

AUSTRALIAN LAW REFORM COMMISSION

Statement of Comprehensive Income

For the period ended 30 June 2015

	Notes	2015 \$	2014 \$
NET COST OF SERVICES EXPENSES			
Employee benefits	<u>4A</u>	2,074,985	2,176,887
Suppliers	<u>4B</u>	611,661	656,373
Depreciation	<u>4C</u>	48,876	39,571
Total expenses		<u>2,735,522</u>	<u>2,872,831</u>
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	<u>5A</u>	4,712	13,662
Other revenue	<u>5B</u>	27,000	26,500
Total own-source revenue		<u>31,712</u>	<u>40,162</u>
Net cost of services		<u>2,703,810</u>	<u>2,832,669</u>
Revenue from Government	<u>5C</u>	2,817,000	2,837,000
Surplus on continuing operations		<u>113,190</u>	<u>4,331</u>
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus		-	-
Total other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>113,190</u>	<u>4,331</u>

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

AUSTRALIAN LAW REFORM COMMISSION

Statement of Financial Position

as at 30 June 2015

	Notes	2015 \$	2014 \$
ASSETS			
Financial Assets			
Cash and cash equivalents	7A	1,187,697	1,325,087
Trade and other receivables	7B	9,993	11,002
Total financial assets		1,197,690	1,336,089
Non-Financial Assets			
Plant & equipment	8A, 8B	102,015	140,818
Other non-financial assets	8C	51,270	56,433
Total non-financial assets		153,285	197,251
Total assets		1,350,975	1,533,340
LIABILITIES			
Payables			
Suppliers	9A	39,718	100,471
Other payables	9B	244,753	535,876
Total payables		284,471	636,347
Provisions			
Employee provisions	10A	452,994	452,673
Total provisions		452,994	452,673
Total liabilities		737,465	1,089,020
Net Assets		613,510	444,320
EQUITY			
Contributed equity		239,000	183,000
Reserves		126,998	126,998
Retained surplus		247,512	134,322
Total equity		613,510	444,320

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

AUSTRALIAN LAW REFORM COMMISSION

Statement of Changes in Equity for the period ended 30 June 2015

	Retained Earnings		Asset Revaluation Surplus		Contributed Equity/ Capital		Total Equity	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance								
Balance carried forward from previous period	134,322	129,991	126,998	126,998	183,000	126,000	444,320	382,989
Adjusted opening balance	134,322	129,991	126,998	126,998	183,000	126,000	444,320	382,989
Comprehensive income								
Surplus for the period	113,190	4,331	-	-	-	-	113,190	4,331
Total comprehensive income	113,190	4,331	-	-	-	-	113,190	4,331
Transactions with owners								
Contributions by owners								
Departmental capital budget	-	-	-	-	56,000	57,000	56,000	57,000
Total transactions with owners	-	-	-	-	56,000	57,000	56,000	57,000
Closing balance as at 30 June	247,512	134,322	126,998	126,998	239,000	183,000	613,510	444,320

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

AUSTRALIAN LAW REFORM COMMISSION

Cash Flow Statement

for the period ended 30 June 2015

	Notes	2015 \$	2014 \$
OPERATING ACTIVITIES			
Cash received			
Appropriations		2,817,000	2,940,223
Sale of goods and rendering of services		5,097	2,464
Net GST received		68,677	71,633
Total cash received		<u>2,890,774</u>	<u>3,014,320</u>
Cash used			
Employees		2,094,037	2,102,027
Suppliers		980,054	364,667
Total cash used		<u>3,074,091</u>	<u>2,466,694</u>
Net cash from / (used by) operating activities	<u>11</u>	<u>(183,317)</u>	<u>547,626</u>
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		10,073	52,004
Total cash used		<u>10,073</u>	<u>52,004</u>
Net cash used by investing activities		<u>(10,073)</u>	<u>(52,004)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		56,000	57,000
Total cash received		<u>56,000</u>	<u>57,000</u>
Net cash from financing activities		<u>56,000</u>	<u>57,000</u>
Net increase / (decrease) in cash held		(137,390)	552,622
Cash and cash equivalents at the beginning of the reporting period		<u>1,325,087</u>	<u>772,465</u>
Cash and cash equivalents at the end of the reporting period	<u>7A</u>	<u>1,187,697</u>	<u>1,325,087</u>

