

# Financial statements

---





# Financial statements

---

## Sydney Olympic Park Authority

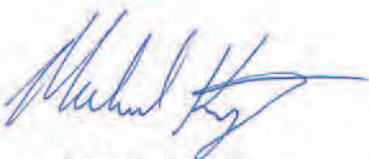
### Director's Declaration

**SYDNEY OLYMPIC PARK AUTHORITY**  
**Financial Statements for the Year Ended 30 June 2011**

Pursuant to Section 41C(1B) and (1C) of the Public Finance and Audit Act 1983, we declare that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the Authority's financial position as at 30 June 2011 and the financial performance for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2010, the Treasurer's Direction and the directives of the Financial Reporting Code.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



**M Knight AO**  
**Chairman**  
10 October 2011



**A Marsh**  
**Chief Executive Officer**  
10 October 2011



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Sydney Olympic Park Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Sydney Olympic Park Authority (the Authority), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities it controlled at the year's end or from time to time during the financial year.

#### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority and the consolidated entity as at 30 June 2011, and of their financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

#### The Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the members of the Board determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Authority or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information, which may have been hypertexted to/from the financial statements.

#### Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

S Bond

Sally Bond  
Director, Financial Audit Services

12 October 2011  
SYDNEY

# Sydney Olympic Park Authority

## Statement of comprehensive income for the year ended 30 June 2011

	Notes	Consolidated			Authority	
		Actual	Budget	Actual	Actual	Actual
		2011	2011	2010	2011	2010
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses excluding losses</b>						
Operating expenses						
Employee related	2(a)	36	–	400	–	–
Personnel services	2(b)	23,605	24,389	22,836	23,605	22,836
Other operating expenses	2(c)	56,814	59,279	49,803	56,130	49,664
Depreciation and amortisation	2(d)	51,443	49,979	50,124	51,443	50,124
Grants and subsidies	2(e)	20,035	20,000	469	20,035	1,189
<b>Total Expenses excluding losses</b>		<b>151,933</b>	<b>153,647</b>	<b>123,632</b>	<b>151,213</b>	<b>123,813</b>
<b>Revenue</b>						
Sale of goods and services	3(a)	36,924	33,956	39,570	36,924	39,516
Investment revenue	3(b)	11,169	12,330	7,763	11,129	7,717
Retained taxes, fees and fines	3(c)	530	460	602	530	602
Grants and contributions	3(d)	472	1,776	–	1,372	–
Other revenue	3(e)	3,481	1,589	2,712	3,481	2,952
<b>Total Revenue</b>		<b>52,576</b>	<b>50,111</b>	<b>50,647</b>	<b>53,436</b>	<b>50,787</b>
Gain/(loss) on disposal	4	(15)	–	2,180	(15)	2,180
Other gains/(losses)	5	27,330	27,327	25,786	27,330	25,786
<b>Net Cost of Services</b>	21	<b>72,042</b>	<b>76,209</b>	<b>45,019</b>	<b>70,462</b>	<b>45,060</b>
<b>Government Contributions</b>						
Recurrent appropriation	6(a)	50,461	49,912	33,130	50,461	33,130
Capital appropriation	6(b)	8,665	6,809	6,726	8,665	6,726
Asset sale proceeds transferred to the Crown Entity		(53)	–	(696)	(53)	(696)
<b>Total Government Contributions</b>		<b>59,073</b>	<b>56,721</b>	<b>39,160</b>	<b>59,073</b>	<b>39,160</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(12,969)</b>	<b>(19,488)</b>	<b>(5,859)</b>	<b>(11,389)</b>	<b>(5,900)</b>
<b>Other comprehensive income</b>						
Net increase/(decrease) in property, plant and equipment asset revaluation reserve		31,725	–	7,691	31,725	7,691
<b>Other comprehensive income for the year</b>		<b>31,725</b>	<b>–</b>	<b>7,691</b>	<b>31,725</b>	<b>7,691</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>18,756</b>	<b>(19,488)</b>	<b>1,832</b>	<b>20,336</b>	<b>1,791</b>

The accompanying notes form part of these statements.

# Sydney Olympic Park Authority

## Statement of financial position as at 30 June 2011

	Notes	Consolidated				Authority		
		Actual	Budget	Actual	Actual*	Actual	Actual	Actual*
		2011	2011	2010	1 July 2009	2011	2010	1 July 2009
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>ASSETS</b>								
<b>Current Assets</b>								
Cash and cash equivalents	8	47,531	28,110	38,344	36,781	47,531	36,758	34,721
Receivables	9	8,643	16,378	16,415	8,483	8,643	16,415	8,953
Inventories	10(a)	166	85	109	67	166	109	67
Prepayments	13(a)	6,781	6,781	6,781	6,781	6,781	6,781	6,781
<b>Total Current Assets</b>		<b>63,121</b>	<b>51,354</b>	<b>61,649</b>	<b>52,112</b>	<b>63,121</b>	<b>60,063</b>	<b>50,522</b>
<b>Non-Current Assets</b>								
Inventories	10(b)	1,923	1,923	1,923	2,256	1,923	1,923	2,256
Prepayments	13(a)	126,037	126,037	132,818	139,599	126,037	132,818	139,599
Other financial assets	11	-	-	-	-	-	-	-
Property, plant and equipment								
- Land and buildings		1,007,431	981,512	989,507	979,025	1,007,431	989,507	979,025
- Plant and equipment		55,629	50,759	55,552	55,808	55,629	55,552	55,808
- Infrastructure systems		351,369	356,021	373,785	402,309	351,369	373,785	402,309
Total property, plant and equipment	12	1,414,429	1,388,292	1,418,844	1,437,142	1,414,429	1,418,844	1,437,142
Right to receive	13(b)	246,433	246,433	219,106	193,322	246,433	219,106	193,322
<b>Total Non-Current Assets</b>		<b>1,788,822</b>	<b>1,762,685</b>	<b>1,772,691</b>	<b>1,772,319</b>	<b>1,788,822</b>	<b>1,772,691</b>	<b>1,772,319</b>
<b>Total Assets</b>		<b>1,851,943</b>	<b>1,814,039</b>	<b>1,834,340</b>	<b>1,824,431</b>	<b>1,851,943</b>	<b>1,832,754</b>	<b>1,822,841</b>
<b>LIABILITIES</b>								
<b>Current Liabilities</b>								
Payables	15	8,788	7,337	7,713	6,151	8,788	7,707	6,134
Provisions	16	2,212	2,212	2,122	7,612	2,212	2,122	7,577
Other	17(a)	10,224	10,170	10,170	10,412	10,224	10,170	10,413
<b>Total Current Liabilities</b>		<b>21,224</b>	<b>19,719</b>	<b>20,005</b>	<b>24,175</b>	<b>21,224</b>	<b>19,999</b>	<b>24,124</b>
<b>Non-Current Liabilities</b>								
Provisions	16	20	20	20	15	20	20	15
Other	17(b)	1,758	1,251	1,778	1,798	1,758	1,778	1,798
<b>Total Non-Current Liabilities</b>		<b>1,778</b>	<b>1,271</b>	<b>1,798</b>	<b>1,813</b>	<b>1,778</b>	<b>1,798</b>	<b>1,813</b>
<b>Total Liabilities</b>		<b>23,002</b>	<b>20,990</b>	<b>21,803</b>	<b>25,988</b>	<b>23,002</b>	<b>21,797</b>	<b>25,937</b>
<b>Net Assets</b>		<b>1,828,941</b>	<b>1,793,049</b>	<b>1,812,537</b>	<b>1,798,443</b>	<b>1,828,941</b>	<b>1,810,957</b>	<b>1,796,904</b>
<b>EQUITY</b>								
Asset Revaluation Reserves		620,374	589,692	589,692	581,821	620,374	589,692	581,821
Accumulated funds		1,208,567	1,203,357	1,222,845	1,216,622	1,208,567	1,221,265	1,215,083
<b>Total Equity</b>		<b>1,828,941</b>	<b>1,793,049</b>	<b>1,812,537</b>	<b>1,798,443</b>	<b>1,828,941</b>	<b>1,810,957</b>	<b>1,796,904</b>

\* The 1st July 2009 column in the Statement of financial position is required as the Authority has made retrospective adjustments / restatements per TPP 11-01 Lessor classification of Long term leases. Refer Note 24.

The accompanying notes form part of these statements.

