

Financial statements





INDEPENDENT AUDIT REPORT

To the Minister for Immigration and Multicultural and Indigenous Affairs

Scope

The financial statements comprise:

- Statement by Councillors;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedule of Commitments; and
- Notes to and forming part of the Financial Statements

of the Australian Institute of Aboriginal and Torres Strait Islander Studies, for the year ended 30 June 2004.

The members of the Council are responsible for the preparation and true and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit approach

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

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

Procedures were performed to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Australian Institute of Aboriginal and Torres Strait Islander Studies' financial position, and of its performance as represented by the statements of financial performance, and cash flows.

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

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

Independence

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

Audit Opinion

In my opinion, the financial statements:

- (i) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997* and applicable Accounting Standards; and
- (ii) give a true and fair view, of the matters required by applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the Finance Minister's Orders, of the financial of position Australian Institute of Aboriginal and Torres Strait Islander Studies as at 30 June 2004, and of its performance and cash flows for the year then ended.

Australian National Audit Office



Rebecca Reilly
Executive Director

Delegate of the Auditor-General

Canberra
1 September 2004

Financial Statements for the Year Ended 30 June 2004

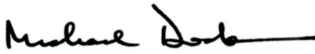
Australian Institute of Aboriginal and Torres Strait Islander Studies

Statement by Councillors

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

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

This Statement is made in accordance with a resolution of Councillors.



Prof. M Dodson
Chairperson
August 2004



Councillor
August 2004



S Larkin
Principal
26 August 2004

Australian Institute of Aboriginal and Torres Strait Islander Studies
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2004

	Notes	2004 \$'000	2003 \$'000
REVENUE			
Revenues from ordinary activities			
Revenue from Government	4A	7,639	9,788
Goods and services	4B	2,177	1,674
Interest	4C	221	267
Revenue from sale of assets	4D	23	62
Other revenues	4E	460	620
Revenues from ordinary activities		<u>10,520</u>	<u>12,411</u>
EXPENSE			
Expenses from ordinary activities			
Employees	5A	6,320	5,939
Suppliers	5B	2,935	3,094
Grants	5C	571	861
Depreciation and amortisation	5D	944	878
Write-down of assets	5E	54	12
Value of assets sold	4D	123	69
Expenses from ordinary activities		<u>10,947</u>	<u>10,853</u>
Operating surplus from ordinary activities		(427)	1,558
Net profit		<u>(427)</u>	<u>1,558</u>
Net credit to asset revaluation reserve		-	1,562
Total revenues, expenses and valuation adjustments recognised directly in equity		<u>-</u>	<u>1,562</u>
Total changes in equity other than those resulting from transactions with the Australian Government as owner		<u>(427)</u>	<u>3,120</u>

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

Australian Institute of Aboriginal and Torres Strait Islander Studies
STATEMENT OF FINANCIAL POSITION
as at 30 June 2004

	Notes	2004 \$'000	2003 \$'000
ASSETS			
Financial assets			
Cash	11B	1,797	6,367
Receivables	6A	198	279
Investments (s18 CAC Act)	6B	3,650	-
Total financial assets		<u>5,645</u>	<u>6,646</u>
Non-financial assets			
Land and buildings	7A, 7C	8,939	9,075
Infrastructure, plant and equipment	7B, 7C	9,459	9,884
Intangibles	7D, 7C	168	8
Inventories	7E	61	141
Other non-financial assets	7F	94	129
Total non-financial assets		<u>18,721</u>	<u>19,237</u>
Total assets		<u>24,366</u>	<u>25,883</u>
LIABILITIES			
Provisions			
Employees	8A	1,334	1,474
Capital use charge	8B	-	2,186
Total Provisions		<u>1,334</u>	<u>3,660</u>
Payables			
Suppliers	9A	408	138
Grants	9B	-	488
Other payables	9C	1,712	261
Total payables		<u>2,120</u>	<u>887</u>
Total liabilities		<u>3,454</u>	<u>4,547</u>
NET ASSETS		<u>20,912</u>	<u>21,336</u>
EQUITY			
Reserves	10	2,717	2,717
Contributed equity	10	3	-
Accumulated surpluses	10	18,192	18,619
Total equity	10	<u>20,912</u>	<u>21,336</u>
Current assets		5,800	6,916
Non-current assets		18,566	18,967
Current liabilities		2,803	3,893
Non-current liabilities		651	654

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

Australian Institute of Aboriginal and Torres Strait Islander Studies
STATEMENT OF CASH FLOWS
for the year ended 30 June 2004