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

AUSTRALIAN LAW REFORM COMMISSION

SCHEDULE OF COMMITMENTS

as at 30 June 2015

	2015	2014
	\$	\$
BY TYPE		
Commitments receivable		
Net GST recoverable on commitments ¹	<u>(124,858)</u>	<u>(159,391)</u>
Total commitments receivable	<u><u>(124,858)</u></u>	<u><u>(159,391)</u></u>
Commitments payable		
Other commitments		
Operating leases ²	<u>1,373,439</u>	<u>1,753,297</u>
Total other commitments	<u><u>1,373,439</u></u>	<u><u>1,753,297</u></u>
Net commitments by type	<u><u>1,248,581</u></u>	<u><u>1,593,906</u></u>
BY MATURITY		
Commitments Receivable		
Operating lease income		
Within 1 year	<u>(36,777)</u>	<u>(35,179)</u>
Between 1 to 5 years	<u>(88,081)</u>	<u>(124,212)</u>
Total operating lease income	<u><u>(124,858)</u></u>	<u><u>(159,391)</u></u>
Commitments Payable		
Operating lease commitments		
Within 1 year	<u>404,545</u>	<u>386,971</u>
Between 1 to 5 years	<u>968,894</u>	<u>1,366,326</u>
Total operating lease commitments	<u><u>1,373,439</u></u>	<u><u>1,753,297</u></u>
Total commitments payable	<u><u>1,373,439</u></u>	<u><u>1,753,297</u></u>
Net commitments by maturity	<u><u>1,248,581</u></u>	<u><u>1,593,906</u></u>

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

AUSTRALIAN LAW REFORM COMMISSION

SCHEDULE OF COMMITMENTS (cont.)

Nature of lease / general description of leasing arrangement

1. Commitments are GST inclusive where relevant.
2. Operating lease included is effectively non-cancellable and comprises:

Lease for office accommodation

19 Martin Place, Sydney

Lease payments are subject to annual increases in accordance with upwards movements in the Consumer Price Index.

Lease payments are subject to an annual increase of approximately 4%.

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

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Table of Contents—Notes

Note 1:	Summary of Significant Accounting Policies
Note 2:	Events after the Reporting Period
Note 3:	Net Cash Appropriation Arrangements
Note 4:	Expenses
Note 5:	Own-Source Income
Note 6:	Fair Value Measurements
Note 7:	Financial Assets
Note 8:	Non-Financial Assets
Note 9:	Payables
Note 10:	Provisions
Note 11:	Cash Flow Reconciliation
Note 12:	Senior Management Personnel Remuneration
Note 13:	Financial Instruments
Note 14:	Financial Assets Reconciliation
Note 15:	Appropriations
Note 16:	Special Accounts
Note 17:	Reporting of Outcomes
Note 18:	Budgetary Reports and Explanations of Major Variances

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Australian Law Reform Commission

The Australian Law Reform Commission (the Commission) is an Australian Government controlled entity. It is a not-for-profit entity. The objective of the Commission is to report to the Attorney-General on the results of any review for the purposes of developing and reforming the law.

The Commission is structured to meet one outcome which is to inform government decisions about the development, reform and harmonisation of Australian laws and related processes through research, analysis, reports and community consultation and education.

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

Commission activities contributing towards this outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Commission in its own right.

Section 45 of the *Australian Law Reform Commission Act 1996* (the Act), requires that money appropriated by the Parliament be transferred to the Law Reform Special Account (refer to notes 7A and 16).

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*.

The financial statements have been prepared in accordance with:

- a) Financial Reporting Rules (FRR) for reporting periods ending on or after 1 July 2014; and
- b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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.

The financial statements are presented in Australian dollars and values are rounded to the nearest dollar, unless otherwise specified.

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1: Summary of Significant Accounting Policies (cont.)

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the statement of financial position when, and only when, it is probable that future economic benefits will flow to the Commission or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments or the Schedule of Contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when, and only when, the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth* [2014] 288 HCA 23, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

1.3 Significant Accounting Judgements and Estimates

The Commission has not been required to apply significant judgement or estimates when applying the accounting standards.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standards Requirements

The Commission has elected to early adopt AASB 2015-17 *Amendments to Australian Accounting Standards - Fair Value Disclosures for Not-for-Profit Sector Entities*. This amendment provides relief from certain fair value disclosures required by AASB 13 Fair Value Measurement and applies to annual reporting periods beginning on or after 1 July 2016.

The following new, revised, amending standards and or interpretations were issued prior to the signing of the statement by the accountable authority and chief financial officer, were applicable to the current reporting period and had a material effect on the Commission's financial statements:

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1: Summary of Significant Accounting Policies (cont.)

Standard / Interpretation	Nature of change in accounting policy and adjustment to financial statements
AASB 7	Financial instruments: Disclosures—December 2013 (Compilation)
AASB 116	Property, Plant and Equipment—June 2014 (Compilation)
AASB 119	Employee Benefits 2014 (Compilation)
AASB 13	Fair Value Measurement 2014 (Compilation)
AASB 1055	Budgetary Reporting—December 2013 (Compilation)

All other new, revised, amending standards and or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on the Commission's financial statements.

Future Australian Accounting Standards Requirements

The following new standards will have a disclosure impact only in future reporting periods:

Standard / Interpretation	Application date for the Commission ¹	Nature of impending change/s in accounting policy and likely impact on initial application
AASB 2014-4	1 Jan 2016	Amendments to Australian Accounting Standards—Clarification of Acceptable Methods of Depreciation and Amortisation (AASB 116 & AASB 138)
AASB 2014-7	1 Jan 2018	Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

1. The Commission's expected initial application date is when the accounting standard becomes operative at the beginning of the Commission's reporting period.

All other new, revised, amending standards and or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material impact on the Commission's financial statements.

