

CHAPTER 06

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Treasurer

Opinion

In my opinion, the financial statements of the Australian Securities and Investments Commission (the Entity) for the year ended 30 June 2024:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2024 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2024 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chair is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chair is also responsible for such internal control as the Chair determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chair is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chair is also responsible for disclosing, as applicable, matters related to

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going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Mark Vial

Executive Director

Delegate of the Auditor-General

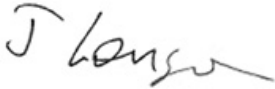
Canberra

15 August 2024

Statement by the Accountable Authority and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2024 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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



J.P. Longo

Chair

15 August 2024



P.J. Dunlop

Chief Financial Officer

15 August 2024

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	2024 \$'000	2023 \$'000	ORIGINAL BUDGET \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	293,454	313,333	296,521
Suppliers	1.1B	161,541	144,837	137,823
Depreciation and amortisation	3.2	40,875	77,323	62,839
Finance costs	1.1C	1,535	1,703	1,472
Impairment loss on financial instruments		2,799	486	-
Write-down and impairment of other assets	3.2	13,784	4,728	-
Total expenses		513,988	542,410	498,655
OWN-SOURCE INCOME				
Own-source revenue				
Court cost recoveries		20,935	8,097	3,230
Sale of goods and rendering of services		1,956	2,343	2,330
Revenue from other Australian Government entities	1.2A	4,874	18,321	17,800
Other revenue	1.2B	3,641	3,605	519
Total own-source revenue		31,406	32,366	23,879
Gains				
Reversal of write-downs and impairment		-	70	-
Total gains		-	70	-
Net (cost) of services		(482,582)	(509,974)	(474,776)
Revenue from Government		513,558	426,323	433,678
Surplus/(Deficit)		30,976	(83,651)	(41,098)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassifications to net cost of services				
Movement in makegood provision	3.5	128	(383)	-
Total comprehensive income/(loss)		31,104	(84,034)	(41,098)

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

Statement of Financial Position

AS AT 30 JUNE 2024

	NOTES	2024 \$'000	2023 \$'000	ORIGINAL BUDGET \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	3.1A	90,470	80,866	72,743
Trade and other receivables	3.1B	151,529	130,047	134,220
Total financial assets		241,999	210,913	206,963
Non-financial assets				
Buildings	3.2	151,323	169,242	138,984
Plant and equipment	3.2	18,582	15,957	13,389
Computer software	3.2	9,786	29,896	130,643
Prepayments		23,090	17,369	14,332
Total non-financial assets		202,781	232,464	297,348
Total assets		444,780	443,377	504,311
LIABILITIES				
Payables				
Suppliers	3.3A	36,261	20,768	28,851
Other payables	3.3B	19,729	46,381	35,345
Total payables		55,990	67,149	64,196
Interest bearing liabilities				
Leases	3.4	151,444	168,823	142,366
Total interest bearing liabilities		151,444	168,823	142,366
Provisions				
Employee provisions	6.1	73,267	73,816	77,490
Other provisions	3.5	10,971	10,654	5,176
Total provisions		84,238	84,470	82,666
Total liabilities		291,672	320,442	289,228
Net assets		153,108	122,935	215,083
EQUITY				
Contributed equity		551,038	551,969	575,942
Reserves		25,925	25,797	26,180
Accumulated deficit		(423,855)	(454,831)	(387,039)
Total equity		153,108	122,935	215,083

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

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	2024 \$'000	2023 \$'000	ORIGINAL BUDGET \$'000
CONTRIBUTED EQUITY				
Opening balance		551,969	525,368	552,250
Transactions with owners				
Distributions to owners				
Returns of capital				
Return of equity	5.1B	(2,881)	(281)	-
Contributions by owners				
Equity injections - appropriations		-	5,824	3,866
Departmental capital budget		365	21,058	19,826
Restructuring	8.2	1,585	-	-
Total transactions with owners		(931)	26,601	23,692
Closing balance as at 30 June		551,038	551,969	575,942
RETAINED EARNINGS				
Opening balance		(454,831)	(371,180)	(345,941)
Comprehensive income				
Surplus/(Deficit) for the period		30,976	(83,651)	(41,098)
Total comprehensive income/(loss)		30,976	(83,651)	(41,098)
Closing balance as at 30 June		(423,855)	(454,831)	(387,039)
ASSET REVALUATION RESERVE				
Opening balance		25,797	26,180	26,180
Comprehensive income				
Other comprehensive income		128	(383)	-
Total comprehensive income		128	(383)	-
Closing balance as at 30 June		25,925	25,797	26,180

	NOTES	2024 \$'000	2023 \$'000	ORIGINAL BUDGET \$'000
TOTAL EQUITY				
Opening balance		122,935	180,368	232,489
Comprehensive income				
Surplus/(Deficit) for the period		30,976	(83,651)	(41,098)
Other comprehensive income		128	(383)	-
Total comprehensive income/(loss)		31,104	(84,034)	(41,098)
Transactions with owners				
Distributions to owners				
Returns of capital				
Return of equity	5.1B	(2,881)	(281)	-
Contributions by owners				
Equity injections - appropriations		-	5,824	3,866
Departmental capital budget		365	21,058	19,826
Restructuring	8.2	1,585	-	-
Total transactions with owners		(931)	26,601	23,692
Closing balance as at 30 June		153,108	122,935	215,083

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

Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	2024 \$'000	2023 \$'000	ORIGINAL BUDGET \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		488,403	487,437	433,985
Operating cash received		1,956	2,343	3,140
Net GST received		14,513	17,621	14,743
Cost recoveries		20,935	8,097	21,195
Other		3,093	26,423	-
Total cash received		528,900	541,921	473,063
Cash used				
Employees		318,060	306,654	296,511
Suppliers		167,669	165,053	152,549
Interest payments on lease liabilities		1,423	1,621	1,452
Section 74 receipts transferred to the Official Public Account (OPA)		8,779	30,135	-
Total cash used		495,931	503,463	450,512
Net cash from operating activities		32,969	38,458	22,551
INVESTING ACTIVITIES				
Cash used				
Purchase of leasehold improvements, plant and equipment and intangibles		12,448	11,767	24,502
Net cash used by investing activities		(12,448)	(11,767)	(24,502)
FINANCING ACTIVITIES				
Cash received				
Appropriations - contributed equity		11,098	2,336	23,692
Total cash received		11,098	2,336	23,692
Cash used				
Principal payments of lease liabilities		22,015	20,904	21,741
Total cash used		22,015	20,904	21,741
Net cash used by financing activities		(10,917)	(18,568)	1,951
Net increase/(decrease) in cash held		9,604	8,123	-
Cash and cash equivalents at the beginning of the reporting period		80,866	72,743	72,743
Cash and cash equivalents at the end of the reporting period	3.1A	90,470	80,866	72,743

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

Departmental Budget Variance Commentary

FOR THE YEAR ENDED 30 JUNE 2024

The following tables compare the budget as presented in the 2023–24 Portfolio Budget Statements with the 2023–24 final outcome, in accordance with Australian Accounting Standards. The budget is not audited. Explanations are provided for variances of +/- 10% and +/- \$10 million for all items, representing approximately 2% of the value of expenses.

EXPLANATIONS OF MAJOR VARIANCES	VARIANCE TO BUDGET		
	\$'000	%	AFFECTED LINE ITEMS
Expenses			
The increase in Suppliers is mainly due to the timing of expenditure for new measures and variations approved in the 2023–24 MidYear Economic and Fiscal Outlook (MYEFO). This includes the new measure for the RegistryConnect Program and the reclassification of capital appropriation to operating appropriation to fund technology projects that support ASIC's move to cloud-based software as a service, and the associated change in the accounting treatment.	23,718	17%	Statement of Comprehensive Income, Suppliers
The decrease in Depreciation and amortisation is mainly due to a reduction in software depreciation following a review of assets in 2022–23 which resulted in a significant shift in expenditure to subscription-based services. This was not included in the 2023–24 Budget due to the timing of the Budget and completion of the asset review.	(21,964)	(35%)	Statement of Comprehensive Income, Depreciation and amortisation
The increase in Write-down and impairment of other assets is mainly due to impairment of the Modernising Business Registers (MBR) program. This was due to the Government's decision to cease the program by 31 October 2023.	13,784	100%	Statement of Comprehensive Income, Write-down and impairment of other assets