	Notes	2004 \$'000	2003 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	19	7,639	9,788
Goods and services		3,628	2,701
Interest		243	224
GST received from ATO		136	159
Total cash received		<u>11,646</u>	<u>12,872</u>
Cash used			
Employees		(6,468)	(5,630)
Suppliers		(2,582)	(3,307)
Grants		(628)	(894)
Total cash used		<u>(9,678)</u>	<u>(9,831)</u>
Net cash from operating activities	11A	<u>1,968</u>	<u>3,041</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant & equipment		23	62
Proceeds from sales of investments (s18)		3,100	-
Total cash received		<u>3,123</u>	<u>62</u>
Cash used			
Purchase of property, plant and equipment		(728)	(629)
Purchase of investments (s18)		(6,750)	-
Total cash used		<u>(7,478)</u>	<u>(629)</u>
Net cash from/(used by) investing activities		<u>(4,355)</u>	<u>(567)</u>
FINANCING ACTIVITIES			
Cash received			
Appropriations - contributed equity	19	3	-
Total cash received		<u>3</u>	<u>-</u>
Cash used			
Capital use charge paid		(2,186)	(1,862)
Total cash used		<u>(2,186)</u>	<u>(1,862)</u>
Net cash from financing activities		<u>(2,183)</u>	<u>(1,862)</u>
Net increase/(decrease) in cash held		(4,570)	612
Cash at the beginning of the reporting period		6,367	5,755
Cash at the end of the reporting period	11B	<u>1,797</u>	<u>6,367</u>

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

Australian Institute of Aboriginal and Torres Strait Islander Studies
as at 30 June 2004

	Note	2004 \$'000	2003 \$'000
SCHEDULE OF COMMITMENTS			
By Type			
Capital commitments			
Infrastructure, plant and equipment ¹		<u>174</u>	<u>37</u>
Total capital commitments		174	37
Other commitments			
Research grants ²		107	789
Other commitments ³		<u>270</u>	<u>53</u>
Total other commitments		377	842
Commitments receivable		9	80
Net commitments		<u>542</u>	<u>799</u>
By Maturity			
One year or less		<u>542</u>	<u>799</u>
Net commitments		<u>542</u>	<u>799</u>

NB: Commitments are GST-inclusive where relevant.

¹ Plant and equipment commitments are mainly for computer software upgrades.

² Research grant commitments are amounts payable under grant agreements in respect of which the recipient is yet to perform the services required.

³ Other commitments are mainly consultancy agreements or book printing contracts where the services have not yet been provided.

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

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2004

No. Description

1	Summary of Significant Accounting Policies
2	Economic Dependency
3	Events Occurring After Reporting Date
4	Operating Revenues
5	Operating Expenses
6	Financial Assets
7	Non-Financial Assets
8	Provisions
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10	Equity
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13	Remuneration of Councillors
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Note 1: Summary of Significant Accounting Policies

1.1 Basis of Accounting

The financial statements are required by clause 1(b) of Schedule 1 to the Commonwealth Authorities and Companies Act 1997 and are a general purpose financial report.

The statements have been prepared in accordance with:

- Finance Minister's Orders (being the Commonwealth Authorities and Companies Orders (Financial Statements for reporting periods ending on or after 30 June 2004);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board;
- other authoritative pronouncements of the Board; and
- the Consensus Views of the Urgent Issues Group.

The statements have been prepared having regard to:

- The Explanatory Notes to Schedule 1 issued by the Department of Finance and Administration; and
- Finance Briefs issued by the Department of Finance and Administration.

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments.

Revenues and expenses are recognised in the Statement of Financial Performance when and only when the flow or consumption or loss of economic benefit has occurred and can be reliably measured.

1.2 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2002–03.

In 2002-03 the Finance Minister's Orders introduced an impairment test for non-current assets which were carried at cost and not subject to AAS10 Recoverable Amount of Non-Current Assets. In 2003-04, the impairment test provisions of the FMOs have been extended to cover non-current assets carried at deprival value. There is no indication of impairment for any assets recognised in the financial statements.

1.3 Revenue

The revenues described in this Note are revenues relating to the core operating activities of the Institute.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a time proportional basis that takes into account the effective yield on the relevant asset.

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

Revenue from the rendering of a service is recognised by reference to the stage of completion of the contract to provide the service. The stage of completion is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services are recognised at the nominal amounts due less any provisions for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is judged to be less rather than more likely.

Revenues from Government – Output Appropriations

The full amount of the appropriation for departmental outputs for the year is recognised as revenue.

Resources Received Free of Charge

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as revenue at their fair value when the asset qualifies for recognition. Services are provided free of charge to support the Australian Indigenous Leadership Centre Ltd, the Australian Indigenous Cultural Network and Ngija – the National Institute for Indigenous Law, Policy and Practice. The fair value of these services in 2003–04 was \$34,000 (2002–03 \$99,860)

1.4 Transactions by the Government as Owner

Equity Injections

Amounts appropriated by the Parliament as equity injections are recognised as ‘contributed equity’ in accordance with the Finance Minister’s Orders.

1.5 Employee Benefits

Benefits

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

Liabilities for wages and salaries (including non-monetary benefits), annual leave and sick leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the reporting date are also measured at their nominal amounts.

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

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date, using a short-cut methodology to estimate the present value.

Leave

The liability for employee entitlements 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 Institute is estimated to be less than the annual entitlement for sick leave.

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

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2004. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. AIATSIS has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Most Institute employees are members of the Commonwealth Superannuation Scheme or the Public Sector Superannuation Scheme. The liability for their superannuation benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

AIATSIS makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Institute's employees. Some employees are members of private schemes; AIATSIS contributes to these schemes at agreed levels, which are at least equal to the minimum employer contributions.