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1: Summary of Significant Accounting Policies (cont.)

1.5 Revenue

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 end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Commission gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue, is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

1.6 Gains

Sale of Assets

Gains from disposal of assets are recognised when control of the assets have passed to the buyer.

1.7 Transactions with the Government as Owner

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year. In 2014–15 by agreement with the Department of Finance, the Commission received \$56,000 as a Departmental Capital Budget (DCB).

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1: Summary of Significant Accounting Policies (cont.)

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.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

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 estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

The Commission's employees are members of the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

PSS is a defined benefit scheme for the Australian Government. The PSSap is a defined contribution scheme.

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1: Summary of Significant Accounting Policies (cont.)

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 employees' superannuation scheme at rates to be sufficient to meet the current cost to the Government. 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 final fortnight of the year.

1.9 Leases

The Commission only has operating leases where payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include:

- a) cash on hand;
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value;
- c) cash in special accounts.

1.11 Financial Assets

The Commission only has financial assets that are loan receivables.

Loans and Receivables

Trade receivables are assets that have a fixed or determinable payment that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1: Summary of Significant Accounting Policies (cont.)

Impairment of Financial Assets—Loans and Receivables

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 impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.12 Financial Liabilities

The Commission has financial liabilities that are represented by supplier and other payables which are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been involved).

1.13 Plant and Equipment

Asset Recognition Threshold

Purchases of plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$1,000, 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

Following initial recognition at cost, plant and equipment were carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. 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 is depended 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 reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1: Summary of Significant Accounting Policies (cont.)

the surplus/deficit except to the extent that they reversed 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 revalued amount.

Depreciation

Depreciable 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.

Depreciation rates applying at present are 3–10 years.

Impairment

All assets were assessed for impairment at 30 June 2015. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Commission were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1: Summary of Significant Accounting Policies (cont.)

1.14 Taxation / Competitive Neutrality

The Commission is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

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

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 2: Events after the Reporting Period

Departmental

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the Commission.

Note 3: Net Cash Appropriation Arrangements

	2015	2014
	\$	\$
Total comprehensive income less depreciation expenses previously funded through revenue appropriations¹	162,066	43,902
Plus: depreciation expenses previously funded through revenue appropriation	(48,876)	(39,571)
Total comprehensive income—as per the Statement of Comprehensive Income	113,190	4,331

1. From 2010–11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 4: Expenses

	2015	2014
	\$	\$
Note 4A. Employee Benefits		
Wages and salaries	1,622,213	1,676,233
Superannuation:		
Defined contribution plans	121,211	137,381
Defined benefit plans	152,966	141,588
Leave and other entitlements	178,595	221,685
Total employee benefits	2,074,985	2,176,887

Note 4B. Suppliers

Goods and Services supplied or rendered

Committees	22,285	15,309
Library	31,454	34,162
Professional services	73,251	114,785
Printing and office requisites	18,474	17,259
Freight and removals	1,747	1,971
Telephone and postage	24,828	26,508
Incidentals	10,417	15,127
Minor assets	10,090	7,246
Staff training	9,632	4,873
Maintenance	7,125	13,326
Promotional activities	9,942	2,047
Advertising	–	382
Travel	29,110	44,370
IT services	25,987	26,805
Other	200	–
Total goods and services supplied or rendered	274,542	324,170

AUSTRALIAN LAW REFORM COMMISSION

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2015**

Note 4: Expenses (cont.)

	2015	2014
	\$	\$
<u>Note 4B. Suppliers (cont.)</u>		
Goods supplied in connection with		
Related Parties	-	-
External parties	<u>247,542</u>	<u>297,670</u>
Total goods supplied	<u>247,542</u>	<u>297,670</u>
Services rendered in connection with		
Related Parties	27,000	26,500
External parties	-	-
Total services rendered	<u>27,000</u>	<u>26,500</u>
Total goods and services supplied or rendered	<u>274,542</u>	<u>324,170</u>
Other suppliers		
Operating lease rentals in connection with		
Related parties		
Minimum lease payments	322,520	321,037
Workers compensation expenses	<u>14,599</u>	<u>11,166</u>
Total other suppliers	<u>337,119</u>	<u>332,203</u>
Total suppliers	<u>611,661</u>	<u>656,373</u>
<u>Note 4C. Depreciation</u>		
Depreciation		
Plant and equipment	<u>48,876</u>	<u>39,571</u>
Total depreciation	<u>48,876</u>	<u>39,571</u>

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 5: Own-Source Income

	2015	2014
	\$	\$
OWN-SOURCE REVENUE		
<u>Note 5A. Sale of Goods and Rendering of Services</u>		
Sale of goods in connection with		
Related parties	-	-
External parties	4,712	2,464
Total sale of goods	4,712	2,464
Rendering of services in connection with		
Related parties	-	11,198
External parties	-	-
Total rendering of services	-	11,198
Total sales of goods and rendering of services	4,712	13,662
<u>Note 5B. Other Revenue</u>		
Resources received free of charge		
Remuneration of auditors	27,000	26,500
Total other revenue	27,000	26,500
OTHER REVENUE		
<u>Note 5C. Revenue from Government</u>		
Appropriations		
Departmental appropriations	2,817,000	2,837,000
Total revenue from Government	2,817,000	2,837,000

