

# Financial Statements

for the year ended 30 June 2006

## Contents for the Financial Statements

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Independent Audit Report .....	54
Statement by Commissioners and Chief Financial Officer .....	56
Income Statement .....	57
Balance Sheet .....	58
Statement of Cash Flows .....	59
Statement of changes in equity .....	60
Schedule of commitments .....	61
Schedule of contingencies .....	62
Schedule of administered items .....	63

## Notes to and forming part of the Financial Statements

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Note 1: Summary of significant accounting policies .....	68
Note 2: The impact of the transition to Australian Equivalents to International Financial Reporting Standards (AEIFRS) from previous AGAAP .....	76
Note 3: Economic dependency .....	77
Note 4: Operating revenues .....	78
Note 5: Appropriations .....	79
Note 6: Operating expenses .....	81
Note 7: Finance costs .....	83
Note 8: Financial assets .....	83
Note 9: Non-financial assets .....	84
Note 10: Payables .....	86
Note 11: Interest bearing liabilities .....	87
Note 12: Provisions .....	88
Note 13: Cash flow reconciliation .....	89
Note 14: Contingent liabilities and assets .....	90
Note 15: Related party disclosures .....	91

## Notes to and forming part of the Financial Statements

---

Note 16: Remuneration of commissioners and executive officers .....	91
Note 17: Remuneration of auditors .....	92
Note 18: Assets held in trust .....	93
Note 19: Expenditure relating to statutory boards and tribunal .....	93
Note 20: Assets of deregistered companies vesting in ASIC .....	93
Note 21: Average staffing levels .....	94
Note 22: Financial instruments .....	94
Note 23: Income administered on behalf of government .....	98
Note 24: Expenses administered on behalf of government .....	99
Note 25: Assets administered on behalf of government .....	100
Note 26: Liabilities administered on behalf of government .....	101
Note 27: Administered reconciliation table .....	101
Note 28: Administered cash flow reconciliation .....	101
Note 29: Remuneration of auditors – administered items .....	102
Note 30: Assets held in trust – companies unclaimed monies .....	102
Note 31: Assets held in trust – unclaimed monies holding account .....	102
Note 32: Fiduciary monies (other than trust monies) .....	103
Note 33: Fiduciary monies (other than trust monies) security deposits .....	103
Note 34: Special accounts .....	103
Note 35: Administered financial instruments .....	104
Note 36: Events occurring after balance date .....	106
Note 37: Reporting of outcomes .....	107

## INDEPENDENT AUDIT REPORT

**To the Treasurer**

### Scope

#### *The financial statements and Directors' responsibility*

The financial statements comprise:

- Statement by Commissioners and Chief Financial Officer;
- Income Statement, Balance Sheet and Statement of Cash Flows;
- Statement of Changes in Equity;
- Schedules of Commitments, Contingencies and Administered Items; and
- Notes to and forming part of the Financial Statements

of the Australian Securities and Investments Commission (the Commission) for the year ended 30 June 2006.

The Commissioners are responsible for preparing the financial statements that give a true and fair view of the financial position and performance of the Commission, and that comply with Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997* and the *Financial Management and Accountability Act 1997*, Accounting Standards and other mandatory financial reporting requirements in Australia. The Commissioners 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.

I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997* and the *Financial Management and Accountability Act 1997*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Commission's financial position, and of its 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 Commissioners.

### ***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 Securities and Investments Commission;

- a) have been prepared in accordance with Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997* and the *Financial Management and Accountability Act 1997*; and
- b) give a true and fair view of the Australian Securities and Investments Commission's financial position as at 30 June 2006 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



P Hinchey  
Senior Director  
Delegate of the Auditor-General

Sydney  
19 July 2006

## Statement by Commissioners and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2006 have been prepared 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* and the *Financial Management and Accountability Act 1997*.

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

This statement is made in accordance with a resolution of the Commission members.



J. J. Lucy  
Chairman  
19 July 2006



J. R. Cooper  
Deputy Chairman  
19 July 2006



M. J. Rodgers  
Acting Commissioner  
19 July 2006



S. D. Lutze  
Chief Financial Officer  
19 July 2006

# Income Statement

for the year ended 30 June 2006

	Notes	2006 \$'000	2005 \$'000
<b>INCOME</b>			
<b>Revenue</b>			
Revenues from Government	4A, 5B	213,879	199,200
Sale of services	4B	3,432	3,155
Interest	4C	3,574	2,622
Other revenues	4D	3,796	3,058
<b>Total Revenue</b>		<b>224,681</b>	<b>208,035</b>
<b>Gains</b>			
Net gains from disposal of assets	4E	-	20
Total gains		-	20
<b>Total income</b>		<b>224,681</b>	<b>208,055</b>
<b>EXPENSES</b>			
Employees	6A	127,310	123,858
Suppliers	6B	75,165	69,822
Depreciation and amortisation	6C	15,041	14,012
Net losses from disposal of assets	6D	79	-
Write down of assets	6E	25	232
Finance costs	7	347	549
<b>Total Expenses</b>		<b>217,967</b>	<b>208,473</b>
<b>Operating Surplus / (Deficit)</b>	13, (i)	<b>6,714</b>	<b>(418)</b>

- (i) The operating surplus is after funding specific initiatives for which the Government has provided special purpose funding. In certain cases the special purpose funding was underspent during the financial year, by an amount of \$7.292m.

# Balance Sheet

as at 30 June 2006

	Notes	2006 \$'000	2005 \$'000
<b>ASSETS</b>			
Financial assets			
Cash	8A	35,573	14,907
Receivables	8B	2,991	6,207
<i>Total financial assets</i>		<u>38,564</u>	<u>21,114</u>
Non-financial assets			
Leasehold improvements	9A	10,634	11,046
Plant and equipment	9B	10,859	6,937
Intangibles	9C	15,940	16,879
Other non-financial assets	9E	2,314	2,268
<i>Total non-financial assets</i>		<u>39,747</u>	<u>37,130</u>
<b>Total Assets</b>		<u>78,311</u>	<u>58,244</u>
<b>LIABILITIES</b>			
Payables			
Suppliers	10A	14,295	8,025
Other payables	10B	14,340	9,049
<i>Total payables</i>		<u>28,635</u>	<u>17,074</u>
Interest bearing liabilities			
Leases	11	1,768	4,052
<i>Total interest bearing liabilities</i>		<u>1,768</u>	<u>4,052</u>
Provisions			
Employees	12A	33,545	32,379
Other	12B	3,913	3,575
<i>Total provisions</i>		<u>37,458</u>	<u>35,954</u>
<b>TOTAL LIABILITIES</b>		<u>67,861</u>	<u>57,080</u>
<b>Net Assets</b>		<u>10,450</u>	<u>1,164</u>
<b>Equity</b>			
Contributed equity		14,082	11,510
Reserves		5,254	5,254
Accumulated deficits		(8,886)	(15,600)
<b>Total Equity</b>		<u>10,450</u>	<u>1,164</u>
Current assets		40,878	23,382
Non-current assets		37,433	34,862
Current liabilities		58,026	45,934
Non-current liabilities		9,835	11,146

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

# Statement of Cash Flows

for the year ended 30 June 2006

	Notes	2006 \$'000	2005 \$'000
<b>OPERATING ACTIVITIES</b>			
Cash received			
Appropriations	5B	223,161	202,957
Services		4,547	3,470
Interest		3,469	2,622
GST recovered from ATO		9,328	7,970
Other		4,131	3,492
<i>Total cash received</i>		<u>244,636</u>	<u>220,511</u>
Cash used			
Employees		126,144	125,819
Suppliers		80,730	80,073
Finance costs		180	439
Return of appropriation to Government	5B	1,216	-
<i>Total cash used</i>		<u>208,270</u>	<u>206,331</u>
Net cash from operating activities	13	<u>36,366</u>	<u>14,180</u>
<b>INVESTING ACTIVITIES</b>			
Cash received			
Proceeds from disposal of property, plant and equipment	6D, 4E	19	33
<i>Total cash received</i>		<u>19</u>	<u>33</u>
Cash used			
Purchase of property, plant and equipment	9D	16,007	16,371
<i>Total cash used</i>		<u>16,007</u>	<u>16,371</u>
Net cash used by investing activities		<u>(15,988)</u>	<u>(16,338)</u>
<b>FINANCING ACTIVITIES</b>			
Cash received			
Appropriations - contributed equity		2,572	11,508
<i>Total cash received</i>		<u>2,572</u>	<u>11,508</u>
Cash used			
Repayment of finance lease principal		2,284	5,293
<i>Total cash used</i>		<u>2,284</u>	<u>5,293</u>
Net cash from financing activities		<u>288</u>	<u>6,215</u>
<i>Net increase in cash held</i>		20,666	4,057
Cash at the beginning of the reporting period		14,907	10,850
<i>Cash at the end of the reporting period</i>	8A	<u>35,573</u>	<u>14,907</u>

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



# Statement of changes in equity

for the year ended 30 June 2006

	Notes	Accumulated Results		Asset Revaluation Reserve		Contributed Equity/Capital		Total Equity	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Opening Balance	2	(15,600)	(11,103)	5,254	5,254	11,510	2	1,164	(5,847)
Revaluation adjustment	9B	-	(4,079)	-	-	-	-	-	(4,079)
Operating surplus / (deficit)		6,714	(418)	-	-	-	-	6,714	(418)
<i>Contributions by Owners</i>									
Appropriation (equity injection)		-	-	-	-	2,572	11,508	2,572	11,508
<b>Closing balance at 30 June</b>		<b>(8,886)</b>	<b>(15,600)</b>	<b>5,254</b>	<b>5,254</b>	<b>14,082</b>	<b>11,510</b>	<b>10,450</b>	<b>1,164</b>

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

# Schedule of commitments

as at 30 June 2006

	2006 \$'000	2005 \$'000
<b>BY TYPE</b>		
Capital commitments		
Plant and equipment <sup>(i)</sup>	1,090	291
<i>Total capital commitments</i>	<u>1,090</u>	<u>291</u>
Other commitments		
Operating leases <sup>(ii)</sup>	152,850	79,536
Other commitments (goods and services)	219	116
<i>Total other commitments</i>	<u>153,069</u>	<u>79,652</u>
Commitments receivable <sup>(iii)</sup>	(14,134)	(7,233)
<b>Net commitments by type</b>	<u>140,025</u>	<u>72,710</u>
<b>BY MATURITY</b>		
Capital commitments		
One year or less	1,090	291
<i>Total capital commitments</i>	<u>1,090</u>	<u>291</u>
Operating lease commitments		
One year or less	22,274	22,606
From one to five years	73,330	55,189
Over five years	57,246	1,741
<i>Total operating lease commitments</i>	<u>152,850</u>	<u>79,536</u>
Other commitments		
One year or less	219	116
<i>Total other commitments</i>	<u>219</u>	<u>116</u>
Commitments receivable	(14,134)	(7,233)
<b>Net commitments by maturity</b>	<u>140,025</u>	<u>72,710</u>

Note: (i) Outstanding contractual payments for purchases of plant and equipment.

(ii) Operating leases included are effectively non-cancellable and comprise:

Nature of lease	General description of leasing arrangement
Leases for office accommodation	Subject to annual or bi-annual rental reviews.
Motor vehicles – senior executives	No contingent rentals exist. There are no purchase options available to ASIC.
Office equipment	No contingent rentals exist. There are no purchase options available to ASIC.

(iii) Commitments receivable consist of GST recoverable in respect of operating leases.

All commitments are GST inclusive.

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

# Schedule of contingencies

as at 30 June 2006

## CONTINGENT LIABILITIES AND ASSETS

### Contingent liabilities

There were no quantifiable contingent liabilities as at 30 June 2006 (2005: nil) (Note 14 refers).

CONTINGENT ASSETS	2006 \$'000	2005 \$'000
Receivables <sup>(i)</sup>	1,457	-
<b>Total Contingent Assets</b>	<b>1,457</b>	<b>-</b>

- (i) ASIC is currently renegotiating the renewal of an office lease rental agreement. It is probable that the new lease agreement will result in a lease rental reduction of \$1.457m relating to the 2005-06 financial year. Throughout 2005-06 ASIC has made rental payments in accordance with the existing lease agreement.

### Schedule of unquantifiable contingent liabilities/assets

Details of each class of contingent liabilities and assets which cannot be quantified or are considered remote, are disclosed in Note 14: Contingent liabilities and assets.

