

Part  
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Financial statements

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AUSTRALIAN TRADE COMMISSION  
**INDEPENDENT AUDIT REPORT**



**INDEPENDENT AUDIT REPORT**

**To the Minister for Trade**

**Scope**

***The financial statements and the Board's responsibility***

The financial statements comprise:

- Statement by the Chairman and Managing Director;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Commitments and Contingencies;
- Schedule of Administered Items; and
- Notes to and forming part of the Financial Statements

of the Australian Trade Commission for the year ended 30 June 2005.

The members of the Australian Trade Commission Board are responsible for preparing financial statements that give a true and fair presentation of the financial position and performance of the Australian Trade Commission, and that comply with accounting standards, other mandatory financial reporting requirements in Australia, and the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*. The members of the Australian Trade Commission Board are also responsible 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.

GPO Box 707 CANBERRA ACT 2601  
Centenary House 19 National Circuit  
BARTON ACT  
Phone (02) 6203 7300 Fax (02) 6203 7777

I have performed procedures 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 Trade Commission's 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 members of the Australian Trade Commission's Board.

### ***Independence***

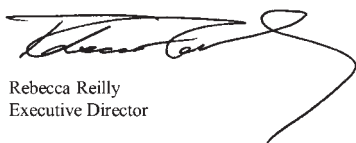
In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

### **Audit Opinion**

In my opinion, the financial statements of the Australian Trade Commission:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*; and
- (b) give a true and fair view of the Australian Trade Commission's financial position as at 30 June 2005 and of its performance and cash flows for the year then ended, in accordance with:
  - (i) the matters required by the Finance Minister's Orders; and
  - (ii) applicable accounting standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office



Rebecca Reilly  
Executive Director

Delegate of the Auditor-General

Canberra  
18 August 2005

AUSTRALIAN TRADE COMMISSION  
**STATEMENT BY THE BOARD AND MANAGING DIRECTOR**

**FINANCIAL STATEMENTS**

**CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005**

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The following comprise the accompanying financial statements of the Australian Trade Commission for the year ended 30 June 2005:

- Statement of Financial Performance
- Statement of Financial Position
- Statement of Cash Flows
- Schedule of Commitments
- Schedule of Contingencies
- Schedule of Administered Items (including Commitments and Contingencies)
- Notes to and forming part of the financial statements (including Administered items)

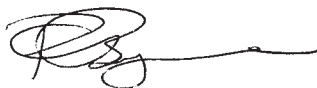
In our opinion the above statements are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*.

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

Signed in accordance with a resolution of the Board



Ross Adler AO  
Chairman  
18th August 2005



Peter O'Byrne  
Managing Director  
18th August 2005

AUSTRALIAN TRADE COMMISSION  
**STATEMENT OF FINANCIAL PERFORMANCE**  
 FOR THE YEAR ENDED 30 JUNE 2005

	Notes	30 June 2005 \$'000	30 June 2004 \$'000
<b>REVENUE</b>			
<b>Revenues from ordinary activities</b>			
Revenues from Government	4A	155,136	158,548
Sale of Goods and Services	4B	25,360	23,631
Interest Revenue	4C	2,533	2,712
Revenue from sale of assets	4D	932	712
Other Revenues	4E	3,786	2,711
<b>Revenues from ordinary activities</b>		<b>187,747</b>	<b>188,314</b>
<b>EXPENSES</b>			
<b>Expenses from ordinary activities</b>			
Employee Expenses	5A	90,789	88,076
Supplier Expenses	5B	85,497	82,676
Depreciation and Amortisation	5C	10,294	11,419
Write Down of Assets	5D	19	406
Value of assets sold	4D	927	828
Net Foreign Exchange Loss (Gain)		244	(328)
Programs	5E	5,432	4,925
<b>Expenses from ordinary activities</b>		<b>193,202</b>	<b>188,002</b>
<b>Operating surplus/(deficit) from ordinary activities</b>		<b>(5,455)</b>	<b>312</b>
<b>Net profit</b>		<b>(5,455)</b>	<b>312</b>
Net credit to asset revaluation reserve	10A	2,047	6,103
Repayment to the Australian Government		-	(9,730)
<b>Total revenues, expenses and valuation adjustments recognised directly in equity</b>		<b>2,047</b>	<b>(3,627)</b>
<b>Total changes in equity other than those resulting from transactions with the Australian Government as owners</b>		<b>(3,408)</b>	<b>(3,315)</b>

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

AUSTRALIAN TRADE COMMISSION  
**STATEMENT OF FINANCIAL POSITION**  
AS AT 30 JUNE 2005

	Notes	30 June 2005 \$'000	30 June 2004 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash	11B,17	30,501	25,879
Receivables	6A,17	6,686	8,636
Investments	6B,17	6,126	5,895
Total financial assets		43,313	40,410
<b>Non-financial assets</b>			
Land and Buildings	7A,C	35,021	35,404
Infrastructure, Plant and Equipment	7B,C	26,797	26,711
Intangibles	7D	5,074	5,646
Other Non-Financial Assets	7E	3,611	3,462
Total non-financial assets		70,503	71,223
Total assets		113,816	111,633
<b>LIABILITIES</b>			
<b>Provisions</b>			
Employee Provisions	8A	19,933	23,118
Total provisions		19,933	23,118
<b>Payables</b>			
Supplier Payables	9A,17	9,425	8,052
Other Payables	9B,17	9,307	8,032
Total payables		18,732	16,084
Total liabilities		38,665	39,202
NET ASSETS		75,151	72,431
<b>EQUITY</b>			
Contributed equity	10A	13,243	7,115
Reserves	10A	69,929	67,882
Accumulated deficits	10A	(8,021)	(2,566)
Total equity	10A	75,151	72,431
Current assets		45,579	40,245
Non-current assets		68,237	71,388
Current liabilities		21,838	19,225
Non-current liabilities		16,827	19,977

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

AUSTRALIAN TRADE COMMISSION  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED 30 JUNE 2005

	Notes	30 June 2005 \$'000	30 June 2004 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash Received</b>			
Goods and services		27,397	22,168
Appropriations		155,136	158,548
Interest		2,230	2,677
GST received from ATO		3,903	4,063
Other		4,149	6,490
<b>Total Cash Received</b>		<b>192,815</b>	<b>193,946</b>
<b>Cash Used</b>			
Employees		93,777	92,192
Suppliers		87,717	84,620
Programs		5,432	4,925
<b>Total Cash Used</b>		<b>186,926</b>	<b>181,737</b>
<b>Net Cash From Operating Activities</b>	11A	<b>5,889</b>	<b>12,209</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash Received</b>			
Proceeds from sales of property, plant and equipment		908	662
<b>Total Cash Received</b>		<b>908</b>	<b>662</b>
<b>Cash Used</b>			
Purchase of property, plant and equipment		5,406	8,895
Purchase of intangibles		2,897	1,690
<b>Total Cash Used</b>		<b>8,303</b>	<b>10,585</b>
<b>Net Cash From / (Used By) Investing Activities</b>		<b>(7,395)</b>	<b>(9,923)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash Received</b>			
Appropriations—contributed equity		6,128	697
<b>Total Cash Received</b>		<b>6,128</b>	<b>697</b>
<b>Cash Used</b>			
Repayment to the Australian Government		–	9,730
<b>Total Cash Used</b>		<b>–</b>	<b>9,730</b>
<b>Net Cash From / (Used By) Financing Activities</b>		<b>6,128</b>	<b>(9,033)</b>
<b>Net Increase / (Decrease) in Cash Held</b>		<b>4,622</b>	<b>(6,747)</b>
Cash at the beginning of the reporting period		25,879	32,626
<b>Cash at the End of the Reporting Period</b>	11B	<b>30,501</b>	<b>25,879</b>

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

AUSTRALIAN TRADE COMMISSION  
**SCHEDULE OF COMMITMENTS**  
AS AT 30 JUNE 2005

	30 June 2005 \$'000	30 June 2004 \$'000
<b>BY TYPE</b>		
<b>Capital Commitments</b>		
Infrastructure, plant and equipment <sup>1</sup>	1,453	1,023
<b>Total Capital Commitments</b>	<b>1,453</b>	<b>1,023</b>
<b>Other Commitments</b>		
Operating leases <sup>2</sup>	70,249	65,390
Other commitments <sup>3</sup>	6,390	12,907
<b>Total Other Commitments</b>	<b>76,639</b>	<b>78,297</b>
<b>Commitments Receivable</b>	<b>(4,338)</b>	<b>(2,796)</b>
<b>Net Commitments by Type</b>	<b>73,754</b>	<b>76,524</b>
<b>BY MATURITY</b>		
<b>Capital Commitments</b>		
One year or less	1,040	499
From one to five years	398	511
Over five years	15	13
<b>Total Capital Commitments</b>	<b>1,453</b>	<b>1,023</b>
<b>Operating Lease Commitments</b>		
One year or less	18,660	21,331
From one to five years	38,804	35,478
Over five years	12,785	8,581
<b>Total Operating Lease Commitments</b>	<b>70,249</b>	<b>65,390</b>
<b>Other Commitments</b>		
One year or less	6,338	7,708
From one to five years	52	5,199
<b>Total Other Commitments</b>	<b>6,390</b>	<b>12,907</b>
<b>Commitments Receivable</b>		
One year or less	(1,007)	(912)
From one to five years	(2,277)	(1,265)
Over five years	(1,054)	(619)
<b>Total Commitments Receivable</b>	<b>(4,338)</b>	<b>(2,796)</b>
<b>Net Commitments by Maturity</b>	<b>73,754</b>	<b>76,524</b>

NB: Commitments are GST inclusive where relevant.