# Sydney Olympic Park Authority

## Statement of changes in equity for the year ended 30 June 2011

	Notes	Consolidated					
		Accumulated Funds		Asset Revaluation Reserve		Total Equity	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>(a) Consolidated</b>							
<b>Balance at 1 July</b>		1,222,845	1,174,614	589,692	575,168	1,812,537	1,749,782
Changes in Accounting Policy	24	–	42,008	–	6,653	–	48,661
<b>Restated total equity at 1 July</b>		1,222,845	1,216,622	589,692	581,821	1,812,537	1,798,443
<b>Surplus/(Deficit) for the year</b>	24	(12,969)	(5,859)	–	–	(12,969)	(5,859)
<b>Other comprehensive income</b>							
Net increase/(decrease) on revaluation of:							
Land and buildings	12	–	–	27,180	7,691	27,180	7,691
Infrastructure systems	12	–	–	202	–	202	–
Plant and equipment	12	–	–	4,343	–	4,343	–
<b>Total net increase in revaluation of assets</b>		–	–	31,725	7,691	31,725	7,691
Asset Revaluation Reserve transferred to Accumulated Funds resulting from assets retirement	24	1,043	(180)	(1,043)	180	–	–
<b>Total other comprehensive income</b>		1,043	(180)	30,682	7,871	31,725	7,691
<b>Total comprehensive income for the year</b>		(11,926)	(6,039)	30,682	7,871	18,756	1,832
<b>Transactions with Owners In their capacity as Owners</b>							
Increase / (decrease) in net assets from equity transfers	23	(2,352)	12,262	–	–	(2,352)	12,262
<b>Balance at 30 June</b>		<b>1,208,567</b>	<b>1,222,845</b>	<b>620,374</b>	<b>589,692</b>	<b>1,828,941</b>	<b>1,812,537</b>
<b>(b) Authority</b>							
		Authority					
<b>Balance at 1 July</b>		1,221,265	1,173,075	589,692	575,168	1,810,957	1,748,244
Changes in Accounting Policy	24	–	42,008	–	6,653	–	48,661
<b>Restated total equity at 1 July</b>		1,221,265	1,215,083	589,692	581,821	1,810,957	1,796,904
<b>Surplus/(Deficit) for the year</b>	24	(11,389)	(5,900)	–	–	(11,389)	(5,900)
<b>Other comprehensive income</b>							
Net increase/(decrease) on revaluation of:							
Land and buildings	12	–	–	27,180	7,691	27,180	7,691
Infrastructure systems	12	–	–	202	–	202	–
Plant and equipment	12	–	–	4,343	–	4,343	–
<b>Total net increase in revaluation of assets</b>		–	–	31,725	7,691	31,725	7,691
Asset Revaluation Reserve transferred to Accumulated Funds resulting from assets retirement	24	1,043	(180)	(1,043)	180	–	–
<b>Total other comprehensive income</b>		1,043	(180)	30,682	7,871	31,725	7,691
<b>Total comprehensive income for the year</b>		(10,346)	(6,080)	30,682	7,871	20,336	1,791
<b>Transactions with Owners In their capacity as Owners</b>							
Increase / (decrease) in net assets from equity transfers	23	(2,352)	12,262	–	–	(2,352)	12,262
<b>Balance at 30 June</b>		<b>1,208,567</b>	<b>1,221,265</b>	<b>620,374</b>	<b>589,692</b>	<b>1,828,941</b>	<b>1,810,957</b>

The accompanying notes form part of these statements.

# Sydney Olympic Park Authority

## Statement of cash flows for the year ended 30 June 2011

	Notes	Consolidated			Authority	
		Actual	Budget	Actual	Actual	Actual
		2011	2011	2010	2011	2010
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee related		(38)	–	(442)	–	–
Personnel Services		(22,999)	(24,389)	(22,474)	(22,999)	(22,474)
Grants and subsidies		(20,035)	(20,000)	(469)	(20,035)	(949)
Other		(70,554)	(68,575)	(61,983)	(68,812)	(61,574)
<b>Total Payments</b>		<b>(113,626)</b>	<b>(112,964)</b>	<b>(85,368)</b>	<b>(111,846)</b>	<b>(84,997)</b>
<b>Receipts</b>						
Sale of goods and services		53,616	44,060	39,362	53,616	39,302
Retained taxes, fees and fines		530	460	602	530	602
Interest received		3,020	1,239	1,738	2,980	1,692
Other		15,276	12,896	4,709	15,122	4,918
<b>Total Receipts</b>		<b>72,442</b>	<b>58,655</b>	<b>46,411</b>	<b>72,248</b>	<b>46,514</b>
<b>Cash Flows From Government</b>						
Recurrent appropriation	6(a)	50,461	49,912	33,503	50,461	33,503
Capital appropriation	6(b)	8,759	6,809	6,811	8,759	6,811
Asset sale proceeds transferred to the Crown Entity		(53)	–	(696)	(53)	(696)
<b>Net Cash Flows From Government</b>		<b>59,167</b>	<b>56,721</b>	<b>39,618</b>	<b>59,167</b>	<b>39,618</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	21	<b>17,983</b>	<b>2,412</b>	<b>661</b>	<b>19,569</b>	<b>1,135</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sale of plant and equipment	4	–	–	44	–	44
Proceeds from sale of development rights	4	–	–	3,001	–	3,001
Purchases of land and buildings, plant and equipment and infrastructure systems		(8,796)	(12,646)	(4,043)	(8,796)	(4,043)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(8,796)</b>	<b>(12,646)</b>	<b>(998)</b>	<b>(8,796)</b>	<b>(998)</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>9,187</b>	<b>(10,234)</b>	<b>(337)</b>	<b>10,773</b>	<b>137</b>
Opening cash and cash equivalents		38,344	38,344	36,781	36,758	34,721
Cash transferred in as a result of administrative restructuring		–	–	1,900	–	1,900
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	8	<b>47,531</b>	<b>28,110</b>	<b>38,344</b>	<b>47,531</b>	<b>36,758</b>

The accompanying notes form part of these statements.

# Sydney Olympic Park Authority

Summary of compliance with financial directives for the year ended 30 June 2011

	2011				2010			
	Recurrent Appropriation \$'000	Expenditure Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure Net Claim on Consolidated Fund \$'000	Recurrent Appropriation \$'000	Expenditure Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure Net Claim on Consolidated Fund \$'000
<b>ORIGINAL BUDGET APPROPRIATION/ EXPENDITURE</b>								
Appropriation Act	49,912	50,461	6,809	6,715	34,196	33,130	6,811	6,726
Additional Appropriations	—	—	—	—	—	—	—	—
Transfers	—	—	—	—	—	—	—	—
<b>Total</b>	<b>49,912</b>	<b>50,461</b>	<b>6,809</b>	<b>6,715</b>	<b>34,196</b>	<b>33,130</b>	<b>6,811</b>	<b>6,726</b>
<b>OTHER APPROPRIATIONS/ EXPENDITURE</b>								
Treasurer's Advance	3,049	—	6,900	1,950	—	—	18,800	—
Other	—	—	—	—	(234)	—	—	—
<b>Total</b>	<b>3,049</b>	<b>—</b>	<b>6,900</b>	<b>1,950</b>	<b>(234)</b>	<b>—</b>	<b>18,800</b>	<b>—</b>
<b>Total Appropriations/Expenditure (includes transfer payments)</b>	<b>52,961</b>	<b>50,461</b>	<b>13,709</b>	<b>8,665</b>	<b>33,962</b>	<b>33,130</b>	<b>25,611</b>	<b>6,726</b>
<b>Amount drawn down against Appropriation</b>		<b>50,461</b>		<b>8,759</b>		<b>33,503</b>		<b>6,811</b>
<b>Liability to Consolidated Fund</b>		—		<b>94</b>		<b>373</b>		<b>85</b>

The Summary of Compliance is based on the assumption that Consolidated Fund moneys are spent first (except where otherwise identified or prescribed).

# Sydney Olympic Park Authority

## Notes to the financial statements for the year ended 30 June 2011

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Reporting Entity

Sydney Olympic Park Authority (the Authority) was established in 2001 and took over the previous responsibilities of the Olympic Co-ordination Authority (OCA).

The Authority, as a reporting entity including Parklands Foundation Limited and the operations of entities formerly named, Sydney Olympic Park Authority Aquatic and Athletic Centre and State Sports Centre Trust, is consolidated as part of the NSW Total State Sector Accounts.

Persuant to Public Sector Employment and Management (Departmental Amalgamations) Order 2009, Office of Sydney Olympic Park Authority and Sydney Olympic Park Authority Aquatic and Athletic Centre Division are amalgamated into Communities NSW effective from 27 July 2009. As a result of the Amalgamation Order, these entities were abolished and no longer have any reporting obligations from that date. Public Sector Employment and Management (Departments) Order 2011 which was effective from 4 April 2011, had renamed Communities NSW as Office of Communities which is now part of the newly formed Department of Education and Communities. Sydney Olympic Park Authority is a reporting entity as part of Office of Communities.

The Authority took over the operations of the State Sports Centre Trust as at 1 December 2009

The Authority is a not-for-profit entity with no cash generating units.

This financial statements have been authorised for issue on 10 October 2011.

#### (b) Basis of Preparation

The Authority's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983 and Regulation* and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

Property, plant and equipment are measured at fair value. Other financial statements items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations made by management are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and expressed in Australian currency.

#### (c) New Australian Accounting Standards issued but not effective

The following new accounting standards have not been applied and are not yet effective. It is expected that the impact of the application of the new Standards on the Authority's financial statement in the period of initial application will not be significant.

- AASB 5 regarding non-current assets held for sale and discontinued operations
- AASB 7 & AASB 9 regarding financial instruments
- AASB 10 regarding consolidated financial statements
- AASB 13 regarding fair value measurement
- AASB 101 regarding presentation of financial statements
- AASB 107 regarding statement of cash flows
- AASB 108 regarding accounting policies, changes in accounting estimates and errors
- AASB 110 regarding events after the reporting period
- AASB 118 regarding revenue
- AASB 119 regarding employee benefits
- AASB 124 and AASB 2009-12 regarding related party transactions
- AASB 132 regarding financial instruments presentation
- AASB 137 regarding provisions, contingent liabilities and contingent assets
- AASB 139 regarding financial instruments recognition and measurement
- AASB 1031 regarding materiality
- AASB 1053 regarding application of tiers of Australian accounting standards
- AASB 1054 regarding Australian additional disclosures
- AASB 2009-11 regarding amendments to Australian accounting standards arising from AASB 9
- AASB 2010-2 regarding amendments to Australian accounting standards arising from reduced disclosure requirements

# Sydney Olympic Park Authority

## Notes to the financial statements for the year ended 30 June 2011

- AASB 2010-6 regarding disclosures on transfers of financial assets
- AASB 2010-7 regarding amendments to Australian accounting standards arising from AASB 9
- AASB 2010-9 regarding amendments to Australian accounting standards – severe hyperinflation and removal of fixed dates for first-time adopters'
- AASB 2011-1 regarding amendments to Australian accounting standards arising from the Trans-Tasman convergence project
- AASB 2011-2 regarding amendments to Australian accounting standards arising from the Trans-Tasman convergence project - reduced disclosure requirements
- AASB 2011-3 regarding orderly adoption of changes to the ABS GFS Manual
- Interpretation 4 regarding determining whether an arrangement contains a lease
- Interpretation 127 regarding evaluating the substance of transactions involving the legal form of a lease
- AASB 2011-4 regarding amendments to Australian accounting standards to remove individual key management personnel disclosure requirements
- AASB 2011-5 regarding amendments to Australian accounting standards – extending relief from consolidation, the equity Method and proportionate consolidation
- AASB 2011-6 regarding amendments to Australian accounting standards – extending relief from consolidation, the equity method and proportionate consolidation – reduced disclosure requirements
- AASB 2011-7 regarding amendments to Australian accounting standards arising from the consolidation and joint arrangements standards
- AASB 2011-8 regarding amendments to Australian accounting standards arising from AASB 13

### (d) Statement of Compliance

The Authority financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

### (e) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

### (i) Parliamentary Appropriations and Contributions

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as income when the Authority obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are accounted for as liabilities rather than revenue.