EXPLANATIONS OF MAJOR VARIANCES	VARIANCE TO BUDGET		AFFECTED LINE ITEMS
	\$'000	%	
Own-source revenue			
The increase in Court cost recoveries is due to higher-than-budgeted court cost recoveries for the Enforcement Special Account (ESA) and ASIC's core enforcement activities. These recoveries are unpredictable and vary from year to year depending on the outcome of litigation and investigations.	17,705	548%	Statement of Comprehensive Income, Court cost recoveries
The decrease in Revenue from other Australian Government entities is mainly due to the reduction in revenue received from the Australian Taxation Office (ATO) to fund work for the MBR program following the Government's decision on 28 August 2023 to stop this program.	(12,926)	(73%)	Statement of Comprehensive Income, Revenue from other Australian Government entities
Revenue from Government			
The increase in Revenue from Government is mainly due to receiving the funding after the Budget was set. This funding was provided to ASIC as part of the 2023–24 MYEFO for new measures such as the RegistryConnect Program. The reclassification of capital to operating appropriation and the transfer of appropriation from the ATO following the return of the Registry functions to ASIC are also reasons for the increase.	79,880	18%	Statement of Comprehensive Income, Revenue from Government
Surplus/(Deficit)			
The primary drivers for the turnaround in the result since the Budget include the timing of expenditure for new programs announced in the 2023–24 MYEFO, higher court cost recoveries, lower depreciation and operating revenue received and set-aside to fund capital projects.	72,074	175%	Statement of Comprehensive Income, Surplus/(Deficit)

EXPLANATIONS OF MAJOR VARIANCES	VARIANCE TO BUDGET		AFFECTED LINE ITEMS
	\$'000	%	
Financial assets			
The increase in Cash and cash equivalents is mainly due to higher than budgeted court cost recoveries received during the year, some of which are retained in the ESA.	17,727	24%	Statement of Financial Position, Cash and cash equivalents
The increase in Trade and other receivables is mainly due to the operating surplus resulting in less cash being drawn down from the OPA.	17,309	13%	Statement of Financial Position, Trade and other receivables
The difference in the budgeted surplus / (deficit) from the total movement in financial assets takes into account the movement of non-cash expense items such as depreciation and write down in assets.			
Non-financial assets			
The decrease in Computer software is mainly due to the asset and work-in-progress review that was finalised in late 2022–23. This was not included in the 2023–24 Budget due to the timing the Budget's publication. The impairment of the MBR Program in 2023–24 also contributes to the decrease.	(120,857)	(93%)	Statement of Financial Position, Computer software
Payables			
The decrease in Other payables is mainly due to a reduction in bonuses payable following changes to bonus arrangements under ASIC's new Enterprise Agreement (EA). At the time the Budget was set, the EA had not been negotiated and ASIC budgeted a payable for bonuses consistent with prior years.	(15,616)	(44%)	Statement of Financial Position, Other payables

EXPLANATIONS OF MAJOR VARIANCES	VARIANCE TO BUDGET		AFFECTED LINE ITEMS
	\$'000	%	
Statement of Changes in Equity			
The decrease in Departmental capital budget is due to amounts being withheld under s51 of the PGPA Act. The funds were transferred to operating and were reappropriated through <i>Appropriation Act (No. 3) 2023-2024</i> .	(19,461)	(98%)	<i>Statement of Changes in Equity</i> Departmental capital budget
Financing Activities – Cash received			
The decrease in Appropriations – contributed equity is mainly due to amounts being withheld under s51 of the PGPA Act. The funds were transferred to operating and were reappropriated through <i>Appropriation Act (No.3) 2023-2024</i> . This has been partially offset by expenditure of prior years' capital budget appropriations.	(12,594)	(53%)	<i>Cash Flow Statement</i> Appropriations – contributed equity

Administered Schedule of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	2024 \$'000	2023 \$'000	ORIGINAL BUDGET \$'000
NET COST OF SERVICES				
Expenses				
Grants - insolvency practitioners		5,578	4,880	5,084
Impairment loss allowance on other assets	2.1A	129,299	91,967	75,972
Claims for unclaimed money	2.1B	266,498	184,337	149,553
Promotional costs for Moneysmart initiatives		595	583	600
Suppliers - other administered		1,203	645	390
Total expenses		403,173	282,412	231,599
LESS:				
Own-source revenue				
Taxation revenue				
Fees		1,138,917	1,014,253	1,085,895
Compensation scheme of last resort (CSLR) levies		240,858	-	-
Supervisory cost recovery levies		67,654	61,483	126,667
Total taxation revenue		1,447,429	1,075,736	1,212,562
Non-taxation revenue				
Supervisory cost recovery levies		248,456	298,735	280,303
Fees and fines	2.2A	365,949	460,079	279,377
Unclaimed money lodgements	2.2B	480,768	341,841	252,288
Total non-taxation revenue		1,095,173	1,100,655	811,968
Total revenue		2,542,602	2,176,391	2,024,530
Net contribution by services		2,139,429	1,893,979	1,792,931

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

Administered Schedule of Assets and Liabilities

AS AT 30 JUNE 2024

	NOTES	2024 \$'000	2023 \$'000	ORIGINAL BUDGET \$'000
ASSETS				
Financial assets				
Cash and cash equivalents		1,525	1,646	1,380
Supervisory cost recovery levies receivable	4.1A	323,469	359,977	408,266
CSLR levies receivable	4.1B	81,670	-	-
Other taxation receivables	4.1C	216,641	239,098	133,108
Trade and other receivables	4.1D	10,938	10,427	11,130
Total assets administered on behalf of the Government		634,243	611,148	553,884
LIABILITIES				
Payables and provisions				
Suppliers and other payables	4.2A	60,542	53,270	51,099
Unclaimed money provisions	4.2B	618,656	518,963	530,613
Total liabilities administered on behalf of the Government		679,198	572,233	581,712
Net assets/(liabilities)		(44,955)	38,915	(27,828)

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

Administered Reconciliation Schedule

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	2024 \$'000	2023 \$'000
Opening assets less liabilities as at 1 July		38,915	(29,923)
Net contribution by services			
Administered income		2,542,602	2,176,391
Administered expenses		(403,173)	(282,412)
Transfers (to)/from the Australian Government			
Appropriation transfers from the OPA:			
Special (unlimited) and ordinary appropriations			
Appropriation Act (No. 1)		10,367	8,621
Banking Act unclaimed money		105,773	77,517
Life Insurance Act unclaimed money		9,357	12,954
s77 PGPA Act		53,598	36,940
Total appropriation transfers from the OPA		179,095	136,032
Administered transfers to the OPA		(2,402,394)	(1,961,173)
Closing assets less liabilities as at 30 June		(44,955)	38,915

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

Administered Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$'000	2023 \$'000
OPERATING ACTIVITIES		
Cash received		
Fees, fines, and supervisory cost recovery levies	1,757,114	1,620,850
CSLR levies	159,188	-
Banking Act unclaimed money	294,447	217,383
Corporations Act unclaimed money	141,525	112,911
Life Insurance Act unclaimed money	44,796	11,547
Net GST received	-	55
Total cash received	2,397,070	1,962,746
Cash used		
Refunds paid to:		
Company shareholders	51,666	33,809
Deposit-taking institution account holders	105,781	77,564
Life insurance policy holders	9,358	12,954
Grants	5,130	5,759
Promotion expenses for Moneysmart initiatives	680	702
Suppliers	1,203	6,551
Net GST paid	74	-
Total cash used	173,892	137,339
Net cash from operating activities	2,223,178	1,825,407
Cash from OPA for:		
Appropriations	179,095	136,032
Less: Cash to OPA for:		
Fees, fines, and supervisory cost recovery levies	1,762,437	1,619,332
CSLR levies	159,188	-
Corporations Act unclaimed money	141,525	112,911
Banking Act unclaimed money	294,448	217,383
Life Insurance Act unclaimed money	44,796	11,547
Total cash to the OPA	2,402,394	1,961,173
Net increase/(decrease) in cash held	(121)	266
Cash and cash equivalents at the beginning of the reporting period	1,646	1,380
Cash and cash equivalents at the end of the reporting period	1,525	1,646

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

Administered Budget Variance Commentary

FOR THE YEAR ENDED 30 JUNE 2024

The following tables compare the budget as presented in the 2023–24 Portfolio Budget Statements with the 2023–24 final outcome, in accordance with Australian Accounting Standards. The budget is not audited. Explanations are provided for variances of +/- 10% and +/- \$40 million for own-source revenue, \$5 million for expenses and \$10 million for assets and liabilities, representing approximately 2% of the value of each relevant sub-total.