1 Plant and equipment commitments are primarily contracts for purchases of leasehold improvements and motor vehicles.

2 Operating leases, which relate primarily to office/residential accommodation and computer equipment, are effectively non-cancellable; they comprise:

Nature of lease	General description of leasing arrangement
Office and residential accommodation	The Commission has leases with the Commonwealth, Department of Foreign Affairs and Trade and commercial landlords in Australia and overseas on terms and conditions negotiated in each market. The terms and conditions of the leases vary widely depending on the circumstances in the relevant country and the specific terms of each lease.
Computer equipment	The lessor provides all computer equipment and software designated as necessary in the supply contract for 3 years. The initial equipment has an average useful life of 3 years from the commencement of the contract.

3 Other commitments mainly comprise contracts for the supply of telecommunication links and for the Tradestart program.

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

AUSTRALIAN TRADE COMMISSION  
**SCHEDULE OF CONTINGENCIES**  
AS AT 30 JUNE 2005

	30 June 2005 \$'000	30 June 2004 \$'000
<b>CONTINGENT LIABILITIES</b>		
Indemnities	-	81
<b>Total Contingent Liabilities</b>	<b>-</b>	<b>81</b>

- 1 As at 30 June 2005 the resolution of a potential claim for unanticipated employee liabilities in respect of one overseas location was outstanding. It is not practical to quantify the value of any potential liability.
- 2 A recent Australian National Audit Office report on the administration of Fringe Benefits Tax has highlighted that the FBT treatment of some entitlements provided to employees overseas may be incorrect. As the issues raised are the subject of continuing consultations with the Australian Taxation Office it is not practical to quantify any potential liability, but it is estimated that the additional amount payable would be a maximum \$0.74m per annum.

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

AUSTRALIAN TRADE COMMISSION  
**SCHEDULE OF ADMINISTERED ITEMS**

	Notes	30 June 2005 \$'000	30 June 2004 \$'000
<b>REVENUES ADMINISTERED ON BEHALF OF THE GOVERNMENT</b>			
<i>for the year ended 30 June 2005</i>			
<b>Non-taxation (Revenues from Government)</b>	18A		
Goods and services		8	43
Interest		25	40
Other revenue		636	481
<b>Total Revenues Administered on Behalf of Government</b>		<b>669</b>	<b>564</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF THE GOVERNMENT</b>			
<i>for the year ended 30 June 2005</i>			
	18B		
Employees		5,387	5,199
Suppliers		2,012	1,870
EMDG Grants		123,868	143,831
<b>Total Expenses Administered on Behalf of Government</b>		<b>131,267</b>	<b>150,900</b>
<b>ASSETS ADMINISTERED ON BEHALF OF THE GOVERNMENT</b>			
<i>as at 30 June 2005</i>			
<b>Financial Assets</b>	18C		
Cash		7,264	6,562
Receivables		92	150
Accrued revenue		5	–
<b>Total Financial Assets</b>		<b>7,361</b>	<b>6,712</b>
<b>Total Assets Administered on Behalf of Government</b>		<b>7,361</b>	<b>6,712</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF THE GOVERNMENT</b>			
<i>as at 30 June 2005</i>			
<b>Provisions</b>	18D		
Employees		1,907	1,749
<b>Total Provisions</b>		<b>1,907</b>	<b>1,749</b>
<b>Payables</b>	18D		
Suppliers		113	46
Other payables		111	179
<b>Total Payables</b>		<b>224</b>	<b>225</b>
<b>Total Liabilities Administered on Behalf of Government</b>		<b>2,131</b>	<b>1,974</b>
<b>Net Assets Administered on Behalf of Government</b>		<b>5,230</b>	<b>4,738</b>
Current Assets		7,361	6,712
Non-current Assets		–	–
Current Liabilities		837	848
Non-current Liabilities		1,294	1,125

AUSTRALIAN TRADE COMMISSION  
**SCHEDULE OF ADMINISTERED ITEMS (CONTINUED)**

	Notes	30 June 2005 \$'000	30 June 2004 \$'000
<b>ADMINISTERED CASH FLOWS</b>			
<i>for the year ended 30 June 2005</i>			
<b>OPERATING ACTIVITIES</b>			
<b>Cash Received</b>			
Rendering of services		24	119
Interest		25	40
Loan repayments		684	352
Other—GST received from ATO		179	120
<b>Total Cash Received</b>		<b>912</b>	<b>631</b>
<b>Cash Used</b>			
Grant payments		123,868	143,831
Employees		5,306	5,179
Suppliers		2,125	2,004
<b>Total Cash Used</b>		<b>131,299</b>	<b>151,014</b>
<b>Net Cash used in operating Activities</b>		<b>(130,387)</b>	<b>(150,383)</b>
<b>Net Decrease in Cash Held</b>		<b>(130,387)</b>	<b>(150,383)</b>
Cash at the beginning of the reporting period		6,562	6,545
Cash from Official Public Account for:			
—Appropriations		131,089	150,400
<b>Cash at the End of the Reporting Period</b>	18C	<b>7,264</b>	<b>6,562</b>
<b>ADMINISTERED COMMITMENTS</b>			
<i>as at 30 June 2005</i>			
<b>BY TYPE</b>			
<b>Other Commitments</b>			
Operating leases		92	–
<b>Total Other Commitments</b>		<b>92</b>	<b>–</b>
Commitments Receivable		(8)	–
<b>Net Commitments by Type</b>		<b>84</b>	<b>–</b>
<b>BY MATURITY</b>			
<b>Other Commitments</b>			
One year or less		86	–
From one to five years		6	–
<b>Total Other Commitments</b>		<b>92</b>	<b>–</b>
<b>Net Commitments by Maturity</b>			
One year or less		(7)	–
From one to five years		(1)	–
<b>Total Commitments Receivable</b>		<b>(8)</b>	<b>–</b>
<b>Net Administered Commitments by Maturity</b>		<b>84</b>	<b>–</b>

NB: All commitments are GST inclusive where relevant.

This schedule should be read in conjunction with the accompanying notes.

**SCHEDULE OF ADMINISTERED ITEMS (CONTINUED)**

	Notes	30 June 2005 \$'000	30 June 2004 \$'000
<b>ADMINISTERED CONTINGENCIES</b>			
<i>as at 30 June 2005</i>			
<b>Contingent Liabilities</b>			
Claims for damages/costs <sup>1</sup>		1,358	2,636
<b>Total Contingent Liabilities</b>		<b>1,358</b>	<b>2,636</b>
1 The above estimated contingent liability represents the maximum potential liability in relation to EMDG scheme cases before the Administrative Appeals Tribunal.			
This schedule should be read in conjunction with the accompanying notes.			
	Notes	30 June 2005 \$'000	30 June 2004 \$'000
<b>ADMINISTERED RECONCILIATION TABLE</b>			
<i>for the year ended 30 June 2005</i>			
Opening administered assets less administered liabilities as at 1 July		4,739	4,675
<i>Plus:</i> Administered revenues		669	564
<i>Less:</i> Administered expenses		(131,268)	(150,900)
Administered transfers to/from Australian Government:			
Appropriation transfers from OPA		131,089	150,400
<b>Closing administered assets less administered liabilities</b>		<b>5,229</b>	<b>4,739</b>

## **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **1.1 BASIS OF ACCOUNTING**

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

The statements have been prepared in accordance with:

- ▶ Finance Minister's Orders (or FMOs, being the *Commonwealth Authorities and Companies (Financial Statements)* Orders for reporting periods ending on or after 30 June 2005);
- ▶ Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- ▶ Urgent Issues Group Abstracts.

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with the 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 or the Commission is presently obliged to sacrifice economic benefits to other entities in the future (retrospectively) and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets which are unrecognised are reported in the Schedule of Commitments or the Schedule of Contingencies as appropriate.