### (ii) Sale of Goods

Revenue from the sale of goods is recognised as revenue when the Authority transfers the significant risks and rewards of ownership of the assets.

### (iii) Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

### (iv) Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Rental revenue is recognised in accordance with AASB 117 *Leases* on a straight-line basis over the lease term.

### (f) Employee Benefits and Other Provisions

#### (i) Salaries and Wages, Annual Leave, Sick Leave and On-Costs (Personnel Services)

The *NSW Government Agency Amalgamation Administration Order* has provided for the legal establishment of the new super Departments and the transfer of staff and functions to these entities. The staff previously employed by the Office of Sydney Olympic Park Authority, Sydney Olympic Park Authority Aquatic and Athletic Centre Division and State Sports Centre Trust Division are now employed by Office of Communities which is part of Department of education and Communities as per the new Administrative Order effective from 4 April 2011. All employee costs are shown as Personnel Services provided by Office of Communities.

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within twelve months of the reporting date are recognised and measured in respect of employees' services

# Sydney Olympic Park Authority

## Notes to the financial statements for the year ended 30 June 2011

up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 *Employee Benefits*. Market yields on government bond rate are used to discount long-term annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

### **(ii) Long Service Leave and Superannuation**

The Authority's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity through the Office of Communities. The Authority accounts for the liability as having been extinguished resulting in the amount assumed being shown as 'Resources free of charge' in the Other Revenue.

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 11/06) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formula specified in the Treasurer's Directions and in accordance with TC 11/04. The expense for certain superannuation schemes (Basic Benefit and First State Super) is calculated as a percentage of the employees' salaries. For other superannuation schemes (State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions. This expense forms part of the Personnel Services costs.

### **(iii) Other Provisions**

Other provisions exist when the Authority has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Any provisions for restructuring are recognised only when the Authority has a detailed formal plan and the Authority has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

If the effect of the time value of money is material, provisions are discounted at the government bonds rate, which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

### **(g) Insurance**

The Authority's insurance activities are primarily conducted through the NSW Treasury Managed Fund Scheme (TMF) of self-insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claims experience.

There are also minor commercial insurance arrangements in place for risks that, for commercial reasons, the Authority has had to accept but for which the TMF is unable to provide protection.

### **(h) Accounting for the Goods and Services Tax (GST)**

Income, expenses and assets are recognised net of the amount of GST except where:

- the amount of GST incurred by the Authority as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the cash flow statement on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

### **(i) Acquisitions of Assets**

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Authority. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

# Sydney Olympic Park Authority

## Notes to the financial statements for the year ended 30 June 2011

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition. Assets transfers arising from an administrative restructure involving not-for-profit entities and for-profit government departments are recognised at the amount at which the asset was recognised by the transferor immediately prior to the restructure. All other equity transfers are recognised at fair value, except for intangibles.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

The lease between the Authority and Maritime NSW was terminated as at 31 March 2011. As a result, the Ferry Wharf asset was transferred from Sydney Olympic Park Authority to Maritime NSW at fair value in accordance with AASB 1004 *Contributions* and TPP 09-3 *Contributions by owners made to wholly-owned Public Sector entities*. This asset was revalued at 31 March 2011 (refer note 23).

### (j) Capitalisation Thresholds

Property, plant and equipment assets costing \$10,000 and above individually are capitalised.

### (k) Revaluation of Property, Plant and Equipment.

Physical non-current assets are valued in accordance with the Treasury Policy and Guidelines Paper TPP 07-1 *Valuation of Physical Non-Current Assets at Fair Value*. This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured on an existing use basis where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Authority revalues each class of property, plant and equipment at least every five years and with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last full revaluation for land and buildings and plant and equipment was completed on 30 June 2008 by the Department of Lands. The last full valuation for infrastructure systems was completed on 1 July 2008 by the Department of Commerce, based on an independent assessment.

As at 31 March 2011, the fair value of property plant and equipment was assessed by Land & Property Management Authority and Department of Services Technology & Administration, the incremental adjustments were updated as at the end of March as part of the fair value assessment in accordance with AASB 116 *Property, Plant and Equipment*.

Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation is separately restated.

For other assets, any balances of accumulated depreciation existing at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus/(deficit) for the year, the increment is recognised immediately as revenue in the surplus/(deficit) for the year.

Revaluation decrements are recognised immediately as expenses in the surplus/(deficit) for the year, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

### (l) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, the Authority is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. Therefore, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

# Sydney Olympic Park Authority

## Notes to the financial statements for the year ended 30 June 2011

### (m) Land Under Roads

Land under roads are recognised at existing used fair value in accordance with AASB 1051 *Land under Roads and TC 10/07*.

### (n) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Authority.

All material, separately-identifiable, component assets are recognised and depreciated over their shorter useful lives.

Land is not a depreciable asset.

Depreciation rates for these asset categories are:

buildings including facilities and sporting venues	1.3% - 20% per annum
computer equipment	25% per annum
office equipment	20% per annum
leasehold improvements	period of lease
infrastructure	2%–33% per annum
other plant and equipment	2%–20% per annum

### (o) Maintenance

Day-to-day servicing costs or maintenance costs are charged as expenses as incurred except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated.

### (p) Leased Assets

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

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.

As per TPP 11-01 *Lessor classification of long-term land leases* effective from 1 July 2010, the Authority has reviewed all unexpired long-term land leases as at 1 July 2010 and has reclassified the leases in accordance with the policy. All prepaid long term land lease payments balances in the deferred revenue liability was transferred to retained earnings as at the beginning of the comparative year (2009-10). Amortisation of the deferred revenue liability was ceased as at that date and the comparative year's revenue was adjusted accordingly. This policy is applied retrospectively.

As a result of the change in accounting policy for TPP 11-01 *Lessor classification of long-term land leases* and in accordance with AASB 117 *Leases*, the Authority has transferred its deferred long term lease liability \$54.2m to retained earnings. Refer Note 24.

### (q) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the Surplus/(deficit) for the Year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

### (r) Inventories

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the Authority would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Non current inventories include land inventory. When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised in accordance with AASB 102 *Inventories*.

### (s) Investments

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs. The Authority determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

The Authority subsequently measures investments classified as 'held for trading' or designated upon initial

# Sydney Olympic Park Authority

## Notes to the financial statements for the year ended 30 June 2011

recognition 'at fair value through profit or loss' at fair value. Financial assets are classified as 'held for trading' if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on these assets are recognised in the surplus/(deficit) for the year.

The Hour-Glass Investment Facilities which are part of the Cash and Cash Equivalents, are designated at fair value through profit or loss using the second leg of the fair value option i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the Authority's key management personnel.

The movement in the fair value of the Hour-Glass Investment Facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

Purchases or sales of investments under contract that require delivery of the asset within the timeframe established by convention or regulation are recognised on the trade date: the date the entity commits to purchase or sell the asset.

The fair value of investments that are traded at fair value in an active market is determined by reference to quoted current bid prices at the close of business on the Statement of Financial Position date.

### (t) Other Assets

Other assets are generally recognised at cost.

### (u) Impairment of Financial Assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the surplus/(deficit) for the year.

Any reversals of impairment losses are reversed through the surplus/(deficit) for the year, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as 'available for sale' must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what

the carrying amount would have been had there not been an impairment loss.

### (v) De-recognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the agency transfers the financial asset where substantially all the risks and rewards have been transferred or where the agency has not transferred substantially all the risks and rewards, if the entity has not retained control. Where the agency has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the agency's continuing involvement in the asset. A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

### (w) Major Repairs Funds

Under the terms of the lease between the Authority and the Royal Agricultural Society of New South Wales (RAS), the Authority is required to maintain a Major Repairs Fund (MRF). The MRF is to be used for major repairs undertaken to preserve and prolong the useful, economic life span of the Sydney Showground during the lease term.

NSW Treasury provides the Authority with funding for major repairs of the Sydney Olympic Park Sports Venues. This MRF is to be used for major repairs undertaken to preserve and prolong the useful, economic life span of the Sydney Olympic Park Sports Venues.

The MRFs at reporting date are treated as restricted assets. Refer Note 14.

### (x) Privately Financed Projects

In respect of the ANZ Stadium and Acer Arena facilities which were funded, developed and initially managed by the private sector, the Authority has adopted Treasury Policy and Guidelines Paper TPP 06-8 *Accounting for Privately Financed Projects*. Practical completion dates of the ANZ Stadium and Acer Arena occurred on 1 March 1999 and 30 August 1999 respectively. Both venues will revert to the Authority on expiry of the lease in 2031.

The Authority's share of the reversionary interest in the ANZ Stadium and Acer Arena is recognised as revenue and a non-current asset whose value emerges during the lease period. The value is allocated during the lease period as if it were the compound value of an annuity discounted at the NSW Government bond rate of 6.66% at the commencement of the lease period.

# Sydney Olympic Park Authority

## Notes to the financial statements for the year ended 30 June 2011

During the lease period, the fair value of the right to receive increases or decreases, the movement is recognised in accordance with AASB 116 *Property, Plant and Equipment* as if the right is an item of property to which that standard applies. Refer Note 13(a), 13(b).

### (y) Equity Transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector agencies and 'equity appropriations' are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit entities and for-profit government departments are recognised at the amount at which the asset was recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the agency recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the agency does not recognise that asset.