# Schedule of administered items

for the year ended 30 June 2006

		2006	2005
	Notes	\$'000	\$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>			
<i>Revenue</i>			
<i>Non-taxation Revenue</i>			
Corporations Act fees and charges	23	542,686	530,995
Banking Act unclaimed monies	23	32,923	32,224
Life Insurance Act unclaimed monies	23	10,192	5,119
Interest	23	67	49
<i>Total revenue administered on behalf of Government</i>		<u>585,868</u>	<u>568,387</u>
<i>Gains</i>			
Other gains	23	29	27
<i>Total income administered on behalf of Government</i>		<u>585,897</u>	<u>568,414</u>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>			
Write down and impairment of assets	24	24,511	28,440
Other expenses	24	23,250	20,572
Suppliers	24	73	-
<i>Total expenses administered on behalf of Government</i>		<u>47,834</u>	<u>49,012</u>

ASIC's functions in administering revenues and expenses on behalf of the Government are described below:

- (i) ASIC collects and administers revenue under the *Corporations Act 2001* and prescribed fees set by the Corporations (Fees) Regulations. The revenues from these fees are not available to ASIC and are remitted to the Consolidated Revenue Fund (CRF).
- (ii) ASIC has responsibility for the administration of unclaimed monies from banking and deposit taking institutions. Monies from banking and deposit taking institution accounts that remain inactive for seven years are transferred to the Commonwealth, and are deposited into the CRF.
- (iii) ASIC also has responsibility for the administration of unclaimed monies from life insurance institutions and friendly societies. Monies in respect of matured life insurance policies that have not been claimed for more than seven years are transferred to the Commonwealth and are deposited into the CRF.
- (iv) As part of its corporate insolvency law reform package to strengthen creditor protection and to deter misconduct by company officers, ASIC administers payments on behalf of the Government to registered insolvency practitioners. These payments are used to fund preliminary investigations of suspected breaches of directors' duties and fraudulent misconduct. The outcomes of the findings made by insolvency practitioners are reported to ASIC.

Note: Intra Government transactions have been omitted.

## Schedule of administered items (continued)

as at 30 June 2006

		2006 \$'000	2005 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>			
Financial assets (current)			
Cash	25	2,962	4,479
Receivables	25	73,255	68,950
<i>Total assets administered on behalf of Government</i>		<u>76,217</u>	<u>73,429</u>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>			
Payables (current)			
Payables	26	4,224	4,652
<i>Total liabilities administered on behalf of Government</i>		<u>4,224</u>	<u>4,652</u>
<b>Administered assets less administered liabilities</b>	27	<u>71,993</u>	<u>68,777</u>
Note: Intra Government transactions have been omitted.			

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

# Schedule of administered items (continued)

for the year ended 30 June 2006

<b>ADMINISTERED CASH FLOWS</b>	<b>Notes</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
<b>Operating activities</b>			
<b>Cash received</b>			
Corporations Act fees and charges		513,448	495,326
Banking Act unclaimed monies		32,923	32,224
Life Insurance Act unclaimed monies		10,192	5,119
Interest		67	48
<b>Total cash received</b>		<b>556,630</b>	<b>532,717</b>
<b>Cash used</b>			
Refunds paid to:			
Deposit taking institution account holders		20,492	17,790
Life insurance policy holders		2,728	2,755
Suppliers		80	-
<b>Total cash used</b>		<b>23,300</b>	<b>20,545</b>
<b>Net cash from operating activities</b>		<b>533,330</b>	<b>512,172</b>
<b>Net increase in cash held</b>	28	<b>533,330</b>	<b>512,172</b>
Cash at the beginning of the reporting period		4,479	3,792
Cash from the Official Public Account for:			
- Appropriations	27	27,205	23,769
Cash to the Official Public Account for:			
- Corporations Act fees and charges		(518,937)	(497,911)
- Banking Act unclaimed monies		(32,923)	(32,224)
- Life Act unclaimed monies		(10,192)	(5,119)
	27	<b>(562,052)</b>	<b>(535,254)</b>
<b>Cash at the end of the reporting period</b>	25	<b>2,962</b>	<b>4,479</b>

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

# Schedule of administered items (continued)

as at 30 June 2006

## ADMINISTERED COMMITMENTS

There were no administered commitments as at 30 June 2006 (2005: nil).

## ADMINISTERED CONTINGENCIES

### Contingent liabilities

#### *Banking Act administration*

Monies from bank and deposit taking institution accounts inactive for seven or more years are transferred to the Commonwealth and are deposited into the CRF. A contingent liability estimated to be \$35,239,842 (2005: \$37,624,081) exists at 30 June 2006, and represents an estimate of future claims for repayment, where the validity of the claim has been established by the relevant institution.

The estimate of future claims for repayment at 30 June 2006 was determined by using a methodology provided by an independent actuary (Towers Perrin (Australia) Pty Ltd).

#### *Life Insurance Act administration*

Monies in respect of matured life insurance policies that have not been claimed within seven years are transferred to the Commonwealth from life insurance companies and friendly societies, and are deposited into the CRF. A contingent liability estimated to be \$8,277,286 (2005: \$5,400,123) exists at 30 June 2006, and represents an estimate of future claims for repayment, where the validity of the claim has been established by the relevant institution.

The estimate of future claims for repayment at 30 June 2006 was determined by using a methodology provided by an independent actuary (Towers Perrin (Australia) Pty Ltd).

#### *Corporations Act administration*

##### Companies Unclaimed Monies Account

Unclaimed monies held by ASIC, pursuant to Part 9.7 of the Corporations Act, that have not been claimed within six years are transferred to the Commonwealth and deposited into the CRF. A contingent liability estimated to be \$568,850 (2005: \$650,000) exists at 30 June 2006, and represents an estimate of future claims for repayment.

The estimate of future claims for repayment at 30 June 2006 was determined by using a methodology provided by an independent actuary (Russell Employee Benefits Pty Ltd).

### Contingent assets

There were no administered contingent assets as at 30 June 2006 (2005: nil).

# Notes to and forming part of the financial statements

for the year ended 30 June 2006

Note 1: Summary of significant accounting policies .....	68
Note 2: The impact of the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) from previous AGAAP .....	76
Note 3: Economic dependency .....	77
Note 4: Operating revenues .....	78
Note 5: Appropriations .....	79
Note 6: Operating expenses .....	81
Note 7: Finance costs .....	83
Note 8: Financial assets .....	83
Note 9: Non-financial assets .....	84
Note 10: Payables .....	86
Note 11: Interest bearing liabilities .....	87
Note 12: Provisions .....	88
Note 13: Cash flow reconciliation .....	89
Note 14: Contingent liabilities and assets .....	90
Note 15: Related party disclosures .....	91
Note 16: Remuneration of commissioners and executive officers .....	91
Note 17: Remuneration of auditors .....	92
Note 18: Assets held in trust .....	93
Note 19: Expenditure relating to statutory boards and tribunal .....	93
Note 20: Assets of deregistered companies vesting in ASIC .....	93
Note 21: Average staffing levels .....	94
Note 22: Financial instruments .....	94
Note 23: Income administered on behalf of government .....	98
Note 24: Expenses administered on behalf of government .....	99
Note 25: Assets administered on behalf of government .....	100
Note 26: Liabilities administered on behalf of government .....	101
Note 27: Administered reconciliation table .....	101
Note 28: Administered cash flow reconciliation .....	101
Note 29: Remuneration of auditors – administered items .....	102
Note 30: Assets held in trust – companies unclaimed monies .....	102
Note 31: Assets held in trust – unclaimed monies holding account .....	102
Note 32: Fiduciary monies (other than trust monies) .....	103
Note 33: Fiduciary monies (other than trust monies) security deposits .....	103
Note 34: Special accounts .....	103
Note 35: Administered financial instruments .....	104
Note 36: Events occurring after balance date .....	106
Note 37: Reporting of outcomes .....	107



# Notes to and forming part of the financial statements

## for the year ended 30 June 2006

### Note 1: Summary of significant accounting policies

#### 1.1 Objectives of the Australian Securities and Investments Commission

The Australian Securities and Investments Commission (ASIC) is an independent Commonwealth Government body operating under the *Australian Securities and Investments Commission Act 2001* (ASIC Act) to administer the *Corporations Act 2001*, and other legislation, throughout Australia.

ASIC's objectives include the promotion of the confident and informed participation of investors and consumers in the financial system.

ASIC also collects and administers revenue under the *Corporations Act 2001* and prescribed fees set by the Corporations (Fees) Regulations (Note 1.4 refers).

ASIC is subject to the *Commonwealth Authorities and Companies Act 1997* (CAC Act) by virtue of section 7 of that Act, and is also subject to the *Financial Management and Accountability Act 1997* (FMA Act) in respect of the public monies that it manages on behalf of Government, pursuant to Schedule 1 Part 2 of the Financial Management and Accountability Regulations.

#### 1.2 Basis of accounting

The financial statements are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997*, and section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with the:

- Finance Minister's Orders (being the Commonwealth Authorities and Companies Orders (Financial Statements for reporting periods ending on or after 1 July 2005));

- Finance Minister's Orders (being the Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 1 July 2005));
- Australian Accounting Standards issued by the Australian Accounting Standards Board that apply for the reporting period; and
- Interpretations issued by the Urgent Issues Group that apply for the reporting period.

ASIC's Income Statement and Balance Sheet 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 of ASIC.

Assets and liabilities are recognised in ASIC's Balance Sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an accounting standard. Liabilities and assets that are not recognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 14).

Income and expenses are recognised in ASIC's Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

#### Going concern

ASIC is a statutory body and prepares its financial statements on a going concern basis, which assumes that it is able to extinguish its liabilities as they arise through the normal level of appropriations it receives from Government, and where necessary, by seeking an advance from the Minister for Finance or an equity injection.

## Note 1: Summary of significant accounting policies (continued)

### 1.3 Statement of compliance

This financial report complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AEIFRS). Australian Accounting Standards require ASIC to disclose Australian Accounting Standards that have not been applied where those standards have been issued but are not yet effective. The AASB has issued amendments to existing standards, these amendments are denoted by year and then number, for example 2005-1 indicates amendment 1 issued in 2005.

The table below outlines standards and amendments that will become effective for ASIC in the future. The nature of the impending change within the table, has been out of necessity abbreviated and readers of this financial report should consult the full version of the standard available on the AASB's website to identify the full impact of the change. The expected impact on the financial report of adoption of these standards is based on ASIC's initial assessment at this date, but may change. ASIC intends to adopt all of the standards upon their application date.

Title	Standard affected	Application date*	Nature of impending change	Impact expected on financial report
2005-1	AASB 139	1 Jan 2006	Amends hedging requirements for foreign currency risk of a highly probable intra-group transaction.	No expected impact.
2005-4	AASB 139, AASB 132, AASB 1, AASB 1023 and AASB 1038	1 Jan 2006	Amends AASB 139, AASB 1023 and AASB 1038 to restrict the option to fair value through profit or loss and makes consequential amendments to AASB 1 and AASB 132.	No expected impact.
2005-5	AASB 1 and AASB 139	1 Jan 2006	Amends AASB 1 to allow an entity to determine whether an arrangement is, or contains, a lease.  Amends AASB 139 to scope out a contractual right to receive reimbursement (in accordance with AASB 137) in the form of cash.	No expected impact.
2005-6	AASB 3	1 Jan 2006	Amends the scope to exclude business combinations involving entities or businesses under common control.	No expected impact.
2005-9	AASB 4, AASB 1023, AASB 139 and AASB 132	1 Jan 2006	Amended standards in regard to financial guarantee contracts.	No expected impact.
2005-10	AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 and AASB 1038	1 Jan 2007	Amended requirements subsequent to the issuing of AASB 7.	No expected impact.
2006-1	AASB 121	31 Dec 2006	Changes in requirements for net investments in foreign subsidiaries depending on denominated currency.	No expected impact.
	AASB 7	1 Jan 2007	Revise the disclosure requirements for financial instruments from AASB132 requirements.	No expected impact.

\* Application date is for annual reporting periods beginning on or after the date shown

# Notes to and forming part of the financial statements

## for the year ended 30 June 2006

### Note 1: Summary of significant accounting policies (continued)

#### 1.4 Reporting of administered activities

ASIC collects and administers revenue under the *Corporations Act 2001* and prescribed fees set by the Corporations (Fees) Regulations. The revenues from these fees are not available to ASIC and are remitted to the Consolidated Revenue Fund (CRF). Transactions and balances relating to these fees are reported as Administered Items.

Administered revenues, expenses, assets, liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for ASIC items, except where stated in Note 1.19.

Administered Items are distinguished by shading in these financial statements.

#### 1.5 Income

The revenues described in this note are revenues relating to the core operating activities of ASIC. Accounting policies relating to administered revenue are disclosed in Note 1.19.

Interest revenue is recognised using the effective interest method as set out in AASB 139.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- The amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- The probable economic benefits with the transaction have flowed to the entity.

Receivables for services rendered are recognised at the nominal amounts due less any allowance for bad and doubtful debts. Collectability of debts is reviewed at balance date. An allowance is made when collectability of the debt is considered to be impaired. ASIC has adopted AASB 139 *Financial Instruments: Recognition and Measurement* based

on current understanding and interpretation from 1 July 2005, in relation to the calculation of the allowance for bad and doubtful debts. The financial impact of adopting this standard was immaterial.