Revenues and expenses are recognised in the Statement of Financial Performance when and only when the inflow or consumption or loss of future economic benefits 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 2003–04 except that revaluation of infrastructure, plant and equipment (other than leasehold improvements) has been undertaken on a fair value basis.

In prior years leasehold assets were disclosed at their gross value together with their accumulated depreciation. These assets are now disclosed at their net value.

### **1.3 REVENUE**

#### **Revenues from Government—output appropriation**

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

#### **Other Revenue**

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

Revenue from rendering of services is recognised by reference to the stage of completion of contracts or other agreements to provide services. The stage of completion is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

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

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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

### 1.4 TRANSACTIONS WITH THE GOVERNMENT AS OWNER

#### Equity injections

Amounts appropriated which are designated as 'equity injections' are recognised directly in Contributed Equity when they are received.

### 1.5 EMPLOYEE ENTITLEMENTS

#### Benefits

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

Liabilities for wages and salaries (including non-monetary benefits) and annual leave are measured at nominal value (including on-costs) at the date when the relevant entitlement is expected to be paid. 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.

#### Leave

No provision is made for sick leave, as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Commission is estimated to be less than the annual entitlement for sick leave.

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

The liability for long service leave is estimated using present value techniques, which take account of attrition rates and pay increases through promotion and inflation.

For employees engaged overseas, liabilities for separation entitlements are calculated in accordance with local labour conditions.

#### Separation and redundancy

Provision is only made for other separation and redundancy benefit payments where the Commission has informed those employees affected of its intention to carry out those terminations.

#### Superannuation

Staff of the Commission, except those engaged overseas, 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 Government in due course.

The Commission is required to make employer superannuation contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Commission's employees.

For employees engaged overseas, the Commission pays employer contributions to meet its superannuation obligations, which vary according to local employment conditions.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

### 1.6 LEASES

A distinction is made between finance leases—which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases—under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, an asset is recognised, which is measured at the present value of minimum lease payments at the beginning of the lease term; a liability is recognised at the same time, and measured at the same amount. The discount rate used is the interest rate implicit in the lease. Finance leased assets are amortised over the period of the lease. Future finance lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets.

The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.

Security deposits in relation to overseas property leases are payable to the Commission on the termination of individual leases. These deposits are classified as current or non-current receivables as appropriate.

Lease incentives taking the form of payments from landlords, subsidised fitout, or rental holidays, are recognised as liabilities. These liabilities are reduced by allocating future lease payments between rental expense and reduction of the liability.

### 1.7 CASH

Cash includes net cash on hand and at banks, deposits held at call with banks, and investments in money market instruments.

### 1.8 OTHER FINANCIAL INSTRUMENTS

Investments are measured at nominal amounts. Interest is recognised as it is earned.

Receivables are measured at the nominal amounts due, less any provision for bad and doubtful debts. Provisions are made when collection of the debt is judged to be less rather than more likely.

Trade creditors and accruals are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced), and measured at their nominal amounts, being the amounts at which they will be settled.

#### Unrecognised Financial Liabilities

Contingent liabilities (assets) are not recognised but are disclosed in the relevant Schedule (and notes, where applicable). They may arise from uncertainty as to the existence of a liability (asset), or may represent an existing liability (asset) in respect of which settlement is not probable and/ or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. A liability (asset) is recognised when its existence is confirmed by a future event, settlement becomes probable, and reliable measurement becomes possible.

### 1.9 PROPERTY (LAND, BUILDINGS AND INFRASTRUCTURE), PLANT AND EQUIPMENT

#### Asset Recognition Threshold

Purchases of land and buildings, and infrastructure, plant and equipment, are recognised initially as assets and measured at cost, except for items costing less than \$5,000 (\$3,500 for computer equipment), which are recognised as expenses (unless they form part of a group of similar items which are significant in total, in which case the group is recognised as an asset).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2005

**Revaluations**

Land and buildings, infrastructure, plant and equipment are measured at valuation, being revalued with sufficient frequency such that the carrying amount of each asset class is not materially different, as at reporting date, from its fair value.

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

<b>Asset class</b>	<b>Fair value measured at:</b>
Land	Market selling price
Buildings	Market selling price
Infrastructure plant and equipment	
— Leasehold improvements	Depreciated replacement cost
— Plant and equipment	Market selling price

Assets which are surplus to requirements are measured at their net realisable value. At 30 June 2005, the Commission had no surplus assets (30 June 2004: \$nil).

The financial effect of the change in measurement policy for other infrastructure, plant and equipment relates to those assets measured at fair value for the first time in the current period. The amount of the revaluation is \$1,593,000, which has been credited to the asset revaluation reserve. The financial effect of the change in measurement basis, which accounts for part of this revaluation increment, has not been able to be quantified.

Land and building assets are revalued every year. Plant and equipment assets are revalued at least every three years. Leasehold improvements were revalued at 30 June 2005.

<b>Asset class</b>	<b>Last revaluation:</b>	<b>Next revaluation due:</b>
Land and buildings	30 June 2005	30 June 2006
Infrastructure plant and equipment		
— Leasehold improvements	30 June 2005	30 June 2008
— Plant and equipment	1 July 2004	30 June 2007

**Depreciation**

Depreciable property, and infrastructure, plant and equipment, assets are depreciated to their estimated residual values over their estimated useful lives to the Commission using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives) and methods are reviewed at each reporting date, and necessary adjustments are made 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:

	<b>2005</b>	<b>2004</b>
Buildings on freehold land	<b>40 years</b>	40 years
Plant and equipment	<b>3 to 10 years</b>	3 to 10 years

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

### 1.10 IMPAIRMENT OF PROPERTY, AND INFRASTRUCTURE, PLANT AND EQUIPMENT

The Commission's property and infrastructure, plant and equipment assets are measured at fair value and as such, are not subject to impairment testing.

### 1.11 INTANGIBLES

The Commission's intangibles comprise internally developed and purchased software for internal use. These assets are measured at cost.

Software development projects in progress, where future economic benefits are assessed as probable, are recognised progressively as assets and measured at cost. Amortisation begins when the asset is first put into use or held ready for use.

Intangibles are amortised on a straight-line basis over their anticipated useful lives to the Commission. The useful lives of the Commission's software is 3 to 8 years (2003–04: 3 to 8 years).

All software assets were assessed for indications of impairment as at 30 June 2005. No software was determined to be impaired at 30 June 2005 (30 June 2004: \$nil).

### 1.12 TAXATION/COMPETITIVE NEUTRALITY

The *Australian Trade Commission Act 1985* provides the Commission with a general exemption from Australian taxation. The Commission is required to comply with specific taxation legislation where the exemption does not apply, the most significant being Fringe Benefits Tax (which is classified as employee expenses) and the Goods and Services Tax (GST) (which is accounted for in accordance with UIG 31 Accounting for the Goods and Services Tax).

The Commission also pays various in-country taxes applicable to its overseas operations.

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

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

The Commission has not been required to make any competitive neutrality payments.

### 1.13 FOREIGN CURRENCY

Transactions denominated in a foreign currency are translated to Australian currency using the exchange rate at the date of the transaction. At balance date, foreign currency receivables and payables are translated at the exchange rates current as at that date. All exchange gains and losses are recognised as revenues or expenses, as appropriate.

The Commission's operational budget funding for overseas activities is adjusted for any realised foreign exchange gains or losses against rates set at budget time by the Department of Finance and Administration. Adjustments are generally made to the appropriation in the current or following year or, by arrangement, settled directly with the Department of Finance and Administration in the form of a return of capital in the current year.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

### 1.14 INSURANCE

The Commission has adopted a conservative approach to the management of its exposure to insurable risks through the purchase of commercial insurance. Insurance policies cover risks to Commission property in Australia and overseas, together with public liability, workers' compensation and other relevant risks.

### 1.15 COMPARATIVE FIGURES

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

### 1.16 ROUNDING

Amounts have been rounded to the nearest \$1,000 except in relation to the following:

- ▶ remuneration of directors (Note 12);
- ▶ remuneration of auditors (Note 15); and
- ▶ remuneration of managers (Note 14).

### 1.17 REPORTING OF ADMINISTERED ACTIVITIES

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as above, including the application to the greatest extent possible of Australian Accounting Standards, Accounting Interpretations, and UIG Abstracts.

#### **Administered Cash Transfers to and from Official Public Account**

Revenue collected by the Commission for use by the Government rather than the Commission is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Administration. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Commission on behalf of the Government, and are reported as such in the Statement of Cash Flows in the Schedule of Administered Items and in the Administered Reconciliation Table. Thus the Schedule of Administered Items largely reflects the Government's transactions, through the Commission, with parties outside the Government.

