



Audited financial statements

- INDEPENDENT AUDIT REPORT
- STATEMENT BY DEPARTMENT HEAD
- COMMUNITY RELATIONS COMMISSION
For a multicultural NSW:

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2002

**COMMUNITY RELATIONS COMMISSION OF NSW
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2002**

	Notes	Actual 2002 \$'000	Budget 2002 \$'000	Actual 2001 \$'000
Expenses				
Operating expenses				
Employee related	2(a)	9,854	8,855	9,780
Other operating expenses	2(b)	1,821	1,891	1,822
Maintenance		46	27	28
Depreciation	2(c)	590	319	216
Grants and subsidies	2(d)	<u>1,502</u>	<u>1,546</u>	<u>1,327</u>
Total Expenses		<u>13,813</u>	<u>12,638</u>	<u>13,173</u>
Less:				
Retained Revenue				
Sale of goods and services	3(a)	3,066	2,156	2,714
Investment income	3(b)	62	82	82
Grants and contributions	3(c)	207	-	223
Other revenue	3(d)	<u>111</u>	<u>-</u>	<u>177</u>
Total Retained Revenue		<u>3,446</u>	<u>2,238</u>	<u>3,196</u>
Gain/(loss) on disposal of non-current assets	4	<u>-</u>	<u>-</u>	<u>(1)</u>
Net Cost of Services	20	<u>10,367</u>	<u>10,400</u>	<u>9,978</u>
Government Contributions				
Recurrent appropriation	6	9,349	9,428	9,381
Capital appropriation	6	748	748	-
Acceptance by the Crown Entity of employee entitlements and other liabilities	7	1,052	675	874
Total Government Contributions		<u>11,149</u>	<u>10,851</u>	<u>10,255</u>
SURPLUS / (DEFICIT) FOR THE YEAR FROM ORDINARY ACTIVITIES		<u>782</u>	<u>451</u>	<u>277</u>
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		<u>782</u>	<u>451</u>	<u>277</u>
	16			

The accompanying notes form part of these financial statements.

**COMMUNITY RELATIONS COMMISSION OF NSW
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2002**

	Notes	Actual 2002 \$'000	Budget 2002 \$'000	Actual 2001 \$'000
ASSETS				
Current Assets				
Cash	9	2,153	1,669	1,874
Receivables	10	<u>974</u>	<u>697</u>	<u>636</u>
Total Current Assets		<u>3,127</u>	<u>2,366</u>	<u>2,510</u>
Non-Current Assets				
Plant and Equipment	11	<u>1,267</u>	<u>1,483</u>	<u>1,054</u>
Total Non-Current assets		<u>1,267</u>	<u>1,483</u>	<u>1,054</u>
Total Assets		<u>4,394</u>	<u>3,849</u>	<u>3,564</u>
LIABILITIES				
Current Liabilities				
Payables	13	850	403	802
Employee entitlements and other provisions	14	884	873	854
Other	15	<u>79</u>	<u>109</u>	<u>109</u>
Total Current Liabilities		<u>1,813</u>	<u>1,385</u>	<u>1,765</u>
Total Liabilities		<u>1,813</u>	<u>1,385</u>	<u>1,765</u>
Net Assets		<u>2,581</u>	<u>2,464</u>	<u>1,799</u>
EQUITY				
Accumulated funds	16	<u>2,581</u>	<u>2,464</u>	<u>1,799</u>
Total Equity		<u>2,581</u>	<u>2,464</u>	<u>1,799</u>

The accompanying notes form part of these financial statements.