### (z) Payables

These amounts represent liabilities for goods and services provided to the Authority and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

### (ai) Budgeted Amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations under s 21A, s 24, and/or s 26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the Statement of Comprehensive Income and the Statement of cash flows are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Statement of Financial

Position, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts, per the audited financial statements (rather than carried forward estimates).

### (aii) Equity and reserves

#### (i) Asset Revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the agency's policy on the revaluation of property, plant and equipment. Refer Note 1(k).

#### (ii) Accumulated Funds

The category accumulated funds includes all current and prior period retained funds.

(iii) Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards. (e.g. asset revaluation reserve).

### (aiii) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

In accordance with AASB 117 *Leases* and TPP 11-01 *Lessor classification of long term land leases* effective from 1 July 2010, comparative amounts for prior period are adjusted where applicable and practicable. This change in accounting policy is applied retrospectively as at the beginning of the comparative year (2009-10) per transitional requirement in TPP 11-01 *Lessor classification of long term land leases*. The effect of the change is disclosed in note 24.

# Sydney Olympic Park Authority

Notes to the financial statements for the year ended 30 June 2011

	Notes	Consolidated		Authority	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>2. EXPENSES EXCLUDING LOSSES</b>					
<b>(a) Employee Related Expenses</b>					
Salaries and wages (including recreation leave)		30	352	–	–
Superannuation - defined contribution plans		3	24	–	–
Long service leave		–	–	–	–
Workers compensation insurance		1	3	–	–
Payroll tax and fringe benefit tax		2	21	–	–
		<b>36</b>	<b>400</b>	<b>–</b>	<b>–</b>
<b>(b) Personnel services</b>					
Personnel services		23,605	22,836	23,605	22,836
		<b>23,605</b>	<b>22,836</b>	<b>23,605</b>	<b>22,836</b>
<b>(c) Other Operating Expenses</b>					
Auditors' remuneration - audit of the financial statements		108	96	105	92
Insurance		1,043	1,030	1,041	1,025
Asset management		5,090	4,736	5,090	4,736
Operating lease rental expense - minimum lease payments		1,054	3,449	1,054	3,449
Administration		2,929	3,459	2,927	3,445
Advertising and promotion		2,571	3,329	2,571	3,316
Activity and entertainment		1,814	1,292	1,814	1,278
Maintenance		21,706	13,357	21,706	13,349
Site services		11,128	9,502	10,450	9,428
Utilities		4,500	4,420	4,500	4,420
Information technology		970	732	970	725
Other		3,902	4,401	3,902	4,401
		<b>56,815</b>	<b>49,803</b>	<b>56,130</b>	<b>49,664</b>
Maintenance expenses, as above		21,706	13,357	21,706	13,349
Maintenance related personnel services included in Note 2(a) & (b)		2,156	1,465	2,156	1,465
		<b>23,862</b>	<b>14,822</b>	<b>23,862</b>	<b>14,814</b>
<b>(d) Depreciation and Amortisation Expenses</b>					
Depreciation					
Land and buildings		10,998	10,421	10,998	10,421
Plant and equipment		5,532	5,190	5,532	5,190
Infrastructure systems		28,132	27,732	28,132	27,732
	12	<b>44,662</b>	<b>43,343</b>	<b>44,662</b>	<b>43,343</b>
Amortisation					
Amortisation - Prepayments		6,781	6,781	6,781	6,781
		<b>51,443</b>	<b>50,124</b>	<b>51,443</b>	<b>50,124</b>

# Sydney Olympic Park Authority

## Notes to the financial statements for the year ended 30 June 2011

	Notes	Consolidated		Authority	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>(e) Grants and Subsidies</b>					
State Sports Centre Trust		–	469	–	469
Royal Agricultural Society		20,000	–	20,000	–
Parklands Foundations		–	–	–	720
NSW Weightlifting Association		35	–	35	–
		<b>20,035</b>	<b>469</b>	<b>20,035</b>	<b>1,189</b>
<b>3. REVENUE</b>					
<b>(a) Sale of Goods and Services</b>					
Estate levies		4,053	3,969	4,053	3,969
Car parking		15,539	14,098	15,539	14,098
Aquatic and Athletic Centres income		10,815	9,756	10,815	9,756
Sale of Site 3		–	5,609	–	5,609
Retail Shop income		2,778	2,766	2,778	2,766
WRAMS Water Sales		1,445	1,490	1,445	1,490
Other		2,294	1,882	2,294	1,828
		<b>36,924</b>	<b>39,570</b>	<b>36,924</b>	<b>39,516</b>
<b>(b) Investment Revenue</b>					
Interest on bank		950	751	910	705
Interest on advances		2,923	2,640	2,923	2,640
Allowance for impairment - advance receivables	11	(2,923)	(2,640)	(2,923)	(2,640)
Interest on TCorp Hour Glass cash facility		2,155	1,115	2,155	1,115
Rental revenue		8,064	5,897	8,064	5,897
		<b>11,169</b>	<b>7,763</b>	<b>11,129</b>	<b>7,717</b>
<b>(c) Retained Taxes, Fees and Fines</b>					
Parking infringements		530	602	530	602
		<b>530</b>	<b>602</b>	<b>530</b>	<b>602</b>
<b>(d) Grants and Contributions</b>					
Parklands education program contributions		408	–	1,308	–
Developer contributions		64	–	64	–
		<b>472</b>	<b>–</b>	<b>1,372</b>	<b>–</b>
<i>The Authority has entered into land development agreements on the condition that a component of proceeds will be attributed to the provision of public infrastructure. The nature of this infrastructure is detailed in the Authority Infrastructure Contribution Funding Plan.</i>					
<b>(e) Other Revenue</b>					
Resources free of charge		759	1,094	759	1,094
Sponsorships and contributions		1,071	710	1,071	710
Lease forfeiture income		151	–	151	–
Insurance proceeds		318	–	318	–
Project delivery service income		249	186	249	186
Other		933	722	933	962
		<b>3,481</b>	<b>2,712</b>	<b>3,481</b>	<b>2,952</b>

# Sydney Olympic Park Authority

Notes to the financial statements for the year ended 30 June 2011

	Notes	Consolidated		Authority	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>4. GAIN/(LOSS) ON DISPOSAL</b>					
Gain/(loss) on disposal of land					
Proceeds from disposal		–	3,001	–	3,001
Written down value of assets disposed		–	(801)	–	(801)
<b>Net gain/(loss) on disposal of land</b>		<b>–</b>	<b>2,200</b>	<b>–</b>	<b>2,200</b>
Gain/(loss) on disposal of plant and equipment					
Proceeds from disposal		–	44	–	44
Written down value of assets disposed	12	(15)	(64)	(15)	(64)
<b>Net gain/(loss) on disposal of plant and equipment</b>		<b>(15)</b>	<b>(20)</b>	<b>(15)</b>	<b>(20)</b>
<b>Total Gain/(loss) on disposal</b>		<b>(15)</b>	<b>2,180</b>	<b>(15)</b>	<b>2,180</b>
<b>5. OTHER GAIN/(LOSS)</b>					
Right to receive	13(b)	27,327	25,784	27,327	25,784
Allowance for impairment - receivables other		3	2	3	2
<b>Total Other Gain/(loss)</b>		<b>27,330</b>	<b>25,786</b>	<b>27,330</b>	<b>25,786</b>
<b>6. APPROPRIATIONS</b>					
<b>(a) Recurrent Appropriations</b>					
Total recurrent drawdowns from NSW Treasury (per Summary of Compliance)					
		50,461	33,503	50,461	33,503
Less: Liability to Consolidated Fund (per Summary of Compliance)					
		–	(373)	–	(373)
		<b>50,461</b>	<b>33,130</b>	<b>50,461</b>	<b>33,130</b>
Comprising:					
Recurrent appropriations (per Statement of comprehensive income)					
		50,461	33,130	50,461	33,130
		<b>50,461</b>	<b>33,130</b>	<b>50,461</b>	<b>33,130</b>
<b>(b) Capital Appropriations</b>					
Total capital drawdowns from NSW Treasury (per Summary of Compliance)					
		8,759	6,811	8,759	6,811
Less: Liability to Consolidated Fund (per Summary of Compliance)					
		(94)	(85)	(94)	(85)
		<b>8,665</b>	<b>6,726</b>	<b>8,665</b>	<b>6,726</b>
Comprising:					
Capital appropriations (per Statement of comprehensive income)					
		8,665	6,726	8,665	6,726
		<b>8,665</b>	<b>6,726</b>	<b>8,665</b>	<b>6,726</b>

# Sydney Olympic Park Authority

## Notes to the financial statements for the year ended 30 June 2011

### 7. SERVICE GROUP/ACTIVITIES OF THE AUTHORITY

#### (a) Service Group - Precinct Management and Development objective:

This service group contributes to the development of a high quality living and working environment and providing venues for sporting, leisure, artistic and cultural activities by working towards a range of intermediate results that include the following:

- increasing visits to Sydney Olympic Park
- achieving sustainable urban development outcomes
- accommodating new jobs closer to home
- maintaining Sydney Olympic Park as a major events precinct and
- improving the Government's return on investment in Sydney Olympic Park

#### Description:

This service group covers the promotion, development and management of the Sydney Olympic Park precinct.