#### **Grants and loans**

The Commission, on behalf of the Government, administers certain grants and loans relating to the Export Market Development Grants Scheme (EMDG), the International Trade Enhancement Scheme (ITES) and the International Agricultural Marketing Program (IAMP). Loans are measured at the balance of principal outstanding. Provision is made for bad and doubtful loans where collection of the loan or part thereof is judged to be less rather than more likely. Interest is credited to revenue as it accrues.

Export Market Development Grants are brought to account when deemed payable in accordance with the provisions of the *Export Market Development Grants Act 1997*.

## **NOTE 2: ADOPTION OF AASB EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS FROM 2005–2006**

### **Management of the transition to Australian Equivalents to International Reporting Standards (AEIFRS).**

The Commission has taken the following steps for the preparation towards the implementation of AEIFRS:

- ▶ The Commission's Audit Committee is tasked with oversight of the transition to and implementation of AEIFRS. The Chief Finance and Information Officer is formally responsible for the project and reports regularly to the Board Audit Committee on progress.
- ▶ The following key steps will or have been undertaken.
  - All major accounting policy differences between current AASB standards and AEIFRS were identified by 30 June 2004
  - System changes necessary to be able to report under the AEIFRS, including those necessary to capture data under both sets of rules for 2004–05 were completed during July 2004. This included the testing and implementation of those changes
  - A transitional balance sheet as at 1 July 2004 under AEIFRS was completed and presented to the Audit Committee on 1 September 2004
  - An AEIFRS compliant balance sheet as at 30 June 2005 will be prepared following the adoption of the 2004–05 statutory financial reports; and
  - The 2004–05 Balance Sheet under AEIFRS will be reported to the Department of Finance and Administration in line with its reporting deadlines.
- ▶ The Commission's normal risk management processes are being applied to the project.

### **Major changes in accounting policy**

Changes in accounting policies under AEIFRS are applied retrospectively i.e. as if the new policy had always applied except in relation to the exemptions available and prohibitions under AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standard*. This means that an AEIFRS compliant balance sheet has to be prepared as at 1 July 2004. This will enable the 2005–06 financial statements to report comparatives under AEIFRS.

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

Management's review of the quantitative impacts of AEIFRS represents the best estimates of the impacts of the changes as at reporting date. The actual effects of the impacts of AEIFRS may differ from these estimates due to:

- ▶ continuing review of the impacts of AEIFRS on the Commission's operations;
- ▶ potential amendments to the AEIFRS and AEIFRS Interpretations; and
- ▶ emerging interpretation as to the accepted practice in the application of AEIFRS and the AEIFRS Interpretations.

### **Property, plant and equipment**

It is expected that the 2005–06 *Finance Minister's Orders* will continue to require property plant and equipment assets to be measured at fair value in 2005–06.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

The Commission's real property and leasehold improvements were revalued to fair value as at 30 June 2004. The remainder of infrastructure, plant and equipment assets has been revalued using the same methodology in 2004–05.

The revaluation led to a decrease in the value of infrastructure, plant and equipment of \$155,000.

### **Recognition of leasehold improvements**

Several office fit outs which the Commission obtained free of charge have not previously been recognised. AASB 116 specifically requires (for not-for-profit entities) the recognition of such assets and their measurement at fair value. Their aggregate fair value (as determined by the Commission's independent valuer) is \$1.158 million.

### **Intangible Assets**

The Commission currently measures internally developed software assets at cost. The carrying amounts include amounts that were originally measured at deprival valuation and subsequently deemed to be cost under transitional provisions available on the introduction of AAS 38 *Revaluation of Non-current Assets* in 2000–01 and AASB 1041 of the same title in 2001–02.

The AEIFRS standard on Intangibles does not permit intangibles to be measured at valuation unless there is an active market for the intangible. The Commission's internally developed software is specific to the needs of the Commission and is not traded. Accordingly, the Commission will derecognise the revaluation component of the carrying amount of these assets on adoption of AEIFRS.

The derecognition of software assets led to a decrease in the book value of intangible assets by \$530,000.

### **Impairment of Intangibles and Property, Plant and Equipment**

The Commission's current policy on impairment of non-current assets is at Notes 1.10 and 1.11.

Under AEIFRS 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 Commission and depreciated replacement cost for other assets that would be replaced if the Commission were deprived of them.

An impairment assessment of the Commission's assets has indicated that no adjustments will be required.

### **Employment Benefits**

It is expected that the 2005–06 *Finance Minister's Orders* will allow the continued use of the Shorthand Method (as defined in the Orders but unchanged from the method used by the Commission in previous years) for the calculation of long service leave expense. Accordingly it is anticipated that no adjustments will be required.

AEIFRS also require that annual leave that is not expected to be taken within 12 months of balance date is to be discounted. After assessing the staff leave profile, the Commission does not expect that any material amounts of the annual leave balance will not be taken in the next 12 months. Consequently, there are no adjustments for non-current annual leave.

### **Investment Property**

The Commission owns two properties, valued at \$7.968m, which are leased or expected to be leased to third parties. Investment property is separately classified in the Statement of Financial Position in accordance with AASB 140.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2005

**Administered Items**

Assessment of the administered assets and liabilities of the Commission indicate that there are no adjustments due to the transition to AEIFRS.

**Financial Instruments**

AEIFRS include an option for entities not to restate comparative information in respect of financial instruments in the first AEIFRS report. It is expected that the 2005.06 *Finance Minister's Orders* will require entities to use this option. Therefore, the amounts for financial instruments presented in the Commission's 2004–05 financial statements are not expected to change as a result of the adoption of AEIFRS.

The Commission will be required by AEIFRS to review the carrying amounts of financial instruments at 1 July 2005 to ensure they align with the accounting policies required by AEIFRS. It is expected that the carrying amounts of financial instruments held by the Commission will not materially change as a result of this process.

**Reconciliation of Impacts—Australian Generally Accepted Accounting Principles (AGAAP) to AEIFRS**

	30 June 2005 <sup>*</sup> \$'000	30 June 2004 \$'000
<b>Reconciliation of the Commission's Equity</b>		
Total Equity under AGAAP	75,151	72,431
Adjustments (details below)	498	473
<b>Total Equity under AEIFRS</b>	<b>75,649</b>	<b>72,904</b>
<b>Reconciliation of the Commission's Accumulated Results</b>		
Total Accumulated Results under AGAAP	(8,021)	(2,566)
Adjustments:		
Assets—Carrying Value	628	628
Depreciation and amortisation	261	–
Write down of assets	(236)	–
<b>Total Accumulated Results under AEIFRS</b>	<b>(7,368)</b>	<b>(1,938)</b>
<b>Reconciliation of the Commission's Reserves</b>		
Total Departmental Reserves under AGAAP	69,929	67,882
Adjustment:		
Asset Revaluation Reserve	(155)	(155)
<b>Total Departmental Reserves under AEIFRS</b>	<b>69,774</b>	<b>67,727</b>
<b>Reconciliation of the Commissions Contributed Equity</b>		
Total Contributed Equity under AGAAP	13,243	7,115
Adjustments	–	–
<b>Total Contributed Equity under AEIFRS</b>	<b>13,243</b>	<b>7,115</b>
<b>Reconciliation of operating deficit from ordinary activities for the year ended 30 June 2005</b>		
Operating deficit under AGAAP	(5,455)	312
Adjustments:		
Depreciation and amortisation	261	–
Write down of assets	(236)	–
<b>Operating deficit under AEIFRS</b>	<b>(5,430)</b>	<b>312</b>

\* 30 June 2005 total represents the accumulated impacts of AEIFRS from the date of transition

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2005

**NOTE 3: ECONOMIC DEPENDENCY**

The Commission is dependent on appropriations from the Parliament of the Commonwealth to carry out its normal activities.