**COMMUNITY RELATIONS COMMISSION OF NSW
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2002**

	Notes	Actual 2002 \$'000	Budget 2002 \$'000	Actual 2001 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(9,252)	(8,450)	(9,155)
Grants and subsidies		(1,866)	(1,546)	(1,081)
Other		<u>(1,606)</u>	<u>(2,291)</u>	<u>(2,284)</u>
Total Payments		<u>(12,724)</u>	<u>(12,287)</u>	<u>(12,520)</u>
Receipts				
Sale of goods and services		3,339	2,114	2,801
Interest received		66	75	90
Other		<u>69</u>	<u>141</u>	<u>487</u>
Total Receipts		<u>3,474</u>	<u>2,330</u>	<u>3,378</u>
Cash Flows from Government				
Recurrent appropriation		9,349	9,428	9,490
Capital appropriation		748	748	-
Cash reimbursement from the Crown Entity		446	324	366
Cash transfers to the Consolidated Fund		<u>(109)</u>	<u>-</u>	<u>(131)</u>
Net Cash Flows From Government	20	<u>10,434</u>	<u>10,500</u>	<u>9,725</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	20	<u>1,184</u>	<u>543</u>	<u>583</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from sale of Plant and Equipment		0	-	1
Purchases of Plant and Equipment		<u>(905)</u>	<u>(748)</u>	<u>(586)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(905)</u>	<u>(748)</u>	<u>(585)</u>
NET INCREASE/(DECREASE) IN CASH				
Opening cash and cash equivalents	9	<u>1,874</u>	<u>1,671</u>	<u>1,876</u>
CLOSING CASH AND CASH EQUIVALENTS	9	<u>2,153</u>	<u>1,466</u>	<u>1,874</u>

The accompanying notes form part of these financial statements.

Program Statement - Expenses and Revenues for the Year Ended 30 JUNE 2002

	<u>Program 1 *</u>		<u>Program 2 *</u>		<u>Not Attributable</u>		<u>Total</u>	
	2002	2001	2002	2001	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
AGENCY'S EXPENSES & REVENUES								
Expenses								
Operating expenses								
Employee related	3,711	4,354	6,143	5,426	-	-	9,854	9,780
Other operating expenses	1,284	1,375	537	447	-	-	1,821	1,822
Maintenance	45	26	1	2	-	-	46	28
Depreciation and amortisation	483	206	107	10	-	-	590	216
Grants and subsidies	<u>1,502</u>	<u>1,327</u>	-	-	-	-	<u>1,502</u>	<u>1,327</u>
Total Expenses	<u>7,025</u>	<u>7,288</u>	<u>6,788</u>	<u>5,885</u>	-	-	<u>13,813</u>	<u>13,173</u>
Retained Revenue								
Sale of goods and services	73	122	2,993	2,592	-	-	3,066	2,714
Investment income	62	82	-	-	-	-	62	82
Grants and contributions	207	223	-	-	-	-	207	223
Other Revenue	<u>92</u>	<u>177</u>	<u>19</u>	-	-	-	<u>111</u>	<u>177</u>
Total Retained Revenue	<u>434</u>	<u>604</u>	<u>3,012</u>	<u>2,592</u>	-	-	<u>3,446</u>	<u>3,196</u>
Gain/(Loss) on disposal of non-current assets	-	(1)	-	-	-	-	-	(1)
Net Cost of Services	<u>6,591</u>	<u>6,685</u>	<u>3,776</u>	<u>3,293</u>	-	-	<u>10,367</u>	<u>9,978</u>
Government Contributions **	-	-	-	-	11,149	10,255	11,149	10,255
NET EXPENDITURE/(REVENUE) FOR THE YEAR	<u>6,591</u>	<u>6,685</u>	<u>3,776</u>	<u>3,293</u>	<u>(11,149)</u>	<u>(10,255)</u>	<u>782</u>	<u>277</u>

* The name and purpose of each program is summarised in Note 8.

** Appropriations are made on an agency basis and not to individual programs. Consequently, government contributions are included in "Not Attributable" column.

The accompanying notes form part of these financial statements.

Summary of Compliance with Financial Directives

2002

2001

	Recurrent Appropriation \$'000	Expenditure/ Net claim on Consolidated fund \$'000	Capital Appropriation \$'000	Expenditure/ Net claim on Consolidated fund \$'000	Recurrent Appropriation \$'000	Expenditure/ Net claim on Consolidated fund \$'000	Capital Appropriation \$'000	Expenditure/ Net claim on Consolidated fund \$'000
ORIGINAL BUDGET APPROPRIATION/ EXPENDITURE								
• Appropriation Act	9,349	9,349	748	748	9,265	9,031	-	-
OTHER APPROPRIATIONS/ EXPENDITURE								
• Transfer from another agency (section 26 of the Appropriation Act)	-	-	-	-	350	350	-	-
Total Appropriations/ Expenditure/Net Claim on Consolidated fund	9,349	9,349	748	748	9,615	9,381	-	-
Amount drawn down against Appropriation		9,428		748		9,490		-
Liability to Consolidated fund*		79		-		109		-

The Summary of Compliance is based on the assumption that Consolidated Fund moneys are spent first.