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

1.6 Grants

Most grant agreements require the grantee to perform services, provide facilities, or meet eligibility criteria. In these cases, the Institute recognises grant liabilities only to the extent that the services required have been performed or the eligibility criteria have been satisfied by the grantee.

In cases where grant agreements are made without conditions to be monitored, liabilities are recognised on signing of the agreement.

1.7 Cash

Cash means notes and coins held, and any deposits held at call with a bank or financial institution, plus cash equivalents. Cash equivalents are term deposits with a bank for periods of less than 3 months. Cash is recognised at its nominal amount. Interest is credited to revenue as it accrues.

1.8 Investments

Term deposits of 3 months or longer are classified as investments under s18 of the Commonwealth Authorities and Companies Act 1997 (CAC Act). They are recognised at cost. Interest is payable on maturity.

1.9 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.

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.

1.10 Property (Land, Buildings and Infrastructure), 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 \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Revaluations

Land, buildings, infrastructure, plant and equipment (P & E) are carried at cost or valuation. Revaluations undertaken up to 30 June 2002 were done on a deprival basis; revaluations since that date are at fair value. This change in accounting policy is required by Australian Accounting Standard AASB 1041 Revaluation of Non-Current Assets. The effect of this change in 2003-04 is immaterial.

Valuations are as at 30 June (Library rare books collection) and 6 May (Artworks and artefacts).

Fair and deprival values for each class of assets are determined as shown below.

Asset Class	Fair Value Measured at:	Deprival Value Measured at:
Land	Market selling price	Market selling price
Building	Market selling price	Depreciated replacement cost
Leasehold Improvements	Depreciated replacement cost	Depreciated replacement cost
Plant & Equipment	Market selling price	Depreciated replacement cost

Under both deprival and fair value, assets which are surplus to requirement are measured at their net realisable value. At 30 June 2004 AIATSIS the net realisable value of surplus assets was \$600. (30 June 2003: \$0)

Frequency

Land, buildings, infrastructure, plant and equipment have been revalued on a progressive basis over a three year cycle in previous years. In 2003-04, the planned revaluations of the AIATSIS building and Library rare books collection were deferred until 2004-05. This was because of the uncertainty over the effects of prospective valuation requirements under the Australian Equivalents to International Financial Reporting Standards, and is allowed under the Finance Minister's Orders. Whilst the effect of the delayed revaluation can't be reliably estimated, it is most likely to have understated the value of assets in light of increased building costs since 2001.

The Institute acquired a new building in March 2001; the building and related property, plant and equipment are carried at cost pending revaluation. Art and artefacts were revalued in 2002-03 by Wally Caruana from Caruana Fine Art. The library rare book collection was revalued in 2000-01 by the Australian Valuation Office. All other P&E assets are measured at cost.

Assets in each class acquired after the commencement of a revaluation are recorded at cost until the next revaluation.

Conduct

Revaluations are conducted by independent qualified valuers.

Depreciation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Institute using, in all cases, the straight line method of depreciation.

Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

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

	2004	2003
Building	40 to 70 years	40 to 70 years
Major plant and equipment items	5 to 20 years	5 to 20 years
Minor plant and equipment items, mainly office equipment.	2 to 5 years	2 to 5 years
Library rare book collection	50 years	50 years

Art and artefacts are not depreciated due to their indefinite lives.

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

1.11 Intangibles

The Institute's intangibles at 30 June 2004 comprise of software licences and associated implementation costs, a registered trademark and internally-developed software. At 30 June 2003 they comprised a registered trademark and internally-developed software. The assets are carried at cost.

All intangible assets were assessed for indications of impairment as at 30 June 2004. None were found to be impaired.

Intangible assets are amortised on a straight-line basis over their anticipated useful lives.

Useful lives are:

	2004	2003
Internally-developed software and software licences	3 to 7 years	5 years
Trade marks	5 years	5 years

1.12 Inventories

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

Inventories not held for resale are valued at cost, unless they are no longer required, in which case they are valued at net realisable value.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as cost of direct materials plus attributable costs that are capable of being allocated on a reasonable basis.

1.13 Taxation

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

Revenues, expenses and assets are recognized net of GST:

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

1.14 Capital usage charge

Until 30 June 2003 a Capital Use Charge was imposed by the Government on the net assets of the Institute. The Charge is accounted for as a dividend to Government. During 2003–04 a payment was made to discharge the liability accrued in 2002–03.

1.15 Insurance

The Institute has insured for risks through the Government's insurable risk managed fund, 'Comcover'. Workers' compensation is insured through Comcare Australia.

Note 2: Economic Dependency

AIATSIS was established by section 4 of the Australian Institute of Aboriginal and Torres Strait Islander Studies Act 1989 and is controlled by the Commonwealth of Australia.

The Institute is dependent on appropriations from the Parliament of the Commonwealth for its continued existence and ability to carry out its normal activities.