**NOTE 4: OPERATING REVENUES**

	30 June 2005 \$'000	30 June 2004 \$'000
<b>NOTE 4A: REVENUES FROM GOVERNMENT</b>		
Appropriations for outputs	155,136	158,548
<b>Total revenues from government</b>	<b>155,136</b>	<b>158,548</b>
<b>NOTE 4B: SALE OF GOODS AND SERVICES</b>		
Services— Government (related entities)	8,109	7,113
Services— Non-Government (external entities)	17,251	16,518
Services	25,360	23,631
<b>Total sales of goods and services</b>	<b>25,360</b>	<b>23,631</b>
<b>NOTE 4C: INTEREST REVENUE</b>		
Interest on deposits and investments	2,533	2,712
<b>Total interest revenue</b>	<b>2,533</b>	<b>2,712</b>
<b>NOTE 4D: NET GAINS FROM DISPOSAL OF NON-CURRENT ASSETS</b>		
Land and buildings:		
Proceeds from disposal	464	-
Net book value of assets disposed	(517)	-
<b>Net loss from disposal of land and buildings</b>	<b>(53)</b>	<b>-</b>
Infrastructure, plant and equipment:		
Proceeds from disposal	468	712
Net book value of assets disposed	(403)	(828)
<b>Net gain / (loss) from disposal of infrastructure, plant and equipment</b>	<b>65</b>	<b>(116)</b>
Intangibles:		
Net book value of assets disposed	(7)	-
<b>Net loss from disposal of intangibles</b>	<b>(7)</b>	<b>-</b>
<b>Total proceeds from disposals</b>	<b>932</b>	<b>712</b>
<b>Total value of assets disposed</b>	<b>(927)</b>	<b>(828)</b>
<b>Total net gain / (loss) from disposal of assets</b>	<b>5</b>	<b>(116)</b>
<b>NOTE 4E: OTHER REVENUES</b>		
Property rentals	517	867
Other	3,269	1,844
<b>Total other revenues</b>	<b>3,786</b>	<b>2,711</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2005

**NOTE 5: OPERATING EXPENSES**

	30 June 2005 \$'000	30 June 2004 \$'000
<b>NOTE 5A: EMPLOYEE EXPENSES</b>		
Wages and salaries	82,891	78,834
Superannuation	4,396	4,395
Fringe Benefits Tax	2,040	2,392
Separation and redundancies	1,462	2,454
<b>Total employee expenses</b>	<b>90,789</b>	<b>88,075</b>
<b>NOTE 5B: SUPPLIER EXPENSES</b>		
Supply of goods and services	66,639	58,280
Operating lease rentals	18,314	24,082
Other supplier expenses	544	314
<b>Total supplier expenses</b>	<b>85,497</b>	<b>82,676</b>
<b>NOTE 5C: DEPRECIATION AND AMORTISATION</b>		
<i>(i) Depreciation</i>		
Other Infrastructure, plant and equipment	6,420	6,399
Buildings	412	395
<b>Total Depreciation</b>	<b>6,832</b>	<b>6,794</b>
<i>(ii) Amortisation</i>		
Intangibles	3,462	4,625
<b>Total Amortisation</b>	<b>3,462</b>	<b>4,625</b>
<b>Total depreciation and amortisation</b>	<b>10,294</b>	<b>11,419</b>
<b>NOTE 5D: WRITE DOWN OF ASSETS</b>		
<b>Financial assets</b>		
Bad and doubtful debts expense	19	10
<b>Non-financial assets</b>		
Infrastructure, plant & equipment	-	396
<b>Total write-down of assets</b>	<b>19</b>	<b>406</b>
<b>NOTE 5E: PROGRAMS</b>		
Tradestart	5,432	4,925
<b>Total programs expenses</b>	<b>5,432</b>	<b>4,925</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2005

**NOTE 6: FINANCIAL ASSETS**

	30 June 2005 \$'000	30 June 2004 \$'000
<b>NOTE 6A: RECEIVABLES</b>		
Goods and services	6,049	7,969
<i>Less: Provision for doubtful debts</i>	<i>(397)</i>	<i>(437)</i>
	<b>5,652</b>	<b>7,532</b>
GST receivable from the Australian Taxation Office	915	957
Interest receivable	119	147
<b>Total receivables (net)</b>	<b>6,686</b>	<b>8,636</b>
Receivables are represented by:		
Current	5,340	5,009
Non-current	1,346	3,627
<b>Total Receivables (net)</b>	<b>6,686</b>	<b>8,636</b>
Receivables (gross) are aged as follows:		
Not overdue	6,158	7,918
Overdue by:		
Less than 30 days	435	409
30 to 60 days	38	300
61 to 90 days	34	250
More than 90 days	418	196
	<b>925</b>	<b>1,155</b>
<b>Total receivables (gross)</b>	<b>7,083</b>	<b>9,073</b>
<b>NOTE 6B: INVESTMENTS</b>		
Insurance retrospective rating policy	6,126	5,895
<b>Total investments</b>	<b>6,126</b>	<b>5,895</b>

All investments are current assets.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2005

**NOTE 7: NON-FINANCIAL ASSETS**

	30 June 2005 \$'000	30 June 2004 \$'000
<b>NOTE 7A: LAND AND BUILDINGS</b>		
<b>Land</b>		
— at 2004 Board Members' valuation (fair value)	–	20,528
— at 2005 independent valuation (fair value)	<b>22,573</b>	–
<b>Total land</b>	<b>22,573</b>	20,528
<b>Buildings on land</b>		
— at 2004 Board Members' valuation	–	14,876
— at 2005 independent valuation (fair value)	<b>12,448</b>	–
<b>Total buildings</b>	<b>12,448</b>	14,876
<b>Total Land and Buildings (non-current)</b>	<b>35,021</b>	35,404

2005 independent valuation was conducted by independent qualified valuer CB Richard Ellis Pty Ltd.

**NOTE 7B: INFRASTRUCTURE, PLANT AND EQUIPMENT**

<b>Infrastructure, plant and equipment</b>		
— at cost	<b>4,930</b>	15,338
— Accumulated depreciation	<b>(489)</b>	(7,582)
	<b>4,441</b>	7,756
— at 2004 Board Members' valuation (fair value)	–	29,773
— Accumulated depreciation	–	(10,845)
	–	18,928
— at 2000 Board Members' valuation (deprival value)	–	1,648
— Accumulated depreciation	–	(1,621)
	–	27
— at 2005 independent valuation (fair value)	<b>18,877</b>	–
	<b>18,877</b>	–
— at 2005 Board Members valuation (fair value)	<b>5,305</b>	–
— Accumulated depreciation	<b>(1,826)</b>	–
	<b>3,479</b>	–
<b>Total Infrastructure, Plant and Equipment (non-current)</b>	<b>26,797</b>	26,711

2005 independent valuation relates to leasehold improvements, and was conducted by independent qualified valuer Colliers Pty Ltd.

AUSTRALIAN TRADE COMMISSION  
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 FOR THE YEAR ENDED 30 JUNE 2005

**NOTE 7C: ANALYSIS OF PROPERTY, AND INFRASTRUCTURE, PLANT AND EQUIPMENT**

**TABLE A — Reconciliation of the opening and closing balances of property, and infrastructure, plant and equipment**

Item	Land	Buildings	Land & Buildings	Other Infrastructure	TOTAL
	\$'000	\$'000	— Total \$'000	Plant & Equipment \$'000	\$'000
As at 1 July 2004					
Gross book value	20,528	14,876	35,404	46,759	82,163
Accumulated depreciation/amortisation	—	—	—	(20,048)	(20,048)
Opening Net Book Value	20,528	14,876	35,404	26,711	62,115
Additions					
by purchase	—	93	93	5,313	5,406
Net revaluation increment/(decrement)	2,045	(1,591)	454	1,593	2,047
Depreciation/amortisation expense	—	(412)	(412)	(6,420)	(6,832)
Disposals					
Other disposals	—	(518)	(518)	(400)	(918)
<b>As at 30 June 2005</b>					
Gross book value	22,573	12,448	35,021	29,112	64,133
Accumulated depreciation/amortisation	—	—	—	(2,315)	(2,315)
<b>Closing Net Book Value</b>	<b>22,573</b>	<b>12,448</b>	<b>35,021</b>	<b>26,797</b>	<b>61,818</b>

AUSTRALIAN TRADE COMMISSION  
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 FOR THE YEAR ENDED 30 JUNE 2005

TABLE B—Assets at valuation

Item	Land \$'000	Buildings \$'000	Land & Buildings — Total \$'000	Other Infrastructure Plant & Equipment \$'000	TOTAL \$'000
As at 30 June 2005					
Gross value	22,573	12,448	35,021	24,182	59,773
Accumulated depreciation / amortisation	—	—	—	(1,826)	(1,826)
<b>Closing Net Book Value</b>	<b>22,573</b>	<b>12,448</b>	<b>35,021</b>	<b>22,356</b>	<b>57,947</b>
As at 30 June 2004					
Gross value	20,528	14,876	35,404	31,421	66,825
Accumulated depreciation / amortisation	—	—	—	(12,466)	(12,466)
<b>Closing Net Book Value</b>	<b>20,528</b>	<b>14,876</b>	<b>35,404</b>	<b>18,955</b>	<b>54,359</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2005