EXPLANATIONS OF MAJOR VARIANCES	VARIANCE TO BUDGET		AFFECTED LINE ITEMS
	\$'000	%	
Expenses			
The increase in the Impairment loss allowance on other assets is due to additional court penalties and late payment fees that are unlikely to be received.	53,327	70%	Statement of Comprehensive Income, Impairment loss allowance on other assets
The increase in Claims for unclaimed money is due to the revaluation of the unclaimed money provisions, based on the 2023–24 actuarial valuation. The main driver for the provision increase is the large lodgements made across all portfolios.	116,945	78%	Statement of Comprehensive Income, Claims for unclaimed money
Own-source revenue – Taxation revenue			
The increase in CSLR levies is due to a one-off levy for compensation claims under s11 of the <i>Financial Services Compensation Scheme of Last Resort Levy (Collection) Act 2023</i> . This was not included in the 2023–24 Budget as it came into force on 20 October 2023.	240,858	100%	Statement of Comprehensive Income, CSLR levies
The decrease in Supervisory cost recovery levies is due to the decrease in Departmental expenses and ASICs reported surplus position for 2023–24, as shown in the Departmental Statement of Comprehensive Income.	(59,013)	(47%)	Statement of Comprehensive Income, Supervisory cost recovery levies
Own-source revenue – Non-taxation revenue			
The increase in Fees and fines is due to fee indexation, growth in the Company Register and an increase in late payment fees. Fines revenue also includes court awarded costs that are unbudgeted as they are highly unpredictable, cross multiple financial years and are subject to appeal.	86,572	31%	Statement of Comprehensive Income, Fees and fines

EXPLANATIONS OF MAJOR VARIANCES	VARIANCE TO BUDGET		AFFECTED LINE ITEMS
	\$'000	%	
The increase in Unclaimed money lodgements is due to a large amount of unanticipated lodgements in the Life Act \$29.80 million, Banking Act \$179.45 million and Corporations Act \$19.24 million.	228,480	91%	<i>Statement of Comprehensive Income,</i> Unclaimed money lodgements
Financial assets			
The decrease in Supervisory cost recovery levies receivables is mainly due to the 2023–24 surplus on ASICs departmental results and \$48.03 million relating to the CSLR first levy period notices, were not issued due to changes to the legislation.	(84,773)	(21%)	<i>Statement of Financial Position,</i> Supervisory cost recovery levies receivables
The increase in CSLR levies receivable is due to a one-off levy for compensation claims under s11 of the <i>Financial Services Compensation Scheme of Last Resort Levy (Collection) Act 2023</i> . This was not included in the 2023–24 Budget as it came into force on 20 October 2023.	81,670	100%	<i>Statement of Financial Position,</i> CSLR levies receivable
The increase in Other taxation receivables is due to growth in the Company Register, fee indexation, unbudgeted court penalties and an increase in late payment fees as a result of extensions to the company deregistration process in 2022–23.	83,533	63%	<i>Statement of Financial Position,</i> Other taxation receivable
Payables and provisions			
The increase in Unclaimed money provisions is mainly due to the 2023–24 actuarial valuation of the provisions. These are inherently unpredictable. Refer to the Accounting Policy under Note 4.2B.	88,043	17%	<i>Statement of Financial Position,</i> Unclaimed money provisions

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

Overview

Objectives of the Australian Securities and Investments Commission

ASIC is an independent Australian 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 collects and administers revenue under the *Corporations Act 2001* and the *National Consumer Credit Protection Act 2009* and prescribed fees set by the *Corporations (Fees) Act 2001*, the *Corporations (Review Fees) Act 2003*, the *National Consumer Credit Protection Act 2009*, the *Business Names Registration (Fees) Regulations 2010* and the *Superannuation Industry (Supervision) Act 1993*. In addition, ASIC collects revenue under the *ASIC Supervisory Cost Recovery Levy Act 2017*, the *ASIC Supervisory Cost Recovery Levy Regulations 2017*, the *Financial Services Compensation Scheme of Last Resort Levy Act 2023*, and the *Financial Services Compensation Scheme of Last Resort Levy (Collection) Act 2023*. This revenue is not available to ASIC and is remitted to the OPA. Transactions and balances relating to these fees are reported as administered items. Administered items are distinguished by shading in these financial statements.

ASIC is structured to deliver a single outcome:

Improved confidence in Australia's financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems.

ASIC's continued existence in its present form and with its present programs depends on Australian Government policy and on continued funding from Parliament for ASIC's administration and programs.

The basis of preparation

The financial statements are general purpose financial statements and are required by section 42 of the PGPA Act.

The financial statements have been prepared in accordance with:

- (a) Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR);
- (b) Australian Accounting Standards and Interpretations - including simplified disclosures for Tier 2 Entities under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Taxation

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

Reporting of Administered activities

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

Except where otherwise stated, administered items are accounted for on the same basis and use the same policies as departmental items, including the application of Australian Accounting Standards.

Events after the reporting period

No events occurred after the balance date that would affect the balances in the financial statements.

Note 1. Departmental financial performance

This section analyses ASIC's financial performance for the year ended 30 June 2024.

1.1 Expenses

	2024 \$'000	2023 \$'000
1.1A: Employee benefits		
Wages and salaries	229,364	232,333
Superannuation		
Defined benefit plans	9,719	10,324
Defined contribution plans	27,571	28,382
Leave and other entitlements	23,782	28,504
Separation and redundancies	3,018	13,790
Total employee benefits	293,454	313,333
1.1B: Suppliers		
Goods and services supplied or rendered		
Office computer and software expenses	46,620	37,529
Legal and forensic costs	43,544	44,726
Contractors and secondees ¹	30,897	30,776
Property-related outgoings	9,609	9,323
Other goods and services	6,482	4,190
Travel	4,858	3,173
Bank fees	4,027	3,376
Learning and development	4,016	1,676
Information costs	4,008	3,421
Communications	2,488	2,755
Security	1,346	1,054
Consultancies ¹	998	1,407
Recruitment	772	404
Postage and freight	548	205
Audit fees	360	388
Total goods and services supplied or rendered	160,573	144,403
Goods supplied	868	673
Services rendered	159,705	143,730
Total goods and services supplied or rendered	160,573	144,403

¹ The prior year category of consultants and specialist services has been disaggregated to provide additional information.

	2024 \$'000	2023 \$'000
Other suppliers		
Short-term leases	40	47
Workers' compensation expenses	833	341
Fringe benefits tax	95	46
Total other suppliers	968	434
Total suppliers	161,541	144,837
1.1C: Finance costs		
Unwinding of restoration provision	112	82
Interest on lease liability	1,423	1,621
Total finance costs	1,535	1,703
1.2 Own-source revenue		
1.2A: Revenue from other Australian Government entities¹		
ATO ²	4,843	17,609
Department of Home Affairs	-	682
Australian National Audit Office	31	30
Total revenue from other Australian Government entities	4,874	18,321
1.2B: Other revenue		
Resources received free of charge		
Remuneration of auditors	360	388
Committee fees	51	49
Other ³	3,230	3,168
Total other revenue	3,641	3,605

1 Relates to operating and capital expenditure ASIC incurred on government programs funded directly by other Australian Government entities.

2 Funding from the ATO has been reduced due to the Government's decision to cease the MBR program.

3 In the 2022-23 financial statements, other revenue included amounts ASIC recovered for court costs, investigations, professional fees, legal costs and prosecution disbursements. These are now disclosed separately in the Statement of Comprehensive Income as court cost recoveries.

Accounting Policy

Rendering of services

Revenue from rendering of services is recognised when the resources have been purchased. Revenue is recognised when the:

- ◆ amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- ◆ probable economic benefits associated with the transaction will flow to ASIC.

Resources received free of charge

Resources received free of charge are recognised as revenue when, and only when, the fair value can be reliably determined, and the services would have been purchased had they not been donated. Use of these resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains, depending on their nature.

Note 2. Income and expenses administered on behalf of the Government

This section analyses the activities ASIC does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

2.1 Administered – expenses

	2024 \$'000	2023 \$'000
2.1A: Impairment loss allowance on other assets		
Impairment of receivables	126,107	88,088
Waiver of fees and charges owing	3,192	3,879
Total impairment on other assets	129,299	91,967
2.1B: Claims for unclaimed money		
Claims - Bank and deposit-taking institution account holders	105,781	77,564
Claims - Company shareholders	51,666	33,809
Claims - Life Insurance policy holders	9,358	12,954
Adjustments to provisions ¹	99,693	60,010
Total	266,498	184,337

1 Refer to Accounting Policy under Note 4.2B

Accounting Policy

Refer to Note 4.1 for the policy on impairment of receivables and fee waivers.