Note 3: Events Occurring After Reporting Date

The Institute is not aware of any events occurring after the reporting date which materially affects its future viability.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2004

	2004	2003
	\$'000	\$'000
Note 4: Operating Revenue		
<u>Note 4A: Revenues from Government</u>		
Appropriations for outputs	7,639	9,788
Total revenues from government	<u>7,639</u>	<u>9,788</u>
<u>Note 4B: Sales of Goods and Services</u>		
Goods	335	295
Services	1,842	1,379
Total sales of goods and services	<u>2,177</u>	<u>1,674</u>
Provisions of goods to:		
Related entities	97	147
External entities	238	148
Total sales of goods	<u>335</u>	<u>295</u>
Rendering of services to:		
Related entities	1,501	1,147
External entities	341	232
Total rendering of services	<u>1,842</u>	<u>1,379</u>
<u>Note 4C: Interest Revenue</u>		
Deposits	221	267
Total interest revenue	<u>221</u>	<u>267</u>
<u>Note 4D: Net Loss from Sale of Assets</u>		
Infrastructure, plant and equipment:		
Proceeds from disposal	23	62
Net book value of assets disposed	(123)	(69)
Net loss from sale of assets	<u>(100)</u>	<u>(7)</u>
<u>Note 4E: Other Revenue</u>		
Conference fees	199	468
Other revenue	261	152
Total other revenue	<u>460</u>	<u>620</u>

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2004

	2004	2003
	\$'000	\$'000
Note 5: Operating Expenses		
<u>Note 5A: Employee Expenses</u>		
Wages and salaries	4,700	4,525
Superannuation	740	725
Leave and other entitlements	469	359
Separation and redundancy	103	18
Other employee benefits	233	249
Total employee benefits expenses	<u>6,245</u>	<u>5,876</u>
Workers compensation premiums	75	63
Total employee benefits expenses	<u><u>6,320</u></u>	<u><u>5,939</u></u>
<u>Note 5B: Supplier Expenses</u>		
Goods from external entities	2,032	2,268
Services from related entities	238	213
Services from external parties	665	613
Total supplier expenses	<u><u>2,935</u></u>	<u><u>3,094</u></u>
<u>Note 5C: Grants Expense</u>		
Research grants	570	857
Manuscript development grants	1	4
Total grants expenses	<u><u>571</u></u>	<u><u>861</u></u>
<u>Note 5D: Depreciation and Amortisation</u>		
Depreciation of property, plant and equipment	892	875
Amortisation of intangible assets	52	3
Total depreciaton and amortisation	<u><u>944</u></u>	<u><u>878</u></u>
The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable asset are as follow:		
Building on leasehold land	136	135
Plant and equipment	756	740
Intangibles	52	3
Total depreciation and amortisation	<u><u>944</u></u>	<u><u>878</u></u>
<u>Note 5E: Write-Down of Assets</u>		
Provision for obsolete inventory	(8)	-
Write down of I, P & E	62	-
Plant & equipment – revaluation decrement	-	12
	<u><u>54</u></u>	<u><u>12</u></u>

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2004

2004	2003
\$'000	\$'000

Note 6: Financial Assets

Note 6A: Receivables

Goods and services	167	243
Less: Provision for doubtful debts	<u>(2)</u>	<u>(38)</u>
	165	205
Interest receivable	16	43
GST receivable	17	31
Total receivables (net)	<u><u>198</u></u>	<u><u>279</u></u>

All receivables are current assets

Receivables (gross) are aged as follows:

Not overdue	<u>165</u>	<u>256</u>
Overdue by:		
30 to 60 days	-	18
60 to 90 days	-	3
More than 90 days	<u>35</u>	<u>40</u>
Total receivables (gross)	<u><u>200</u></u>	<u><u>317</u></u>

The provision for doubtful debts is aged as follows:

More than 90 days	<u>2</u>	<u>38</u>
Total provision for doubtful debts	<u><u>2</u></u>	<u><u>38</u></u>

Receivables for goods and services

Credit terms are generally net 30 days, however some suppliers are on 90 day terms

Accrued interest

The interest rates range from 3.44% to 5.63%. Interest is payable either on the 1st of each month or on maturity

Note 6B: Investments (section 18 CAC Act)

Term deposits	<u>3,650</u>	-
Total investments	<u><u>3,650</u></u>	<u><u>-</u></u>

Term deposits are with Bankwest. Their maturity ranges from 6 December 2004 to 5 January 2005. The effective yield is 5.63%, payable on maturity.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2004

	2004	2003
	\$'000	\$'000

Note 7: Non-Financial Assets

Note 7A: Land and Buildings

Leasehold improvements

Building on leasehold land - at cost	9,425	9,425
Accumulated depreciation	<u>(486)</u>	<u>(350)</u>
Total Land and Buildings (non-current)	<u>8,939</u>	<u>9,075</u>

Leaseholds improvements are the AIATSIS building at Acton, ACT.