	30 June 2005 \$'000	30 June 2004 \$'000
<b>NOTE 7D: INTANGIBLES</b>		
Computer software:		
Internally developed— in progress at cost (non-current)	2,027	1,414
	<b>2,027</b>	<b>1,414</b>
Internally developed— in use at cost (non-current)	15,445	14,971
—Accumulated amortisation	(14,541)	(12,707)
	<b>904</b>	<b>2,264</b>
Externally acquired— at cost (non-current)	6,380	4,674
—Accumulated amortisation	(4,237)	(2,706)
	<b>2,143</b>	<b>1,968</b>
<b>Total intangibles (non-current)</b>	<b>5,074</b>	<b>5,646</b>

**TABLE A—Reconciliation of the opening and closing balances of intangibles**

Item	Computer Software \$'000	Intangibles —Total \$'000
<b>As at 1 July 2004</b>		
Gross book value	21,059	21,059
Accumulated depreciation/amortisation	(15,413)	(15,413)
<b>Net book value</b>	<b>5,646</b>	<b>5,646</b>
<b>Additions</b>		
By purchase	2,897	2,897
Depreciation/amortisation expense	(3,462)	(3,462)
<b>Disposals</b>		
Other disposals	(7)	(7)
<b>As at 30 June 2005</b>		
Gross book value	23,852	23,852
Accumulated depreciation/amortisation	(18,778)	(18,778)
<b>Net book value</b>	<b>5,074</b>	<b>5,074</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2005

	30 June 2005 \$'000	30 June 2004 \$'000
<b>NOTE 7E: OTHER NON-FINANCIAL ASSETS</b>		
Prepayments property leases	1,153	1,174
Prepayments other	2,458	2,288
<b>Total other non-financial assets</b>	<b>3,611</b>	<b>3,462</b>

Other non-financial assets are current assets.

**NOTE 8: PROVISIONS**

**NOTE 8A: EMPLOYEE PROVISIONS**

Salaries and wages	352	917
Leave	14,474	14,456
Superannuation	–	1,339
Other overseas employee entitlements	5,107	6,406
<b>Aggregate employee entitlement liability</b>	<b>19,933</b>	<b>23,118</b>
<b>Aggregate employee benefit liability and related on-costs</b>	<b>19,933</b>	<b>23,118</b>

Employee provisions are represented by:

Current	8,038	8,735
Non-current	11,895	14,383
	<b>19,933</b>	<b>23,118</b>

**NOTE 9: PAYABLES**

**NOTE 9A: SUPPLIER PAYABLES**

Trade creditors	3,812	1,181
Other creditors	5,613	6,871
<b>Total supplier payables</b>	<b>9,425</b>	<b>8,052</b>

Supplier payables are represented by:

Current	6,988	4,924
Non-current	2,437	3,128
<b>Total supplier payables</b>	<b>9,425</b>	<b>8,052</b>

**NOTE 9B: OTHER PAYABLES**

Unearned revenue	3,310	2,211
Lease incentives	2,865	2,896
Employees	3,132	2,925
<b>Total other payables</b>	<b>9,307</b>	<b>8,032</b>

Other payables are represented by:

Current	6,812	5,566
Non-current	2,495	2,466
<b>Total other payables</b>	<b>9,307</b>	<b>8,032</b>

AUSTRALIAN TRADE COMMISSION  
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 FOR THE YEAR ENDED 30 JUNE 2005

**NOTE 10: EQUITY**

**NOTE 10A: ANALYSIS OF EQUITY**

Item	Accumulated Results		Asset Revaluation Reserves		General Reserve		Total Reserves		Contributed Equity		TOTAL EQUITY	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July	(2,566)	(2,878)	25,575	19,472	42,307	52,037	67,882	71,509	7,115	6,418	72,431	75,049
Net surplus/(deficit)	(5,455)	312	-	-	-	-	-	-	-	-	(5,455)	312
Net revaluation increment	-	-	2,047	6,103	-	-	2,047	6,103	-	-	2,047	6,103
<b>Transactions with owner:</b>												
Distributions to owner:	-	-	-	-	-	-	-	-	-	-	-	-
Contributions by owner:												
Appropriations (equity injections)	-	-	-	-	-	-	-	-	6,128	697	6,128	697
Repayment to the Australian Government	-	-	-	-	-	(9,730)	-	(9,730)	-	-	-	(9,730)
<b>Closing balance as at 30 June</b>	<b>(8,021)</b>	<b>(2,566)</b>	<b>27,622</b>	<b>25,575</b>	<b>42,307</b>	<b>42,307</b>	<b>69,929</b>	<b>67,882</b>	<b>13,243</b>	<b>7,115</b>	<b>75,151</b>	<b>72,431</b>
Less: outside equity interests	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total equity attributable to the Australian Government</b>	<b>(8,021)</b>	<b>(2,566)</b>	<b>27,622</b>	<b>25,575</b>	<b>42,307</b>	<b>42,307</b>	<b>69,929</b>	<b>67,882</b>	<b>13,243</b>	<b>7,115</b>	<b>75,151</b>	<b>72,431</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2005

**NOTE 11: CASH FLOW RECONCILIATION**

30 June 2005      30 June 2004  
\$'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/(deficit) from ordinary activities	(5,455)	312
<b>Non-Cash Items</b>		
Depreciation and amortisation	10,294	11,419
Write down of financial assets	19	10
Gain on disposal of assets	(5)	–
Net loss from disposal of non-current assets	–	513
	<b>4,853</b>	<b>12,254</b>
<b>Changes in Assets and Liabilities</b>		
(Increase) / decrease in net receivables	3,062	(977)
(Increase) / decrease in investments	(231)	2,738
(Increase) in prepayments	(149)	(504)
(Decrease) in employee payables and provisions	(2,981)	(4,117)
Increase in supplier and other payables	1,335	2,815
	<b>1,036</b>	<b>(45)</b>
Net cash from operating activities	<b>5,889</b>	<b>12,209</b>

**NOTE 11B: RECONCILIATION OF CASH**

Cash balance comprises:

Cash at bank	(325)	(1,438)
Cash on hand	65	62
Cash on deposit	30,761	27,255
Total cash	<b>30,501</b>	<b>25,879</b>

All cash is classified as a current asset.

Balance of cash as at 30 June shown in the Statement of Cash Flows	<b>30,501</b>	<b>25,879</b>
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2005

**NOTE 12: DIRECTOR REMUNERATION**

	2005	2004
The Directors' remuneration fell within the following bands:		
\$ Nil to \$10 000	5	5
\$20 000 to \$29 999	4	4
\$30 000 to \$39 999	2	2
\$40 000 to \$49 999	1	1
\$60 000 to \$69 999	1	1
\$350 000 to \$359 999	–	1
\$370 000 to \$379 999	1	–
Total number of directors of the Commission	<b>14</b>	14
	<b>\$</b>	<b>\$</b>
Total remuneration received or due and receivable by directors of the Commission	<b>676,745</b>	657,203

## **NOTE 13: RELATED PARTY DISCLOSURES**

### **Directors of the Commission**

The Directors of the Commission during the year were:

N R Adler AO	(Chairman)
K J Down	(Deputy Chairman)
P O'Byrne	(Managing Director)
A Calvert AC	(Government Member to 5 January 2005)
A Armour	(Member, ex officio)
M Paterson	(Government Member)
M Boydell	(Member)
E Doyle	(Member to 20 April 2005)
S Bratton	(Member)
D Morgan	(Member)
P Scully-Power AM, DSM	(Member)
C Anderson	(Member)
M L' Estrange	(Government Member from 14 February 2005)
K Sanderson	(Member from 10 May 2005)

The aggregate remuneration of Directors is disclosed in Note 12.

### **Transactions with Directors or Director related entities**

Pursuant to section 22 of the Australian Trade Commission Act 1985, appropriate disclosures were made, and the Directors involved in the transactions disclosed below took no part in any relevant decisions.

- ▶ Mr K J Down is Deputy Chairman and Managing Director of Viking Industries Ltd. This company received an Export Market Development Grant of \$9,736.
- ▶ Mr M Paterson is a Board Member of Export Finance and Insurance Corporation, Australian Research Council and Tourism Australia.
- ▶ Mr P O'Byrne, Mr A Armour, Dr A Calvert and Mr M L'Estrange are also Board Members of the Export Finance and Insurance Corporation.