In determining whether a fee should be wholly or partly waived, ASIC considers the extent to which the company's officers or representatives contributed to the circumstances of the matter, in accordance with Part 7 of the Finance Minister's Delegation under s63 of the PGPA Act, and s18 of the *Financial Services Compensation Scheme of Last Resort Levy (Collection) Act 2023*.

Administered expenses for refunds of unclaimed money under the *Banking Act 1959*, *Life Insurance Act 1995* and *Corporations Act 2001* are recognised by estimating the value of claims likely to be repaid in respect of unclaimed money ASIC collected as at the balance date. Estimation techniques bring an inherent risk of error and rely on assumptions about economic conditions such as the Consumer Price Index (CPI), claimants' behaviour and recent historic information. At the reporting date the amounts disclosed represent a best estimate of expense incurred in the period. The methodology used to determine the value of probable claims is determined by an independent actuary. Successful claims are paid out of the provision account.

2.2 Administered – income

	2024 \$'000	2023 \$'000
Non-taxation revenue		
2.2A: Fees and fines		
Fines	267,211	372,403
Searches and information brokers' fees	84,402	74,279
Fees for service	14,336	13,397
Total fees and fines	365,949	460,079
2.2B: Unclaimed money lodgements		
<i>Corporations Act 2001</i> unclaimed money	141,525	112,911
<i>Banking Act 1959</i> unclaimed money	294,447	217,383
<i>Life Insurance Act 1995</i> unclaimed money	44,796	11,547
Total unclaimed money lodgements	480,768	341,841

Accounting Policy

All administered revenues are revenues relating to the course of ordinary activities ASIC managed on behalf of the Government.

Administered revenue is generated from fees and fines under the following legislation:

- ◆ *Corporations (Fees) Act 2001*
- ◆ *Corporations (Review Fees) Act 2003*
- ◆ National Consumer Credit Protection (Fees) Regulations 2010
- ◆ Business Names Registration (Fees) Regulation 2012
- ◆ *Superannuation Industry (Supervision) Act 1993*.

Administered fee revenue is recognised on an accruals basis when:

- ◆ 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
- ◆ the amount of the prescribed fee or other statutory charge payable by the client or the client group can be reliably measured.

Administered taxation revenue is recognised at its nominal amount due and an expense is recognised for impaired debts.

ASIC collects certain levies on behalf of the Government. These comprise levies under the:

- ◆ *ASIC Supervisory Cost Recovery Levy Act 2017*
- ◆ *ASIC Supervisory Cost Recovery Levy Regulations 2017*
- ◆ *Financial Services Compensation Scheme of Last Resort Levy Act 2023*
- ◆ *Financial Services Compensation Scheme of Last Resort Levy (Collection) Act 2023*.

Administered revenue arising from levies is recognised on an accrual basis.

ASIC also receives non-taxation revenue from search fees, fines (including late fees, court fines, penalties and infringement notices) and unclaimed money. Unclaimed money revenue recognition is based on the annual amount of unclaimed money ASIC received by ASIC (inflows), less an estimate of future outflows. Unclaimed money revenue relates to lost money received under the *Banking Act 1959*, *Life Insurance Act 1995* and *Corporations Act 2001*. This revenue is not available to ASIC and is transferred to the OPA.

The collectability of debts is reviewed at the balance date. Provisions are made when collection of the debt is judged to be less, rather than more, likely.

Note 3. Departmental financial position

This section analyses ASIC's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in Note 6.

3.1 Financial assets

	2024 \$'000	2023 \$'000
3.1A: Cash and cash equivalents		
Cash in special accounts	88,677	78,625
Cash at bank	1,793	2,241
Total cash and cash equivalents	90,470	80,866

The closing balance of Cash in special accounts does not include amounts held in trust (\$60.111 million in 2024 and \$38.096 million in 2023). See Note 5.2 for more information.

3.1B: Trade and other receivables

Goods and services receivables:

Goods and services	6,260	3,800
Total goods and services receivables (gross)	6,260	3,800
Less expected credit loss allowance	(3,486)	(686)
Total goods and services receivables (net)	2,774	3,114

Appropriation receivables:

Appropriation receivable	143,955	123,635
Total appropriation receivables	143,955	123,635

Other receivables:

Tax receivables from the ATO	4,800	3,298
Total other receivables	4,800	3,298
Total trade and other receivables (net)	151,529	130,047

Credit terms for goods and services were within 20 days (2023: 20 days).

Accounting Policy

Receivables

Trade receivables and other receivables are classified as 'loans and receivables' and recorded at face value less any impairment. Trade receivables are recognised where ASIC becomes party to a contract and has a legal right to receive cash. Trade receivables are derecognised on payment.

Financial assets are assessed for impairment at the end of each reporting period. Allowances are made when collectability of the debt is no longer probable.

3.2 Non-financial assets

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

	BUILDINGS \$'000	PLANT AND EQUIPMENT \$'000	COMPUTER SOFTWARE \$'000	TOTAL \$'000
As at 1 July 2023				
Gross book value	267,141	52,213	127,384	446,738
Accumulated depreciation and impairment	(97,899)	(36,256)	(97,488)	(231,643)
Total as at 1 July 2023	169,242	15,957	29,896	215,095
Additions:				
By purchase or internally developed	2,201	8,098	2,204	12,503
Acquisition of entities or operations (including restructuring)	2,070	242	-	2,312
Right-of-use (ROU) assets	4,440	-	-	4,440
Total additions	8,711	8,340	2,204	19,255
Depreciation and amortisation	(5,535)	(5,634)	(8,611)	(19,780)
Depreciation on ROU assets	(21,095)	-	-	(21,095)
Total depreciation and amortisation	(26,630)	(5,634)	(8,611)	(40,875)
Other movements:				
Impairments recognised in net cost of services	-	-	(13,664)	(13,664)
Disposals:				
Other	-	(81)	(39)	(120)
Total as at 30 June 2024	151,323	18,582	9,786	179,691
Total as at 30 June 2024 represented by:				
Gross book value	275,207	53,159	101,298	429,664
Accumulated depreciation/ amortisation and impairment	(123,884)	(34,577)	(91,512)	(249,973)
Total as at 30 June 2024	151,323	18,582	9,786	179,691
Carrying amount of ROU assets	121,131	-	-	121,131

Accounting Policy

Assets are recorded at the cost of acquisition, except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

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 was located. This is particularly relevant to make good provisions taken up by ASIC where an obligation exists to restore the premises to their original condition at the conclusion of the lease. These costs are included in the value of ASIC's property expenses with a corresponding provision for the make good recognised.

Lease ROU assets

Lease ROU assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount less any lease incentives received. Lease ROU assets continue to be measured at cost after initial recognition.

Revaluations

Following initial recognition at cost, leasehold improvements, and plant and equipment (excluding ROU assets) are carried at the latest revaluation, less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends on the volatility of movements in market values for the relevant assets. An independent valuation of ASIC's assets was undertaken as at 30 June 2022.

Revaluation adjustments are made on a class basis. Any revaluation increment was credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

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

Depreciation

All depreciable leasehold improvements, and plant and equipment assets are written down to their estimated residual values over their estimated useful lives to ASIC, using the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future, reporting periods, as appropriate.

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

	2024	2023
Leasehold improvements	Residual lease term	Residual lease term
Plant and equipment	2 to 80 years	2 to 80 years

Impairment

All assets were assessed for impairment as at 30 June 2024. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

Derecognition

An item of property, or plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

ASIC's intangibles comprise software either purchased or internally developed for internal use. ASIC does not recognise an intangible asset when it does not control the software being configured or customised and these configurations or customisations do not create a resource controlled by ASIC that can be reliably measured.

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of ASIC's software is 2 to 10 years (2023: 2 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2024.

Accounting judgements and estimates

In the process of applying the accounting policies listed in this note, ASIC made assumptions or estimates in the following areas that have the most significant impact on the amounts recorded in the financial statements:

- ◆ The fair value of leasehold improvements, property, and plant and equipment (excluding ROU assets) is assessed at market value or current replacement cost as determined by an independent valuer and is subject to management assessment between formal valuations
- ◆ ASIC reviews of future economic benefits of assets annually and updates the useful life accordingly.
- ◆ During the 2023–24 financial year, the Government decision to stop the MBR program (effective August 2023) and a change in scope for the Professional Registers program resulted in a write-down recognised in net cost of services for computer software.