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

#### *Revenues from Government - Output Appropriations*

The full amount of the appropriation for departmental outputs for the year is recognised as revenue with the exception of appropriations for specific purpose government initiatives that are conditional on any unspent balance being returned to Government. Such appropriations are initially recognised as Unearned Revenue - Government Appropriation until expenditure is incurred (Note 10B refers).

Where the full amount of the appropriation for the year has not been drawn down an appropriation receivable is disclosed.

#### *Resources received free of charge*

Services received free of charge are recognised as a gain 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 (Note 23 refers).

#### 1.6 Transactions with the Government as owner

##### *Equity Injections*

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

Equity contributions are recognised when received.

Appropriations not classified by the Government as 'contributed equity' are recognised as revenue and not as a transaction with the Government as owner.

## Note 1: Summary of significant accounting policies (continued)

### 1.7 Employee benefits

#### *Benefits*

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

Liabilities for short-term employee benefits (i.e. wages and salaries, annual leave etc, expected to be settled within 12 months of the reporting date) 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.

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*

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 ASIC is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including ASIC'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 has been determined by reference to the work of an independent actuary (Mercer Human Resource Consulting) following a review at 30 June 2003. Future actuarial reviews will be undertaken on a five yearly basis. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

#### *Separation and redundancy*

Provision is made for separation and redundancy payments in cases where positions have been formally identified as excess to requirements, and a reliable estimate of the amount payable can be determined.

#### *Superannuation*

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

There are also a small number of employees covered under state government and private superannuation schemes. The majority of the employees in the state government superannuation schemes were originally employed by the various state governments and were transferred to ASIC at its inception in 1989.

ASIC makes employer contributions to the Australian Government and the various state superannuation schemes at rates determined by actuaries to be sufficient to meet the cost to the Government of the superannuation entitlements of ASIC's employees.

New employees (from 1 July 2005) are eligible to join the new PSS Accumulation Scheme, which is a defined contribution scheme.

### 1.8 Leases

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

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or if lower, the present value of minimum lease payments at the beginning of the lease term and a liability recognised at the same time and for the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense. Where ASIC retains leased assets beyond the lease expiry date, any additional rental incurred is fully expensed.

# Notes to and forming part of the financial statements

## for the year ended 30 June 2006

### Note 1: Summary of significant accounting policies (continued)

Operating lease payments are expensed on a basis that 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.

Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and lease incentive liability over the period of the lease.

#### 1.9 Finance costs

All finance costs are expensed as incurred.

#### 1.10 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount. Cash which is not immediately required by ASIC is invested with an approved bank, as defined under section 5 of the CAC Act.

#### 1.11 Other financial instruments

##### *Appropriations receivable*

These receivables are recognised at the nominal amounts due.

##### *Other receivables*

ASIC's receivables comprise amounts expected to be received from operating revenue. The allowance for doubtful debts is based on the actual assessment of each debtor's capacity to pay.

##### *Trade creditors*

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

##### *Contingent liabilities and contingent assets*

Contingent liabilities and assets are not recognised

in the Balance Sheet but are disclosed in the relevant schedules or notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured.

Remote contingencies are part of this disclosure. Where settlement becomes probable, a liability or asset is recognised. A liability or asset is recognised when its existence is confirmed by a future event, settlement becomes probable or reliable measurement becomes possible.

#### 1.12 Other non-financial assets – prepayments

Prepayments are recognised at their nominal amounts, being cost.

#### 1.13 Acquisition of assets

Purchased assets are recorded at cost on acquisition providing the asset recognition threshold is satisfied (Note 1.14 refers). The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Internally developed software assets are recognised as work in progress until the asset is available for use. Internally developed software assets are recorded at cost, which includes the cost of direct labour and other direct costs.

#### 1.14 Leasehold improvements, plant and equipment

##### *Asset recognition threshold*

Acquisitions of leasehold improvements, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by ASIC where there exists an obligation to restore the property to its

## Note 1: Summary of significant accounting policies (continued)

original condition. These costs are included in the value of ASIC's leasehold improvements with a corresponding provision for the 'make good' taken up.

### *Revaluations*

#### (i) Basis

Leasehold improvements and plant and equipment are carried 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.

The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through the income statement. Revaluation decrements for a class of assets are recognised directly through the income statement except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

#### (ii) Leasehold improvements

Leasehold improvements are revalued to fair value, measured at written down replacement cost, which is the lesser of depreciated replacement cost or depreciated reproduction cost.

Depreciated replacement cost is the cost of substitution by an equivalent modern asset, with due allowance for depreciation and obsolescence. Depreciated reproduction cost represents the cost of constructing a replica of the actual asset, with due allowance for depreciation and obsolescence.

Leasehold improvements are subject to a formal valuation every three years. Formal valuations are carried out by an independent qualified valuer (Australian Valuation Office). Between formal valuations, leasehold improvements are reviewed to ensure reported amounts are not materially different to fair values. For the purposes of these interim reviews, leasehold improvements are revalued using an appropriate index reflecting movements in the price of similar assets. If a material difference is identified assets are revalued.

#### (iii) Plant and equipment

The fair value of plant and equipment assets is measured at market selling price, being the amount for which the asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of plant and equipment acquired by finance lease, where no residual value is guaranteed, has been valued at the market selling price of the asset at the date of valuation less the present value of the unguaranteed residual value expected to accrue to the benefit of the lessor at the end of the lease term.

Plant and equipment assets are subject to a formal valuation every three years. Formal valuations are carried out by an independent qualified valuer (Australian Valuation Office). Between formal valuations, plant and equipment assets are reviewed to ensure reported amounts are not materially different to fair values. The review confirmed that asset values reported at 30 June 2006 were representative of fair value and no valuation adjustment was required.

### *Depreciation*

Depreciable property, plant and equipment assets are written down to their estimated residual values over their estimated useful lives to ASIC.

# Notes to and forming part of the financial statements

## for the year ended 30 June 2006

**Note 1: Summary of significant accounting policies (continued)**

(i) Plant and equipment

Computer equipment is depreciated using the declining-balance method while, for all other plant and equipment, the straight-line method of depreciation is applied.

(ii) Leasehold improvements

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 recognised in the current, or current and future reporting periods, as appropriate.

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

	2006	2005
Leasehold improvements	Lease Term	Lease Term
Computer equipment	1-5 years	1-5 years
Other plant and equipment (owned)	2-10 years	2-10 years
Other plant and equipment (leased)	2-10 years	2-10 years

The aggregate amount of depreciation expense for each class of asset during the reporting period is disclosed in Note 6C.

**1.15 Impairment of non-current assets**

Non-current assets carried at up-to-date fair value at the reporting date are not subject to impairment testing.

Non-current assets carried at cost, which are not held to generate net cash inflows, have been assessed for indications of impairment. Where indications of impairment exist, the asset is written down to the higher of its net selling price and, if ASIC would replace the asset's service potential, its depreciated replacement cost.

**1.16 Intangibles**

ASIC's intangibles comprise purchased and internally developed software for internal use. These assets are carried at cost. The cost of internally developed software, which is capitalised, includes the cost of direct labour and other direct costs.

Software is depreciated on a straight-line basis over its anticipated useful life. For accounting purposes, the useful lives of ASIC's software is estimated to be 4 years (2004-05: 4 years).

Any enhancements to an existing asset are amortised over the remaining life of the asset. All software assets were assessed for indications of impairment as at 30 June 2006.

**1.17 Taxation**

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

Revenues, expenses and assets 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.

**1.18 Insurance**

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



## Note 1: Summary of significant accounting policies (continued)

### 1.19 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 for ASIC departmental items, including the application of Accounting Standards, Accounting Interpretations and UIG Abstracts.

#### *Administered cash transfers to and from the Consolidated Revenue Fund (CRF)*

Revenue collected by ASIC on behalf of the Government is Administered Revenue.

Collections are transferred to the CRF maintained by the Department of Finance and Administration. These transfers to the CRF are adjustments to the administered cash held by ASIC on behalf of the Government and reported as such in the Statement of Cash Flows in the Schedule of Administered Items and in the Administered Reconciliation Table in Note 27. The Schedule of Administered Items reflects the Government's transactions through ASIC, with parties outside the Government.

#### *Revenue*

Administered revenue comprises annual review fees, other fees and search products prescribed under the Corporations (Fees) Regulations.

Revenues of the Commonwealth, when administered by ASIC, are recognised on an accruals basis when the following conditions apply:

- the client or the client group can be identified in a reliable manner;
- an amount of prescribed fee or other statutory charge is payable by the client or client group under legislative provisions; and
- the amount of the prescribed fee or other statutory charge payable by the client or the client group can be reliably measured.

#### *Allowance for doubtful debts – change in accounting policy*

Administered revenue is recognised at its nominal amount due less any allowance for bad or doubtful debts. Collectability of debts is reviewed during the financial year and at balance date. ASIC has adopted AASB 139 *Financial Instruments: Recognition and Measurement* based on current understanding and interpretation from 1 July 2005. As a result of this, ASIC changed its methodology in calculating the allowance for doubtful debts from a general provision based on the age of the debt, to a methodology that requires an allowance be raised whenever a recognised loss or impairment event occurs. The financial effect of this change in accounting policy is disclosed in Note 24.

### 1.20 Unclaimed monies – administered items

#### *Banking Act administration*

ASIC is responsible for the administration of unclaimed monies from banking and deposit taking institutions.

In accordance with the *Banking Act 1959* monies from bank and deposit taking institution accounts that are inactive are transferred to the Commonwealth, and are deposited into the CRF.

#### *Life Insurance Act administration*

ASIC is responsible for the administration of unclaimed monies from life insurance institutions.

In accordance with the *Life Insurance Act 1995* monies in respect of matured life insurance policies that have not been claimed are transferred to the Commonwealth from life insurance companies and friendly societies, and are deposited into the CRF.



# Notes to and forming part of the financial statements

## for the year ended 30 June 2006

### Note 1: Summary of significant accounting policies (continued)

#### 1.21 Expenditure of boards and tribunal

Pursuant to Parts 11 and 12 of the *Australian Securities and Investments Commission Act 2001*, and the *Superannuation (Resolution of Complaints) Act 1993*, ASIC is required to support various boards and a tribunal to promote activities that enable ASIC to attain its aims. The boards are the Australian Accounting Standards Board and the Companies Auditors and Liquidators Disciplinary Board. The tribunal is the Superannuation Complaints Tribunal. Employee and administrative expenditure incurred on behalf of these boards and the tribunal are included in the Income Statement of ASIC (Note 19 refers).

#### 1.22 Changes in accounting policy

Changes in accounting policy have been identified in this note under their appropriate headings.

#### 1.23 Reporting by outcomes

ASIC's financial result reported in the context of the Government's outcomes and outputs framework is disclosed in Note 37.

Any intra-government costs included in arriving at the amount shown as 'net contribution of outcome' are eliminated in calculating the actual budget outcome for the Government overall (Note 37 refers).

#### 1.24 Rounding

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

- remuneration of commissioners;
- remuneration of executive officers;
- remuneration of auditors; and
- administered fee write offs and waivers.

#### 1.25 Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements.

#### 1.26 Financial instruments

Accounting policies for financial instruments are stated at Notes 22 and 35.

### Note 2: The impact of the transition to AIFRS from previous AGAAP

RECONCILIATION OF TOTAL EQUITY AS PRESENTED UNDER PREVIOUS AGAAP TO THAT UNDER AIFRS	2005 \$'000	2004 \$'000
Total equity under previous AGAAP	2,579	(4,925)
Adjustments to retained earnings:		
Employee provisions – determination of non-current annual leave provision (i)	87	126
Leases – change to initial determination of lease liability (ii)	82	151
Supplier payables – provision for 'make good' of leased premises (iii)	(3,210)	(2,997)
Leasehold improvements – 'make good' of leased premises (iv)	1,626	1,798
<b>Total equity translated to AIFRS</b>	<b>1,164</b>	<b>(5,847)</b>

**Note 2: The impact of the transition to AEIFRS from previous AGAAP (continued)****RECONCILIATION OF OPERATING SURPLUS / (DEFICIT)  
AS PRESENTED UNDER PREVIOUS AGAAP TO AEIFRS**2005  
\$'000

Prior year operating surplus as previously reported	75
<b>Adjustments:</b>	
Depreciation expense arising from the capitalisation of estimated 'make good' costs on leased premises (AASB 116)	(402)
Increase in borrowing costs arising from restatement of lease liability (AASB 117)	(69)
Change in employee expense arising from discounting of non-current annual leave (AASB 119)	(39)
Reversal of 'make good' provision raised in 2004-05 under existing Australian GAAP that will be included in the AEIFRS 'make good' provision at transition date (1 July 2004) (AASB 116, UIG 1)	124
Interest expense arising from the unwinding of the discount in the 'make good' provision (UIG 1)	(107)
<b>Prior year operating deficit translated to AEIFRS</b>	<b>(418)</b>

- (i) AASB 119 *Employee Benefits* requires annual leave liabilities that will not be settled within 12 months of the reporting date to be measured at present value. The annual leave provision is classified as a current liability.
- (ii) AASB 117 *Leases* requires that finance lease liabilities be recognised at the inception of the lease at the lower of fair value or the present value of the minimum lease payments. This adjustment restates the lease liability to the present value of minimum lease payments.
- (iii) UIG 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities* requires ASIC to recognise as a liability an estimate of the decommissioning and restoration costs relating to leased premises where the lease creates an obligation for ASIC to 'make good' those premises.
- (iv) AASB 116 *Property, Plant and Equipment* states that the cost of an item of property, plant and equipment includes "the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a period for purposes other than to produce inventories during that period".