Note 7B: Infrastructure, Plant and Equipment

Plant and equipment - at cost	7,298	7,621
- Accumulated depreciation	<u>(2,022)</u>	<u>(1,951)</u>
	<u>5,276</u>	<u>5,670</u>
Artworks and artefacts - at cost	17	17
Library rare book collection - at cost	5	5
	<u>5,298</u>	<u>5,692</u>
Artworks and artefacts - at 2002-03 valuation (fair value)	2,435	2,435
Library rare book collection - at 2000-01 valuation (deprival)	1,836	1,830
- Accumulated depreciation	<u>(110)</u>	<u>(73)</u>
	<u>1,726</u>	<u>1,757</u>
Total Infrastructure, Plant and Equipment (non-current)	<u>9,459</u>	<u>9,884</u>

Movement in asset revaluation reserve

Increment for artworks and artefacts	-	1,562
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Note 7C - Analysis of Property, Plant, Equipment and Intangibles

TABLE A - Reconciliation of the opening and closing balances of property, plant, equipment and intangibles

Item	Buildings \$'000	Infrastructure, plant and equipment \$'000	Intangibles \$'000	Total \$'000
Gross value as at 1 July 2003	9,425	11,909	12	21,346
Additions: purchase of assets	-	604	126	730
Revaluation increment	-	-	-	-
Transfers	-	(342)	342	-
Assets written down	-	(73)	-	(73)
Disposals	-	(506)	(29)	(535)
Gross value as at 30 June 2004	9,425	11,592	451	21,468
Accumulated Depreciation/Amortisation as at 1 July 2003	350	2,025	4	2,379
Depreciation / Amortisation charge for the year	136	757	52	945
Assets written down	-	(73)	-	(73)
Transfers	-	(244)	244	-
Disposals	-	(332)	(17)	(349)
Accumulated Depreciation/Amortisation as at 30 June 2004	486	2,133	283	2,902
Net book value as at 30 June 2004	8,939	9,459	168	18,566
Net book value as at 1 July 2003	9,075	9,884	8	18,967

TABLE B - Assets at valuation

Item	Buildings - Leasehold Improvements \$'000	Other infrastructure, plant and equipment \$'000	TOTAL \$'000
As at 30 June 2004			
Gross value	-	4,265	4,265
Accumulated depreciation / amortisation	-	(110)	(110)
Net book value	-	4,155	4,155
As at 30 June 2003			
Gross value	-	4,265	4,265
Accumulated depreciation / amortisation	-	(73)	(73)
Net book value	-	4,192	4,192

TABLE C - Assets under Construction

There were no assets under construction at 30 June 2004 or at 30 June 2003.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2004

	2004 \$'000	2003 \$'000
Note 7D: Intangibles		
Software licences - purchased	422	-
Internally developed software and trade mark	<u>29</u>	<u>12</u>
	451	12
- Accumulated amortisation	<u>(283)</u>	<u>(4)</u>
Total intangibles	<u>168</u>	<u>8</u>
Note 7E: Inventories		
Inventories held for sale	459	583
Provision for obsolete stock	<u>(398)</u>	<u>(442)</u>
Total inventories	<u>61</u>	<u>141</u>
All inventories are current assets.		
Note 7F: Other Non-Financial Assets		
Other prepayments	<u>94</u>	<u>129</u>
Total other non-financial assets	<u>94</u>	<u>129</u>

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2004

	2004	2003
	\$'000	\$'000

Note 8: Provisions

Note 8A: Employee Provisions

Salaries and wages	-	177
Leave	1,182	1,210
Superannuation	87	87
Separation and Redundancy	65	-
Aggregate employee entitlement liability	1,334	1,474

Employee provisions are categorised as follows:

Current	683	820
Non-current	651	654
	1,334	1,474

Note 8B - Capital Use Charge

Balance owing 1 July	2,186	1,868
Capital Use Charge provided for during the period	-	2,186
Capital Use Charge paid	2,186	(1,862)
Adjustment for over-provision in 2001-02	-	(6)
	-	2,186

Note 9: Payables

Note 9A: Supplier Payables

Trade creditors	272	138
Other	136	-
Total supplier payables	408	138

All supplier payables are current.

Note 9B: Grants Payable

Non-profit entities	-	488
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All grants payable are current.

Note 9C: Other Payables

Unearned revenue - grants	1,709	183
Unearned revenue - other	3	78
Total other payables	1,712	261

All other payables are current.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2004

Note 10: Equity

Note 10A - Analysis of Equity

Item	Accumulated Results		Asset Revaluation Reserve		Total Contributed Equity		TOTAL EQUITY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Opening balance as at 1 July	18,619	19,241	2,717	1,155	-	-	21,336	20,396
Net Surplus / (Deficit)	(427)	1,558	-	-	-	-	(427)	1,558
Net revaluation increment/(decrement)	-	-	-	1,562	-	-	-	1,562
Transactions with owner:								
Returns on Capital								
Capital Use Charge	-	(2,180)	-	-	-	-	-	(2,180)
Contributions by owner								
Appropriation (equity injection)	-	-	-	-	3	-	3	-
Closing balance as at 30 June	18,192	18,619	2,717	2,717	3	-	20,912	21,336
Less: outside equity interests	-	-	-	-	-	-	-	-
Total equity attributable to the Australian Government	18,192	18,619	2,717	2,717	3	-	20,912	21,336

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 11: Cash Flow Reconciliation	2004	2003
	\$'000	\$'000

Note 11A: Reconciliation of Operating Surplus to Net Cash from Operating Activities