3.3 Payables

	2024 \$'000	2023 \$'000
3.3A: Suppliers		
Trade creditors and accruals	36,261	20,768
Total suppliers	36,261	20,768

Supplier payables are settled in accordance with the terms of the purchase order or contract and are expected to be settled within 12 months.

3.3B: Other payables

Prepayments received/unearned revenue	10,284	12,836
Salaries and bonuses	8,696	24,448
Separations and redundancies	283	8,587
Other	466	510
Total other payables	19,729	46,381

3.4 Interest-bearing liabilities

	2024 \$'000	2023 \$'000
Lease liabilities	151,444	168,823
Total leases	151,444	168,823

Total cash outflow for leases for the period ended 30 June 2024 was \$23.438 million (2023: \$22.526 million).

Maturity analysis - contractual undiscounted cash flows

Within one year	28,218	23,182
Between one to five years	106,239	107,209
More than five years	24,049	47,944
Total leases	158,506	178,335

Accounting Policy

For all new contracts entered into, ASIC considers whether the contract is, or contains, a lease. A lease as defined in AASB 16 Leases is a contract, or part of a contract, that 'conveys the right to control the use of an identified asset for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains, a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or at the Department of Finance's incremental borrowing rate.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the ROU asset, or profit and loss, depending on the nature of the reassessment or modification.

3.5 Other provisions

	PROVISION FOR RESTRUCTURING \$'000	PROVISION FOR RESTORATION COSTS \$'000	PROVISION FOR SETTLEMENT COSTS \$'000	TOTAL OTHER PROVISIONS \$'000
As at 1 July 2023	339	2,830	7,485	10,654
Additional provisions made	-	531	2,736	3,267
Amounts used	(120)	-	(1,500)	(1,620)
Amounts reversed	(219)		(1,095)	(1,314)
Amounts revalued		(128)		(128)
Unwinding of restoration provision discount	-	112	-	112
Total as at 30 June 2024	-	3,345	7,626	10,971

Accounting Policy

Restoration costs

ASIC currently has two lease agreements (2023: one) for the leasing of premises that have provisions requiring ASIC to restore the premises to their original condition at the conclusion of the lease. The provision reflects the current best estimate of these future restoration costs, discounted to reflect the present value of the future payments.

Settlement costs

ASIC recognises a provision for the estimated costs that will be paid on settlement of current legal proceedings, based on its history of settlement costs.

Note 4. Assets and liabilities administered on behalf of the Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result of activities ASIC does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those for departmental reporting.

4.1 Administered – financial assets

	2024 \$'000	2023 \$'000
4.1A: Supervisory cost recovery levies receivable		
Supervisory cost recovery levies receivable - taxation	67,654	61,483
Supervisory cost recovery levies receivable - non-taxation	264,504	305,859
Total supervisory cost recovery levies receivables (gross)	332,158	367,342
Less expected credit loss allowance		
Supervisory cost recovery levies	8,689	7,365
Total supervisory cost recovery levies receivables (net)	323,469	359,977
4.1B: CSLR levies receivable		
CSLR levies receivable	81,670	-
Total CSLR levies receivable (net)	81,670	-
4.1C: Other taxation receivables		
Fees and fines receivable	408,992	372,596
Total other taxation receivables (gross)	408,992	372,596
Less expected credit loss allowance		
Fees and fines	192,351	133,498
Total other taxation receivables (net)	216,641	239,098
Taxation receivables are due from entities that are not part of the Australian Government.		
Credit terms for goods and services were within 30 days (2023: 30 days).		

	2024 \$'000	2023 \$'000
4.1D: Trade and other receivables		
Information brokers' fees	10,471	10,034
GST receivable	467	393
Total trade and other receivables (gross)	10,938	10,427

Taxation receivables are due from entities that are not part of the Australian Government.

Credit terms for goods and services were within 30 days (2023: 30 days).

Accounting Policy

Receivables

Administered receivables are recognised at their nominal value less an impairment allowance. Statutory receivables are not financial instruments and accordingly ASIC has assessed administered receivables for impairment under AASB 136 *Impairment of Assets* (FRR 26.3).

The impairment allowance is raised against receivables for any doubtful debts and any probable credit amendments and is based on a review of outstanding debts at the balance date. This includes an examination of individual large debts and disputed amounts with reference to historic collection patterns.

The impairment allowance expense is calculated using estimation techniques to determine an estimate of current receivables that are unlikely to be collected in the future.

Administered receivables that are irrecoverable at law or are uneconomic to pursue are written off under Rule 11 of the PGPA Act.

4.2 Administered – payables

	2024 \$'000	2023 \$'000
4.2A: Suppliers and other payables		
Supplier payables	55	-
Refund of fees payable	34,665	30,568
Unallocated money ¹	13,563	11,142
Grants payable ²	3,766	3,318
Other non-current payables ³	8,493	8,242
Total payables	60,542	53,270

All payables are for entities that are not part of the Australian Government.

All payables, with the exception of other non-current payables, are expected to be settled within 12 months. Settlement is usually made within 30 days.

- 1 Unallocated money is credits on debtor accounts less than 120 days old. The credits are either allocated or refunded.
- 2 Settlement is made according to the terms and conditions of each grant. This is usually within 30 days of performance and eligibility.
- 3 Other non-current payables are over payments of fees where payments were made to ASIC in error. The settlement period is expected to be greater than 12 months as these are unidentified payments.

Accounting Policy

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.

Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. When the Government enters into an agreement to make these grants and services, but services have not been performed or criteria satisfied, this is considered a commitment.

	2024 \$'000	2023 \$'000
4.2B: Unclaimed money provisions		
<i>Banking Act 1959</i> claims	327,057	266,198
<i>Corporations Act 2001</i> claims	236,643	219,497
<i>Life Insurance Act 1995</i> claims	54,956	33,268
Total other provisions	618,656	518,963

Accounting Policy

Provisions

The provisions recognised in the Administered Schedule of Assets and Liabilities are the estimated claims payable from collections of unclaimed money ASIC administered as at the balance date. ASIC adopts a provision for future claims based on an independent valuation as at 30 June annually, calculated by an independent actuary, under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Accounting judgements and estimates

The provision is estimated based on the unclaimed lodgements as at the balance date, using the historic claims pattern since 2002, March to March CPI rate of 3.62% (2023: 7.02%) and discount rate (10 year government bond rate) of 4.51% (2023: 4.2%).

The historical claims pattern for the *Banking Act 1959* of 58.2% (2023: 64.9%), *Corporations Act 2001* of 51.8% (2023: 57.1%), and *Life Insurance Act 1995* of 51.3% (2023: 56.9%) is applied to the outstanding unclaimed money balance as at 30 June 2024.

From 1 July 2013, compounding interest is applied to claims payments. The rates are based on actual legislated interest rates linked to movements in the CPI, using the March to March CPI from the previous year. This is applied from 1 July in the current year. Estimated future claims interest rates are based on economist expectations for inflation in the medium to long term.

The present value of estimated future claims over time has been discounted to a risk-free rate of interest based on government bond rates with similar terms to the expected claims. This is consistent with standard actuarial practice and required under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Note 5. Funding

This section identifies ASIC's funding structure.

5.1 Appropriations

	2024 \$'000	2023 \$'000
5.1A: Annual appropriations ('Recoverable GST exclusive')		
Departmental		
Ordinary annual services ¹	510,833	426,323
Capital budget ²	19,826	21,058
Equity Injections ³	3,866	5,824
Annual appropriation	534,525	453,205
Adjustments to appropriation ^{4,5}	11,504	30,135
Total appropriation	546,029	483,340
Appropriation applied		
Ordinary annual services	488,848	486,802
Capital budget	11,100	-
Equity Injections	-	2,358
Total appropriation applied	499,948	489,160
Variance⁶	46,081	(5,820)
Administered		
Ordinary annual services	11,367	7,925
Total appropriation	11,367	7,925
Appropriation applied		
Ordinary annual services	10,521	8,403
Total appropriation applied	10,521	8,403
Variance	846	(478)

1 Includes \$56.504 million (2023: \$55.246 million) credited to the ESA. A special account is a limited special appropriation that notionally sets aside an amount that can be expended for a particular purpose. The ESA was established to fund the costs arising from the investigation and litigation of matters of significant public interest. For further information, refer to the Accounting Policy below.