**Note 3: Economic dependency**

ASIC is controlled by the Government of the Commonwealth of Australia, and is dependent on appropriations from the Commonwealth Parliament for its continued existence and ability to carry out its normal activities and functions under the *Corporations Act 2001* and the *Australian Securities and Investments Commission Act 2001*.

# Notes to and forming part of the financial statements

## for the year ended 30 June 2006

### Note 4: Operating revenues

Note 4A: Revenues from Government	Notes	2006 \$'000	2005 \$'000
Appropriation Act No. 1 Operating Expenditure		209,505	196,001
Appropriation Act No. 3 Operating Expenditure		4,374	3,199
<b>Total revenues from Government</b>	(i), 5B	<b>213,879</b>	<b>199,200</b>

(i) The increase in appropriations received by ASIC in 2005-06 of \$14.679m is the result of increased funding provided by the Government for:

(a) Additional audit regulation responsibilities accompanying the <i>Sarbanes-Oxley Act of 2002</i> in the United States	2,079
(b) Litigation and enforcement costs for specific matters	2,296
(c) Additional costs arising from the Government's corporate insolvency law reform initiative	2,089
(d) Additional costs associated with the introduction of the superannuation choice of fund reforms	7,948
(e) Other	267

**Total increase in appropriations** **14,679**

### Note 4B: Sale of services

Rendering of services to:		
Related entities	959	1,359
External entities	2,473	1,796
<b>Total sale of services</b>	<b>3,432</b>	<b>3,155</b>

### Note 4C: Interest

Bank interest	3,574	2,622
<b>Total interest revenues</b>	<b>3,574</b>	<b>2,622</b>

### Note 4D: Other revenues

Cost recoveries	(i)	1,280	2,258
Royalties		361	305
Receipt from the Companies Unclaimed Monies Account	(ii)	690	-
Receipt from the Department of the Treasury	(iii)	670	-
Professional and witness fees		269	327
Recovery of property rental outgoings – prior year		179	-
Miscellaneous		347	168
<b>Total other revenues</b>		<b>3,796</b>	<b>3,058</b>

(i) Amounts recovered by ASIC for court costs, investigations, professional fees, legal costs and prosecution disbursements.

(ii) Costs recovered in relation to the relocation of ASIC's microfiche development facility. The relocation was undertaken as part of ASIC's strategic plan to consolidate leased premises.

(iii) Amount recovered by ASIC in relation to the increased costs of the Companies Auditors and Liquidators Disciplinary Board.

**Note 4: Operating revenues (continued)**

	Notes	2006 \$'000	2005 \$'000
<b>Note 4E: Net gains from disposal of assets</b>			
Plant and equipment			
Proceeds from disposal		-	33
Net book value of assets disposed		-	(13)
<b>Net gains from disposal of plant and equipment</b>		<b>-</b>	<b>20</b>

**Note 5: Appropriations**

Note 5A: Cash basis acquittal of Appropriations from Acts 1, 2, 3 and 4

Particulars	Notes	Departmental outputs		Equity		Total	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Year ended 30 June 2006							
Balance carried forward from previous year		3,084	6,652	407	-	3,491	6,652
Appropriation Acts 1 and 3		220,077	205,888	-	-	220,077	205,888
Appropriation Acts 2 and 4		-	-	2,165	11,915	2,165	11,915
Unearned appropriation		-	(6,499)	-	-	-	(6,499)
Available for payment out of CRF		223,161	206,041	2,572	11,915	225,733	217,956
Cash payments made out of CRF	5B	(223,161)	(202,957)	(2,572)	(11,508)	(225,733)	(214,465)
<i>Balance carried to next year</i>	5B	-	3,084	-	407	-	3,491
Represented by:							
Appropriations receivable	8B	-	3,084	-	-	-	3,084
Unspent appropriation		-	-	-	407	-	407
		-	3,084	-	407	-	3,491

**Note 5B: Reconciliation of appropriation reported on a cash basis (Note 5A) to the accruals basis as reported in the Income Statement**

	Notes	2006 \$'000	2005 \$'000
<b>Particulars</b>			
Payments from the CRF		223,161	202,957
Appropriations receivable this year	8B	-	3,084
less: Unearned appropriation revenue this year	(i),10B	(11,670)	(6,688)
less: Appropriation returned to the CRF		(1,216)	-
Unearned appropriation in 2004		-	6,499
Unearned appropriation in 2005	10B	6,688	-
less: appropriations receivable in 2004		-	(6,652)
less: appropriations receivable in 2005	8B	(3,084)	-
<b>Total revenues from Government</b>		<b>213,879</b>	<b>199,200</b>

- (i) Unspent portion of specific purpose appropriation associated with certain litigations and investigations, disclosed as unearned revenue.

## Notes to and forming part of the financial statements for the year ended 30 June 2006

### Note 5: Appropriations (continued)

#### Note 5C: Acquittal of authority to draw cash from the Consolidated Revenue Fund – special appropriations (unlimited amounts)

ASIC receives special appropriations for administered items to allow refunds of collected monies to be made when required (further details are provided within the tables below). The purpose of this note is to summarise the actual utilisation of the CRF for these special appropriations compared to the initial estimate included in the Government's Budget for each class of administered item appropriation.

	Outcome 1	
	2006	2005
	\$'000	\$'000
<b>LIFE INSURANCE ACT 1995</b>		
Legal authority - <i>Life Insurance Act 1995</i>		
Purpose - ASIC has responsibility for the administration of unclaimed monies from life insurance institutions and friendly societies. Monies in respect of matured life insurance policies that have not been claimed within seven years are transferred to the Commonwealth and are deposited into the CRF.		
ASIC receives special appropriations from the CRF (section 216 <i>Life Insurance Act 1995</i> ) to refund amounts to life insurance policy holders.		
All transactions under this Act are recognised as Administered Items (Note 24 refers).		
Budget estimate	3,000	4,000
Payments made	2,729	2,755
	Outcome 1	
	2006	2005
	\$'000	\$'000
<b>BANKING ACT 1959</b>		
Legal authority - <i>Banking Act 1959</i>		
Purpose - ASIC has responsibility for the administration of unclaimed monies from banking and deposit taking institutions. Monies from banking and deposit taking institution accounts that remain inactive for seven or more years are transferred to the Commonwealth, and are deposited into the CRF.		
ASIC receives special appropriations from the CRF (section 69 <i>Banking Act 1959</i> ) to refund amounts to banking and deposit taking institution account holders.		
All transactions under this Act are recognised as Administered Items (Note 24 refers).		
Budget estimate	18,000	20,000
Payments made	20,492	17,790

**Note 5: Appropriations (continued)**

		<b>Outcome 1</b>	
		<b>2006</b>	<b>2005</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>CORPORATIONS ACT 2001 (COMPANIES UNCLAIMED MONIES ACCOUNT)</b>			
Legal authority - <i>Corporations Act 2001</i>			
Purpose - ASIC has responsibility for the administration of unclaimed monies from the Companies Unclaimed Monies Account. Monies that are not claimed within six years are transferred to the Commonwealth (Part 9.7 of the <i>Corporations Act 2001</i> ), and are deposited into the CRF. Refunds are appropriated under section 28 of the FMA Act.			
All transactions under this Act are recognised as Administered Items (Note 30 refers).			
Budget estimate		-	-
Payments made		227	406
		<b>Outcome 1</b>	
		<b>2006</b>	<b>2005</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>CORPORATIONS ACT 2001 (REFUNDS OF OVERPAID CORPORATIONS ACT FEES AND CHARGES)</b>			
Legal authority - <i>Corporations Act 2001</i>			
Purpose - ASIC has responsibility for the administration and collection of Corporations Act fees and charges. All fees and charges are deposited into the CRF as received. Refunds of overpayments are appropriated under section 28 of the FMA Act.			
All transactions under this Act are recognised as Administered Items.			
Budget estimate		6,000	6,000
Payments made		3,687	3,522

**Note 6: Operating expenses**

		<b>2006</b>	<b>2005</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Note 6A: Employees</b>	<b>Notes</b>		
Salaries		100,164	97,682
Superannuation	(i)	14,900	13,467
Leave and other entitlements		11,306	10,992
Separation and redundancy	(ii)	940	1,717
<b>Total employees benefits expense</b>		<b>127,310</b>	<b>123,858</b>

- (i) Contributions to superannuation schemes are at rates calculated to cover existing and emerging obligations. The employer contribution rate for the Commonwealth Superannuation Scheme (CSS) was 24.6% (2005: 23.1%), the Public Sector Superannuation Scheme (PSS) was 11.9% (2005: 11.1%), the PSS Accumulation Scheme (from 1 July 2005) was 15.4%, and the superannuation productivity benefit was 2.0% to 3.0% (2005: 2.0% to 3.0%).
- (ii) Redundancy expenses are calculated on the basis of two weeks pay for every year of service by employees made redundant, up to a maximum of 48 weeks.

## Notes to and forming part of the financial statements for the year ended 30 June 2006

### Note 6: Operating expenses (continued)

Note 6B: Suppliers	Notes	2006 \$'000	2005 \$'000
Goods from related entities		25	8
Goods from external entities		1,111	1,938
Services from related entities		6,148	7,323
Services from external entities		51,153	44,177
Operating lease rentals	(i)	16,728	16,376
<b>Total suppliers expenses</b>		<b>75,165</b>	<b>69,822</b>

(i) These comprise minimum lease payments only.

### Note 6C: Depreciation and amortisation

<i>Depreciation of plant and equipment</i>			
Plant and equipment owned		4,142	1,849
Assets subject to a finance lease		876	3,424
<b>Total depreciation</b>		<b>5,018</b>	<b>5,273</b>
<i>Amortisation</i>			
Intangibles (computer software)		6,278	5,429
Leasehold improvements		3,745	3,310
<b>Total amortisation</b>		<b>10,023</b>	<b>8,739</b>
<b>Total depreciation and amortisation</b>		<b>15,041</b>	<b>14,012</b>

### Note 6D: Net losses from disposal of assets

Plant and equipment			
Proceeds from disposal		(19)	-
Net book value of assets disposed		98	-
<b>Net losses from disposal of plant and equipment</b>		<b>79</b>	<b>-</b>

### Note 6E: Write down of assets

Bad and doubtful debts expense		(43)	77
Property, plant and equipment and intangibles (computer software) - write-off		68	155
<b>Total write down of assets</b>		<b>25</b>	<b>232</b>

**Note 7: Finance costs**

	Notes	2006 \$'000	2005 \$'000
Unwinding of discount on the liability to 'make good' on leased premises		164	107
Finance charges on lease liabilities		183	442
<b>Total finance costs</b>		<b>347</b>	<b>549</b>

**Note 8: Financial assets****Note 8A: Cash**

Cash at bank and on hand		9,344	3,519
Cash on deposit		26,229	11,388
<b>Total cash</b>		<b>35,573</b>	<b>14,907</b>
Balance of cash as at 30 June shown in the Statement of Cash Flows		<b>35,573</b>	<b>14,907</b>

**Note 8B: Receivables**

Trade debtors		1,063	1,321
Less: Allowance for doubtful debts		(77)	(128)
		<b>986</b>	<b>1,193</b>
GST receivable		2,005	1,930
Appropriations receivable	(i)	-	3,084
<b>Total receivables (net)</b>		<b>2,991</b>	<b>6,207</b>

All receivables are current assets.

(i) Appropriation provided by Government to fund ASIC for specific investigation and litigation costs.

Receivables (gross) are aged as follows:

Current		2,934	6,285
Overdue by:			
Less than 30 days		23	23
30 to 60 days		2	2
60 to 90 days		17	-
More than 90 days		92	25
<b>Total receivables (gross)</b>		<b>3,068</b>	<b>6,335</b>

The allowance for doubtful debts is aged as follows:

Current		-	101
Overdue by:			
Less than 30 days		-	3
More than 90 days		77	24
<b>Total allowance for doubtful debts</b>		<b>77</b>	<b>128</b>



## Notes to and forming part of the financial statements for the year ended 30 June 2006

### Note 9: Non-financial assets

Note 9A: Leasehold improvements	Notes	2006 \$'000	2005 \$'000
<i>Leasehold improvements</i>			
At fair value	(i)	33,772	31,127
Accumulated amortisation		(23,536)	(20,214)
		10,236	10,913
Work in progress		398	133
<b>Total leasehold improvements (non-current)</b>		<b>10,634</b>	<b>11,046</b>

- (i) The revaluation of leasehold improvements was performed on 1 July 2003 by an independent valuer from the Australian Valuation Office (Simon O'Leary AAPI MSAA). The valuations have been reviewed to ensure there is no material difference to fair value (Note 1.14 refers).