* This represents the difference between the "Amount drawn down against Appropriation" and the "Total Expenditure /Net Claim on Consolidated Fund".

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Reporting Entity*

The Community Relations Commission of New South Wales, as a reporting entity, comprises all the activities under its control, including the Commission's commercial activities, namely: Interpreting and Translating Services.

The reporting entity is consolidated as part of the NSW Total State Sector and as part of the NSW Public Accounts.

(b) *Basis of Accounting*

The Community Relations Commission of New South Wales' financial statements are a general purpose financial report which has been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards;
- and other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- UIG Consensus Views;
- the requirements of the Public Finance and Audit Act and Regulations; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under section 9(2)(n) of the Act.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting Standard, other authoritative pronouncement of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS 6 "Accounting Policies" is considered.

The financial statements are prepared in accordance with the historical cost convention. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency. The accounting policies adopted are consistent with those of the previous year.

(c) *Administered Activities*

The Community Relations Commission of New South Wales does not administer any activities on behalf of the Crown Entity.

(d) Revenue Recognition

Revenue is recognised when the Commission has control of the good or right to receive, it is probable that the economic benefits will flow to the Commission and the amount of revenue can be measured reliably. Additional comments regarding the accounting policies for the recognition of revenue are discussed below:

(i) Parliamentary Appropriations and Contributions from Other Bodies

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenues when the Commission obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year-end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are accounted for as liabilities rather than revenue. The liability is disclosed in Note 15 as part of ‘other current liabilities’. The amount will be repaid and the liability extinguished in the next financial year.

(ii) Sale of Goods and Services

Revenue from the sale of goods and services comprises revenue from the provision of products or services ie user charges. User charges are recognised as revenue when the agency obtains control of the assets that result from them.

(iii) Investment Income

Interest revenue is recognised as it accrues.

(e) Employee Entitlements

(i) Salaries and Wages, Annual Leave, Sick Leave and On-Costs

Liabilities for salaries and wages, annual leave and vesting sick leave are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees’ services up to that date.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the entitlements accrued in the future.

The outstanding amounts of payroll tax, workers’ compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee entitlements to which they relate have been recognised.

(ii) Long Service Leave and Superannuation

The Commission's liabilities for long service leave and superannuation are assumed by the Crown Entity. The Commission accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of Employee Entitlements and other Liabilities".

Long service leave is measured on a nominal basis. The nominal method is based on the remuneration rates at year end for all employees with five or more years of service. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (ie Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (ie State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(f) Insurance

The Commission's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience.

(g) Accounting for Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- the amount of GST incurred by the Commission as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- receivables and payables are stated with the amount of GST included.

(h) Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Commission. Cost is determined as the fair value of the assets given as consideration plus the costs incidental to the acquisition.

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.

Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

(i) *Plant and Equipment*

Plant and equipment individually costing \$1,000 and above, which are non-consumable in nature and with an estimated useful life in excess of 12 months are capitalised.

(j) *Depreciation of Non-Current Physical Assets*

Depreciation is provided on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Commission.

All material separately identifiable component assets are recognised and depreciated over their shorter useful lives, including those components that in effect represent major periodic maintenance.

<u>Description</u>	<u>Estimated Useful Life</u>
Office Equipment	5 years
Computer Equipment	3 years
Furniture & Fittings	5 years
Leasehold Improvements	unexpired term of lease at the date of execution

(k) *Maintenance and repairs*

The costs of maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated over the useful life of the asset.

(l) *Leased Assets*

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which 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 recognised at its fair value at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense. The Community Relations Commission of New South Wales currently has no finance lease arrangements.

Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred.

(m) Receivables

Receivables are recognised and carried at cost, based on the original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(n) Other assets

Other assets including prepayments are recognised on a cost basis.

(o) Payables

These amounts represent liabilities for goods and services provided to the Commission and other amounts.

