) / decrease in interest receivable	(51)	209
(Increase) / decrease in net receivables	(623)	1,493
(Increase) / decrease in inventories	42	19
(Increase) / decrease in prepayments	(219)	1,410
(Increase) / decrease in tax receivable	776	33
Increase / (decrease) in employee provisions	1,865	(1,797)
Increase / (decrease) in supplier payables	(410)	651
Increase / (decrease) in revenue received in advance	77	326
Increase / (decrease) in grant payables	47	(1,568)
Increase / (decrease) in other payables	191	(2,278)
Increase / (decrease) in other provisions	(5)	(67)
Net cash from operating activities	9,860	16,522

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For the year ended 30 June 2016

Note 10: Fair value measurement

Fair value measurements, valuation technique and inputs used

	2016 \$'000	2015 \$'000	Category (Level 1, 2 or 3)	Valuation technique(s) ¹	Significant Inputs
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Non-financial assets

Land	10,000	10,000	Level 2	Market approach	Sales price of comparable land
Buildings	214,651	217,555	Level 3	Depreciated replacement cost	Replacement cost, expected useful life, adjustments for obsolescence
Infrastructure, plant and equipment	9,740	9,612	Level 2	Market approach	Sales price of similar items in the market
Infrastructure, plant and equipment	3,152	2,731	Level 3	Depreciated replacement cost	Replacement cost, expected useful life, adjustments for obsolescence
Total non-financial assets	237,543	239,898			

¹ No changes in valuation technique occurred during the period.

The highest and best use of all non-financial assets is the same as their current use.

Recurring and non-recurring Level 3 fair value measurements - valuation processes

With regard to land improvements, leasehold improvements and buildings, the Commission procured valuation services in 2015-16 from Preston Rowe Patterson National Property Consultants (PRP) and has relied on valuation models provided by PRP, which are contractually required to be in line with AASB 13. The Commission reviews the assumptions and outcomes of the valuer's services to obtain comfort that the movements in fair value are reasonable and the process in accordance with AASB 13.

With regard to other property, plant and equipment, the Commission procured valuation services from Pickles Valuation Services (PVS) in 2014-15, with a desktop review in 2015-16. For assets that PVS were unable to identify a market comparison an alternative approach was required. These assets were tested by a depreciated replacement cost (DRC) approach, containing Level 3 Inputs. In doing so, PVS reviewed the estimated replacement cost rates.

A reconciliation of movements in asset classes has been included at Note 6.

AUSTRALIAN SPORTS COMMISSION
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Note 11: Related party disclosures

Loans to Commissioners and Commissioner-related entities

There were no loans made to Commissioners or Commissioner-related entities.

Contributions to related organisations

Contributions were made to various Commissioner-related sporting organisations. They were approved and made on normal terms and conditions. Commissioners are required to register conflicts of interest and are not part of decisions where there is a real or perceived conflict. These are disclosed in the table below.

Entity	Commissioner	2016 \$'000	2015 \$'000
Australian Rugby League Commission ¹	Mr A Fraser	-	2,171
Australian Sports Foundation	Ms S Carbon OAM Mr M Stockwell	68	200
Australian Olympic Committee	Mr A Plympton	-	100
Football Federation Australia ¹	Mr D Gallop	-	3,669
Olympic Winter Institute	Ms A Camplin-Warner OAM	2,854	2,739
Swimming Australia ²	Mr Mark Stockwell	11,235	-
Victorian Olympic Council	Mr Steve Moneghetti	3	-
WA Institute of Sport ¹	Ms S Carbon OAM	-	81
Yachting Australia	Mr A Plympton	9,155	9,863

¹ The entity was considered a related party in 2014-15 but not in 2015-16. Any payments made in 2015-16 have not been disclosed.

² The entity became a related party in 2015-16; any payments made prior to this have not been disclosed.

There were also payments to Commissioners 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 arm's length.

Individual Commissioners may hold professional engagements with related parties. Such engagements are not reported in this note as they are not required to be disclosed as related party transactions under Australian Accounting Standards.

AUSTRALIAN SPORTS COMMISSION
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For the year ended 30 June 2016

	2016	2015
	\$	\$

Note 12: Senior management personnel remuneration

Short-term employee benefits:

Salary	3,524,349	3,421,000
Performance bonuses	54,798	9,852
Total short-term employee benefits	3,579,147	3,430,852

Post-employment benefits:

Superannuation	498,957	491,910
Total post-employment benefits	498,957	491,910

Other long-term benefits:

Annual leave accrued	252,106	239,293
Long-service leave	113,448	107,681
Total other long-term benefits	365,554	346,974

Termination benefits

Redundancy payments	217,309	70,765
Total termination benefits	217,309	70,765
Total senior executive remuneration expenses	4,660,967	4,340,501

The total number of senior management personnel (noting this includes board members) in the above table is 26 individuals (2014-15: 36 individuals).

The total number of substantive senior management personnel (noting this includes board members) in the above table is 28 positions (2014-15: 28 positions).

The variance between these figures reflects substantive commencements and cessations of senior management personnel throughout the year.

Note 12 is prepared on an accrual basis.