#### (b) Service Group Statement – Expenses and Revenues

The Authority operates as one service group. The expenses and revenues of this group are as reflected in the Statement of comprehensive income and assets and liabilities in the statement of financial position

	Notes	Consolidated		Authority	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>8. CURRENT ASSETS - CASH AND CASH EQUIVALENTS</b>					
Cash at bank and on hand		18,851	15,823	18,851	14,237
TCorp Hour-Glass cash facility		28,680	22,521	28,680	22,521
	22	<b>47,531</b>	<b>38,344</b>	<b>47,531</b>	<b>36,758</b>
<i>Cash and cash equivalent assets recognised in the Statement of financial position are reconciled at the end of the financial year to the Statement of cash flows as follows:</i>					
<b>Cash and cash equivalents (per Statement of financial position)</b>		<b>47,531</b>	<b>38,344</b>	<b>47,531</b>	<b>36,758</b>
<b>Closing cash and cash equivalents (per Statement of cash flows)</b>		<b>47,531</b>	<b>38,344</b>	<b>47,531</b>	<b>36,758</b>
<i>Details regarding credit risk, liquidity risk and market risk are disclosed in note 22. Included in cash at bank is the restricted cash which is disclosed in detail in note 14.</i>					
<b>9. CURRENT ASSETS - RECEIVABLES</b>					
<b>Current Receivables</b>					
Trade debtors		1,742	10,181	1,742	10,181
Less: Allowance for impairment		(1)	(4)	(1)	(4)
Interest receivable		495	410	495	410
GST receivable		1,599	1,738	1,599	1,738
Prepayments		557	1,189	557	1,189
Accrued income		3,195	2,399	3,195	2,399
Insurance recovery		601	–	601	–
Other		455	502	455	502
		<b>8,643</b>	<b>16,415</b>	<b>8,643</b>	<b>16,415</b>
<b>Movement in the allowance for impairment</b>					
Balance at 1 July		4	–	4	–
Amounts written off during the year		–	–	–	–
Increase/(decrease) in allowance recognised in profit or loss		(3)	4	(3)	4
<b>Balance at 30 June</b>		<b>1</b>	<b>4</b>	<b>1</b>	<b>4</b>

*Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 22.*

# Sydney Olympic Park Authority

Notes to the financial statements for the year ended 30 June 2011

	Notes	Consolidated		Authority	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>10. CURRENT/NON CURRENT ASSETS - INVENTORIES</b>					
<b>(a) Current Inventories - held for resale</b>					
Stock at cost		166	109	166	109
		<b>166</b>	<b>109</b>	<b>166</b>	<b>109</b>
<b>(b) Non Current Inventories - held for resale</b>					
Land Inventory					
Acquisition		543	543	543	543
Development		1,380	1,380	1,380	1,380
<b>Land inventory at cost</b>		<b>1,923</b>	<b>1,923</b>	<b>1,923</b>	<b>1,923</b>
<b>11. NON CURRENT ASSETS - OTHER FINANCIAL ASSETS</b>					
Advances receivable - OCA Loans		12,000	12,000	12,000	12,000
Interest on advances		18,508	15,585	18,508	15,585
	22	30,508	27,585	30,508	27,585
Less: Allowance for impairment	22	(30,508)	(27,585)	(30,508)	(27,585)
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Movement in the allowance for impairment</b>					
Balance at 1 July		27,585	24,945	27,585	24,945
Amounts written off during the year		-	-	-	-
Amounts recovered during the year		-	-	-	-
Increase/(decrease) in allowance recognised in profit or loss		2,923	2,640	2,923	2,640
<b>Balance at 30 June</b>		<b>30,508</b>	<b>27,585</b>	<b>30,508</b>	<b>27,585</b>

Refer to Note 22 for further information regarding credit risk, liquidity risk and market risk arising from financial instruments.

# Sydney Olympic Park Authority

## Notes to the financial statements for the year ended 30 June 2011

	Notes	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure* Systems \$'000	Total \$'000
<b>12. NON CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT</b>					
<b>2011</b>					
<b>At 1 July 2010 - fair value</b>					
Gross carrying amount		1,135,413	110,567	678,629	1,924,609
Accumulated depreciation and impairment		(145,906)	(55,015)	(304,844)	(505,765)
<b>Net Carrying Amount</b>		<b>989,507</b>	<b>55,552</b>	<b>373,785</b>	<b>1,418,844</b>
<b>At 30 June 2011 - fair value</b>					
Gross carrying amount		1,176,738	120,905	683,705	1,981,348
Accumulated depreciation and impairment		(169,307)	(65,276)	(332,336)	(566,919)
<b>Net Carrying Amount</b>		<b>1,007,431</b>	<b>55,629</b>	<b>351,369</b>	<b>1,414,429</b>
<i>A reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and the end of the current reporting period is set out below.</i>					
<b>Year ended 30 June 2011</b>					
Net carrying amount at start of year		989,507	55,552	373,785	1,418,844
Additions		2,767	1,305	6,817	10,889
Disposals	4	(15)	–	–	(15)
Acquisitions through administrative restructures		–	–	–	–
Assets retirement through non administrative restructures	23	(2,228)	(124)	–	(2,352)
Net revaluation increment less revaluation decrements		27,180	4,343	202	31,725
Depreciation expense	2(d)	(10,998)	(5,532)	(28,132)	(44,662)
Reclassification-asset class		1,218	85	(1,303)	–
<b>Net carrying amount at end of year</b>		<b>1,007,431</b>	<b>55,629</b>	<b>351,369</b>	<b>1,414,429</b>
<b>2010</b>					
<b>At 1 July 2009 - fair value</b>					
Gross carrying amount		1,114,019	104,752	679,420	1,898,191
Accumulated depreciation and impairment		(134,994)	(48,944)	(277,111)	(461,049)
<b>Net Carrying Amount</b>		<b>979,025</b>	<b>55,808</b>	<b>402,309</b>	<b>1,437,142</b>
<b>At 30 June 2010 - fair value</b>					
Gross carrying amount		1,135,413	110,567	678,629	1,924,609
Accumulated depreciation and impairment		(145,906)	(55,015)	(304,844)	(505,765)
<b>Net Carrying Amount</b>		<b>989,507</b>	<b>55,552</b>	<b>373,785</b>	<b>1,418,844</b>
<i>A reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and the end of the current reporting period is set out below.</i>					
<b>Year ended 30 June 2010</b>					
Net carrying amount at start of year		979,025	55,808	402,309	1,437,142
Additions		1,086	1,029	4,874	6,989
Disposals	4	(801)	(64)	–	(865)
Acquisitions through administrative restructures		698	709	26	1,433
Acquisition through non administrative restructures	23	9,797	–	–	9,797
Net revaluation increment less revaluation decrements		7,691	–	–	7,691
Impairment losses		–	–	–	–
Depreciation expense	2(d)	(10,421)	(5,190)	(27,732)	(43,343)
Reclassification-asset class		2,432	3,260	(5,692)	–
<b>Net carrying amount at end of year</b>		<b>989,507</b>	<b>55,552</b>	<b>373,785</b>	<b>1,418,844</b>

\* Infrastructure Systems includes assets under construction for various projects of \$9.5 million (\$8.2 million in 2010)

# Sydney Olympic Park Authority

Notes to the financial statements for the year ended 30 June 2011

	Notes	Consolidated		Authority	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>13. PRIVATELY FINANCED PROJECTS</b>					
<b>(a) Prepayments - ANZ Stadium and Acer Arena</b>					
Prepayments (current)		6,781	6,781	6,781	6,781
Prepayments (non current)		126,037	132,818	126,037	132,818
	1(x)	<b>132,818</b>	<b>139,599</b>	<b>132,818</b>	<b>139,599</b>
<b>(b) Right to receive - ANZ Stadium and Acer Arena</b>					
Carrying amount at 1 July		219,106	193,322	219,106	193,322
Gain/(loss) for the year	5	27,327	25,784	27,327	25,784
<b>Carrying amount at 30 June</b>	1(x)	<b>246,433</b>	<b>219,106</b>	<b>246,433</b>	<b>219,106</b>
<b>14. RESTRICTED ASSETS</b>					
Major repairs fund – RAS		10,551	14,293	10,551	14,293
Major repairs fund – SOPASV		1,855	1,051	1,855	1,051
Developer contributions and proceeds of development right		16,274	7,177	16,274	7,177
Parklands Foundation Limited		–	1,586	–	–
		<b>28,680</b>	<b>24,107</b>	<b>28,680</b>	<b>22,521</b>
<b>15. CURRENT LIABILITIES – PAYABLES</b>					
Creditors and accrued expenses		8,187	7,117	8,187	7,112
Personnel services	16	601	596	601	596
		<b>8,788</b>	<b>7,713</b>	<b>8,788</b>	<b>7,708</b>
<i>Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 22.</i>					
<b>16. CURRENT/NON CURRENT LIABILITIES - PROVISIONS</b>					
<b>Other Provisions</b>					
Personnel services - current		2,212	2,122	2,212	2,122
Personnel services - non current		20	20	20	20
<b>Total Provisions</b>		<b>2,232</b>	<b>2,142</b>	<b>2,232</b>	<b>2,142</b>
<b>Aggregate Personnel Services Costs</b>					
Personnel services - current		2,212	2,122	2,212	2,122
Personnel services - non current		20	20	20	20
Personnel services - accruals	15	601	596	601	596
		<b>2,833</b>	<b>2,738</b>	<b>2,833</b>	<b>2,738</b>

# Sydney Olympic Park Authority

## Notes to the financial statements for the year ended 30 June 2011

	Notes	Consolidated		Authority	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>17. CURRENT/NON CURRENT LIABILITIES - OTHER</b>					
<b>(a) Current Liabilities - Other</b>					
Security deposits	22	278	314	278	314
Deferred long term lease income	1(p)	20	20	20	20
Unearned revenue		9,251	8,836	9,251	8,836
Other		675	1,000	675	1,000
		<b>10,224</b>	<b>10,170</b>	<b>10,224</b>	<b>10,170</b>
<b>(b) Non Current Liabilities - Other</b>					
Deferred long term lease income	1(p)	1,758	1,778	1,758	1,778
		<b>1,758</b>	<b>1,778</b>	<b>1,758</b>	<b>1,778</b>
<i>As per TPP 11-01 Lessor Classification of long term land leases effective from 1 July 2010, the Authority has reinstated its comparatives as required. See Note 24.</i>					
<b>18. COMMITMENTS FOR EXPENDITURE</b>					
<b>(a) Capital Expenditure Commitments</b>					
<i>Aggregate capital expenditure for the acquisition of property development services contracted for at balance date and not provided for:</i>					
Not later than one year		230	514	230	514
<b>Total (including GST)</b>		<b>230</b>	<b>514</b>	<b>230</b>	<b>514</b>
<i>Aggregate capital expenditure for the acquisition of other construction contracted for at balance date and not provided for:</i>					
Not later than one year		1,832	708	1,832	708
<b>Total (including GST)</b>		<b>1,832</b>	<b>708</b>	<b>1,832</b>	<b>708</b>
<b>(b) Other Expenditure Commitments</b>					
<i>Aggregate other expenditure contracted for at balance date and not provided for:</i>					
Not later than one year		4,576	2,134	4,576	2,134
<b>Total (including GST)</b>		<b>4,576</b>	<b>2,134</b>	<b>4,576</b>	<b>2,134</b>
<b>(c) Operating Lease Commitments</b>					
<i>Future non-cancellable operating lease rentals not provided for and payable:</i>					
Not later than one year		1,027	512	1,027	512
Later than one year and not later than 5 years		4,048	3,845	4,048	3,845
Greater than 5 years		783	1,768	783	1,768
<b>Total (including GST)</b>		<b>5,858</b>	<b>6,125</b>	<b>5,858</b>	<b>6,125</b>

The Authority's operating leases relate to property and motor vehicles.