### Note 9B: Plant and equipment

<i>Plant and equipment</i>			
At fair value - owned assets	(i)	15,897	7,087
Accumulated depreciation		(5,829)	(1,817)
		10,068	5,270
At fair value - finance leased assets	(i)	4,295	4,296
Accumulated depreciation		(3,504)	(2,629)
		791	1,667
<b>Total plant and equipment (non-current)</b>		<b>10,859</b>	<b>6,937</b>

- (i) Plant and equipment was revalued to fair value for the first time at 1 July 2004 by an independent valuer from the Australian Valuation Office (Ty Noble AAPI). Resulting from this revaluation, a debit of \$4.079m was recorded against the accumulated deficit (Note 1.14 refers).

### Note 9C: Intangibles – Computer software

<i>Internally developed</i>			
In progress		785	3,892
In use		26,574	19,429
Accumulated amortisation		(15,127)	(10,405)
		12,232	12,916
<i>Purchased</i>			
In use		10,921	9,638
Accumulated amortisation		(7,213)	(5,675)
		3,708	3,963
<b>Total intangibles (non-current)</b>		<b>15,940</b>	<b>16,879</b>

**Note 9: Non-financial assets (continued)**

Note 9D: Analysis of leasehold improvements, plant and equipment and intangibles

**TABLE A - Reconciliation of the opening and closing balances of leasehold improvements, plant and equipment and intangibles**

Item	Note	Leasehold improvements \$'000	Plant and equipment \$'000	Intangibles - Computer software internally developed \$'000	Intangibles - Computer purchased \$'000	Total \$'000
<b>As at 1 July 2005</b>						
Gross book value		31,260	11,383	23,321	9,638	75,602
Accumulated depreciation/amortisation		(20,214)	(4,446)	(10,405)	(5,675)	(40,740)
<b>Opening net book value</b>		<b>11,046</b>	<b>6,937</b>	<b>12,916</b>	<b>3,963</b>	<b>34,862</b>
Additions:						
By purchase	(i)	3,342	9,102	-	1,296	13,740
Internally developed software		-	-	4,038	-	4,038
Depreciation/amortisation expense		(3,745)	(5,018)	(4,722)	(1,556)	(15,041)
Write offs: cost/valuation		(259)	(137)	-	(19)	(415)
Write offs: provision		256	72	-	19	347
Other movements: cost/valuation		-	(6)	-	6	-
Other movements: provision		-	1	-	(1)	-
Disposals:						
Disposals: cost/valuation		(173)	(150)	-	-	(323)
Disposals: provision		167	58	-	-	225
<b>As at 30 June 2006</b>						
Gross book value		34,170	20,192	27,359	10,921	92,642
Accumulated depreciation/amortisation		(23,536)	(9,333)	(15,127)	(7,213)	(55,209)
<b>Closing net book value</b>		<b>10,634</b>	<b>10,859</b>	<b>12,232</b>	<b>3,708</b>	<b>37,433</b>

(i) Total purchases of \$17,777,579 comprises cash purchases of \$16,007,430 plus accrued capital expenditure of \$1,770,149.

## Notes to and forming part of the financial statements for the year ended 30 June 2006

### Note 9: Non-financial assets (continued)

TABLE B - Assets held under finance lease, included in Table A above

Item	Plant and equipment \$'000	Total \$'000
As at 30 June 2006		
Gross value	4,295	4,295
Accumulated depreciation/amortisation	(3,504)	(3,504)
<b>Net book value</b>	<b>791</b>	<b>791</b>
As at 30 June 2005		
Gross value	4,296	4,296
Accumulated depreciation/amortisation	(2,629)	(2,629)
<b>Net book value</b>	<b>1,667</b>	<b>1,667</b>

TABLE C - Assets under construction, included in Table A above

Item	Leasehold improvements \$'000	Computer software internally developed \$'000	Total \$'000
As at 30 June 2006	398	785	1,183
As at 30 June 2005	133	3,892	4,025

	2006 \$'000	2005 \$'000
Note 9E: Other non-financial assets		
Prepayments	2,314	2,268
<b>Total other non financial assets (current)</b>	<b>2,314</b>	<b>2,268</b>

### Note 10: Payables

Note 10A: Suppliers	Notes		
Trade creditors	(i)	14,228	7,885
Goods and services tax payable		67	140
<b>Total supplier payables</b>		<b>14,295</b>	<b>8,025</b>

All supplier payables are current.

(i) As at 30 June 2006, the increase in trade creditors was due to a large number of projects under way or recently completed.

**Note 10: Payables (continued)**

Note 10B: Other payables	Notes	2006 \$'000	2005 \$'000
Unearned revenue - Government appropriations	(i)	11,670	6,688
Other unearned revenue		1,152	57
Interest payable		21	18
Property lease incentives	(ii)	1,497	2,286
<b>Total other payables</b>		<b>14,340</b>	<b>9,049</b>
Other payables are represented by:			
Current		13,276	7,565
Non-current		1,064	1,484
<b>Total other payables</b>		<b>14,340</b>	<b>9,049</b>

- (i) Unearned revenue - Government appropriations represent appropriations for specific government initiatives that have not been spent where the appropriation is conditional on any unspent balance being returned to Government.
- (ii) Total property lease incentives are disclosed as deferred rental expenditure at 30 June 2006. The amortisation of these amounts will be made over the life of the leases, commencing after the expiry of the rent deferral periods.

**Note 11: Interest bearing liabilities****LEASES**

Finance lease commitments		
Payable:		
Within one year		
Minimum lease payments	982	2,468
Deduct: future finance charges	(95)	(183)
	<b>887</b>	<b>2,285</b>
In one to five years		
Minimum lease payments	924	1,909
Deduct: future finance charges	(43)	(142)
	<b>881</b>	<b>1,767</b>
<b>Total finance leases</b>	<b>1,768</b>	<b>4,052</b>

Finance leases exist in relation to certain IT assets. The leases were initially for terms of up to 5 years.

## Notes to and forming part of the financial statements for the year ended 30 June 2006

### Note 12: Provisions

Note 12A: Employee provisions	Notes	2006 \$'000	2005 \$'000
Salaries and bonuses		4,489	3,476
Annual leave entitlement		10,266	10,051
Long service leave entitlement		18,417	17,363
Separation and redundancies		373	1,489
<b>Total employee provisions</b>		<b>33,545</b>	<b>32,379</b>
Employee provisions are represented by:			
Current		27,983	27,694
Non-current		5,562	4,685
<b>Total employee provisions</b>		<b>33,545</b>	<b>32,379</b>
<b>Note 12B: Other provisions</b>			
Provision for 'make good' of leasehold improvements		3,913	3,575
<b>Total other provisions</b>		<b>3,913</b>	<b>3,575</b>
Other provisions are represented by:			
Current		1,585	365
Non-current		2,328	3,210
<b>Total other provisions</b>		<b>3,913</b>	<b>3,575</b>

**Note 13: Cash flow reconciliation**

	Notes	2006 \$'000	2005 \$'000
<b>Reconciliation of cash per Balance Sheet to Statement of Cash Flows</b>			
Cash at year end per Statement of Cash Flows		35,573	14,907
Balance Sheet items comprising above cash:			
Financial asset - cash		35,573	14,907
<b>Reconciliation of operating surplus / (deficit) to net cash from operating activities:</b>			
Net operating surplus / (deficit)		6,714	(418)
Depreciation and amortisation	6C	15,041	14,012
Write down of property, plant and equipment assets	6E	68	155
Net (gain) / loss on disposal of property, plant and equipment	4E, 6D	79	(20)
Non-cash component of leasehold improvement additions		-	(230)
<i>Change in operating assets and liabilities resulting from operating activities:</i>			
Decrease in receivables		3,216	3,956
(Increase) in other non-financial assets		(46)	(298)
Increase / (decrease) in employees provisions		1,166	(1,961)
Increase / (decrease) in suppliers payables		6,270	(907)
Increase / (decrease) in other payables		3,858	(109)
<b>Net cash from operating activities</b>		<b>36,366</b>	<b>14,180</b>

## Notes to and forming part of the financial statements for the year ended 30 June 2006

### **Note 14: Contingent liabilities and assets**

#### **Unquantifiable contingent liabilities**

ASIC is party to many civil litigation matters arising out of its statutory duty to administer and enforce laws for which it is responsible. Also, like any corporate body, ASIC may from time to time be the subject of legal proceedings for damages brought against it, or may receive notice indicating that such proceedings may be brought.

In either case ASIC, like any other party to civil litigation, may be required to pay the other party's costs if ASIC is unsuccessful.

#### ***1. Civil litigation matters brought by ASIC to enforce the laws for which it is responsible***

As at the date of this report there are two matters of this type which may result in a material contingent liability by way of an award of costs against ASIC.

#### ***2. Civil litigation brought, or threatened to be brought, against ASIC as a defendant***

There are at the date of this report, five matters of this type where proceedings are current. In each of those matters, ASIC denies liability and is of the view that, save for having to pay legal fees and other out-of-pocket expenses, it is likely that ASIC will:

- (a) successfully defend the action instituted; and
- (b) not be required to pay any damages.

#### ***3. Future obligation arising from a court order***

- (a) The Supreme Court of Queensland has made an order requiring ASIC to pay for the professional fees and other costs that will be incurred in liquidating a particular company. At the date of this report no costs have been incurred by ASIC or the liquidator, and ASIC is unable to quantify this liability. ASIC is currently appealing this decision.
- (b) In a matter heard before the Federal Court of Australia, an order was made requiring ASIC to pay the receiver's costs. The court has given ASIC liberty to apply at a later time, if circumstances change, for an order to be indemnified out of the assets of the defendants for the costs of the receivers. ASIC is unable to quantify this liability.

#### **Unquantifiable contingent assets**

Conversely, ASIC, like any other party to civil litigation may be entitled to recover costs arising out of such litigation if it is successful.

### Note 15: Related party disclosures

The commissioners of ASIC during the financial year and to the date of this report were:

J. J. Lucy (Chairman)

J. R. Cooper (Deputy Chairman)

B. J. Collier (Commissioner to 4 February 2006)

M. J. Rodgers (Acting Commissioner from 6 February 2006) (Note 16A (i) refers)

The aggregate remuneration of commissioners is disclosed in Note 16A.

There were no loans made to commissioners or commissioner related entities during the reporting period.

There were no other transactions with commissioners or commissioner related entities during the reporting period.

### Note 16: Remuneration of commissioners and executive officers

#### Note 16A: Remuneration of commissioners

The number of commissioners included in these figures is shown below in the relevant remuneration bands.

			2006 Commissioners	2005 Commissioners
\$0	to	\$14,999	-	1
\$120,000	to	\$134,999	1	-
\$180,000	to	\$194,999	1	-
\$310,000	to	\$324,999	-	1
\$325,000	to	\$339,999	-	1
\$345,000	to	\$359,999	1	-
\$385,000	to	\$399,999	1	1
			<u>4</u>	<u>4</u>

	2006 \$	2005 \$
Total remuneration received or due and receivable by commissioners	<u>1,053,662</u>	<u>1,042,368</u>

- (i) Remuneration for M. J. Rodgers (2005: M. J. Rodgers) is included in total remuneration received or due and receivable for that part of the year he was Acting Commissioner.



## Notes to and forming part of the financial statements for the year ended 30 June 2006

Note 16B: Remuneration of executive officers	2006 Executives	2005 Executives
The number of executives who received or were due to receive total remuneration of \$130,000 or more in the relevant income bands is shown below:		
\$130,000 to \$144,999	1	-
\$145,000 to \$159,999	8	3
\$160,000 to \$174,999	6	7
\$175,000 to \$189,999	7	4
\$190,000 to \$204,999	4	5
\$205,000 to \$219,999	3	4
\$220,000 to \$234,999	4	2
\$235,000 to \$249,999	1	1
\$250,000 to \$264,999	1	1
\$265,000 to \$279,999	-	2
\$280,000 to \$294,999	-	2
\$295,000 to \$309,999	1	2
\$310,000 to \$324,999	2	-
\$325,000 to \$339,999	2	-
	<u>40</u>	<u>33</u>

	2006 \$	2005 \$
The aggregate amount of total remuneration of executives shown above:	<u>8,069,950</u>	<u>6,895,051</u>
The aggregate amount of separation and redundancy payments during the year to executives shown above:	<u>129,693</u>	<u>-</u>

The executive remuneration includes all executive officers concerned with or taking part in the management of ASIC during 2005-06 except for the commissioners and in respect of the period executive officers were occupying the position of Acting Commissioner. Details in relation to commissioners and acting commissioners are shown at Note 16A.