(p) Budgeted Amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, s21A, s 24 and/or s 26 of the Public Finance and Audit Act 1983.

The budgeted amounts in the Statement of Financial Performance and Statement of Cash Flows are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Statement of Financial Position, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts ie per the audited financial statements (rather than carried forward estimates).

(q) Grants Expenditure

Applications for grants are made throughout the year. A liability to successful applicants is recognised as at the date of Ministerial approval (refer Note 13).

2. EXPENSES

(a) *Employee related expenses comprise the following specific items:*

	2002	2001
	\$'000	\$'000
Salaries & wages (including recreation leave)	8,055	7,271
Superannuation	741	669
Long service leave	264	163
Workers compensation insurance	57	76
Payroll tax and fringe benefit tax	572	535
Temporary staff from employment agencies	165	570
Other – Payment on Termination	-	496
	<u>9,854</u>	<u>9,780</u>

(b) *Other operating expenses*

	2002	2001
	\$'000	\$'000
Auditor's remuneration		
-audit or review of the financial reports	35	34
Operating lease rental expense		
-minimum lease payments	593	621
Insurance	26	22
Other		
Travel	136	111
Fees to contractors	216	164
Fees for services/general expenses	91	101
Other running expenses	724	769
	<u>1,821</u>	<u>1,822</u>

(c) *Depreciation and amortisation expense*

	2002	2001
	\$'000	\$'000
Plant and equipment	<u>590</u>	<u>216</u>

The current year's expense includes \$238,612 amount relating to the accelerated depreciation of the Building Improvements at Ashfield in anticipation of the relocation of the whole Commission to Castlereagh Street premises in December 2002. Lease contract for the Ashfield Office expires on 31 December 2002.

(d) Grants and subsidies

	2002	2001
	\$'000	\$'000
Community Development Program	1,012	915
Community Outreach	179	145
NAATI	148	145
Community Partnership Scheme	<u>163</u>	<u>122</u>
	<u>1,502</u>	<u>1,327</u>

3. REVENUES

(a) Sale of goods and services

	2002	2001
	\$'000	\$'000
Rendering of services		
Interpreting	1,819	1,491
Translating	1,174	1,101
Community Language Allowance Scheme	3	19
Multicultural Marketing Awards	<u>70</u>	<u>103</u>
	<u>3,066</u>	<u>2,714</u>

(b) Investment Income

	2002	2001
	\$'000	\$'000
Interest	<u>62</u>	<u>82</u>

(c) Grants and contributions

	2002	2001
	\$'000	\$'000
Grants from other agencies	<u>207</u>	<u>223</u>

This year's grants were from Premier's Department for Arabic Youth Partnership Project (\$150,000), Cross Cultural Training Project (\$45,000) and from Department of Information Technology and Management (\$12,000) for IT Enhancement Project. Previous year's grant was from Attorney General's Department in relation to the Cross Justice Agency Video Conferencing Service Project.

(d) Other revenue

	2002	2001
	\$'000	\$'000
Returned/Forfeited Grants	62	52
Miscellaneous Income	<u>49</u>	<u>125</u>
	<u>111</u>	<u>177</u>

4. GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS

	2002	2001
	\$'000	\$'000
Gain/(loss) on disposal of plant and equipment		
Proceeds from disposal	-	1
Written Down Value of assets disposed	<u>-</u>	<u>(2)</u>
Net gain/(loss) on disposal of plant and equipment	<u>-</u>	<u>(1)</u>

5. CONDITIONS ON CONTRIBUTIONS

The Commission did not receive any conditional contributions from third parties in 2001-02.