The total expenditure commitments above include input tax credits of \$1,136,000 (\$847,000 in 2010) which are expected to be recovered from the Australian Taxation Office.

# Sydney Olympic Park Authority

Notes to the financial statements for the year ended 30 June 2011

Notes	Consolidated		Authority	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>19. OPERATING LEASE RECEIVABLES</b>				
<b>(a) Operating Lease Receivables</b>				
<i>Non-cancellable operating lease receivables not recognised in the financial statements are as follows:</i>				
Not later than one year	4,355	4,612	4,355	4,612
Later than one year and not later than 5 years	5,794	6,074	5,794	6,074
Greater than 5 years	14,784	14,197	14,784	14,197
<b>Total (including GST)</b>	<b>24,933</b>	<b>24,883</b>	<b>24,933</b>	<b>24,883</b>
<i>Operating leases receivables relate to leases in rental properties. These are entered into at market rates and on commercial terms. Regular market valuations and tendering processes are carried out to ensure commercial arrangements are maintained. The total operating lease receivables above include input tax credits of \$2,250,000 (\$2,245,000 in 2010) which are expected to be payable to the Australian Taxation Office.</i>				
<b>(b) Contingent Rents Recognised as Income</b>				
<b>Contingent rents recognised as income for the period</b>	<b>789</b>	<b>416</b>	<b>789</b>	<b>416</b>

*The turnover rent is receivable in arrears.*

# Sydney Olympic Park Authority

## Notes to the financial statements for the year ended 30 June 2011

### 20. BUDGET REVIEW

#### (a) Net Cost of Services

The actual net cost of services was \$4.2 million lower than budget. The main variances were:

- lower other operating expenses of \$2.5 million relates to lower administration and site service costs.
- higher depreciation and amortisation costs of \$1.5 million resulting from higher than expected capitalisation of assets and other incremental adjustments.
- higher sale of goods and services of \$3.0 million mainly from car parking fees.
- lower investment revenue of \$1.2 million mainly resulting from the decision not to purchase the Lidcombe Waste Treatment Plant offset by higher interest income.
- lower grants and contributions of \$1.3 million from lower developer contributions.
- higher other revenue of \$1.9m is mainly the WRAMS profit sharing and additional income received from V8 event.

#### (b) Assets and Liabilities

Total assets were \$37.9 million above budget. The material variances are:

- higher cash balances of \$19.4 million mainly in the restricted cash item Developer Contributions.
- lower receivables of \$7.7 million mainly relates to the recovery of outstanding developer funded revenue such as Site 3.
- higher land and buildings value of \$25.9 million resulting mainly from an incremental value adjustment.
- higher plant and equipment of \$4.9 million resulting mainly from an incremental value adjustment.
- lower infrastructure value of \$4.7 million resulting from the transfer of assets to other asset classes.

Total liabilities were above budget by \$2.0 million. The material variances were:

- higher payables of \$1.5 million mainly in higher accruals.

#### (c) Cash Flows

Net cash flows from operating activities were \$15.6 million above budget. The material variances were:

- lower personnel services costs of \$1.4 million relates mainly to vacant positions.
- lower other payments of \$1.9 million mainly relates to lower administration and site service costs.
- higher sale of goods and services of \$9.6 million is mainly the receipt from the sale of residential Site 3 and higher car parking revenue.
- higher interest received of \$1.8 million mainly from penalty interest charges and additional interest income from investments.
- higher other receipts of \$2.4 million is made up of the WRAMS profit sharing and additional income received from V8 event.
- the requirement for recurrent appropriation to meet the Authority's operating activities was lower by \$2.5 million, this included a supplementation adjustment of \$3.0 million.
- additional capital supplementation of \$6.9 million was provided for the Blaxland Riverside Playground, of which \$2.0 was used in 2011 with the remaining funds carried into 2012.

# Sydney Olympic Park Authority

Notes to the financial statements for the year ended 30 June 2011

	Notes	Consolidated		Authority	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>21. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES</b>					
<b>Net Cash Used on Operating Activities</b>		17,983	661	19,569	1,135
Cash flows from Government/Appropriations	6	(59,126)	(39,856)	(59,126)	(39,856)
Asset sale proceeds transferred to the Crown Entity		53	696	53	696
Depreciation and amortisation	2(d)	(51,443)	(50,124)	(51,443)	(50,124)
Impairment of receivables	5	(3)	(2)	(3)	(2)
Net gain/(loss) on disposal	4	(15)	2,180	(15)	2,180
Other gain/(loss)	5	27,330	25,786	27,330	25,786
Increase/(decrease) in costs of sales		–	(333)	–	(333)
Increase/(decrease) in receivables		(7,713)	7,425	(7,176)	6,957
Decrease/(increase) in payables		1,582	(1,307)	1,580	(1,319)
Decrease/(increase) in employee provisions		(120)	440	(120)	405
Decrease/(increase) in other current liabilities		(590)	(2,812)	(590)	(2,812)
Decrease/(increase) in prepaid long term leases		20	12,227	19	12,227
<b>Net Cost of Services</b>		<b>(72,042)</b>	<b>(45,019)</b>	<b>(70,462)</b>	<b>(45,060)</b>

# Sydney Olympic Park Authority

## Notes to the financial statements for the year ended 30 June 2011

### 22. FINANCIAL INSTRUMENTS

The Authority's principal financial instruments are outlined below. These financial instruments arise directly from the Authority's operations or are required to finance the Authority's operations. The Authority does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Authority's main risks arising from financial instruments are outlined below, together with the Authority's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Audit and Compliance Committee has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Authority, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Compliance Committee on a continuous basis.

	Category	Notes	Consolidated		Authority	
			2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>(a) Financial Instrument Category</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	n/a	8	47,531	38,344	47,531	36,758
Receivables 1.	Receivables (at amortised cost)		6,487	13,488	6,487	13,488
Advances receivable	Advances (at amortised cost)	11	30,508	27,585	30,508	27,585
Less: Allowance for impairment		11	(30,508)	(27,585)	(30,508)	(27,585)
			<b>54,018</b>	<b>51,832</b>	<b>54,018</b>	<b>50,246</b>
<b>Financial Liabilities</b>						
Payables 2.	Financial liabilities measured at amortised cost		8,401	7,588	8,401	7,588
Other	Financial liabilities measured at amortised cost	17	278	314	278	314
			<b>8,679</b>	<b>7,902</b>	<b>8,679</b>	<b>7,902</b>

#### Notes

1. Excludes statutory receivables and prepayments (not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (not within scope of AASB 7).

### (b) Credit Risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations, resulting in a financial loss to the Authority. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Authority, including cash, receivables and authority deposits. No collateral is held by the Authority. The Authority has not granted any financial guarantees.

Credit risk associated with the Authority's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

#### Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW TCorp 11.00am unofficial cash rate adjusted for a management fee to Treasury. The TCorp Hour Glass cash facility is discussed in paragraph (d) below.

# Sydney Olympic Park Authority

## Notes to the financial statements for the year ended 30 June 2011

### Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectibility of trade debtors is reviewed on an ongoing basis. Procedures established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings.

No interest is earned on trade debtors. Sales are made on COD terms.

The Authority is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are less than 3 months past due (2011: \$1.7 million; 2010: \$10.2 million) are not considered impaired and together these represent 99% of the total trade debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

The only financial assets that are past due or impaired are 'trade debtors' in the 'receivables' category of the Statement of Financial Position.

	Consolidated and Authority		
	\$'000	\$'000	\$'000
	Total 1,2	Past due but not impaired 1,2	Considered impaired 1,2
<b>2011</b>			
< 3 months overdue	1,732	1,732	—
3 months - 6 months overdue	10	10	—
> 6 months overdue	—	—	—
<b>2010</b>			
< 3 months overdue	10,147	10,147	—
3 months - 6 months overdue	38	34	4
> 6 months overdue	—	—	—

#### Notes

1. Each column in the table reports 'gross receivables'.

2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the Statement of financial position.

### Authority Deposits

The Authority has placed funds on deposit with TCorp, which has been rated 'AAA' by Standard and Poor's. These deposits are similar to money market or bank deposits and are placed 'at call'. The deposits at balance date were earning an average interest rate of 5.27% (2010— 4.36%), while over the year the weighted average interest rate was 5.21% (2010 – 4.41%) on a weighted average balance during the year of \$27.3 million (2010 – \$25.0 million). None of these assets are past due or impaired.

### (c) Liquidity risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment.

The Authority's financial liabilities included in Note 22(a) will mature in less than 1 year.

# Sydney Olympic Park Authority

## Notes to the financial statements for the year ended 30 June 2011

### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority's exposures to market risk are primarily through interest rate risk on the Authority's borrowings and other price risks associated with the movement in the unit price of the TCorp Hour Glass Investment facilities. The Authority has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined

after taking into account the economic environment in which the Authority operates and the time frame for the assessment (ie until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance sheet date. The analysis is performed on the same basis for 2011. The analysis assumes that all other variables remain constant.