Reconciliation of operating surplus to net cash from operating activities:

Operating surplus before extraordinary items	(427)	1,558
Non-cash items		
Depreciation and amortisation	944	878
Net write-down of non-current assets	62	12
Net loss from sale of assets	100	7
Change in assets and liabilities		
(Increase)/decrease in receivables (other than loans)	81	(77)
(Increase)/decrease in inventories	80	130
(Increase)/decrease in other non-financial Assets	35	(14)
Increase/(decrease) in supplier payables	335	(38)
Increase/(decrease) in provision for employees	(205)	307
Increase/(decrease) in grants payable	(488)	446
Increase/(decrease) in other payables	1,451	(168)
Net cash from/(used by) operating activities	<u>1,968</u>	<u>3,041</u>

Note 11B: Reconciliation of Cash

Cash balance comprises:

Cash on hand	40	830
Deposits at call	1,757	5,537
	<u>1,797</u>	<u>6,367</u>

Balance of cash as at 30 June shown in the Statement of Cash Flows	1,797	6,367
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Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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2004 2003

Note 12:- Contingent Liabilities and Assets

The Institute has no knowledge of any material contingencies, whether remote or otherwise.

Note 13: Remuneration of Councillors

	2004	2003
The number of Councillors of the Institute included in these figures are shown below in the relevant remuneration bands		
\$Nil - \$10,000	9	9
	\$	\$
Total remuneration received or due and receivable by members of the Council of the Institute	52,218	30,001

A description of the methods by which Councillors are appointed is included in the "Overview" section of the Annual Report.

Remuneration includes payments to Councillors for Council and for Research Advisory Committee business.

Note 14: Related Party Disclosures

Members of Council

The members of the Council of the Institute during the year were:

M. Dodson, Chair
 R. Tonkinson, Deputy Chair
 M Williams
 J Huggins AM
 M Nakata
 E Bedford
 R Marika
 N McNamara AM, MBE
 L Behrendt

The Institute paid a Directors and Officers indemnity premium of \$5,754 on behalf of Councillors during the year. Royalty payments totalling \$428 were made to Ms Huggins, a Council member during the year, in relation to her book published through Aboriginal Studies Press. Other than these payments and remuneration as Councillors, no benefits were provided to Council members.

Australian Institute of Aboriginal and Torres Strait Islander Studies
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Note 15: Remuneration of Officers

	2004	2003
The number of Officers who received, or were due to receive, total remuneration of \$100,000 or more:		
\$110,001 - \$120,000	1	-
\$130,001 - \$140,000	1	-
\$150,001 - \$160,000	-	1
\$180,001 - \$190,000	1	-
\$190,001 - \$200,000	-	1
Total	<u><u>3</u></u>	<u><u>2</u></u>
	\$	\$
The aggregate amount of total remuneration of officers shown above.	<u><u>427,740</u></u>	<u><u>354,485</u></u>

Note 16: Remuneration of Auditors

	2004	2003
	\$	\$
Remuneration to the Auditor-General for the audit of special purpose financial statements of grant activities for the reporting period.	4,000	6,500
Remuneration to the Auditor-General for auditing the financial statements for the reporting period.	<u>32,000</u>	<u>32,000</u>
	<u><u>36,000</u></u>	<u><u>38,500</u></u>

These amounts represent the fair value of services provided.

RSM Bird Cameron has been contracted by the Australian National Audit Office (ANAO) to provide audit services on the ANAO's behalf. Fees for these services are included above. No other services were provided by the Auditor-General or RSM Bird Cameron during the reporting period.

Note 17: Average Staffing Levels

	2004	2003
The average staffing levels for the Institute during the year were:	<u><u>93</u></u>	<u><u>91</u></u>

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2004

Note 18: Financial Instruments

Note 18A: Interest rate risk

	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In 1 year or less		Non-Interest Bearing		Total		Weighted Average Effective Interest Rate	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 %	2003 %
Financial Assets											
Cash on hand	11B	39	830	-	5,536	1	1	40	6,367	3.38	4.85
Deposits at call		363	-	1,394	-	-	-	1,757	-	5.46	NA
Term deposits		-	-	3,650	-	-	-	3,650	-	5.63	NA
Receivables for goods and services (gross)	6A	-	-	-	-	198	279	198	279	NA	NA
Accrued interest		-	-	-	-	-	-	-	-	NA	NA
Total		402	830	5,044	5,536	199	280	5,645	6,646		
Total Assets								24,366	25,883		

Financial Liabilities											
Supplier payables	9A	-	-	-	-	408	138	408	138	NA	NA
Grants payable	9B	-	-	-	-	-	488	-	488	NA	NA
Unearned revenue	9C	-	-	-	-	1,712	261	1,712	261	NA	NA
Total		-	-	-	-	2,120	887	2,120	887		
Total Liabilities								3,454	4,547		

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2004

Note 18: Financial Instruments (continued)