### Note 17: Remuneration of auditors

	2006 \$	2005 \$
Remuneration to the Auditor-General for auditing the financial statements of ASIC in respect of the reporting period.	<u>141,275</u>	<u>120,000</u>

No other services are provided by the Auditor-General. Refer to Note 23 for audit services received free of charge in respect of administered items.

## Note 18: Assets held in trust

Legal authority: *Safety Rehabilitation and Compensation Act 1998*

### Comcare Trust Account

Purpose - monies held in trust and advanced to ASIC by Comcare for the purpose of distributing compensation payments made in accordance with the *Safety Rehabilitation and Compensation Act 1998*.

	2006 \$'000	2005 \$'000
Opening balance	48	102
Receipts	324	310
Available for payments	372	412
Disbursements	(346)	(364)
<i>Closing balance</i>	26	48

## Note 19: Expenditure relating to statutory boards and tribunal

Pursuant to Parts 11 and 12 of the *Australian Securities and Investments Commission Act 2001*, ASIC is required to support statutory boards and a tribunal to promote activities that assist ASIC to attain its aims.

The following expenditure incurred on behalf of these boards and tribunal are included in the Income Statement of ASIC:

Companies Auditors and Liquidators Disciplinary Board (CALDB)	1,237	690
Australian Accounting Standards Board (AASB)	1,607	1,500
Superannuation Complaints Tribunal	4,231	3,984

The Superannuation Complaints Tribunal (SCT) is an independent body with distinct responsibilities as set out under the *Superannuation (Resolution of Complaints) Act 1993* and has operated under the budgetary umbrella of ASIC since 1 July 1998.

## Note 20: Assets of deregistered companies vesting in ASIC

Section 601AD of the *Corporations Act 2001* provides that, on deregistration of a company, all of the company's property vests in ASIC. ASIC adopts a passive approach to administering vested property and accounts for any proceeds on realisation of those assets in accordance with its statutory duties.

ASIC generally only deals with vested property once an application is made by a third party for ASIC to exercise its powers under section 601AE of the *Corporations Act 2001*. ASIC does not consider it practical to value any identified property vesting and consequently such property is not recorded or disclosed in these financial statements.

# Notes to and forming part of the financial statements

## for the year ended 30 June 2006

### Note 21: Average staffing levels

	2006	2005
The average staffing levels for ASIC during the year were	1,471	1,570

### Note 22: Financial instruments

Note 22A: Terms, conditions and accounting policies

Financial instrument	Notes	Accounting policies and methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
FINANCIAL ASSETS		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash at bank and on hand	8A	Deposits are recognised at their nominal amounts. Interest on cash at bank is credited to revenue as it accrues.	Interest is earned on the daily balance. At 30 June 2006 the current interest rate was 5.1% (2005: 4.9%).
Cash on deposit	8A	Deposits are recognised at their nominal amounts. Interest is accrued as it is earned. Cash which is not immediately required by ASIC is invested with an approved bank, as defined under section 5 of the CAC Act.	Surplus funds, mainly from monthly drawdowns of appropriation, are placed on deposit at call with ASIC's banker. Interest is earned on the daily balance. At 30 June 2006 the current interest rate was 5.8% (2005: 5.5%).
Receivables for services	8B	These receivables are recognised at the nominal amounts due less any allowance for bad and doubtful debts. Collectability of debts is reviewed at balance date. The allowance for doubtful debts is based on the actual assessment of each debtor's capacity to pay.	Credit terms are net 14 days (2005: 14 days).

**Note 22: Financial instruments (continued)****Note 22A: Terms, conditions and accounting policies (continued)**

Financial instrument	Notes	Accounting policies and methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
<b>FINANCIAL LIABILITIES</b>		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Finance lease liabilities	11	Liabilities are recognised at either the fair value of the lease property or if lower the present value of minimum lease payments at the beginning of the lease. The discount rates used are estimates of the interest rates implicit in the lease.	At reporting date, ASIC had finance leases with terms of up to 5 years, with an option to extend for a further term. The interest rate used to discount the minimum lease payments is ASIC's incremental borrowing rate of 5.0% (2005: 5.2%). The lease liabilities are secured by the lease assets.
Trade creditors	10A	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods and services have been received (and irrespective of having been invoiced).	Settlement is usually made net 30 days.
Lease incentives	10B	The lease incentive is recognised as a liability on receipt of the incentive. The amount of the liability is reduced on a straight-line basis over the life of the lease by allocating lease payments between rental expense and reduction of the liability.	

## Notes to and forming part of the financial statements for the year ended 30 June 2006

### Note 22: Financial instruments (continued)

Note 22B: Interest rate risk

Financial instrument		Fixed interest rate maturing in										Weighted average effective interest rate	
		Floating interest rate		1 year or less		1 to 5 years		Non-interest bearing		Total			
		2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%
Financial assets													
Cash at bank and on hand	8A	9,298	3,467	-	-	-	-	46	52	9,344	3,519	5.1	4.9
Cash on deposit	8A	26,229	11,388	-	-	-	-	-	-	26,229	11,388	5.8	5.5
Receivables for services	8B	-	-	-	-	-	-	2,991	6,207	2,991	6,207	n/a	n/a
Total		35,527	14,855	-	-	-	-	3,037	6,259	38,564	21,114		
Total Assets										78,311	58,244		
Financial liabilities													
Finance lease liabilities	11	-	-	887	2,285	881	1,767	-	-	1,768	4,052	5.0	5.2
Trade creditors	10A	-	-	-	-	-	-	14,295	8,025	14,295	8,025	n/a	n/a
Unearned revenue	10B	-	-	-	-	-	-	12,822	6,745	12,822	6,745	n/a	n/a
Other debt	10B	21	18	-	-	-	-	1,497	2,286	1,518	2,304	5.1	4.8
Total		21	18	887	2,285	881	1,767	28,614	17,056	30,403	21,126		
Total Liabilities										67,861	57,080		

**Note 22: Financial instruments (continued)****Note 22C: Fair values of financial assets and liabilities**

		2006		2005	
		Total carrying amount \$'000	Aggregate net fair value \$'000	Total carrying amount \$'000	Aggregate net fair value \$'000
	Notes				
<b>Financial assets</b>					
Cash at bank and on hand	8A	9,344	9,344	3,519	3,519
Deposits at call	8A	26,229	26,229	11,388	11,388
Receivables for services	8B	2,991	2,991	6,207	6,207
<b>Total financial assets</b>		<b>38,564</b>	<b>38,564</b>	<b>21,114</b>	<b>21,114</b>
<b>Financial liabilities</b>					
Finance lease liabilities	11	1,768	1,768	4,052	4,052
Trade creditors	10A	14,295	14,295	8,025	8,025
Unearned revenue	10B	12,822	12,822	6,745	6,745
Other debt	10B	1,518	1,518	2,304	2,304
<b>Total financial liabilities</b>		<b>30,403</b>	<b>30,403</b>	<b>21,126</b>	<b>21,126</b>

*Financial assets*

The net fair values of cash and deposits on call approximate their carrying amounts.

The net fair values of receivables for services approximate their carrying amounts.

*Financial liabilities*

The net fair values of finance leases are based on discounted cash flows using current interest rates for liabilities with similar risk profiles.

The net fair values of non-bank loans approximate their carrying amounts.

The net fair value of surplus space on non-cancellable leases has been recognised as a liability and stated at the net present value of future net outlays.

The net fair values for insurance recoveries, unearned revenue and trade creditors, all of which are short term in nature, approximate their carrying amounts.

**Note 22D: Credit risk exposures**

ASIC's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as disclosed in the Balance Sheet.

ASIC has no significant exposures to any concentrations of credit risk.

## Notes to and forming part of the financial statements for the year ended 30 June 2006

### Note 23: Income administered on behalf of Government

	Notes	2006 \$'000	2005 \$'000
<b>Gains from Government</b>			
Administered services received free of charge	(i)	29	27
(i) Financial statement audit services by the Auditor-General are provided free of charge to ASIC in relation to the audit of <i>Corporations Act 2001</i> , <i>Banking Act 1959</i> , <i>Life Insurance Act 1995</i> , and other administered items. The fair value of the audit services provided is \$28,600 (2005: \$27,000).			
<b>Interest</b>			
Bank interest from Life Insurance Act Unclaimed Monies account		18	13
Bank interest from Corporations Act refund account		11	-
Bank interest from Banking Act Unclaimed Monies account		38	36
<b>Total interest</b>		<b>67</b>	<b>49</b>
<b>Non-taxation revenues</b>			
Corporations Act fees and charges		542,686	530,995
Monies received from banks and deposit taking institutions in respect of accounts inactive for seven or more years		32,923	32,224
Monies received from life insurance institutions for policies not claimed within seven years		10,192	5,119
<b>Total non-taxation revenues</b>		<b>585,801</b>	<b>568,338</b>
<b>Total income administered on behalf of Government</b>		<b>585,897</b>	<b>568,414</b>

#### Corporations Act fees and charges

	2006 \$'000 Fines	2006 \$'000 Fees	2006 \$'000 Total	2005 \$'000 Fines	2005 \$'000 Fees	2005 \$'000 Total
Mandatory collections (i)	65,343	435,018	500,361	66,217	421,770	487,987
Information broker fees (ii)	-	40,413	40,413	-	41,623	41,623
Other fees (ii)	-	929	929	-	1,052	1,052
Court receivables (iii)	983	-	983	333	-	333
<b>Total Corporations Act fees and charges</b>	<b>66,326</b>	<b>476,360</b>	<b>542,686</b>	<b>66,550</b>	<b>464,445</b>	<b>530,995</b>

(i) Fees and charges arise from actions which are mandatory under the *Corporations Act 2001*. Examples include annual review fees and other fees prescribed in the Corporations (Fees) Regulations.

(ii) Fees and charges paid by information brokers (intermediaries between ASIC and the consumer) and other consumers for information provided by ASIC from its corporations information database.

(iii) Recovery of fines and penalties for non-compliance and breaches of the *Corporations Act 2001*.

**Note 24: Expenses administered on behalf of Government**

	Notes	2006 \$'000	2005 \$'000
Write down and impairment of assets			
Financial assets			
Write off of fees and charges	(i)	24,016	12,842
Increase/(decrease) in allowance for doubtful debts	(ii)	(4,157)	10,506
Waiver of fees and charges owing	(iii)	4,652	5,092
<b>Total write-down and impairment of assets</b>		<b>24,511</b>	<b>28,440</b>
Suppliers			
Suppliers	(iv)	73	-
Other expenses			
Refunds paid to bank and deposit taking institution account holders		20,492	17,790
Refunds paid to life insurance policy holders		2,729	2,755
Audit fees		29	27
<b>Total other expenses</b>		<b>23,250</b>	<b>20,572</b>
<b>Total Expenses Administered on Behalf of Government</b>		<b>47,834</b>	<b>49,012</b>

- (i) The number and aggregate amount of Commonwealth monies written off during the financial year pursuant to section 47 of the FMA Act 1997 is 113,975 items totalling \$24,015,587 (2005: 60,755 items totalling \$12,842,232). The increase is due to the full year effect of ASIC initiated deregistration actions in response to non-payment of annual review fees as part of CLERP 7 legislation.
- (ii) The allowance for doubtful debts has decreased by \$4,157,426 to \$25,481,574 (2005: increase of \$10,506,000 to \$29,639,000). The decrease is primarily due to a change in policy arising from the adoption of AASB 139. The financial impact of adopting this change in policy is \$4,215,000.
- (iii) The number and aggregate of amounts owing to the Commonwealth the recovery of which was waived during the financial year pursuant to section 34(1) of the FMA Act 1997 is 32,374 items totalling \$4,652,272 (2005: 35,646 items totalling \$5,092,404).
- (iv) On behalf of the Government ASIC administers payments to registered insolvency practitioners to undertake preliminary investigations of suspected breaches of directors' duties and fraudulent conduct and to report the outcome of their findings to ASIC for further action as appropriate. This forms a part of the Government's corporate insolvency law reform package to strengthen creditor protection and to deter misconduct by company officers.