### Interest rate risk

A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Authority's exposure to interest rate risk is set out below.

	Consolidated and Authority				
	\$'000				
	Carrying amount	-1%		1%	
Profit		Equity	Profit	Equity	
<b>2011</b>					
Financial assets					
Cash and cash equivalents	18,851	(189)	(189)	189	189
<b>2010</b>					
Financial assets					
Cash and cash equivalents	15,823	(158)	(158)	158	158

### Other price risk – TCorp Hour Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour Glass Investment facilities, which are held for strategic rather than trading purposes. The Authority has no direct equity investments. The Authority holds units in the following Hour-Glass investment trusts:

Facility	Investment Sectors	Investment horizon	Consolidated and Authority	
			2011 \$'000	2010 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	28,680	22,521

# Sydney Olympic Park Authority

## Notes to the financial statements for the year ended 30 June 2011

The unit price of each facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp as trustee for the above facility is required to act in the best interest of the unitholders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of the facility in accordance with a mandate agreed by the parties. However, TCorp, acts as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour Glass facilities limits the Authority's exposure to risk, as it allows diversification across a pool of funds, with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for the facility, using historically based volatility information. The TCorp Hour Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity).

	Consolidated and Authority		
	Impact on profit/loss		
	Change in unit price	2011 \$'000	2010 \$'000
Hour Glass Investment – Cash facility	+/-1%	287	225

A reasonable possible change is based on the percentage change in unit price multiplied by the redemption price as at 30 June each year for each facility (as advised by TCorp).

### (e) Fair Value

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour Glass facilities, which are measured at fair value. As discussed, the value of the Hour Glass Investments is based on the Authority's share of the value of the underlying assets of the facility, based on the market value. All of the Hour Glass facilities are valued using 'redemption' pricing.

Except where specified, the amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short term nature of many of the financial instruments. There is no financial instruments where the fair value differs from the carrying amount as at the reporting date.

### (f) Fair value recognised in the statement of financial position

The authority uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

Level 1 - Derived from quoted prices in active markets for identical assets / liabilities.

Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 - Derived from valuation techniques that include inputs for the asset / liability not based on observable market data.

	Consolidated and Authority			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2011 Total \$'000
<b>Financial assets at fair value</b>				
TCorp Hour-Glass Invt. Facility	–	28,680	–	28,680
	–	<b>28,680</b>	–	<b>28,680</b>

[The table above only includes financial assets, as no financial liabilities were measured at fair value in the statement of financial position.]  
There were no transfers between level 1 and 2 during the period ended 30 June 2011.

# Sydney Olympic Park Authority

Notes to the financial statements for the year ended 30 June 2011

	Consolidated and Authority			2010 Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
<b>Financial assets at fair value</b>				
TCorp Hour-Glass Invt. Facility	–	22,521	–	22,521
	–	<b>22,521</b>	–	<b>22,521</b>

*[The table above only includes financial assets, as no financial liabilities were measured at fair value in the statement of financial position.]  
There were no transfers between level 1 and 2 during the period ended 30 June 2010.*

	Consolidated and Authority	
	2011 \$'000	2010 \$'000
<b>23. INCREASE/DECREASE IN NET ASSETS FROM EQUITY TRANSFERS</b>		
Assets transferred in/(out) through Administrative Restructure:		
Equity transferred in - State Sports Centre Trust	–	2,465
Assets transferred in/(out) other than in Administrative Restructure:		
Equity transferred in - NSW Lotteries Building	–	9,797
Equity transferred out - Maritime NSW	(2,352)	–
<b>Increase/(Decrease) in net assets from equity transfers</b>	<b>(2,352)</b>	<b>12,262</b>

# Sydney Olympic Park Authority

Notes to the financial statements for the year ended 30 June 2011

## 24. CHANGES IN ACCOUNTING POLICIES, CORRECTIONS OF ERRORS AND CHANGES IN ESTIMATES

Line items	Notes	Previously reported figures in 2009–10		Reclassification \$'000	TPP11-01* Adjustments \$'000	Comparative figures reported in 2009–10	
		Consolidated \$'000	Authority \$'000			Consolidated \$'000	Authority \$'000
<b>Statement of Comprehensive Income</b>							
Other operating expenses	(i)	(48,689)	(48,550)		(1,114)	(49,803)	(49,664)
<b>Total expenses excluding losses</b>		<b>(122,518)</b>	<b>(122,699)</b>			<b>(123,632)</b>	<b>(123,813)</b>
Investment revenue	(i)**	10,920	10,874	(2,640)	(517)	7,763	7,717
<b>Total Revenue</b>		<b>53,804</b>	<b>53,944</b>			<b>50,647</b>	<b>50,787</b>
Gain/(loss) on disposal	(i)	(20)	(20)		2,220	2,180	2,180
Other Gains/(losses)	(i)**	23,146	23,146	2,640		25,786	25,786
<b>Surplus/(deficit) for the year</b>		<b>(6,428)</b>	<b>(6,469)</b>		<b>569</b>	<b>(5,859)</b>	<b>(5,900)</b>
<b>Total Comprehensive Income for the year</b>		<b>1,263</b>	<b>1,222</b>		<b>569</b>	<b>1,832</b>	<b>1,791</b>
<b>Statement of Financial Position</b>							
<b>Assets</b>							
Property, plant and equipment-Land & building	(ii)	986,625	986,625		2,882	989,507	989,507
<b>Total Assets</b>		<b>1,831,458</b>	<b>1,829,872</b>		<b>2,882</b>	<b>1,834,340</b>	<b>1,832,754</b>
<b>Liabilities</b>							
Other current liabilities	(iii)	2,321	2,321		7,849	10,170	10,170
Other non current liabilities	(iii)	55,974	55,974		(54,196)	1,778	1,778
<b>Total Liabilities</b>		<b>68,150</b>	<b>68,144</b>		<b>(46,347)</b>	<b>21,803</b>	<b>21,797</b>
<b>Net Assets</b>		<b>1,763,308</b>	<b>1,761,728</b>		<b>49,229</b>	<b>1,812,537</b>	<b>1,810,957</b>
<b>Total Equity</b>							
Asset Revaluation Reserve	(iv)	582,859	582,859		6,883	589,692	589,692
Accumulated funds	(iv)	1,180,449	1,178,869		42,396	1,222,845	1,221,265
<b>Total Equity</b>		<b>1,763,308</b>	<b>1,761,728</b>		<b>49,229</b>	<b>1,812,537</b>	<b>1,810,957</b>

# Sydney Olympic Park Authority

## Notes to the financial statements for the year ended 30 June 2011

### Notes to Changes in Accounting Policy

\*TPP 11-01 Accounting Policy: Lessor classification of long term land leases is issued by NSW Treasury as a Policy and Guidelines Paper and clarifies how a lessor should apply Accounting Standard AASB 117 *Leases* to classify a long-term lease of land. It applies to financial years beginning on or after 1 July 2010. As a result of TPP 11-01, the Authority, as a lessor with unexpired long-term leases as at 1 July 2010, requires to review the classification of leases in accordance with AASB 117 and the Treasury Policy. Where appropriate, the lessor should reclassify the lease as a finance lease and account for the change as required. At the inception of a long-term lease, the lessee often prepays all of the lease payments. The accounting impact on prepaid leases include reclassifying existing prepaid long-term land leases as finance leases and require lessor to (a) derecognise deferred revenue liability by transferring it to retained earnings as at the beginning of the comparative year (2009-10); (b) cease amortising the deferred revenue liability; and (c) adjust the comparative year's revenue accordingly. These adjustments are required in accordance with transitional provisions with TPP 11-01.

(i) Amortisation of prepaid long-term land leases now ceased, resulting in \$0.5 million being reversed. The full receipt of developer premiums for long-term leases has been recognised as sales in the statement of comprehensive income and that related assets have been disposed. As a result, there is a net gain of \$2.2 million which is calculated from \$3.0 million proceeds less value of land of \$0.8 million. In addition, the lease expense of \$1.1 million has been corrected as the result of TPP11-01.

(j)\*\* Investment revenue balances have been adjusted by netting the allowance for impairment of advances receivable of \$2.64 million.

(ii) Assets that were previously revalued down to a \$1 as long-term lease classifications are now written up. Assets values will remain at their fair values until full developer premiums are received and that the receipt of full premium would be treated as sales revenue and related assets will be disposed upon sale. As a result, the increase of \$2.8 million is due to reinstatement of assets fair values for \$3.6 million and disposal of land for \$0.8 million.

(iii) Increase in other current liabilities was due to reclassification of development premiums received treated as prepaid income rather than a deferred long-term lease liability. Decrease in other non current liabilities was due to deferred long-term lease liabilities of \$54.2 million derecognised and transferred to retained earnings.

(iv) Increase in asset revaluation reserve is partly due to requirements of transferring asset revaluation reserve to retained earnings upon disposal and partly due to adjustments made to assets fair values due to lease reclassifications per TPP 11-01. Asset revaluation reserve transferred to retained earnings upon disposal was \$3.1 million and assets fair value adjustments was \$3.7 million. The net adjustments made to equity is \$42.4 million.

### 25. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority.

The Authority by virtue of its operations has been vested with a number of remediated landfill sites. The Authority is licensed to manage remediated lands within Sydney Olympic Park through the Environment Protection Authority. There is presently no known breach of license conditions or events that require remedy.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority.

The Authority assesses contingent assets continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs.

### 26. AFTER BALANCE DATE EVENTS

Parklands Foundation Ltd is formally deregistered on 1 September 2011 and there will be no consolidation in 2012. There are no further events after Balance Sheet date that would have a material impact on the financial statements.

### End of Audited Financial Statements

# Parklands Foundation Limited ABN 26 114 290 498

## Director's Report

The Directors present their report together with the financial report of Parklands Foundation Limited for the financial year ended 30 June 2011.