Note 12 excludes short-term acting arrangements.

Note 13: Remuneration of auditors

2016	2015
\$'000	\$'000

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

The fair value of the services provided was:	69	67
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Other non-audit services provided by Synergy Group Australia Pty Ltd, the firm contracted by the ANAO to complete the financial statement audit, amounted to \$59,000. These services were primarily for capital and budgeting support.

AUSTRALIAN SPORTS COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

	2016 \$'000	2015 \$'000
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Note 14: Financial instruments

Note 14A: Categories of financial instruments

Financial assets

Loans and receivables

Cash and cash equivalents	25,842	11,798
Receivables for goods and services	2,907	2,315
Interest receivable	407	326
Loans	3,005	2,721
Total loans and receivables	32,161	17,160

Investments held-to-maturity:

Investments under s59 of the PGPA Act	50,000	65,000
Total investments held-to-maturity	50,000	65,000

Total financial assets	82,161	82,160
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Financial liabilities

Other financial liabilities:

Suppliers	2,354	2,764
Grant payables	86	40
Total financial liabilities	2,440	2,804

Note 14B: Net gains or losses on financial assets

Loans and receivables

Foreign exchange loss	(30)	(72)
Impairment of loans and receivables	(820)	(83)
Net loss loans and receivables	(850)	(155)

Investments held-to-maturity

Interest revenue	3,054	3,623
Net gain held-to-maturity	3,054	3,623

AUSTRALIAN SPORTS COMMISSION
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Note 14: Financial instruments

Note 14C: Fair value of financial instruments

	Carrying amount 2016 \$'000	Fair value 2016 \$'000	Carrying amount 2015 \$'000	Fair value 2015 \$'000
Financial assets				

Financial assets

Loans	3,005	2,682	2,721	2,461
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The carrying amount of all other financial assets and liabilities equal fair value.

Note 14D: Credit risk

The Commission is exposed to low overall credit risk. The majority of loans and receivables are cash, and receivables for goods and services. Investments held-to-maturity represent investments held with financial institutions with an approved credit rating, in accordance with the Commission's Investment Policy.

The maximum exposure to credit risk is the risk that arises from potential default of a debtor or financial institution. The Commission's maximum exposure to credit risk at the reporting date in relation to each class of recognised financial assets is the gross amount of those assets as indicated in the Statement of Financial Position (\$7,143,000 in 2015-16 and \$5,468,000 in 2014-15). The Commission has assessed the risks of default on payments and has allocated \$824,000 in 2015-16 (2014-15: \$106,000) to an impairment allowance accounts.

The Commission has a significant exposure to Authorised Deposit-taking Institutions (ADIs), as the majority of its cash-holdings and investments are with Australian-owned ADIs. Given that ADIs are all regulated by the Australian Prudential Regulation Authority in accordance with the *Banking Act 1959*, the level of credit risk is considered low. In addition, the Commission has an Investment Policy to only deposit funds with financial institutions with credit ratings of A-2 or greater, and to diversify across these financial institutions, which further reduces the Commission's exposure to credit risk.

The Commission has policies and procedures in place to manage its credit risk including general security deeds.

Note 14E: Liquidity risk

The Commission has sufficient financial assets to meet all financial liabilities at 30 June 2016.

Note 14F: Market risk

The Commission holds basic financial instruments that do not expose it to certain market risks.

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rate. The ASC is exposed to interest rate risk primary from interest bearing assets. The interest-bearing items on the Commission's Statement of Financial Position are cash, loans and term deposits.

Cash on deposit is held in a bank account with a floating interest rate. The investments bear fixed interest rates and will not fluctuate due to changes in the market interest rate.

The loans attract a floating interest rate. A +/- 60 basis point change is deemed to be reasonably possible and is used when reporting interest rate risk. The method used to arrive at the possible risk of +/- 60 basis point was based on both statistical and non-statistical analysis. The statistical analysis has been based on the cash rate for the past five years issued by the Reserve Bank of Australia (RBA) as the underlying dataset. This information is then revised and adjusted for reasonableness under the current economic circumstances. The ASC's sensitivity to a movement in interest rates of +/-60 basis points and the effect on net costs of services and equity for 2015-16 is negligible.

Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Commission is exposed to foreign exchange risk primarily through undertaking certain transactions denominated in foreign currency and through the operation of a foreign currency bank account held in Italy for the Commission's European Training Centre. The Commission is exposed to foreign currency denominated in Euros.

AUSTRALIAN SPORTS COMMISSION
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Note 15: Assets held in trust

Gary Knoke Memorial Scholarship Trust Account

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

	2016 \$'000	2015 \$'000
Total amounts held at the beginning of the reporting period	49	48
Receipts	1	1
Payments	(4)	-
Total amounts held at the end of the reporting period	46	49

Promoters Trust Account

Purpose – 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. These monies are not available for other purposes of the Commission and are not recognised in the financial statements.

	2016 \$'000	2015 \$'000
Total amounts held at the beginning of the reporting period	856	65
Receipts	2,801	1,827
Payments	(3,436)	(1,036)
Total amounts held at the end of the reporting period	221	856

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Note 16: Reporting of outcomes

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 was based on the direct attribution percentage. The basis of attribution in the table below is consistent with the basis used for the Budget.