## Notes to and forming part of the financial statements for the year ended 30 June 2006

### Note 25: Assets administered on behalf of Government

	2006 \$'000	2005 \$'000
<b>Cash</b>		
Cash at bank and on hand - Corporations Act	1,864	3,590
Cash at bank - Banking Act	405	365
Cash at bank - other	380	-
Cash at bank - Life Insurance Act	313	524
<b>Total cash</b>	<b>2,962</b>	<b>4,479</b>
Balance of cash as at 30 June shown in the Schedule of Administered Cash Flows	2,962	4,479
<b>Receivables</b>		
GST Receivable	7	-
<b>Corporations Act</b>		
Corporations Act fees and charges	92,954	93,145
Information brokers fees	5,776	5,444
Less: Allowance for doubtful debts	(25,482)	(29,639)
<b>Total receivables - Corporations Act (net)</b>	<b>73,248</b>	<b>68,950</b>
<b>Total receivables</b>	<b>73,255</b>	<b>68,950</b>
Current	51,790	50,204
Overdue by:		
Less than 30 days	13,468	14,116
30 to 60 days	6,415	6,702
61 to 90 days	2,637	2,780
More than 90 days	24,427	24,787
<b>Total receivables (gross)</b>	<b>98,737</b>	<b>98,589</b>
The allowance for doubtful debts is aged as follows:		
Current	622	2,830
Overdue by:		
Less than 30 days	692	868
30 to 60 days	759	990
61 to 90 days	660	867
More than 90 days	22,749	24,084
<b>Total allowance for doubtful debts</b>	<b>25,482</b>	<b>29,639</b>

**Note 26: Liabilities administered on behalf of Government**

	Notes	2006 \$'000	2005 \$'000
<b>Payables</b>			
Corporations Act refunds		2,651	3,007
Unallocated monies - Corporations Act		1,573	1,645
<b>Total payables</b>		<b>4,224</b>	<b>4,652</b>

**Note 27: Administered reconciliation table**

<b>Opening administered assets less administered liabilities as at 1 July</b>		<b>68,777</b>	<b>60,860</b>
Plus Administered revenues		585,897	568,414
Less Administered expenses		(47,834)	(49,012)
Appropriation provided by Government from CRF		27,205	23,769
Transfers to CRF		(562,052)	(535,254)
<b>Closing administered assets less administered liabilities as at 30 June</b>		<b>71,993</b>	<b>68,777</b>

**Note 28: Administered cash flow reconciliation**

<b>Reconciliation of net contribution to budget outcome to net cash provided by operating activities</b>			
Net contribution to budget outcome	37C	538,063	519,402
Increase/(decrease) in allowance for doubtful debts		(4,157)	10,506
(Decrease) in payables and provisions		(428)	(1,057)
(Increase) in receivables		(148)	(16,679)
		<b>(4,733)</b>	<b>(7,230)</b>
<b>Net cash provided by operating activities</b>		<b>533,330</b>	<b>512,172</b>

## Notes to and forming part of the financial statements for the year ended 30 June 2006

### Note 29: Remuneration of auditors - administered items

	2006 \$	2005 \$
Financial statement audit services by the Auditor-General are provided free of charge to ASIC in relation to the audit of Corporations Act, Banking Act, Life Insurance Act, and other administered items, which is the estimated fair value of the service	28,600	27,000

### Note 30: Assets held in trust - companies unclaimed monies

Monies received under the *Corporations Act 2001* are placed in a special purpose bank account and are expended in accordance with that act. The principal amount of these monies is not available to ASIC and accordingly is not recognised in the financial statements.

	2006 \$'000	2005 \$'000
<b>Companies Unclaimed Monies Account</b> <b>(Part 9.7 - <i>Corporations Act 2001</i>)</b> <b>(represented by deposits at bank)</b>		
Opening balance	68,496	53,216
Receipts	133,050	21,911
Special appropriations received (section 28(2) FMA Act)	227	406
Interest received	5,633	3,041
Disbursements	(6,824)	(6,417)
Special purpose disbursement	(690)	-
Management costs recovered by ASIC	(400)	(411)
Less transfer to Consolidated revenue	(2,911)	(3,250)
<b>Closing balance</b>	<b>196,581</b>	<b>68,496</b>

### Note 31: Assets held in trust - unclaimed monies holding account

ASIC has established a special purpose bank account in terms of section 601AD and Part 9.7 of the *Corporations Act 2001*. Monies received are expended in accordance with the *Corporations Act 2001*. These monies are not available to ASIC and are not recognised in the financial statements.

<b>Unclaimed monies holding account</b>		
Opening balance	55	13
Receipts	87	753
Interest received	3	3
Disbursements	(106)	(714)
<b>Closing balance</b>	<b>39</b>	<b>55</b>

**Note 32: Fiduciary monies (other than trust monies)**

	2006 \$'000	2005 \$'000
<b>Monies held pending the outcome of ASIC investigations and/or legal proceedings</b>		
Opening balance	116	3,820
Receipts	78	-
Interest received	8	33
Disbursements	(75)	(3,737)
<b>Closing balance</b>	<b>127</b>	<b>116</b>
<b>Monies received and disbursed in accordance with orders made by the courts or deeds of settlement between ASIC and other parties</b>		
Opening balance	787	870
Receipts	1	-
Interest received	31	40
Disbursements	(346)	(123)
<b>Closing balance</b>	<b>473</b>	<b>787</b>

**Note 33: Fiduciary monies (other than trust monies) security deposits**

The *Corporations Act 2001* and the Corporations Regulations 2001 requires applicants for a dealers or investment advisers licence, and applicants for registration as a liquidator, to lodge a security deposit with ASIC. These monies, deposits, stock, bonds or guarantees are not available to ASIC and are not recognised in the financial statements.

**Security deposits under Corporations Regulations 2001 regulation 7.6.02AA (dealers and investment advisers)**

Cash (at bank)	43	40
Interest bearing deposits (at bank)	420	480
Inscribed stock	20	20
Insurance bonds	20	20
Bank guarantees	35,820	36,150
<b>Closing balance</b>	<b>36,323</b>	<b>36,710</b>

**Security deposits under Corporations Act 2001 section 1284(1) (liquidators)**

Insurance bonds	4,100	5,200
Bank guarantees	750	1,000
<b>Closing balance</b>	<b>4,850</b>	<b>6,200</b>

**Note 34: Special accounts**

Two special accounts were established on 31 December 1997 by the Department of Finance and Administration in accordance with the terms of section 20 of the FMA Act ("Other Trust Monies Account" and "Services for Other Governments and Non-Agency Bodies Account"). There were no transactions in these two accounts during the year, and the balance in each account is nil (2005: nil).

## Notes to and forming part of the financial statements for the year ended 30 June 2006

### Note 35: Administered financial instruments

#### Note 35A: Terms, conditions and accounting policies

Financial instrument	Notes	Accounting policies and methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
<b>FINANCIAL ASSETS</b>		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash at bank and on hand	25	Deposits are recognised at their nominal amounts. Interest on cash at bank is credited to revenue as it accrues.	Monies awaiting payment to the CRF are held at call with ASIC's banker.
Receivables - Corporations Act fees outstanding	25	These receivables are recognised at the nominal amounts due less any allowance for bad and doubtful debts. Allowances are made when collection of the debt is considered to be impaired.	Credit terms: payable within 60 days of annual review.
<b>FINANCIAL LIABILITIES</b>		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Payables - Corporations Act refunds	26	These amounts are payable to companies that have either been paid in excess of what has been assessed or as a result of waiving a late fee. Refunds are recognised at their nominal amounts, being the amounts at which the liabilities will be settled.	Refunds awaiting payment to companies are held at call with ASIC's banker.
Payables - unallocated monies - Corporations Act	26	Unallocated monies including overpaid accounts are recognised at their nominal amounts, being the amounts at which the liabilities will be settled.	Monies unallocated awaiting refund are held at call with ASIC's banker.

**Note 35: Administered financial instruments (continued)**

Note 35B: Administered interest rate risk

Financial instrument		Fixed interest rate maturing in										Weighted average effective interest rate	
		Floating interest rate		1 year or less		1 to 5 years		Non-interest bearing		Total			
		2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
		Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Financial assets													
Cash at bank and on hand	25	2,962	889	-	-	-	-	-	3,590	2,962	4,479	5.1	4.8
Fee receivable (net)	25	-	-	-	-	-	-	73,255	68,950	73,255	68,950	n/a	n/a
<b>Total</b>		<b>2,962</b>	<b>889</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,255</b>	<b>72,540</b>	<b>76,217</b>	<b>73,429</b>		
<b>Total Assets</b>										<b>76,217</b>	<b>73,429</b>		
Financial liabilities													
Payables -													
Corporations Act refunds	26	-	-	-	-	-	-	2,651	3,007	2,651	3,007	n/a	n/a
Other monies	26	-	-	-	-	-	-	1,573	1,645	1,573	1,645	n/a	n/a
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,224</b>	<b>4,652</b>	<b>4,224</b>	<b>4,652</b>		
<b>Total Liabilities</b>										<b>4,224</b>	<b>4,652</b>		

## Notes to and forming part of the financial statements for the year ended 30 June 2006

### Note 35: Administered financial instruments (continued)

Note 35C: Fair values of administered financial assets and liabilities

	2006		2005	
	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 and on hand	2,962	2,962	4,479	4,479
Receivables	73,255	73,255	68,950	68,950
<b>Total financial assets</b>	<b>76,217</b>	<b>76,217</b>	<b>73,429</b>	<b>73,429</b>
<b>Financial liabilities</b>				
Refunds	2,651	2,651	3,007	3,007
Other monies	1,573	1,573	1,645	1,645
<b>Total financial liabilities</b>	<b>4,224</b>	<b>4,224</b>	<b>4,652</b>	<b>4,652</b>

#### Financial assets

The net fair value of cash and deposits on call approximate their carrying amounts.

Receivables are carried at assessed value, which is equal to their net fair value.

#### Financial liabilities

Refunds are carried at their nominal value.

#### Administered credit risk exposures

The maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as disclosed in Note 25 Administered financial assets.

There are no significant exposures to credit risk in regard to the Administered Items.

### Note 36: Events occurring after balance date

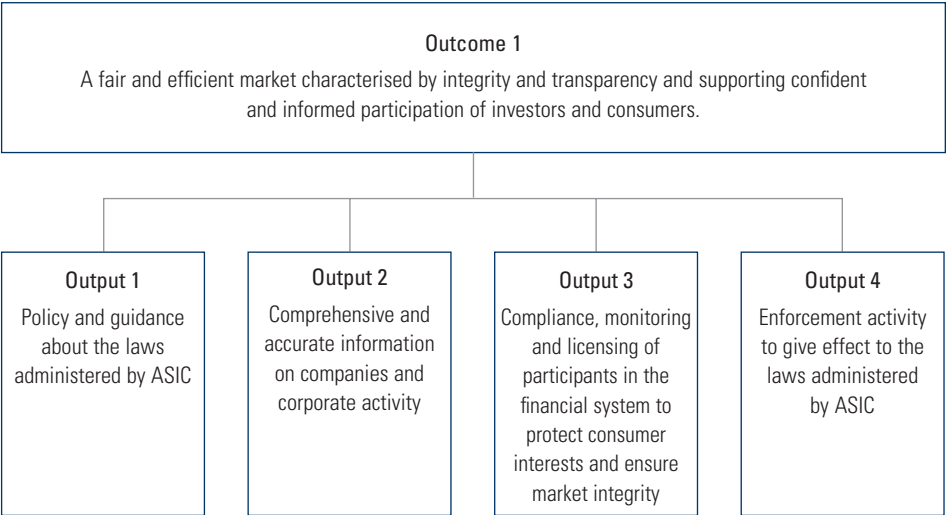
There were no events occurring after balance date that had a material effect on the financial statements.

**Note 37: Reporting of outcomes**

The outcomes and outputs framework for budgeting and reporting was introduced by Government for all Commonwealth Departments and Agencies in 1999-2000.

ASIC receives funding from Government within the context of this framework to regulate the market in order to achieve “a fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers” (Outcome 1).

ASIC’s operations and activities that give effect to its role as a regulator are categorised into four outputs. The relationship between Outcome 1 and the corresponding four outputs is shown in the diagram below.





# Notes to and forming part of the financial statements

## for the year ended 30 June 2006

### Note 37: Reporting of outcomes (continued)

#### Note 37A: Net contribution of outcome delivery

**Outcome 1.** A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers.

	<b>Outcome 1</b>		<b>Total</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Expenses</b>				
Administered	47,834	49,012	47,834	49,012
Departmental	217,967	208,473	217,967	208,473
<b>Total expenses</b>	<b>265,801</b>	<b>257,485</b>	<b>265,801</b>	<b>257,485</b>
<i>Costs recovered from provision of goods and services to the non-government sector</i>				
Departmental	2,473	1,796	2,473	1,796
<b>Total costs recovered</b>	<b>2,473</b>	<b>1,796</b>	<b>2,473</b>	<b>1,796</b>
<i>Other external revenues</i>				
Administered				
Non-taxation revenue	585,897	568,414	585,897	568,414
<b>Total administered</b>	<b>585,897</b>	<b>568,414</b>	<b>585,897</b>	<b>568,414</b>
Departmental				
Interest	3,574	2,622	3,574	2,622
Revenue from disposal of assets	-	20	-	20
Other	3,796	3,058	3,796	3,058
<b>Total departmental</b>	<b>7,370</b>	<b>5,700</b>	<b>7,370</b>	<b>5,700</b>
<b>Total other external revenues</b>	<b>593,267</b>	<b>574,114</b>	<b>593,267</b>	<b>574,114</b>
<b>Net contribution of outcome</b>	<b>(329,939)</b>	<b>(318,425)</b>	<b>(329,939)</b>	<b>(318,425)</b>

The above table shows the net contribution to the Commonwealth Budget outcome by adding the departmental and administered expenses, less departmental and administered revenues and costs recovered to produce a net contribution to the Budget outcome of \$329.939m (2005: \$318.425m). This derived amount is meaningful only when it is used to consider ASIC's contribution to the Budget outcome for the purposes of "whole of Government" reporting. It is not intended to represent or portray an alternative operating result for ASIC to that which is disclosed in the Income Statement.