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 6: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Commission can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Note 6A. Fair Value Measurements, Valuation Techniques and Inputs Used

	Fair value measurements at the end of the reporting period		For Levels 2 and 3 fair value measurements	Inputs used
	2015	2014		
	\$	\$	Valuation Technique(s) ¹	
			Category (Level 1, 2 or 3) ²	
Non-financial assets:				
Plant and equipment	73,145	140,818	Level 2	Market Approach Adjusted market transactions
Plant and equipment	28,870	–	Level 3	Market Approach Adjusted market transaction
Total non-financial assets	102,015	140,818		
Total fair value measurements of assets in the statement of financial position	102,015	140,818		

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 6: Fair Value Measurements (cont.)

Note 6A. Fair Value Measurements, Valuation Techniques and Inputs Used (cont.)

1. There was no change in valuation technique from the previous reporting period.
2. The future economic benefits of ALRC's plant and equipment assets are not primarily dependant on their ability to generate cash flows. The Commission has not disclosed quantitative information about the significant unobservable inputs for the Level 3 measurements in these classes.

3. Fair Value Measurement—Highest & Best Use differs from current use for non-financial assets (NFAs)

The Commission's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all NFAs is considered their highest and best use.

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

The Commission procured the services of the Australian Valuation Office (AVO) to undertake a comprehensive valuation of all non-financial assets at 30 June 2013. The Commission tests the procedures of the valuation model as an internal management review at least once every 12 months (with a formal revaluation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. The Commission has engaged Australian Valuation Solutions (AVS) to provide written assurance that the models developed comply with AASB 13.

Significant Level 3 inputs utilised by the Commission are derived and evaluated as follows:

Plant and Equipment—Adjusted Market Transactions

The significant unobservable inputs used in the fair value measurement of PPE assets relates to the market demand and valuers judgement to determine the fair value measurement of these assets. A significant increase (decrease) in the transaction price would result in a significantly higher (lower) fair value measurement.

Plant and Equipment—Consumed economic benefit / Obsolescence of asset

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the cost (Depreciated Replacement Cost or DRC) approach. Under the DRC approach the estimated cost to replace the asset is calculated and then adjusted to take into account its consumed economic benefit / asset obsolescence (accumulated depreciation). Consumed economic benefit / asset obsolescence has been determined based on professional judgement

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 6: Fair Value Measurements (cont.)

Note 6A. Fair Value Measurements, Valuation Techniques and Inputs Used (cont.)

regarding physical, economic and external obsolescence factors relevant to the asset under consideration.

The weighted average is determined by assessing the fair value measurement as a proportion of the total fair value for the class against the total useful life of each asset.

Note 6B. Level 1 and Level 2 Transfers for Recurring Fair Value Measurements

Recurring fair value measurements transferred between Level 1 and Level 2 for assets and liabilities

There have been no transfers of NFAs between Level 1 and Level 2 fair value measurements during 2014–15 (nil 2013–14).

The Commission's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

Note 6C. Reconciliation for Recurring Level 3 Fair Value Measurements

Recurring Level 3 fair value measurements—reconciliation for assets

	Non-Financial assets		
	Plant and equipment		Total
	2015	2014	2015
	\$	\$	\$
As at 1 July			
Transfers into Level 3 ¹	28,870	–	28,870
Total as at 30 June	28,870	–	28,870

1. There have been transfers of plant and equipment assets fair value measurements into Level 3 during the year due to the market valuation technique requiring the use of significant professional judgement classified as unobservable inputs.

The Commission's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 7: Financial Assets

	2015	2014
	\$	\$
Note 7A. Cash and Cash Equivalents		
Cash on hand or on deposit	9,917	20,321
Cash in special accounts	<u>1,177,780</u>	<u>1,304,766</u>
Total cash and cash equivalents	<u>1,187,697</u>	<u>1,325,087</u>
Note 7B. Trade and Other Receivables		
Good and Services receivables in connection with		
Related parties	-	-
External parties	<u>727</u>	<u>330</u>
Total goods and services receivables	<u>727</u>	<u>330</u>
Other receivables:		
Statutory receivables	<u>9,266</u>	<u>10,672</u>
Total other receivables	<u>9,266</u>	<u>10,672</u>
Total trade and other receivables (gross)	<u>9,993</u>	<u>11,002</u>
Trade and other receivables (net) expected to be recovered		
No more than 12 months	9,993	11,002
More than 12 months	-	-
Total trade and other receivables (net)	<u>9,993</u>	<u>11,002</u>
Trade and other receivables (gross) aged as follows		
Not overdue	<u>9,993</u>	<u>11,002</u>
Total trade and other receivables (gross)	<u>9,993</u>	<u>11,002</u>

Goods and services receivable were with entities external to the Australian Government.
Credit terms are net 30 days (2014: 30 days).

No trade and other receivables were impaired.