6. APPROPRIATIONS

	2002	2001
	\$'000	\$000
Recurrent Appropriations		
Total recurrent drawdowns from Treasury (per Summary of Compliance)	9,428	9,490
Less: Liability to Consolidated Fund (per Summary of Compliance)	<u>(79)</u>	<u>(109)</u>
	<u>9,349</u>	<u>9,381</u>
 Comprising :		
Recurrent appropriations (per Statement of Financial Performance)	<u>9,349</u>	<u>9,381</u>
 Capital Appropriations		
Total capital drawdowns from Treasury (per Summary of Compliance)	748	-
Less: Liability to Consolidated Fund (per Summary of Compliance)	-	-
Less: Repayment to Consolidated Fund	<u>-</u>	<u>-</u>
	<u>748</u>	<u>-</u>
 Comprising :		
Capital appropriation (per Statement of Financial Performance)	<u>748</u>	<u>-</u>

7. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE ENTITLEMENTS AND OTHER LIABILITIES

The following liabilities and/or expenses have been assumed by the Crown Entity:

	2002		2001
	\$'000		\$'000
Superannuation	741		669
Long Service Leave:			
Casual Interpreters/Translators	94	76	
Others	<u>170</u>	<u>87</u>	
	264		163
Payroll Tax	<u>47</u>		<u>42</u>
	<u>1,052</u>		<u>874</u>

8. PROGRAMS / ACTIVITIES OF THE AGENCY

Program 1: Community Support Services

To promote the full participation of people of ethnic background in community life. To encourage the proper utilisation of the cultural diversity of the State.

Program 2: Interpreting & Translation Services

To promote the full participation of people of ethnic background in community life. To ensure the quality and efficient use of interpreting and translation services within the State.

9. CURRENT ASSETS – CASH

	2002		2001
	\$'000		\$'000
Cash at bank and on hand	<u>2,153</u>		<u>1,874</u>

There are no other items that constitute cash equivalents for the Statement of Cash Flows purposes.

10. CURRENT ASSETS - RECEIVABLES

	2002		2001
	\$'000		\$'000
Sale of goods & services	426		382
Other debtors			
Interest	31	35	
Prepaid Expenses	123	92	
Accrued income	49	64	
GST Receivable from ATO	77	86	
Other receivables	<u>295</u>	<u>5</u>	
Sub-Total	1001		664
Less – Provision for Doubtful Debts	<u>(27)</u>		<u>(28)</u>
	<u>974</u>		<u>636</u>

The 'Other receivables' consists mainly of an acknowledged fire claim of \$292,107, which had initially been expensed, but was then transferred to the balance sheet through a recovery account.

11. NON CURRENT ASSETS - PLANT AND EQUIPMENT

	2002 \$'000	2001 \$'000
Plant and Equipment		
At Cost	<u>2,662</u>	<u>2,285</u>
Accumulated Depreciation at Cost	<u>1,395</u>	<u>1,231</u>
Total Plant and Equipment At Net Book Value	<u>1,267</u>	<u>1,054</u>

WIP amounting to \$591,282.90 is included in the carrying amount of Property, Plant and Equipment

Reconciliation

Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current and previous financial year are set out below.

	2002 \$'000	2001 \$'000
Carrying amount at start of year	1,054	739
Additions	905	533
Disposals	(526)	(117)
Depreciation expense	(590)	(216)
Writeback on disposal	<u>424</u>	<u>115</u>
Carrying amount at end of year	<u>1,267</u>	<u>1,054</u>

Fully depreciated assets

	Number of units	Value \$'000
Fully depreciated assets still in use:		
Computers	103	247
Office Equipment	22	59
Furniture & Fittings	<u>23</u>	<u>106</u>
	<u>148</u>	<u>412</u>

12. RESTRICTED ASSETS

The Commission had no restricted assets in 2001-2002.

13. CURRENT LIABILITIES - PAYABLES

	2002 \$'000	2001 \$'000
Creditors	107	123
Accrued payroll tax	169	144
Other accruals	<u>380</u>	<u>127</u>
	656	394
Accrued grants (Refer Note 1(q))		
Community partnership scheme	89	120
Community outreach	67	104
Community development	<u>38</u>	<u>184</u>
	<u>194</u>	<u>408</u>
Total Current Liabilities – Payables	<u>850</u>	<u>802</u>

14. CURRENT LIABILITIES - EMPLOYEE ENTITLEMENTS

	2002 \$'000	2001 \$'000
Recreation leave	436	372
Accrued salaries and wages	<u>448</u>	<u>482</u>
Total Employee Entitlements and other provisions	<u>884</u>	<u>854</u>

15. CURRENT LIABILITIES - OTHER

	2002 \$'000	2001 \$'000
Liability to Consolidated Fund (Refer Note 6)	<u>79</u>	<u>109</u>