Note 18B: Net Fair Values of Financial Assets and Liabilities

	Notes	2004		2003	
		Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000	Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000
Financial Assets					
Cash on hand		40	40	6,367	6,367
Deposits at call		1,757	1,757	-	-
Term deposits		3,650	3,650	-	-
Receivables for goods and services (gross)	6A	198	198	279	279
Accrued interest		-	-	-	-
Total Financial Assets		5,645	5,645	6,646	6,646
Financial Liabilities					
Supplier payables	9A	408	408	138	138
Grants payable	9B	-	-	488	488
Unearned revenue	9C	1,712	1,712	261	261
Total Financial Liabilities		2,120	2,120	887	887

The net fair values of all assets and liabilities approximate their carrying amounts.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2004

Note 18: Financial Instruments (continued)

Note 18C: Terms, Conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods adopted (including the criteria for recognition and the basis of measurement applied).	Extent and nature of underlying financial instruments, including significant terms and conditions that may affect the carrying amount, timing and certainty of future cash flows.
Financial Assets		<i>Financial assets are recognised when control over future economic benefits is established and the amount of the benefits can be reliably measured.</i>	
Cash		Cash is recognised at its nominal amount. Cash includes term deposits of less than 3 months.	Temporarily surplus funds are held at call with the Institute's banker or placed on term deposit with a bank. Interest on call deposits is earned on the daily balance at the prevailing daily rate and is paid at month end. Term deposits are invested based on a tender process. At 30 June 2004, there were 3 term deposits with annual interest rates between 5.46% and 5.56%.
Receivables for goods and services	6A	These receivables are recognised at the nominal amounts due less a provision for doubtful debts.	Credit terms are generally net 30 days, however some suppliers are on 90 day terms (2002-03: 30 days).
Accrued interest	6A	Accrued interest is recognised on an accrual basis.	As for receivables for goods and services once billed.
Investments	6B	Term deposits for three months or more are classified as investments for the purpose of s18 of the CAC Act. They are recognised at their nominal amount.	Term deposits are invested based on a tender process, interest is paid at maturity. At 30 June 2004, there were 3 term deposits with annual interest rates of 5.63%.
Financial Liabilities		<i>Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.</i>	
Supplier payables	9A	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods and services have been received (and irrespective of having been invoiced).	Settlement is usually made net 30 days.
Grants payables	9B	Grants made by the Institute are recognised as liabilities and expenses only at the time that the grantee has met all obligations and conditions implicit in the grant agreement.	The Institute approves applications for grants based on application merits and selection criteria. Grant payments are made in accordance with the grant agreement. The timing of the payments is based on the nature of the project to which the grant is to be put towards and can be subject to the grantee fulfilling requirements relating to the project.
Other payables	9C	Revenue is recognised as unearned to the extent that activities for which revenue has been received have not yet been undertaken.	The Institute receives grants and consultancy fees, primarily from ATSIIS. Funds not expended for the purposes of the grant / consultancy are generally required to be repaid to the funding agency.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2004

Note 19: Appropriations

2004	2003
\$'000	\$'000

The Institute received the following appropriations during the year out of the Consolidated Revenue Fund, for Departmental Outputs.

Appropriation Acts Nos 1 & 3	7,639	9,788
Appropriation Acts Nos 2 & 4	3	-
	7,642	9,788

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

Note 20: Reporting of Outcomes

Note 20A: Outcomes of the Institute

AIATSIS is structured to meet one outcome:

"Promotion of knowledge and understanding of Australian Indigenous cultures, past and present".

Three outputs have been identified for this outcome:

Output 1. Research

Output 2. Dissemination of information

Output 3. Collection development and management

Note 20B: Net Cost of Outcomes Delivery

	Outcome 1	
	2004	2003
	\$'000	\$'000
Departmental expenses	10,947	10,853
Total expenses	10,947	10,853
Costs recovered from provision of goods and services to the non-government sector	579	379
Total costs recovered	579	379
Other external revenues		
Interest	221	267
Proceeds from sale of assets	23	62
Other	460	620
Total other external revenues	704	949
Net cost/(contribution) of outcome	9,664	9,525

The Institute only has one outcome and therefore fully attributes shared revenue and expenditure items to that outcome. Attribution of shared costs to outputs is based on staff numbers, adjusted where relevant for significant one-off costs.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2004

Note 20: Reporting of Outcomes (continued)

Note 20C: Departmental Revenues and Expenses by Output

	Output 1		Output 2		Output 3		Total	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Operating expenses								
Employees	2,202	1,964	505	536	3,613	3,439	6,320	5,939
Suppliers	1,363	1,252	560	611	1,012	1,231	2,935	3,094
Grants	570	857	1	4	-	-	571	861
Depreciation and amortisation	324	303	93	87	527	488	944	878
Write-down of assets	21	5	3	3	30	4	54	12
Value of assets disposed	44	40	12	17	67	12	123	69
Total operating expenses	4,524	4,421	1,174	1,258	5,249	5,174	10,947	10,853
Funded by:								
Revenues from Government	2,777	3,559	794	1,017	4,068	5,212	7,639	9,788
Sale of goods and services	1,138	779	336	254	703	641	2,177	1,674
Interest	82	100	23	27	116	140	221	267
Revenue from sale of assets	8	33	2	16	13	13	23	62
Other revenues from independent sources	320	512	22	9	118	99	460	620
Total operating revenues	4,325	4,983	1,177	1,323	5,018	6,105	10,520	12,411

Note 21: Adoption of Australian Equivalents to International Financial Reporting Standards from 2005-06

The Australian Accounting Standards Board has issued replacement Australian Accounting Standards to apply from 2005-06. The new standards are the Australian Equivalents to International Financial Reporting Standards (IFRSs) which are issued by the International Accounting Standards Board.