Administered expenses represent revenue foregone to the Commonwealth as a result of refunds and waivers and write offs of fees and charges owing to the Commonwealth (not ASIC) under the Corporations Act. Administered revenues and administered expenses are detailed in Notes 23 and 24 respectively.

**Note 37: Reporting of outcomes (continued)**

Note 37B: Major departmental revenues and expenses by output (output group)

	Output 1		Output 2		Output 3		Output 4		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
<b>Outcome 1</b>										
Departmental expenses										
Employees	7,893	7,182	26,509	25,869	34,886	31,113	58,022	59,694	127,310	123,858
Suppliers	5,232	5,014	17,492	17,334	13,819	12,130	38,622	35,344	75,165	69,822
Depreciation and amortisation	567	596	6,262	3,982	3,283	4,142	4,929	5,292	15,041	14,012
Net losses from disposal of assets	3	-	13	-	14	-	49	-	79	-
Write down of assets	1	6	5	17	6	24	13	185	25	232
Finance costs	20	33	52	88	81	137	194	291	347	549
<b>Total departmental expenses</b>	<b>13,716</b>	<b>12,831</b>	<b>50,333</b>	<b>47,290</b>	<b>52,089</b>	<b>47,546</b>	<b>101,829</b>	<b>100,806</b>	<b>217,967</b>	<b>208,473</b>
Funded by:										
Revenues from government	13,294	12,567	45,396	43,736	54,781	46,262	100,408	96,635	213,879	199,200
Sale of services	-	59	2,830	2,308	602	442	-	346	3,432	3,155
Interest	215	157	572	422	893	655	1,894	1,388	3,574	2,622
Other	171	22	1,401	714	713	91	1,511	2,231	3,796	3,058
Gain from disposal of assets	-	-	-	15	-	1	-	4	-	20
<b>Total departmental revenues</b>	<b>13,680</b>	<b>12,805</b>	<b>50,199</b>	<b>47,195</b>	<b>56,989</b>	<b>47,451</b>	<b>103,813</b>	<b>100,604</b>	<b>224,681</b>	<b>208,055</b>

In 2005-06 ASIC changed its methodology to attribute revenues and expenses to outputs. Cost centres that capture direct expenses and revenues have been linked to individual outputs, with overheads being allocated in accordance with a predetermined formula.

The 2004-05 comparatives have been restated to show the costs and revenues on a consistent basis. In addition, these comparative revenues and expenses have also been adjusted to reflect changes on adoption of AEIFRS.

In 2005-06 revenue is greater than expenses for outputs 3 and 4 due to funding received for certain specific purpose initiatives relating to these outputs being underspent by \$7.292m.

The net costs shown include intra government costs that would be eliminated in calculating the actual Budget outcome.

## Notes to and forming part of the financial statements for the year ended 30 June 2006

### Note 37: Reporting of outcomes (continued)

#### Note 37C: Major classes of administered revenues and expenses by outcomes

ASIC collects administered revenue on behalf of the Commonwealth under the Corporations Act, Banking Act and the Life Insurance Act.

		Outcome 1		Total	
	Notes	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
<b>Administered revenues</b>					
Other taxes, fees and fines		542,686	530,995	542,686	530,995
Monies from banks and deposit taking institutions		32,923	32,224	32,923	32,224
Monies from life insurance institutions		10,192	5,119	10,192	5,119
Interest		67	49	67	49
Services free of charge		29	27	29	27
<b>Total administered revenues</b>		<b>585,897</b>	<b>568,414</b>	<b>585,897</b>	<b>568,414</b>
<b>Administered expenses</b>					
Write-down and impairment of assets		24,511	28,440	24,511	28,440
Other expenses		23,250	20,572	23,250	20,572
Suppliers		73	-	73	-
<b>Total administered expenses</b>		<b>47,834</b>	<b>49,012</b>	<b>47,834</b>	<b>49,012</b>
<b>Net contribution to budget outcome</b>	28	<b>538,063</b>	<b>519,402</b>	<b>538,063</b>	<b>519,402</b>

# Index

## A

Aboriginal communities, 22, 23  
 accounting policies (ASIC), 68–76  
 achievements recognised, *back cover*  
 activities, 1  
 addresses (ASIC), *inside back cover*  
 administered items  
   assets, 100  
   cash flow reconciliation, 101  
   expenses, 99  
   financial instruments, 104–106  
   income, 98  
   liabilities, 101  
   reconciliation table, 101  
   remuneration of auditors, 102  
   schedule, 63–66  
 AMP financial planners, 5, 26  
 annual reporting, 43,  
   *inside front cover, back cover*  
 appropriations (ASIC), 79–81  
 ASIC Act disclosure, 50  
 assets (ASIC)  
   administered, 100  
   held in trust (ASIC), 93  
   companies unclaimed monies, 102  
 Audit Committee and services  
   (ASIC), 45, 47  
   independent audit report, 54–55  
   remuneration of auditors, 92, 102  
 audit review (ASIC), 6  
 auditors  
   compliance, 28  
   regulation, 11, 20, 28, 31  
 Australian National Audit Office  
   (ANAO), 6, 54–55  
 Australian Prudential Regulation  
   Authority (APRA), 6, 8, 38

## B

balance sheet, 58  
 banning orders, 11, 19, 20, 21  
 Better Regulation project, 3, 4, 6, 8,  
 11, 31, 32  
 Business Consultative Panel, 6, 9, 46  
 business data (ASIC)  
   six year summary, 51

## C

cash flows (ASIC)  
   administered items, 101

  reconciliation, 89  
   statement, 59  
 Chairman's report, 4–7  
 Chief Financial Officer's statement, 56  
 Citigroup, 5, 18  
 civil cases, 5, 21  
 Commissioners  
   appointment, 42  
   membership, 7, 16, 40, 40–41  
   remuneration, 42, 91  
   role, 42  
   statement, 56  
 commitments, 61  
 community and regional involvement, 46  
 company information  
   data quality, 32  
 company officers  
   banned, 21  
   dishonesty, 21  
 compensation, 21  
 complaints to ASIC, 23  
   about staff, 44  
 compliance  
   operational summary, 17  
   promoting, 26–29  
 confidentiality, 44  
 conflicts of interest  
   advisers & clients, 3, 5, 27  
   managing, 30  
 consultants & contractors, 34  
 Consumer Advisory Panel, 24, 46  
 consumer education, 23  
 consumer protection, 22–24  
   operational summary, 17  
 contingencies (ASIC), 62  
 contingent liabilities and assets  
   (ASIC), 90  
 continuous disclosure, 19  
 corporate services, 36–37  
 crime  
   ASIC action, 5, 21  
   jail sentences, 5  
   reports of, 23

## D

debt collection, 22  
 deregistered companies  
   assets vesting in ASIC, 93  
 Director of Public Prosecutions (DPP), 5

directors  
   banning orders, 11, 19, 21  
   delinquent, 5  
   duties, 19  
 disability strategy, 49  
 disclosure, corporate  
   offer documents, 28

## E

economic dependency, 77  
 effectiveness measures, 6, 13, 17  
 Electoral Act disclosure, 50  
 enforcement, 18–21  
   high profile matters, 5, 11, 18  
   operational summary, 17  
   proceedings, 2, 4–5, 18  
 environmental management, 37  
 equal opportunity, 33–34  
 equity (ASIC), 60, 76–77  
 ethics (ASIC), 44  
 events occurring after  
   balance date (ASIC), 106  
 Executive Directors, 16, 41  
 executive officers' remuneration, 92  
 expenses  
   administered, 99  
   operating expenses, 81–82

## F

fees and charges, 14  
 fiduciary monies (ASIC), 103  
 finance (ASIC), 1, 17, 36–37  
   costs, 83  
   management & reporting, 36–37  
   operational summary, 17  
 finance sector assessment, 25  
 finance sector levy, 50  
 financial advisers  
   conduct & disclosure, 11, 18, 27  
   conflicts of interest, 3, 5, 27  
   shadow shopping survey, 4  
   superannuation choice, 26–27  
 financial assets (ASIC), 83  
 financial instruments (ASIC), 94–97  
   administered, 104–106  
 financial markets  
   enforcement, 19–20  
   regulation, 31  
 financial regulation, 38–39  
 financial services

compliance, 27  
 consumer protection, 22  
 enforcement, 20  
 licensing, 6, 31  
 reform, 6, 30  
 regulation, 30  
 financial statements (ASIC), 52–110  
   notes to, 68–110  
 financial summary, 14, 51  
 fraud, 4, 21  
 fraud control (ASIC), 44  
 freedom of information, 48–49  
 funding (ASIC), 3, 33, 35, 36  
   special purpose, 5, 6

## G

'general advice only' warnings, 30  
 governance, 1, 42–43  
 guide to ASIC (publication), 6, 8

## H

high-yield investments, 29  
 highlights, 3  
 HIH investigation, 5, 11, 18

## I

income  
   administered, 98  
   statement, 57  
 Indonesian, 6  
 industrial and workplace relations, 34  
 information technology (IT), 6, 35  
 insider trading, 19  
 insolvent trading, 5, 11, 19, 28  
 insurance  
   under-insurance, 22  
 insurance and indemnities (ASIC), 45  
 international cooperation, 6, 25  
 interest bearing liabilities (ASIC), 87  
 international financial  
   reporting standards, 11, 28, 31  
 investment fraud, 21  
 investment schemes, illegal, 5, 20

## J

James Hardie investigation, 5, 18

## K

knowledge management, 37

## L

legislation, 38  
 liabilities administered on behalf  
   of Government, 101  
 licensees  
   compliance, 27

liquidators  
   assistance to, 5  
   discipline, 20  
   reports from, 23

## M

management, 42  
 Ministers responsible, 43  
 misconduct, reports of, 23

## N

NAB currency traders, 5, 11, 18  
 National Exchange Pty Ltd, 20  
 non-cash payment facilities, 30  
 non-financial assets (ASIC), 84–86

## O

Offset Alpine investigation, 5, 18  
 One.Tel investigation, 5, 18  
 online searches, 32  
 operations and staffing, 32–35  
 summary, 17  
 organisation, 16  
 outcomes and outputs, 13, 14, 107–110  
 outlook, 7

## P

Parliament, reporting to, 43  
 payables (ASIC), 86–87  
 performance data  
   six year summary, 51  
 Primelife Corporation Ltd, 20  
 priorities, 1, 4, 7, 11  
 privacy, 44  
 Project Wickenby, 5, 18  
 property review, 36  
 prospectuses, 11, 28, 30  
 provisions (ASIC), 88  
 public information  
   online use, 32  
 publications, 48

## R

Regional Commissioners, 16, 41, 46  
 regional involvement, 46  
 regulation, 30–31  
   ASIC in regulatory picture, 38–39  
   better *see* Better Regulation project  
   leading debate, 9  
   operational summary, 17  
 regulatory risks, 6  
 related party disclosures (ASIC), 91  
 relief applications, 31  
 remuneration (ASIC)  
   auditors, 92  
   Commissioners and executive

officers, 42, 91–92  
 reported crime & misconduct, 23  
 results, 11  
 revenues, operating, 78–79  
 reverse mortgages, 22  
 risk management, 44, *back cover*

## S

schools competition, 46  
 security, 44  
 senior management, 16, 41  
 service charter, 6, 8  
 six year summary, 51  
 special accounts (ASIC), 103  
 staff, 15, 15, 32  
   average levels, 94  
   basis of employment, 34–35  
   complaints about, 44  
   development, 15, 33  
   equal opportunity and merit, 33–34  
   ethics, 44  
   industrial and workplace relations, 34  
   location, 35  
   performance management, 15  
   statistics, 1, 15, 33–35  
   workforce planning, recruitment  
   & selection, 15  
   workplace safety, 15, 33  
   workplace satisfaction, 15  
 stakeholders, information for, 46  
 statements of advice, 11, 30  
 States & Territories, relationship with, 43  
 statutory boards and tribunals  
   expenditure, 93  
 Summer School, 9  
 superannuation  
   choice of fund, 3, 4, 11, 19, 22,  
   26–27, 30, 32  
   fraud, 21

## T

targets, 6, 13, 17  
 telephone enquiries, 32  
 Tweed, David, 20

## U

unclaimed money, 37, 102

## V

values, 1  
 vision, 1

## W

Westpoint group, 5, 11, 12–13, 18  
   online questionnaire, 23  
   telephone assistance, 32  
 Wickenby, Project, 5, 18

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### Visit us

**Melbourne**, level 13, CGU Tower, 485 La Trobe Street, Melbourne (In November 2006, we expect to move to 120 Collins Street, Melbourne)

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