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 8: Non-Financial Assets

	2015	2014
	\$	\$

Note 8A. Plant and Equipment

Plant and equipment

Fair value	207,701	197,628
Accumulated depreciation	(105,686)	(56,810)
Total plant and equipment	102,015	140,818

Plant and equipment were subject to revaluation.

No indicators of impairment were found for plant and equipment.

No plant or equipment is expected to be sold or disposed of within the next 12 months.

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 1.

On 30 June 2013, an independent valuer—Australian Valuation Office—conducted the revaluation.

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 8: Non-Financial Assets (cont.)

Note 8B. Reconciliation of the Opening and Closing Balances of Plant and Equipment

Reconciliation of the Opening and Closing Balances of Plant and Equipment for 2015

	Plant & Equipment \$	Total \$
As at 1 July 2014		
Gross book value	197,728	197,728
Accumulated depreciation and impairment	(56,910)	(56,910)
Total as at 1 July 2014	140,818	140,818
Additions		
Purchase	10,073	10,073
Depreciation	(48,876)	(48,876)
Total as at 30 June 2015	102,015	102,015
Total as at 30 June 2015 represented by:		
Gross book value	207,801	207,801
Accumulated depreciation and impairment	(105,786)	(105,786)
Total as at 30 June 2015	102,015	102,015

AUSTRALIAN LAW REFORM COMMISSION

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2015**

Note 8: Non-Financial Assets (cont.)

Note 8B. Reconciliation of the Opening and Closing Balances of Plant and Equipment (cont.)

Reconciliation of the Opening and Closing Balances of Plant and Equipment for 2014

	Plant & Equipment \$	Total \$
As at 1 July 2013		
Gross book value	145,724	145,724
Accumulated depreciation	(17,339)	(17,339)
Total as at 1 July 2013	128,385	128,385
Additions		
Purchase	52,004	52,004
Depreciation	(39,571)	(39,571)
Total as at 30 June 2014	140,818	140,818
Total as at 30 June 2014 represented by:		
Gross book value	197,728	197,728
Accumulated depreciation and impairment	(56,910)	(56,910)
Total as at 30 June 2014	140,818	140,818

	2015	2014
	\$	\$

Note 8C. Other Non-Financial Assets

Prepayments—no more than 12 months	51,270	56,433
Total other non-financial assets	51,270	56,433

No indicators of impairment were found for other non-financial assets.

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 9: Payables

	2015	2014
	\$	\$

Note 9A. Suppliers

Trade creditors and accruals—external parties,
not more than 12 months

	39,718	100,471
Total suppliers	39,718	100,471

Settlement was usually made within 30 days.

Note 9B. Other Payables

Lease incentive	135,886	151,228
Wages and salaries	108,867	128,240
Unearned income	—	256,408
Total other payables	244,753	535,876

Other payables expected to be settled

No more than 12 months	112,537	399,991
More than 12 months	132,216	135,885
Total other payables	244,753	535,876

Note 10: Provisions

	2015	2014
	\$	\$

Employee Provisions

Leave	452,994	452,673
Total employee provisions	452,994	452,673

Employee provisions expected to be settled

No more than 12 months	331,545	346,325
More than 12 months	121,449	106,348
Total employee provisions	452,994	452,673

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 11: Cash Flow Reconciliation

	2015	2014
	\$	\$
Reconciliation of net cost of services to net cash from / (used by) operating activities		
Net cost of services	(2,703,810)	(2,832,669)
Revenue from Government	2,817,000	2,837,000
Adjustments for non-cash items		
Depreciation / amortisation	48,876	39,571
Movements in assets and liabilities		
Assets		
(Increase) / decrease in net receivables	1,009	89,907
(Increase) / decrease in prepayments and other non-financial assets	5,161	25,098
Liabilities		
(Increase) / decrease in suppliers & other payables	(351,876)	348,193
(Increase) / decrease in employee provisions	323	40,525
Net cash from / (used by) operating activities	(183,317)	547,625

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 12: Senior Management Personnel Remuneration

	2015	2014
	\$	\$
Short-term employee benefits:		
Salary	624,719	607,700
Motor vehicle and other allowances	51,958	63,147
Total short-term employee benefits	676,677	670,847
Post-employment benefits:		
Superannuation	109,309	103,913
Total post-employment benefits	109,309	103,913
Other long-term employee benefits:		
Annual leave	51,444	46,128
Long service leave	16,719	14,991
Total other long-term employee benefits	68,163	61,119
Total senior executive remuneration expenses	854,149	835,879

The total number of senior management personnel that are included in the above table are 4 individuals (2014: 4 individuals).

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 13: Financial Instruments

	2015	2014
	\$	\$
Note 13A. Categories of Financial Instruments		
Financial Assets		
Loans and receivables		
Cash and cash equivalents	1,187,697	1,325,087
Trade and other receivables	727	330
Total loans and receivables	1,188,424	1,325,417
Total financial assets	1,188,424	1,325,417
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	39,718	100,471
Other payables	244,753	535,876
Total financial liabilities measured at amortised cost	284,471	636,347
Total financial liabilities	284,471	636,347

Note 13B. Credit Risk

The Commission's maximum exposures to credit risk are cash and trade receivables. The maximum exposure to credit risk was the risk that arises from potential default of a debtor.