The new standards cannot be adopted early. The standards being replaced are to be withdrawn with effect from 2005-06, but continue to apply in the meantime.

The purpose of issuing Australian Equivalents to IFRSs is to enable Australian entities reporting under the Corporations Act 2001 to be able to more readily access overseas capital markets by preparing their financial reports according to accounting standards more widely used overseas.

It is expected that the Finance Minister will continue to require compliance with the Accounting Standards issued by the AASB, including the Australian Equivalents to IFRSs, in his Orders for the Preparation of Authorities' financial statements for 2005-06 and beyond.

The Australian Equivalents contain certain additional provisions which will apply to not-for-profit entities, including AIATSIS. Some of these provisions are in conflict with the IFRSs and therefore AIATSIS will only be able to assert compliance with the Australian Equivalents to the IFRSs.

Existing AASB standards that have no IFRS equivalent will continue to apply.

Accounting Standard AASB 1047 Disclosing the Impact of Adopting Australian Equivalents to IFRSs requires that the financial statements for 2003–04 disclose:

- an explanation of how the transition to the Australian Equivalents is being managed, and
- a narrative explanation of the key differences in accounting policies arising from the transition.

The purpose of this Note is to make these disclosures.

Management of the transition to AASB Equivalents to IFRSs

AIATSIS has taken the following steps in preparation towards the implementation of Australian Equivalents:

- The Institute's Audit Committee is tasked with oversight of the transition to and implementation of the Australian Equivalents to IFRSs. The Chief Finance Officer (CFO) is formally responsible for the project and reports to the Audit Committee on progress.
- The CFO will identify systems changes necessary to be able to report under the Australian Equivalents, including those necessary to enable capture of data under both sets of rules for 2004–05, and the testing and implementation of those changes.
- Preparation of a transitional balance sheet as at 1 July 2004, under Australian Equivalents, during the 2004–05 year.
- Preparation of an Australian Equivalent balance sheet at the same time as the 30 June 2005 statements are prepared.
- Meeting reporting deadlines set by Finance for 2005–06 balance sheet under Australian Equivalent Standards.

Major changes in accounting policy

Changes in accounting policies under Australian Equivalents are applied retrospectively i.e. as if the new policy had always applied. This rule means that a balance sheet prepared under the Australian Equivalents must be made as at 1 July 2004, except as permitted in particular circumstances by AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards. This will enable the 2005–06 financial statements to report comparatives under the Australian Equivalents also.

Changes to major accounting policies are discussed in the following paragraphs.

Property plant and equipment

It is expected that the Finance Minister's Orders will require property plant and equipment assets carried at valuation in 2003-04 to be measured at up-to date fair value from 2005-06. This differs from the accounting policies currently in place for these assets which, up to and including 2003-04, have been revalued progressively over a 3-year cycle and which currently include assets at cost (for purchases since the commencement of a cycle) and at deprival value (which will differ from their fair value to the extent that they have been measured at depreciated replacement cost when a relevant market selling price is available).

However, it is important to note that the Finance Minister requires these assets to be measured at up-to-date fair values as at 30 June 2005. Further, the transitional provisions in AASB 1 will mean that the values at which assets are

carried as at 30 June 2004 under existing standards will stand in the transitional balance sheet as at 1 July 2004.

Intangible Assets

AIATSIS currently recognises internally-developed software assets on the cost basis.

Impairment of Non-Current Assets

The Institute's policy on impairment of non-current assets is at note 1.2. Under the new Australian Equivalent Standard, these assets will be subject to assessment for impairment and, if there are indications of impairment, measurement of any impairment (impairment measurement must also be done, irrespective of any indications of impairment, for intangible assets not yet available for use). The impairment test is that the carrying amount of an asset must not exceed the greater of:

- (a) its fair value less costs to sell and
- (b) its value in use. 'Value in use' is the net present value of net cash inflows for for-profit assets of the Authority and depreciated replacement cost for other assets which would be replaced if AIATSIS was deprived of them.

The impairment test is not expected to have a material impact on AIATSIS assets.

Employee Benefits

The provision for long service leave is measured at the present value of estimated future cash outflows using market yields as at the reporting date on national government bonds.

Under the new Australian Equivalent standard, the same discount rate will be used unless there is a deep market in high quality corporate bonds, in which case the market yield on such bonds must be used.

Financial Instruments

Financial assets and liabilities are likely to be accounted for as 'held at fair value through profit and loss' or available-for-sale where the fair value can be reliably measured (in which case, changes in value are initially taken to equity). Fair values will be published prices where an active market exists or by appraisal.

Cash and receivables are expected to continue to be measured at cost

Financial assets, except those classified as 'held at fair value through profit and loss', will be subject to impairment testing.