Other transactions, if any, entered into during the year with directors of the Commission and their director-related entities were within normal employee, customer and supplier relationships, on terms and conditions no more favourable than those available to other employees, customers or suppliers. They include provision of professional services and the sale of goods.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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**NOTE 14: REMUNERATION OF MANAGERS**

	2005	2004
The managers' remuneration fell within the following bands:		
\$110 000 to \$119 999	1	–
\$120 000 to \$129 999	–	1
\$130 000 to \$139 999	1	–
\$150 000 to \$159 999	–	1
\$170 000 to \$179 999	–	1
\$180 000 to \$189 999	1	4
\$190 000 to \$199 999	–	1
\$200 000 to \$209 999	3	–
\$210 000 to \$219 999	2	2
\$220 000 to \$229 999	3	–
\$250 000 to \$259 999	1	–
\$330 000 to \$339 999	–	1
\$350 000 to \$359 999	–	1
Total number of managers of the Commission	12	12
	\$	\$
Aggregate amount of total remuneration of managers shown above.	2,412,356	2,524,176
The aggregate amount of separation and redundancy/termination benefit payments during the year to managers shown above.	–	334,538

The managers remuneration includes all officers concerned with or taking part in the management of the Commission, including certain officers based overseas, and excludes the Managing Director whose remuneration is disclosed in Note 12 Directors' Remuneration. Remuneration includes all cash remuneration, superannuation, accrued entitlements and any non-cash benefits (including applicable Fringe Benefits Tax), based on cost to the entity. Benefits do not include allowances or equivalents attached to positions overseas, which are an operational cost of maintaining individuals in those positions.

**NOTE 15: REMUNERATION OF AUDITORS**

	2005	2004
	\$	\$
Remuneration to the Auditor-General for auditing the financial statements for the reporting period.		
The fair value of audit services provided was:	150,000	136,000
No other chargeable services were provided by the Auditor-General during the reporting period.		

**NOTE 16: STAFF AT REPORTING DATE**

	2005	2004
	No.	No.
The number of full time equivalent staff employed by the Commission at reporting date was:	1,005	1,008

AUSTRALIAN TRADE COMMISSION  
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**NOTE 17: FINANCIAL INSTRUMENTS**

**NOTE 17A: INTEREST RATE RISK**

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate				Non-Interest Bearing		Total		Weighted Average Effective Interest Rate		
		2005	2004	1 Year or Less	1 to 5 Years	> 5 Years	2004	2005	2004	2005	2004	2005	2004	2005
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%
<b>Financial Assets</b>														
Cash at bank	11B	-	-	30,761	27,255	-	-	-	(260)	(1,376)	30,501	25,879	5.67	5.26
Receivables for goods and services	6A	-	-	-	-	-	-	-	5,652	7,532	5,652	7,532		
Other receivables	6A	-	-	-	-	-	-	-	1,034	1,104	1,034	1,104		
Investments	6B	6,126	5,895	-	-	-	-	-	-	-	6,126	5,895	5.85	5.49
<b>Total</b>		<b>6,126</b>	<b>5,895</b>	<b>30,761</b>	<b>27,255</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,426</b>	<b>7,260</b>	<b>43,313</b>	<b>40,410</b>		
<b>Total Assets</b>											<b>113,816</b>	<b>111,633</b>		
<b>Financial Liabilities</b>														
Trade and other creditors	9A	-	-	-	-	-	-	-	9,425	8,052	9,425	8,052		
Other payables	9B	-	-	-	-	-	-	-	9,307	8,032	9,307	8,032		
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,732</b>	<b>16,084</b>	<b>18,732</b>	<b>16,084</b>		
<b>Total Liabilities</b>											<b>38,665</b>	<b>39,202</b>		
Indemnities		-	-	-	-	-	-	-	-	81	-	81		
<b>Total Financial Liabilities (Unrecognised)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81</b>	<b>-</b>	<b>81</b>		

\*The non-interest bearing component relates to unprinted cheques and cash on hand.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2005

**NOTE 17B: NET FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES**

	Notes	2005		2004	
		Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000	Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000
<b>Financial Assets</b>					
Cash at bank	11B	30,501	30,501	25,879	25,879
Receivables for goods and services	6A	5,652	5,652	7,532	7,532
Investments	6B	6,126	6,126	5,895	5,895
Other receivables	6A	1,034	1,034	1,104	1,104
<b>Total Financial Assets</b>		<b>43,313</b>	<b>43,313</b>	<b>40,410</b>	<b>40,410</b>
<b>Financial Liabilities</b>					
Trade and other creditors	9A	9,425	9,425	8,052	8,052
Other payables	9B	9,307	9,307	8,032	8,032
<b>Total Financial Liabilities (Recognised)</b>		<b>18,732</b>	<b>18,732</b>	<b>16,084</b>	<b>16,084</b>
<b>Financial Liabilities (Unrecognised)</b>					
Indemnities		-	-	81	81
<b>Total Financial Liabilities (Unrecognised)</b>		<b>-</b>	<b>-</b>	<b>81</b>	<b>81</b>

**Financial assets**

The net fair values of cash (including short term deposits) and non-interest bearing monetary financial assets approximate their carrying amounts.

**Financial liabilities**

The net fair values for trade and other creditors, other payables, and indemnities approximate their carrying amounts.

**NOTE 17C: CREDIT RISK EXPOSURES**

The Commission's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated above.

The Commission has no significant exposures to any concentrations of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2005

**NOTE 18: ADMINISTERED ITEMS**

30 June 2005      30 June 2004  
\$'000                  \$'000

**NOTE 18A: REVENUES ADMINISTERED ON BEHALF OF GOVERNMENT**

for the year ended 30 June 2005

**Non-taxation revenues**

**Goods and services**

Rendering of services — external entities	8	43
<b>Total goods and services</b>	<b>8</b>	<b>43</b>

**Interest**

Loans	25	40
<b>Total interest</b>	<b>25</b>	<b>40</b>
Write back of loans provisions	621	418
Other	15	63
<b>Total other revenue</b>	<b>636</b>	<b>481</b>
<b>Total Revenues Administered on Behalf of Government</b>	<b>669</b>	<b>564</b>

**NOTE 18B: EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT**

for the year ended 30 June 2005

**Employees**

Wages and salaries	4,708	4,532
Superannuation	663	619
Fringe benefits tax	16	48
<b>Total employees</b>	<b>5,387</b>	<b>5,199</b>

**Suppliers**

Goods from External entities	184	148
Services from External entities	1,320	1,103
Operating lease rentals	508	619
<b>Total suppliers</b>	<b>2,012</b>	<b>1,870</b>

**EMDG Grants**

EMDG Grants	123,868	143,831
<b>Total other expenses</b>	<b>123,868</b>	<b>143,831</b>
<b>Total Expenses Administered on Behalf of Government</b>	<b>131,267</b>	<b>150,900</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2005

	30 June 2005 \$'000	30 June 2004 \$'000
<b>NOTE 18C: ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>		
as at 30 June 2005		
<b>Financial Assets</b>		
<b>Cash</b>		
Cash on deposit	7,264	6,562
<b>Total cash</b>	<b>7,264</b>	<b>6,562</b>
<b>Receivables</b>		
Loans		
Private sector	1,629	2,487
<i>Less: Provision for doubtful loans</i>	<i>(1,564)</i>	<i>(2,359)</i>
	65	128
GST receivable from the Australian Taxation Office	27	22
<b>Total receivables (net)</b>	<b>92</b>	<b>150</b>
Receivables (gross) are aged as follows:		
Not overdue	1,656	2,509
<b>Total receivables (gross)</b>	<b>1,656</b>	<b>2,509</b>
The provision for doubtful debts is aged as follows:		
Not overdue	1,564	2,359
<b>Total provision for doubtful debts</b>	<b>1,564</b>	<b>2,359</b>
<b>Accrued revenue</b>		
Other	5	–
<b>Total financial assets</b>	<b>7,361</b>	<b>6,712</b>
<b>Total Assets Administered on Behalf of Government</b>	<b>7,361</b>	<b>6,712</b>
<b>NOTE 18D: LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>		
as at 30 June 2005		
<b>Provisions</b>		
<b>Employees</b>		
Leave	1,907	1,749
<b>Total employee provisions</b>	<b>1,907</b>	<b>1,749</b>
<b>Payables</b>		
<b>Suppliers</b>		
Trade creditors	113	46
<b>Total suppliers</b>	<b>113</b>	<b>46</b>
<b>Other payables</b>		
GST payable to ATO	–	2
Employee	111	177
<b>Total other payables</b>	<b>111</b>	<b>179</b>
<b>Total payables</b>	<b>224</b>	<b>225</b>
<b>Total Liabilities Administered on Behalf of Government</b>	<b>2,131</b>	<b>1,974</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2005