Note 16A: Major classes of expenses, income, assets and liabilities by outcomes

	Outcome 1		Outcome 2		Not attributed*		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses:								
Employee benefits	22,069	27,285	40,331	39,340			62,400	66,625
Suppliers	16,908	18,052	24,744	27,055			41,652	45,107
Grants	49,980	54,986	118,910	124,942			168,890	179,928
Depreciation and amortisation	7,467	6,866	14,740	14,975			22,207	21,841
Write-down and impairment	198	293	1,251	455			1,449	748
Foreign exchange losses	-	-	30	72			30	72
Other	170	678	354	566			524	1,244
Total expenses	96,792	108,160	200,360	207,405			297,152	315,565
Own-source income:								
Sale of goods and services	6,334	5,382	15,333	13,844			21,667	19,226
Contributions from Government entities	369	9,097	767	11,045			1,136	20,142
Interest	991	1,256	2,063	2,367			3,054	3,623
Rental income	51	46	106	91			157	137
Other	1,737	1,536	467	514			2,204	2,050
Reversal of previous asset write-downs and impairments	19	25	40	50			59	75
Gains from sale of assets	-	-	57	56			57	56
Total own-source income	9,501	17,342	18,833	27,967			28,334	45,309
Net Cost of Services	(87,291)	(90,818)	(181,527)	(179,438)			(268,818)	(270,256)

AUSTRALIAN SPORTS COMMISSION
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Note 16: Reporting of outcomes

Note 16A: Major classes of expenses, income, assets and liabilities by outcomes (continued)

	Outcome 1		Outcome 2		Not attributed*		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Assets								
Cash and cash equivalents	-	-	183	86	25,659	11,712	25,842	11,798
Trade and other receivables	332	130	-	-	4,657	4,962	4,989	5,092
Investments	-	-	-	-	50,000	65,000	50,000	65,000
Loans	-	-	3,005	2,721	-	-	3,005	2,721
Land and buildings	390	282	75,284	83,582	148,977	143,691	224,651	227,555
Property, plant and equipment	180	424	6,589	5,948	6,123	5,971	12,892	12,343
Intangibles	1,886	1,587	683	529	723	2,094	3,292	4,210
Inventories	-	-	-	-	419	467	419	467
Other non-financial assets	336	58	973	502	1,059	1,189	2,368	1,749
Total assets	3,124	2,481	86,717	93,368	237,617	235,086	327,458	330,935
Liabilities								
Suppliers	-	-	-	-	2,354	2,764	2,354	2,764
Grants	76	12	10	28	-	-	86	40
Other payables	45	264	63	79	1,373	871	1,481	1,214
Employee provisions	2,965	2,572	6,102	5,161	5,040	4,507	14,107	12,240
Other provisions	72	78	-	-	-	-	72	78
Total liabilities	3,158	2,926	6,175	5,268	8,767	8,142	18,100	16,336

* Assets and liabilities that can not be reliably attributed to outcomes.

AUSTRALIAN SPORTS COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

Note 17: Explanations of major variances

Note 17A: Major budget variances for 2015-16

The following table provides explanations for major variances between the Original Budget as presented in the 2015-16 Portfolio Budget Statements (PBS) to the 2015-16 final outcome as presented in accordance with Australian Accounting Standards. The Budget is not audited.

The ASC provides high level commentary of major variances between original budgeted and actual amounts. Major variances are those deemed relevant to the analysis of ASC's performance and are not focussed merely on numerical differences between the Budget and actual amounts.

Affected line items (and statement)	Explanations of major variances
Grants (Statement of Comprehensive Income) Grants (Cash Flow Statement)	When compared to Original Budget, an additional \$6.928m in grant expenditure was paid in 2015-16. The increase against Original Budget was primarily driven by an increase in High Performance and Participation grants paid to national sporting organisations. These grants were provided through additional funding from the Department of Health received in 2014-15, and used in 2015-16 through an approved increase in the operating loss by the Minister for Finance.
Suppliers (Statement of Comprehensive Income) Suppliers (Cash Flow Statement)	Supplier expenses were \$6.707m higher than budgeted in the Original Budget. The increase was primarily driven by the increase in variable costs associated with increased commercial revenues along with costs carried over from 2014-15.
Changes in asset revaluation reserves (Statement of Comprehensive Income) Reserves (Statement of Financial Position)	When compared to Original Budget, the asset revaluation reserve has increased by \$9.931m due to the 2015-16 revaluation of land and buildings. Revaluation movements were not known at the time of the preparation of the Budget.
Land and buildings (Statement of Financial Position) Infrastructure, plant and equipment (Statement of Financial Position) Reserves (Statement of Financial Position) Purchase of property plant and equipment (Cash Flow Statement) Asset revaluation reserve (Statement of Changes in Equity)	When compared to Original Budget, total Non financial Assets have increased by \$16.974m. This is due to a \$9.931m asset revaluation increase, which was not known at the time of the preparation of the Budget and a movement of capital funds approved across years post-budget to replace ASC assets in 2015-16.