2 Departmental capital budgets are appropriated through Supply Acts (Nos. 1, 3 and 5) and Appropriation Acts (Nos. 1, 3 and 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts. This includes \$19.461 million withheld under s51 of the PGPA Act or quarantined for administrative reasons. The funds were transferred to operating and were reappropriated through *Appropriation Act (No.3) 2023-2024*.

3 Includes \$3.866 million withheld under s51 of the PGPA Act or quarantined for administrative reasons. The funds were transferred to operating and were reappropriated through *Appropriation Act (No.3) 2023-2024*.

4 Includes 74 receipts totalling \$8.779 million.

5 Includes s75 receipts totalling \$2.725 million (see Note 8.2).

6 The variance in appropriation applied is due to i) the timing of expenditure for new programs announced in the 2023-24 MYEFO and ii) expenditure of prior years' capital budget appropriations.

Accounting Policy

Revenue from Government

Amounts appropriated for departmental appropriations for the period (adjusted for any formal additions and reductions) are recognised as revenue from Government when ASIC gains control of the appropriation. Appropriations receivable are recognised at their nominal amounts.

Amounts notionally set aside for a special account are debited against departmental appropriations and credited to that special account annually under Appropriation Act (No. 1).

Equity injections

Amounts appropriated that are designated as 'equity injections' for a year (less any formal reductions) and departmental capital budgets (DCBs) are recognised directly in contributed equity in that year.

	2024 \$'000	2023 \$'000
5.1B: Unspent annual appropriations ('Recoverable GST exclusive')		
Departmental		
<i>Appropriation Act (No. 2) 2020–2021¹</i>	-	71
<i>Supply Act (No. 2) 2020–2021²</i>	-	211
<i>Appropriation Act (No. 1) 2021–2022³</i>	4,669	4,669
<i>Appropriation Act (No. 1) DCB 2021–2022</i>	-	22
<i>Appropriation Act (No. 3) DCB 2021–2022⁴</i>	1,101	2,392
<i>Appropriation Act (No. 4) 2021–2022⁵</i>	1,778	1,778
<i>Supply Act (No. 3) 2022–2023</i>	-	96,846
<i>Supply Act (No. 1) DCB 2022–2023</i>	1,300	8,774
<i>Supply Act (No. 3) DCB 2022–2023</i>	9,970	12,284
<i>Appropriation Act (No. 2) 2022–2023</i>	2,578	2,578
<i>Supply Act (No. 2) 2022–2023</i>	501	501
<i>Supply Act (No. 4) 2022–2023</i>	701	701
<i>Appropriation Act (No. 1) 2023–2024</i>	61,278	-
<i>Appropriation Act (No. 1) DCB 2023–2024⁶</i>	19,826	-
<i>Appropriation Act (No. 2) 2023–2024⁷</i>	3,866	-
<i>Appropriation Act (No. 3) 2023–2024</i>	69,055	-
Total Departmental	176,623	130,827

Unspent departmental appropriations include cash balances of \$1.793 million (2023: \$2.241 million).

- \$0.071 million unspent appropriation lapsed on 1 July 2023.
- \$0.211 million unspent appropriation lapsed on 1 July 2023.
- Includes \$4.669 million withheld under s51 of the PGPA Act or quarantined for administrative reasons. The funds were transferred to capital and were reappropriated through *Appropriation Act (No.3) 2021-2022*. This appropriation lapsed on 1 July 2024.
- \$1.101 million unspent appropriation lapsed on 1 July 2024.
- \$1.778 million unspent appropriation lapsed on 1 July 2024.
- Includes \$19.461 million withheld under s51 of the PGPA Act or quarantined for administrative reasons. The funds were transferred to operating and were reappropriated through *Appropriation Act (No.3) 2023-2024*.
- Includes \$3.866 million withheld under s51 of the PGPA Act or quarantined for administrative reasons. The funds were transferred to operating and were reappropriated through *Appropriation Act (No.3) 2023-2024*.

	2024 \$'000	2023 \$'000
Administered		
<i>Appropriation Act (No. 1) 2020–2021¹</i>	-	527
<i>Appropriation Act (No. 1) 2021–2022²</i>	1,103	5,358
<i>Appropriation Act (No. 1) 2022–2023</i>	-	379
<i>Supply Act (No. 1) 2022–2023</i>	1,110	2,327
<i>Supply Act (No. 3) 2022–2023</i>	3,663	3,663
<i>Appropriation Act (No. 1) 2023–2024</i>	6,391	-
<i>Appropriation Act (No. 3) 2023–2024</i>	305	-
Total Administered	12,572	12,254

Unspent administered appropriations include cash balances of \$0.227 million (2023: \$0.382 million). These amounts exclude special appropriation cash balances held at year end.

1 \$0.527 million unspent appropriation lapsed on 1 July 2023.

2 \$1.103 million unspent appropriation lapsed on 1 July 2024.

5.1C: Special appropriations ('recoverable GST exclusive')

AUTHORITY	TYPE	PURPOSE	APPROPRIATION APPLIED	
			2024 \$'000	2023 \$'000
<i>s69 Banking Act 1959, Administered</i>	Unlimited	ASIC has responsibility for administering unclaimed money from banking and deposit taking institutions. ASIC receives special appropriations from the OPA (<i>s69 Banking Act 1959</i>) to refund amounts to banking and deposit-taking institution account holders.	105,773	77,517
<i>s216 Life Insurance Act 1995, Administered</i>	Unlimited	ASIC has responsibility for administering unclaimed money from life insurance institutions and friendly societies. ASIC receives special appropriations from the OPA (<i>s216 Life Insurance Act 1995</i>) to refund amounts to life insurance policy holders.	9,357	12,954
<i>s77 PGPA Act, Corporations Act 2001, National Consumer Credit Protection Act 2009, Business Names Registration (Fees) Regulations 2010 and Superannuation Industry (Supervision) Act 1993. (Refunds of overpaid Corporations Act fees and charges), Administered</i>	Unlimited	ASIC has responsibility for administering and collecting Corporations Act fees and charges. All fees and charges are deposited into the OPA as received. Refunds of overpayments are appropriated under s 77 of the PGPA Act.	5,400	4,558
<i>s77 PGPA Act, Corporations Act 2001 (Refunds of unclaimed money held under s1341 of the Corporations Act 2001), Administered</i>	Unlimited	ASIC has responsibility for administering unclaimed money under s1341 of the <i>Corporations Act 2001</i> .	48,198	32,382
Total			168,728	127,411

5.2 Special accounts

[RECOVERABLE GST EXCLUSIVE]	ENFORCEMENT SPECIAL ACCOUNT ¹		ASIC TRUST AND OTHER MONEYS SPECIAL ACCOUNT 2018 ²	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Balance brought forward from the previous period	78,625	71,137	38,096	19,897
Increases				
Appropriation for the reporting period	56,504	55,246	-	-
Other increases	17,205	6,727	29,843	23,994
Available for payments	152,334	133,110	67,939	43,891
Decreases				
Departmental				
Cash payments from the Special Account	(63,657)	(54,485)	-	-
Total departmental	(63,657)	(54,485)	-	-
Administered				
Cash payments from the Special Account	-	-	(7,828)	(5,795)
Total administered	-	-	(7,828)	(5,795)
Balance carried forward to the next period	88,677	78,625	60,111	38,096
Balance represented by:				
Cash held in entity bank accounts	-	-	60,111	38,096
Cash held in the OPA	88,677	78,625	-	-
	88,677	78,625	60,111	38,096

1 Appropriation: s78 of the PGPA Act.

Establishing instrument: s78 of the PGPA Act.

Purpose: the ESA is a departmental special account that was established by a determination of the Finance Minister on 23 August 2016 to fund ASIC's costs arising from the investigation and litigation of matters of significant public interest.

2 Appropriation: s78 of the PGPA Act.

Establishing instrument: s78 of the PGPA Act.

Purpose: the ASIC Trust and Other Moneys Special Account was established by a determination of the Finance Minister dated 23 February 2018, and commencing on 31 March 2018,

- (a) to perform duties or exercise powers for and on behalf of the Commonwealth in relation to money and other property vested in or held on behalf of the Commonwealth as a trustee, including:
 - (i) by making payments in relation to deregistered companies and property vested in the Commonwealth under Part 5A.1 of the Corporations Act
 - (ii) by making payments in relation to liabilities imposed on property vested in the Commonwealth under Part 5A.1 of the Corporations Act, or
 - (iii) by making payments in relation to expenses incurred by or on behalf of the Commonwealth as a trustee.