**NOTE 18E: ADMINISTERED FINANCIAL INSTRUMENTS**

**a) Administered Interest Rate Risk**

Financial Instrument	Notes	Fixed Interest Rate Maturing In						Non-Interest Bearing	Total	Weighted Average Effective Interest Rate			
		Floating Interest Rate		1 Year or Less		1 to 5 Years				> 5 Years		2004	2005
		2005	2004	2005	2004	2005	2004			2005	2004	2005	%
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%
<b>Financial Assets</b>													
Cash	18C	-	-	7,264	6,562	-	-	-	-	7,264	6,562	5.67	5.26
Other receivables	18C	-	-	-	-	-	-	92	150	92	150		
Accrued revenue	18C	-	-	-	-	-	-	5	-	5	-		
Total		-	-	7,264	6,562	-	-	97	150	7,361	6,712		
<b>Total Assets</b>										<b>7,361</b>	<b>6,712</b>		
<b>Financial Liabilities</b>													
Suppliers and other payables	18D	-	-	-	-	-	-	224	224	224	224		
Total		-	-	-	-	-	-	224	224	224	224		
<b>Total Liabilities</b>										<b>2,131</b>	<b>1,974</b>		
<b>Liabilities Not Recognised</b>													
Total Financial Liabilities (Unrecognised)		-	-	-	-	-	-	-	-	-	-		

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2005

**b) Net Fair Values of Administered Financial Assets and Liabilities**

	Notes	2005		2004	
		Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000	Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000
<b>Administered Financial Assets</b>					
Cash	18C	7,264	7,264	6,562	6,562
Receivables	18C	92	92	150	150
Accrued revenue	18C	5	5	-	-
<b>Total Financial Assets</b>		<b>7,361</b>	<b>7,361</b>	<b>6,712</b>	<b>6,712</b>
<b>Financial Liabilities (Recognised)</b>					
Suppliers and other payables	18D	224	224	224	224
<b>Total Financial Liabilities (Recognised)</b>		<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>
<b>Financial Liabilities (Unrecognised)</b>					
<b>Total Financial Liabilities (Unrecognised)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

AUSTRALIAN TRADE COMMISSION  
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**NOTE 19: APPROPRIATIONS**

Particulars	Departmental Outputs		Loans		Equity		Total
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000
<b>Year ended 30 June 2005</b>							
Balance carried from previous year	-	-	-	-	-	-	-
Appropriations Acts 1 and 3	155,727	158,548	-	-	2,200	697	157,927
Appropriations Acts 2 and 4	(591)	-	-	-	3,928	-	3,337
Available for payment of CRF	155,136	158,548	-	-	6,128	697	161,264
Cash payments made out of CRF	155,136	158,548	-	-	6,128	697	161,264
<b>Balance carried forward to next year</b>	-	-	-	-	-	-	-

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

**NOTE 20: REPORTING OF OUTCOMES**

**NOTE 20A: OUTCOMES OF THE COMMISSION**

The Commission's activities relate predominantly to a single industry segment, namely export facilitation services. It operates through over 80 overseas offices as well as Australia.

- Outcome 1: Australians succeeding in international business with widespread community support.
- Output 1.1: Awareness Raising—Community commitment to trade and investment; understanding of the Federal Government's export assistance programs and a positive business image of Australia overseas
  - Output 1.2: Government Advice and Coordination—Advice to the Commonwealth Government and coordination of the Commonwealth's export activities
  - Output 1.3: Services and Opportunities—Export and investment services and opportunities for Australians through a national and global network.
  - Output 1.4: Administered: Grants—Administering Export Market Development Grants for small to medium sized businesses and loans (ITES, IAMP)

AUSTRALIAN TRADE COMMISSION  
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Outcome 2: Australians informed about and provided access to consular, passport and immigration services in specific locations overseas.

As the Commission is a services organization its outputs are directly related to the time its service staff spend on the provision of services to clients. Services staff record their time according to outputs in a time recording system which crosses time with base salaries of staff to arrive at a direct cost attributable to each output at a post or unit level. These costs are converted to percentages which are then used as drivers in the financial management information system to allocate full costs (that is all direct and indirect costs) to each output.

**NOTE 20B: NET COST OF OUTCOME DELIVERY**

	Outcome 1		Outcome 2		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Administered expenses	131,267	150,900	-	-	131,267	150,900
Departmental expenses	182,507	178,658	10,695	9,370	193,202	188,028
<b>Total expenses</b>	<b>313,774</b>	<b>329,558</b>	<b>10,695</b>	<b>9,370</b>	<b>324,469</b>	<b>338,928</b>
<b>Costs recovered from provision of goods and services to the non-government sector</b>						
Administered	23	106	-	-	23	106
Departmental	17,251	16,518	-	-	17,251	16,518
<b>Total costs recovered</b>	<b>17,274</b>	<b>16,624</b>	<b>-</b>	<b>-</b>	<b>17,274</b>	<b>16,624</b>
<b>Other external revenues</b>						
Administered						
Writeback of loan provisions	621	418	-	-	621	418
Interest	25	40	-	-	25	40
<b>Total Administered</b>	<b>646</b>	<b>458</b>	<b>-</b>	<b>-</b>	<b>646</b>	<b>458</b>
Departmental						
Sale of goods and services to related entities	6,297	4,832	1,812	2,281	8,109	7,113
Interest	2,533	2,712	-	-	2,533	2,712
Revenue from sale of assets	932	712	-	-	932	712
Other	3,786	2,737	-	-	3,786	2,737
Total Departmental	13,548	10,993	1,812	2,281	15,360	13,274
<b>Total other external revenues</b>	<b>14,194</b>	<b>11,451</b>	<b>1,812</b>	<b>2,281</b>	<b>16,006</b>	<b>13,732</b>
<b>Net cost of outcome</b>	<b>282,306</b>	<b>301,483</b>	<b>8,883</b>	<b>7,089</b>	<b>291,189</b>	<b>308,572</b>

AUSTRALIAN TRADE COMMISSION  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 30 JUNE 2005

**NOTE 20C: MAJOR CLASSES OF DEPARTMENTAL REVENUES AND EXPENSES BY OUTPUT GROUPS AND OUTPUTS**

	Outcome 1						Outcome 2					
	Output Group 1.1		Output Group 1.2		Output Group 1.3		Total		Output Group 2.1		Total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Departmental expenses</b>												
Employees	8,950	11,377	3,948	5,973	72,865	66,336	85,763	83,686	5,026	4,389	90,789	88,075
Suppliers	8,428	10,683	3,718	5,609	68,618	62,290	80,764	78,582	4,733	4,121	85,497	82,703
Grants	535	636	236	334	4,360	3,709	5,131	4,679	301	245	5,432	4,924
Depreciation and amortisation	1,015	1,475	448	774	8,262	8,601	9,725	10,850	570	569	10,295	11,419
Write down of assets	2	52	1	28	15	306	18	386	1	20	19	406
Value of assets disposed	91	107	40	56	744	624	875	787	51	41	926	828
Foreign Exchange Loss	24	-42	11	-22	196	-247	231	-311	14	-16	245	-327
<b>Total operating expenses</b>	<b>19,046</b>	<b>24,288</b>	<b>8,402</b>	<b>12,752</b>	<b>155,059</b>	<b>141,618</b>	<b>182,507</b>	<b>178,658</b>	<b>10,695</b>	<b>9,370</b>	<b>193,202</b>	<b>188,028</b>
<b>Funded by:</b>												
Revenues from government	22,037	19,159	11,773	11,262	112,744	120,007	146,554	150,428	8,582	8,120	155,136	158,548
Sale of goods and services					23,548	21,350	23,548	21,350	1,812	2,281	25,360	23,631
Interest					2,533	2,712	2,533	2,712			2,533	2,712
Revenue from sale of assets					932	712	932	712			932	712
Net foreign exchange gains												
Other					3,786	2,737	3,786	2,737			3,786	2,737
<b>Total operating revenues</b>	<b>22,037</b>	<b>19,159</b>	<b>11,773</b>	<b>11,262</b>	<b>143,543</b>	<b>147,518</b>	<b>177,353</b>	<b>177,939</b>	<b>10,394</b>	<b>10,401</b>	<b>187,747</b>	<b>188,340</b>

AUSTRALIAN TRADE COMMISSION  
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 FOR THE YEAR ENDED 30 JUNE 2005

**NOTE 20D: MAJOR CLASSES OF ADMINISTERED REVENUES AND EXPENSES BY OUTCOMES**

	Outcome 1		Outcome 2		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>Administered Revenues</b>						
Goods and services	644	524	-	-	644	524
Interest	25	40	-	-	25	40
<b>Total Administered Revenues</b>	<b>669</b>	<b>564</b>	<b>-</b>	<b>-</b>	<b>669</b>	<b>564</b>
<b>Administered Expenses</b>						
Grants	123,868	143,831	-	-	123,868	143,831
Suppliers	2,012	1,870	-	-	2,012	1,870
Employees	5,387	5,199	-	-	5,387	5,199
<b>Total Administered Expenses</b>	<b>131,267</b>	<b>150,900</b>	<b>-</b>	<b>-</b>	<b>131,267</b>	<b>150,900</b>