Note 13C. Liquidity Risk

The Commission's financial liabilities were payables and other liabilities. The exposure to liquidity risk is based on the notion that the Commission will not encounter difficulty in meeting its obligations associated with financial liabilities.

This was highly unlikely as the Commission is appropriated funding from the Australian Government and the Commission manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the Commission has policies in place to ensure timely payments are made when due and has no past experience of default.

The Commission has no derivative financial liabilities in 2015 or 2014.

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2015

Note 14: Financial Assets Reconciliation

		2015	2014
		\$	\$
	Notes		
Total financial assets as per statement of financial position		1,197,690	1,336,089
Less: non-financial instrument components			
Other receivables	7B	<u>9,266</u>	<u>10,672</u>
Total non-financial instrument components		<u>9,266</u>	<u>10,672</u>
Total financial assets as per financial instruments note.		<u>1,188,424</u>	<u>1,325,417</u>

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 15: Appropriations

Note 15A. Annual Appropriations ('Recoverable GST exclusive')

Annual Appropriations for 2015

	Appropriation Act				PGPA Act		Appropriation applied in 2015 (current and prior years)	Variance ³	Section 51 determinations
	Annual Appropriation ¹		AFM ²		Section 74	Section 75			
	\$	\$	\$	\$	\$	\$			
DEPARTMENTAL									
Ordinary annual services	2,873,000	-	-	4,712	-	2,877,712	-	-	
Total Departmental	2,873,000	-	-	4,712	-	2,877,712	-	-	

Notes:

1. In 2014–15, there were no appropriations that have been quarantined.
2. In 2014–15, there was no adjustment that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FRR Part 6 Div 3) but at law the appropriations had not been amended before the end of the reporting period.
3. In 2014–15, there was no variance.

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 15: Appropriations (cont.)**Note 15A. Annual Appropriations ('Recoverable GST exclusive') (cont.)**

Annual Appropriations for 2014

	Appropriation Act			FIMA Act		Total appropriation	Appropriation applied in 2014 (current and prior years)	Variance ³
	Annual Appropriation ¹	AFM ²	Section 31	Section 32	\$			
DEPARTMENTAL								
Ordinary annual services	2,894,000	–	2,464	–	–	2,896,464	2,989,301	92,837
Total Departmental	2,894,000	–	2,464	–	–	2,896,464	2,989,301	92,837

Notes:

- In 2013–14, there were no appropriations that have been quarantined.
- In 2013–14, there was no adjustment that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FRR Part 6 Div 3) but at law the appropriations had not been amended before the end of the reporting period.
- In 2013–14, the variance amount contributes to amounts paid to the Official Public Account on 30 June 2014. The amounts consist of revenue received from sale of publications. Also an amount has been paid for long service leave.

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 15: Appropriations (cont.)

Note 15B. Departmental and Capital Budgets ('Recoverable GST exclusive')

	2015 Capital Budget Appropriations			Capital Budget Appropriations applied in 2015 (current and prior years)			Variance ³
	Appropriation Act		Total Capital Budget Appropriations	Payments for non-financial assets ²	Payments for other purposes ³	Total payments	
	Annual Capital Budget	PGPA Act Section 75					
DEPARTMENTAL Ordinary annual services—							
Departmental Capital Budget ¹	\$ 56,000	\$ —	\$ 56,000	\$ 10,073	\$ 45,927	\$ 10,073	\$ —

Notes:

1. Departmental and Capital Budgets are appropriated through Appropriation Acts (Nos. 1, 3 & 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Note 15A. Annual Appropriations.
2. Payments made on non-financial assets include purchases of assets and expenditure on assets which has been capitalised.
3. In 2014–15, the balance was transferred to the special account.

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 15: Appropriations (cont.)**Note 15B. Departmental and Capital Budgets ('Recoverable GST exclusive') (cont.)**

	2014 Capital Budget Appropriations			Capital Budget Appropriations applied in 2014 (current and prior years)		
	<i>Appropriation Act</i>	<i>FMA Act</i>	Total Capital Budget Appropriations	Payments for non-financial assets ²	Payments for other purposes	Total payments
	Annual Capital Budget	Section 32				
DEPARTMENTAL Ordinary annual services— Departmental Capital Budget ¹	\$ 57,000	\$ —	\$ 57,000	\$ 52,004	\$ —	\$ 4,996

Notes:

1. Departmental and Capital Budgets are appropriated through Appropriation Acts (Nos. 1, 3 & 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Note 15A. Annual Appropriations.
2. Payments made on non-financial assets include purchases of assets and expenditure on assets which has been capitalised.
3. In 2013–14, there was no material variances.

AUSTRALIAN LAW REFORM COMMISSION

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2015**

Note 15: Appropriations (cont.)