16. CHANGES IN EQUITY

	2002 \$'000	2001 \$'000
Balance at the beginning of the financial year	1,799	1,522
<u>Changes in equity – other than transactions with owners as owners</u>		
Surplus/(deficit) for the year	<u>782</u>	<u>277</u>
Balance at the end of the financial year	<u>2,581</u>	<u>1,799</u>

17. COMMITMENTS FOR EXPENDITURE

	2002 \$'000	2001 \$'000
<i>(a) Operating Lease Commitments</i>		
Future non-cancellable operating lease rentals not provided for and payable		
Not later than one year	315	683
Later than one year and not later than 5 years	<u>153</u>	<u>488</u>
Total (including GST)	<u>468</u>	<u>1,171</u>

The Commission is contractually bound by operating leases for office accommodation and fleet vehicles. Leasehold premises are the Head Office at Ashfield and two regional offices located at Wollongong and Newcastle and the fleet vehicles comprise two cars stationed at Ashfield.

(b) Other Capital Commitments

Aggregate other expenditure for the acquisitions of computer hardware and consulting services contracted for at balance date and not provided for:

Not later than one year	55	-
Later than one year and not later than 5 years	—	—
Total (including GST)	<u>55</u>	—

18. CONTINGENT ASSETS AND LIABILITIES

Contingent Assets

The total 'operating lease commitments' and 'other capital commitments' above include input tax credits of \$47,600 that are expected to be recoverable from the Australian Taxation Office. GST has been calculated at the rate of 10% and has been assumed to remain constant for the five years calculation above.

A further contingent asset is represented by an insurance claim in respect of the refurbishment cost of Ashfield ground floor office, damaged by fire in January 2002. This claim is currently unfinalised

Contingent Liabilities

As at 30 June 2002 the Commission had no contingent liability. (Nil 2000-01).

19. BUDGET REVIEW

(a) Net Cost of Service

The actual net cost of services was largely consistent with budget expectations.

(b) Assets and Liabilities

Current Assets

The increase in current assets was due to:

- grants and other revenue (cash) received not budgeted for (\$318,000);
- fire insurance claims not initially budgeted for.

Non-Current Assets

The decrease in non-current assets compared to budget was due to write off of assets as a result of the fire at Ashfield Office in January 2002.

Current Liabilities

Actual current liabilities were higher than budget expectations as a result of higher accrued expenses which include unpaid lease rental for the Castlereagh Office. Since the fire in January 2002 lease rental payment for the Ashfield Ground Floor office has been suspended. The lease contract for Castlereagh Office has not been finalised as at 30 June 2002 but rental expense has been accrued to the value of \$145,000. There was also an additional \$120,000 accrued creditors and \$194,000 accrued grants that wasn't budgeted for.

(c) Cash flows

The increase in net cash flows from operating activities of \$641,000 compared to budget was significantly higher due to higher amount of cash receipts mainly from interpreting and translating service.

20. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	2002	2001
	\$'000	\$'000
Net cash used on operating activities	1,184	583
Cash Flows from Government / Appropriations	(10,434)	(9,725)
Acceptance by the Crown Entity of employee entitlements and other liabilities	(606)	(508)
Depreciation	(590)	(216)
Decrease/(increase) in provisions	(63)	(5)
Increase/(decrease) in prepayments and other assets	336	259
(Increase)/decrease in creditors	(94)	(365)
Net loss on plant and equipment due to fire	<u>(100)</u>	<u>(1)</u>
Net Cost of Services	<u>(10,367)</u>	<u>(9,978)</u>

21. FINANCIAL INSTRUMENTS

Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate adjusted for management fees payable to NSW Treasury.

Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis and debts that are deemed to be uncollectable are written off. A provision for doubtful debts is raised when some doubts as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). The carrying amount approximates net fair value. Sales are made on 30 day terms.

Bank Overdraft

The Commission does not have any bank overdraft facility.

Trade Creditors and Accruals

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (who are unsecured) are settled in accordance with the policy set in Treasurer's direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment of accounts. However, due to the Commission's ability to pay on time, no penalty interest was incurred for late payment during the year.

END OF AUDITED FINANCIAL STATEMENTS