- (b) to perform functions or exercise powers in relation to money or other property held on behalf of or for the benefit of a person other than the Commonwealth, including:
 - (i) in relation to money or other property held temporarily by ASIC as a consequence of investigations conducted by ASIC, legal proceedings to which ASIC is a party, deeds of settlement to which ASIC is a party, enforceable undertakings accepted by ASIC and court orders referring to ASIC
 - (ii) by making payments to or for the benefit of a person for whose benefit the money was held by ASIC
 - (iii) making payments of amounts required or contemplated to be paid by ASIC in the course of an investigation
 - (iv) making payments to give effect to court orders, enforceable undertakings, settlements, transfers of assets, or other disbursements of money held by ASIC on behalf of a person other than the Commonwealth, or
 - (v) making payments in relation to expenses incurred in relation to holding and realising third party assets, or locating and identifying any person for whose benefit an amount is held
- (c) to perform functions and to exercise powers in relation to security bonds and security deposits lodged by registered liquidators, licensed securities dealers, licensed investment advisers and financial services licensees, including security bonds and security deposits lodged under s912B of the Corporations Act, and regulations 7.6.02AAA and 7.6.02AA of the Corporations Regulations, including by:
 - (i) discharging, returning or releasing a security bond or security deposit lodged with ASIC in whole or in part, or
 - (ii) making payments from security bonds or security deposits to compensate a person other than the Commonwealth who has suffered a pecuniary loss
- (d) to repay an amount where a court order, Act or other law requires or permits the repayment of an amount received under clause 7, or
- (e) to reduce the balance of the special account (and, therefore, the available appropriation for the special account) without making a real or notional payment.

ASIC also has a Services for Other Entities and Trust Moneys (SOETM) special account – Australian Securities and Investments Commission SOETM Special Account 2022. This account was established under s78 of the PGPA Act. The SOETM account enables ASIC to continue to hold and expend amounts on behalf of persons or entities other than the Commonwealth. The SOETM will typically be used to accommodate small amounts of miscellaneous money, for example, amounts received in connection with services performed for or on behalf of any persons or entities that are not agencies as prescribed under the PGPA Act, such as other governments. For the year ended 30 June 2024, the account had a nil balance and there were no transactions debited or credited to it during the current or prior reporting periods.

The closing balance of the ASIC Trust and Other Moneys Special Account 2018 includes amounts held in trust of \$60.111 million (2023: \$38.096 million).

5.3 Regulatory charging summary

	2024 \$'000	2023 \$'000
Amounts applied		
Departmental		
Appropriation applied	338,440	368,499
Total amounts applied	338,440	368,499
Expenses		
Departmental	338,440	368,499
Total expenses	338,440	368,499
Expenses		
Administered		
Fees for services	11,960	11,498
ASIC Supervisory Cost Recovery Levy	326,480	357,001
Total external revenue	338,440	368,499

Regulatory charging activities

On 20 April 2016, the Australian Government announced the introduction of an industry funding model for ASIC. Under this model, ASIC's regulatory costs are partially recovered from the industry sectors it regulates, through a combination of:

- (a) general industry levies (cost recovery levies)
- (b) statutory industry levies
- (c) cost recovery fees (fees for service) for user-initiated, transaction-based activities where it provides a specific service to individual entities.

ASIC's costs associated with regulatory activities are recovered from industry as outlined in its Cost Recovery Implementation Statement. Activities include:

- ◆ supervision and surveillance
- ◆ enforcement
- ◆ stakeholder engagement
- ◆ education
- ◆ guidance
- ◆ policy advice.

The most recent cost recovery implementation statement for the above activities is available at:

[Cost recovery implementation statement | ASIC¹](#)

¹ <https://asic.gov.au/about-asic/what-we-do/how-we-operate/asic-industry-funding/cost-recovery-implementation-statement/>

5.4 Net cash appropriation arrangements

	2024 \$'000	2023 \$'000
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	31,104	(84,034)
<i>Plus:</i> depreciation/amortisation of assets funded through appropriations (DCB funding and/or equity injections) ¹	19,780	56,525
<i>Plus:</i> depreciation of ROU assets ²	21,095	20,798
<i>Less:</i> lease principal repayments ²	(22,015)	(20,904)
Net Cash Operating Surplus/(Deficit)	49,964	(27,615)

- 1 From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.
- 2 The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements.

Note 6. People and relationships

This section describes a range of employment and post-employment benefits provided to ASIC's people, and its relationships with other key people.

6.1 Employee provisions

	2024 \$'000	2023 \$'000
Annual leave entitlement	26,057	25,421
Long service leave entitlement	46,126	46,181
Separation and redundancy provision	217	2,214
Other	867	-
Total employee provisions	73,267	73,816

Accounting Policy

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits expected within 12 months of the end of the reporting period are measured at their nominal amounts.

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

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time leave is taken. This includes 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 dated 7 June 2022. Actuarial reviews of long service leave are undertaken at least every five years. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. ASIC recognises a provision for termination when it develops a detailed formal plan for terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

ASIC employees are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS Accumulation Plan (PSSap) or other superannuation funds held outside the Australian Government, including state based superannuation schemes.

The CSS, PSS and state based schemes are defined-benefit schemes. The PSSap is a defined-contribution scheme.

The liability for CSS and PSS defined benefits is recognised in the Australian Government's financial and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedule and notes.

ASIC makes employer contributions to its employees' defined-benefit superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. ASIC accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

Restructuring

ASIC recognises a provision for restructuring when strategic and operational priorities change or when the Government announces a funding measure that will result in a future reduction in functions, resources and staff, and the costs associated with these future reductions can be reliably estimated.

Accounting judgements and estimates

In the process of applying the accounting policies listed in this note, ASIC made assumptions or estimates in the following areas that have the most significant impact on the amounts recorded in the financial statements:

- ◆ Leave provisions involve assumptions based on the expected tenure of existing staff, patterns of leave claims and payouts, future salary movements and future discount rate.

6.2 Key management personnel remuneration

Key management personnel (KMP) are those people who have direct or indirect authority and responsibility for planning, directing and controlling the activities of ASIC. ASIC determined the KMP to be commission members, the Chief Executive Officer, the Acting Chief Executive Officer, the Portfolio Minister and the Minister for Financial Services.

KMP remuneration is reported in the following table.

	2024 \$'000	2023 \$'000
Short-term employee benefits	3,333	3,182
Post-employment benefits	342	334
Other long-term benefits	-	70
Total KMP remuneration expenses¹	3,675	3,586

The total number of KMP included in the above table is nine (2023: six).

¹ The above KMP remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by ASIC.

6.3 Related party disclosures

Related party relationships

ASIC is an Australian Government controlled entity. Related parties to ASIC are KMP who are responsible for planning, directing and controlling ASIC's resources.

Transactions with related parties

Given the breadth of government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

ASIC transacts with other Australian Government controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions, including payment of workers' compensation and insurance premiums, subleasing office space and payment of superannuation contributions. These are not considered individually significant to warrant separate disclosure as related party transactions.

Note 7. Managing uncertainties

This section describes how ASIC manages financial risks within its operating environment.

7.1 Contingent assets and liabilities

	2024 \$'000	2023 \$'000
7.1A: Departmental contingent assets and liabilities		
Continent assets		
Balance from previous period	5,310	7,858
New contingent assets	9,477	2,821
Re-measurement	1,878	(1,770)
Assets realised	(5,855)	(2,189)
Assets relinquished	(135)	(1,410)
Total contingent assets	10,675	5,310
Contingent liabilities		
Balance from previous period	(400)	(150)
New contingent liabilities	(1,800)	-
Re-measurement	62	(250)
Liabilities realised	338	-
Total contingent liabilities	(1,800)	(400)
Net contingent assets	8,875	4,910

Quantifiable contingencies (ASIC Departmental)

The above table contains 16 matters (2023: 20 matters) where a contingent asset is disclosed in respect of cases where ASIC has received an award of costs in its favour; however, agreement with respect to the quantum payable to ASIC has not been reached. ASIC has estimated that these matters represent a combined receivable of \$10.675 million (2023: \$5.310 million), which is disclosed as a contingent asset because realisation of this debt is not virtually certain.

The above table contains three matters (2023: one matter) where a contingent liability is disclosed in respect of a case where ASIC had costs awarded against it; however, agreement with respect to the quantum payable by ASIC has not been reached. ASIC has estimated that this matter represents a payable of \$1.800 million (2023: \$0.400 million), which is disclosed as a contingent liability because realisation of this payable is not virtually certain.