Note 15C. Unspent Annual Appropriations ('Recoverable GST exclusive')

	2015	2014
Australian Law Reform Commission	\$	\$
DEPARTMENTAL		
Appropriation Act (No 1)	-	-
Total	-	-

Note 15D. Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')

	Attorney-General's Department ¹	
	2015	
	\$	
Total receipts	-	
Total payments²	196,588	

1. Additional inquiries undertaken on behalf of Attorney-General's Department.
2. The unearned income balance has been expensed.

	Attorney-General's Department ¹	
	2014	
	\$	
Total receipts	875,758	
Total payments ²	679,170	

1. Additional inquiries undertaken on behalf of Attorney-General's Department.
2. The balance is recognised in unearned income.

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 16: Special Accounts

Law Reform Special Account (Departmental)	2015 \$	2014 \$
Appropriation: <i>Public Governance, Performance and Accountability Act 2013</i> , section 80. Enabling Instrument: <i>Australian Law Reform Commission Act 1996</i> , section 45. Purpose: The purpose of the Special Account is:		
(a) to pay the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Commission's functions;		
(b) to pay any remuneration and allowances payable to a person under this Act;		
(c) to pay the expenses of administering the Account;		
(d) to pay any amount that is required or permitted to be repaid; and		
(e) to reduce the balance of the Account (and, therefore, the available appropriation for the Account) without making a real or notional payment.		
Balance brought forward from previous period	1,325,087	865,303
Increases:		
Appropriation credited to special account	2,873,000	2,904,385
Other receipts	5,097	2,464
Total increases	2,878,097	2,906,849
Available for payments	4,203,184	3,772,152
Decreases:		
Departmental		
Payments made to suppliers	921,450	345,038
Payments made to employees	2,094,037	2,102,027
Total departmental	3,015,487	2,447,065
Total balance carried to the next period	1,187,697	1,325,087

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 17: Reporting of Outcomes

The Australian Law Reform Commission has only one outcome being “Informed government decisions about the development, reform and harmonisation of Australian laws and related processes through research, analysis, reports and community consultation and education”.

Major classes of revenue and expenses are shown in the Statement of Comprehensive Income and Assets and Liabilities in the Statement of Financial Position.

Note 18: Budgetary Reports and Explanations of Major Variances

The following tables provide a comparison of the 2014–15 Portfolio Budget Statements (PBS) budget and the final financial outcome in the 2014–15 financial statements. The Budget is not audited.

Variances are considered to be ‘major’ based on the following criteria:

- the variance between budget and actual is greater than 10%; and
- the variance between budget and actual is greater than 1% of the relevant category (Income, Expenses and Equity totals); or
- an item below this threshold but is considered important for the reader’s understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of the Commission.

1. The Commission’s original budgeted financial statements that were first presented to Parliament in respect of the reporting period.

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 18: Budgetary Reports and Explanations of Major Variances (cont.)

Note 18A. Departmental Budgetary Reports

Statement of Comprehensive Income

For the period ended 30 June 2015

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$	\$	\$
NET COST OF SERVICES			
EXPENSES			
Employee benefits	2,074,985	2,127,000	(52,015)
Suppliers	611,661	718,000	(106,339)
Depreciation	48,876	20,000	28,876
Total expenses	2,735,522	2,865,000	(129,478)
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4,712	5,000	(288)
Other revenue	27,000	23,000	4,000
Total own-source revenue	31,712	28,000	3,712
Net cost of services	2,703,810	2,837,000	(133,190)
Revenue from Government	2,817,000	2,817,000	–
Surplus/(Deficit) on continuing operations	113,190	(20,000)	133,190
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	–	–	–
Total other comprehensive income	–	–	–
Total comprehensive income	113,190	(20,000)	133,190

AUSTRALIAN LAW REFORM COMMISSION

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2015**

Note 18: Budgetary Reports and Explanations of Major Variances (cont.)

Note 18 A. Departmental Budgetary Reports (cont.)

Statement of Financial Position

as at 30 June 2015

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$	\$	\$
ASSETS			
Financial Assets			
Cash and cash equivalents	1,187,697	905,000	282,697
Trade and other receivables	9,993	8,000	1,993
Total financial assets	1,197,690	913,000	284,690
Non-Financial Assets			
Plant & equipment	102,015	199,000	(96,985)
Other non-financial assets	51,270	82,000	(30,730)
Total non-financial assets	153,285	281,000	(127,715)
Total assets	1,350,975	1,194,000	156,975
LIABILITIES			
Payables			
Suppliers	39,718	40,000	(282)
Other payables	244,753	242,000	2,753
Total payables	284,471	282,000	2,471
Provisions			
Employee provisions	452,994	432,000	20,994
Total provisions	452,994	432,000	20,994
Total liabilities	737,465	714,000	23,465
Net Assets	613,510	480,000	133,510

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2015

Note 18: Budgetary Reports and Explanations of Major Variances (cont.)

Note 18 A. Departmental Budgetary Reports (cont.)

Statement of Financial Position (cont.)

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$	\$	\$
EQUITY			
Contributed equity	239,000	239,000	–
Reserves	126,998	127,000	(2)
Retained surplus	247,512	114,000	133,512
Total equity	613,510	480,000	133,510

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 18: Budgetary Reports and Explanations of Major Variances (cont.)

Note 18 A. Departmental Budgetary Reports (cont.)

**Statement of Changes in Equity
for the period ended 30 June 2015**

	Retained Earnings		Asset Revaluation Surplus		Contributed Equity/Capital		Total Equity	
	Actual	Budget estimate	Actual	Budget estimate	Actual	Budget estimate	Actual	Budget estimate
	Original ¹	Variance ²	Original ¹	Variance ²	Original ¹	Variance ²	Original ¹	Variance ²
2015	2015	2015	2015	2015	2015	2015	2015	2015
Opening balance	\$	\$	\$	\$	\$	\$	\$	\$
Balance carried forward from previous period	134,322	134,000	126,998	127,000	183,000	(2)	444,320	444,000
Adjusted opening balance	134,322	134,000	126,998	127,000	183,000	(2)	444,320	444,000
Comprehensive income								
Surplus for the period	113,190	(20,000)	-	-	-	-	113,190	(20,000)
Total comprehensive income	113,190	(20,000)	-	-	-	-	113,190	(20,000)

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 18: Budgetary Reports and Explanations of Major Variances (cont.)**Note 18 A. Departmental Budgetary Reports (cont.)****Statement of Changes in Equity (cont.)**

	Retained Earnings		Asset Revaluation Surplus		Contributed Equity/Capital		Total Equity	
	Actual	Budget estimate	Actual	Budget estimate	Actual	Budget estimate	Actual	Budget estimate
	Original ¹	Variance ²	Original ¹	Variance ²	Original ¹	Variance ²	Original ¹	Variance ²
2015	2015	2015	2015	2015	2015	2015	2015	2015
Transactions with owners	\$	\$	\$	\$	\$	\$	\$	\$
Contributions by owners	–	–	–	–	56,000	–	56,000	–
Departmental capital budget	–	–	–	–	–	–	56,000	–
Total transactions with owners	–	–	–	–	56,000	–	56,000	–
Closing balance as at 30 June	247,512	114,000	126,998	127,000	239,000	(2)	613,510	133,510
		133,512			239,000		480,000	133,510

AUSTRALIAN LAW REFORM COMMISSION

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2015**

Note 18: Budgetary Reports and Explanations of Major Variances (cont.)

Note 18 A. Departmental Budgetary Reports (cont.)

Cash Flow Statement

for the period ended 30 June 2015

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$	\$	\$
OPERATING ACTIVITIES			
Cash received			
Appropriations	2,817,000	2,817,000	–
Sale of goods and rendering of services	5,097	5,000	97
Net GST received	68,677	–	68,677
Total cash received	2,890,774	2,822,000	68,774
Cash used			
Employees	2,094,037	2,104,000	(9,963)
Suppliers	980,054	718,000	262,054
Total cash used	3,074,091	2,822,000	252,091
Net cash from / (used by) operating activities	(183,317)	–	(183,317)
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment	10,073	56,000	(45,927)
Total cash used	10,073	56,000	(45,927)
Net cash used by investing activities	(10,073)	(56,000)	45,927
FINANCING ACTIVITIES			
Cash received			
Contributed equity	56,000	56,000	–
Total cash received	56,000	56,000	–
Net cash from financing activities	56,000	56,000	–
Net increase / (decrease) in cash held	(137,390)	–	(137,390)
Cash and cash equivalents at the beginning of the reporting period	1,325,087	905,000	420,087
Cash and cash equivalents at the end of the reporting period	1,187,697	905,000	282,697

AUSTRALIAN LAW REFORM COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 18: Budgetary Reports and Explanations of Major Variances (cont.)

Note 18 B. Departmental Major Budget Variances for 2015

<u>Explanations of major variances</u>	<u>Affected line items (and statement)</u>
<u>Employee Benefits/Suppliers</u>	
The variance is the result of the library subscriptions being cancelled and reduced expenses as a new Commissioner was not appointed.	<i>Employee Benefits/Suppliers (Statement of Comprehensive Income), Cash (Statement of Financial Position).</i>
The variance is the result of a timing difference due to expenditure on AGD enquiries, where the funding was received in the prior year.	<i>Suppliers (Cash Flow Statement).</i>
<u>Depreciation, Plant & Equipment, Purchases of Plant & Equipment</u>	
The variance in depreciation and amortisation, plant and equipment and purchases of plant and equipment, was a timing issues and that the budgeted amount had not been updated to take into consideration the Commission's plant & equipment.	<i>Depreciation (Statement of Comprehensive Income), Plant & equipment (Statement of Financial Position), Purchase Plant & Equipment (Cash Flow Statement).</i>
<u>Other Non-Financial Assets</u>	
The variance is the result of the Commission not renewing subscriptions which would have resulted in prepayments recorded.	<i>Other Non-Financial Assets (Statements of Financial Position).</i>
<u>Net GST received</u>	
Net outcome from the recovery of GST on Supplier payments and GST collected on invoices raised.	<i>Net GST received (Cash Flow Statement), Cash (Statement of Financial Position).</i>