Unquantifiable contingencies (ASIC Departmental)

ASIC is party to many civil litigation matters arising out of its statutory duty to administer and enforce laws for which it is responsible.

Like any organisation, 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 it is unsuccessful.

Civil litigation brought, or threatened to be brought, against ASIC as a defendant

There are, at the date of this report, eight matters (2023: five matters) of this type where proceedings are current. Comcover has provided cover in respect of five of these claims and it is more likely than not that ASIC will:

- ◆ successfully defend the actions instituted; and
- ◆ not be required to pay any damages.

One further matter is covered by Comcare and Comcover has been notified of another. The extent of liability has not been quantified in either of these matters.

The final matter is not covered by Comcare and the plaintiffs have a meaningful prospect of establishing ASIC's liability. A provision of \$2.061 million has been included in Note 3.5.

Conversely, ASIC, like any other party to civil litigation, may be entitled to recover costs arising out of such litigation if it is successful. In addition to the matters specifically referred to in this note, ASIC has legal action pending in a number of other matters; however, due to the uncertainty over the outcome of outstanding and pending court cases, the duration of court cases and the legal costs of the opposing party, ASIC is unable to reliably estimate its potential payments to, or potential cost recoveries from, opposing litigants. There may also be other matters where ASIC has received an award of costs in its favour; however, no contingent asset has been disclosed as recovery of the debt is not probable. There may also be other matters where no contingency has been quantified because the costs awarded for or against ASIC are estimated to be less than \$20,000 each.

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in this note. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than unlikely.

	2024 \$'000	2023 \$'000
7.1B: Administered contingent liabilities		
<i>Banking Act 1959</i>	905,431	778,341
<i>Corporations Act 2001</i>	629,900	560,240
<i>Life Insurance Act 1995</i>	138,733	124,330
Total unclaimed money lodgements	1,674,064	1,462,911

Quantifiable administered contingencies - Banking Act, Life Insurance Act and Corporations Act administration

An actuarial assessment of the number of claims likely to be lodged with ASIC in respect of unclaimed money was conducted by an independent actuary. ASIC adopted the actuary's calculation for the likely claims payable, reported in Note 4.2B.

The contingent liability represents an estimate of the principal unclaimed money lodged with ASIC but where the likelihood of a successful claim is regarded as unlikely. No allowance has been made for the compounding interest, which is payable for a successful claim lodged from 1 July 2013 in accordance with legislated interest rates. The contingent liability is the difference between total unclaimed balances and the undiscounted future claim, excluding interest.

Unquantifiable administered contingencies

There are no unquantifiable administered contingent liabilities.

Accounting Policy

Administered contingent liabilities represent a repayment estimate of unclaimed money that is considered unlikely to be paid. There are no administered contingent assets as at 30 June 2024 (2023: nil).

7.2 Financial instruments

ASIC's financial assets consist of cash and goods and services receivable. Financial assets are recognised when ASIC becomes party to a contract and has a legal right to receive cash. Financial assets are derecognised when the contractual rights to cash flows expire or are transferred. ASIC classifies its financial assets as 'financial assets at amortised cost' with income recognised using the effective interest rate method.

Financial liabilities, consisting of trade payables, are initially measured at fair value net of transaction costs. Trade payables are recognised to the extent the goods and services have been received. Financial liabilities are derecognised upon payment.

Accounting Policy

Financial assets

In accordance with AASB 9 *Financial Instruments*, ASIC classifies its financial assets in the following categories:

- ◆ cash and cash equivalents measured at nominal amounts
- ◆ trade receivables measured at amortised cost.

The classification depends on both ASIC's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive, or a legal obligation to pay, cash. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon the trade date.

Financial assets at amortised cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held to collect the contractual cash flows
2. the cash flows are solely payments of principal and interest on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on the simplified approach.

The simplified approach for trade debtors is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where it directly reduces the gross carrying amount of the financial asset.

Financial liabilities at amortised cost

Supplier payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Note 8. Other Information

8.1 Current/Non-current Distinction for Assets and Liabilities

	2024 \$'000	2023 \$'000
8.1A: Current/non-current distinction for assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash	90,470	80,866
Trade and other receivables	151,529	130,047
Prepayments	23,090	17,369
Total no more than 12 months	265,089	228,282
More than 12 months		
Buildings	151,323	169,242
Plant and equipment	18,582	15,957
Computer software	9,786	29,896
Total more than 12 months	179,691	215,095
Total assets	444,780	443,377
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	36,261	20,768
Other payables	19,729	46,381
Leases	26,760	25,586
Employee provisions	22,276	22,306
Other provisions	7,626	7,485
Total no more than 12 months	112,652	122,526
More than 12 months		
Leases	124,684	143,237
Employee provisions	50,991	51,510
Other provisions	3,345	3,169
Total more than 12 months	179,020	197,916
Total liabilities	291,672	320,442

	2024 \$'000	2023 \$'000
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8.1B: Current/non-current distinction for assets and liabilities

Assets expected to be recovered in:

No more than 12 months

Cash and cash equivalents	1,525	1,646
Supervisory cost recovery levies receivable	323,469	359,977
CSLR levies receivable	81,670	-
Fees and fines receivable	216,641	239,098
Trade and other receivables	10,938	10,427
Total no more than 12 months	634,243	611,148
Total assets	634,243	611,148

Liabilities expected to be settled in:

No more than 12 months

Suppliers and other payables	52,049	45,028
Unclaimed money provisions	154,448	118,741
Total no more than 12 months	206,497	163,769

More than 12 months

Suppliers and other payables	8,493	8,242
Unclaimed money provisions	464,208	400,222
Total more than 12 months	472,701	408,464
Total liabilities	679,198	572,233

8.2 Restructuring

2024
MODERNISING BUSINESS
REGISTERS¹
ATO
\$'000

FUNCTIONS ASSUMED

Assets recognised

Buildings - ROU assets	4,440
Buildings - leasehold improvements	2,070
Plant and equipment	242
Total assets recognised	6,752

Liabilities recognised

Lease liabilities	4,636
Provision for restoration obligations - leased premises	531
Total liabilities recognised	5,167

Net assets recognised³

1,585

Income assumed

Appropriation income recognised by the receiving entity ²	2,725
Appropriation income recognised by the losing entity	22,775
Total income assumed	25,500

Expenses assumed

Recognised by the receiving entity	1,987
Recognised by the losing entity	22,775
Total expenses assumed	24,762

1 On 28 August 2023, the Government announced the cessation of the MBR program following an independent review. On 21 November 2023, the Government determined to transfer responsibility for relevant registers from the ATO to ASIC.

2 \$2.725 million was transferred to ASIC under s75 of the PGPA Act.

3 In respect of functions assumed, the net book values of assets and liabilities were transferred to ASIC for no consideration.

8.3 Expenditure relating to statutory board

	2024 \$'000	2023 \$'000
Companies Auditors Disciplinary Board ¹	446	206

1 2023 expenditure includes a \$0.250 million reversal of costs recorded for employee provisions (superannuation) in previous years, which are no longer payable.

Accounting Policy

ASIC is required to support the Companies Auditors Disciplinary Board. Employee and administrative expenditure incurred on behalf of the board and the tribunal are included in ASIC's Statement of Comprehensive Income.

8.4 Identified assets of deregistered companies vesting in ASIC

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

Vested assets are not available to ASIC and are not recognised in the financial statements. The table below represents only those known assets that have been identified.

	2024 QUANTITY	2023 QUANTITY
Class of asset		
Land	558	554
Shares	203	208
Other	198	179
Closing balance	959	941

Land comprises real property as described in the relevant Land Titles Registry. Shares comprise parcels of shares in both private and publicly listed companies and include those parcels held by the company as trustee. Other assets include property such as intellectual property (e.g. trademarks) and mortgages.

8.5 Security deposits from dealers, investment advisers and liquidators

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

	2024 \$'000	2023 \$'000
Security deposits under <i>Corporations Regulations 2001</i> regulation 7.6.02AA (dealers and investment advisers)		
Cash (at bank)	83	83
Inscribed stock	20	20
Bank guarantees	8,260	8,410
Closing balance	8,363	8,513
Security deposits under the <i>Corporations Act 2001</i> s1284(1) (liquidators)		
Insurance bond	1,800	1,800
Closing balance	1,800	1,800