### Directors

The names and particulars of Parklands Foundation Limited Directors during or since the end of the financial year are:

Name	Particulars
Lucio Di Bartolomeo	Chairman, appointed 17 April 2007 Non Executive.
Penelope Figgis AO	Director, appointed 16 May 2005 Non Executive.
Peter Mayers	Director, appointed 14 March 2008 Non Executive.
Alan Marsh	Director, appointed 2 June 2008 Non Executive.
Sarah Dinning	Director, appointed 13 March 2009 Non Executive.

### Principal Activities

The principal activities of Parklands Foundation Limited ('the Foundation') during the year consisted of:

- help protect and enhance the diversity of distinctly Australian and natural settings forming the natural environment of the 432 hectares of pristine woodlands, rare saltmarshes and mangroves, of Aboriginal significance and of historic naval importance forming the Parklands at Sydney Olympic Park;
- help protect, maintain and improve the Parklands and promote their environmental, recreational, historical, scientific, educational and cultural value;
- provide information and education, and support research, about the Parklands and their environmental, recreational, historical, scientific, educational and cultural values;
- establish and maintain a public fund to be called the Parklands Fund for the specific purpose of supporting the environmental objects of the Foundation;

- encourage and promote charitable, educational and cultural purposes and to assist any public hospital and any medical or scientific research;
- assist the under privileged and disadvantaged; and
- assist any community service purpose.

### Independence Declaration by Auditor

The Auditor's independence declaration is attached.

### Review of Result of Operations

The revenue for the financial year was \$40,000.

### Net Deficit

The net deficit was \$1,581,000.

### Changes in State of Affairs

There was no change in the state of affairs for the financial year.

### Meeting of Directors

The number of Directors Board Meetings held during the year and the number of meetings attended by each Director during the year were:

Board Meetings	Number Eligible	Number Attended
Lucio Di Bartolomeo	1	1
Penelope Figgis AO	1	1
Peter Mayers	1	1
Alan Marsh	1	1
Sarah Dinning	1	1

### Environmental Regulation

The Foundation's operations are not regulated by any significant environmental regulation under a law of the Commonwealth, or of a state or territory.

### Dividends

No dividends or distributions have been recommended, declared or paid to members during the year.

### Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Foundation or intervene in any proceedings to which the Foundation is a party for the purpose of taking responsibility on behalf of the Foundation for all or any part of those proceedings. The foundation was not a party to any such proceedings during the year.

### Events Subsequent to Balance Date

There has been no matter or circumstance other than that referred to below or in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected the operations or the state of the Foundation in future financial years.

### Future Development

On 10 September 2009, the Sydney Olympic Park Authority as the sole member of the Foundation resolved to wind-up the Foundation. The formal date of deregistration is 1 September 2011; and that the total amount the member is liable to contribute at its closure is nil.

### Indemnification of Office and Auditors

Parklands Foundation Limited pays a premium in respect of a contract insuring the Directors of the Foundation and executive officers of the Foundation against liabilities incurred as a Director or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the liability and the amount of the premium.

The Foundation has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Foundation, or of any related body corporate against a liability incurred as such an officer or auditor.

Signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the Corporations Act 2001. The signatories are directors up until formal closure on 1 September 2011.



**Lucio Di Bartolomeo**  
Chairman  
5 October 2011



**Alan Marsh**  
Director  
5 October 2011

# Parklands Foundation Limited

---

## Director's Declaration

### PARKLANDS FOUNDATION LIMITED

The Directors declare that:

- (a) the attached financial statements and notes there to give a true and fair view of the financial position as at 30 June 2011 and performance for the period ended on that date of the Parklands Foundation; and
- (b) in the director's opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2010, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Treasurer's directions; and
- (c) as at the date of this Declaration, we are not aware of any circumstance that would render any particulars included in the financial statement misleading or inaccurate; and
- (d) The Parklands Foundations Ltd has applied for a voluntary deregistration on 30 June 2011. ASIC has approved formal deregistration on 1 September 2011. As at 30 June 2011, the following declaration is applicable:
  - All members of the Foundation agree to the deregistration; and
  - The Foundation is not carrying on business; and
  - The Foundation's assets are worth less than \$1,000; and
  - The Foundation has no liabilities; and
  - The Foundation is not a party of any legal proceedings.

Signed in accordance with a resolution of the Directors made pursuant to Section 295(5) of the Corporations Act 2001

On behalf of the Directors



**Lucio Di Bartolomeo**  
Chairman  
5 October 2011



**Alan Marsh**  
Director  
5 October 2011



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Parklands Foundation Limited

To Members of the New South Wales Parliament and Members of the Parklands Foundation Limited

I have audited the accompanying financial statements of the Parklands Foundation Limited (the Foundation), which comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

#### Opinion

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Foundation's financial position as at 30 June 2011 and its performance for the year ended on that date
  - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion should be read in conjunction with the rest of this report.

#### The Directors' Responsibility for the Financial Statements

The directors of the Foundation are responsible for the preparation of the financial statements that give true and fair view in accordance with Australian Accounting Standards, the PF&A Act and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does not provide assurance:

- about the future viability of the Foundation
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information, which may have been hyperlinked to/from the financial statements.

#### Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, *Corporations Act 2001* and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Foundation on 4 October 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

S Bond

Sally Bond  
Director, Financial Audit Services

7 October 2011  
SYDNEY

# Parklands Foundation Limited

## Statement of comprehensive income for the year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
<b>Expenses excluding losses</b>			
Operating expenses			
Employee related	2(a)	36	400
Other operating expenses	2(b)	1,585	377
<b>Total Expenses excluding losses</b>		<b>1,621</b>	<b>777</b>
<b>Revenue</b>			
Sale of goods and services	3(a)	–	54
Investment revenue	3(b)	40	46
Grants and contributions	3(c)	–	240
<b>Total Revenue</b>		<b>40</b>	<b>340</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	8	<b>(1,581)</b>	<b>(437)</b>
<b>Other comprehensive income for the year</b>		<b>–</b>	<b>–</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(1,581)</b>	<b>(437)</b>

The accompanying notes form part of these statements.

# Parklands Foundation Limited

Statement of financial position for the year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	–	1,586
Receivables	5	–	–
<b>Total Assets</b>		<b>–</b>	<b>1,586</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	6	–	5
<b>Total Liabilities</b>		<b>–</b>	<b>5</b>
<b>Net Assets</b>		<b>–</b>	<b>1,581</b>
<b>EQUITY</b>			
Accumulated funds		–	1,581
<b>Total Equity</b>		<b>–</b>	<b>1,581</b>

*The accompanying notes form part of these statements.*

# Parklands Foundation Limited

## Statement of changes in equity for the year ended 30 June 2011

	Notes	Accumulated Funds 2011 \$'000	Accumulated Funds 2010 \$'000
<b>Balance as at 1 July</b>		1,581	2,018
Surplus/(deficit) for the year	8	(1,581)	(437)
<b>Total comprehensive income for the year</b>		<b>(1,581)</b>	<b>(437)</b>
<b>Balance as at 30 June</b>		<b>–</b>	<b>1,581</b>

*The accompanying notes form part of these statements.*

# Parklands Foundation Limited

## Statement of cash flows for the year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee related		(38)	(442)
Education projects		(677)	(77)
Blaxland Riverside Park improvements		(900)	–
Other		(11)	(332)
<b>Total Payments</b>		<b>(1,626)</b>	<b>(851)</b>
<b>Receipts</b>			
Sale of goods and services		–	60
Interest received		40	46
Grants and contributions		–	271
<b>Total Receipts</b>		<b>40</b>	<b>377</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	8	<b>(1,586)</b>	<b>(474)</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>			
Opening cash and cash equivalents		1,586	2,060
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	4	<b>–</b>	<b>1,586</b>

The accompanying notes form part of these statements.

# Parklands Foundation Limited

Notes to the financial statements for the year ended 30 June 2011

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Reporting Entity

Parklands Foundation Limited (the Foundation), a public company limited by guarantee, was incorporated in New South Wales under the *Corporations Act 2001* on 16 May 2005. Sydney Olympic Park Authority is the only member of the Foundation.

On the 10th September 2009, Sydney Olympic Park Authority as the sole member of Parklands Foundation Limited resolved to wind down the Foundation.

The Parklands Foundations Ltd has applied for a voluntary deregistration on 30 June 2011. ASIC has approved the formal deregistration on 1 September 2011. As at 30 June 2011, the following declaration is applicable:

- All members of the Foundation agree to the deregistration; and
- The Foundation is not carrying on business; and
- The Foundation's assets are worth less than \$1,000; and
- The Foundation has paid all fees and penalties payable under this Act; and
- The Foundation has no liabilities; and
- The Foundation is not a party of any legal proceedings

The financial statements have been authorised for issue by the Board of Directors on 5 October 2011.

### (b) Parklands Fund

Parklands Fund (the Fund) was established with the objective of supporting the environmental objects of the Foundation and to invite and receive all gifts of money or property to the Fund for the environmental objects of the Foundation. The Fund must be operated on a not-for-profit basis. There were no transactions for the Fund for the year.

### (c) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the requirements of *Corporations Act 2001*, Australian Accounting Standards and Interpretations, the *Public Finance and Audit Act 1983*, and specific directions issued by the Treasurer.

### (d) New Australian Accounting Standards issued but not effective

The following new accounting standards have not been applied and are not yet effective. It is expected that the impact of the application of the new Standards on the Foundation's financial statement in the period of initial application will not be significant.

- AASB 5 regarding non-current assets held for sale and discontinued operations
- AASB 7 & AASB 9 regarding financial instruments
- AASB 101 regarding presentation of financial statements
- AASB 107 regarding statement of cash flows
- AASB 110 regarding events after the reporting period
- AASB 118 regarding revenue
- AASB 119 regarding employee benefits
- AASB 124 and AASB 2009-12 regarding related party transactions
- AASB 132 regarding financial instruments presentation
- AASB 137 regarding provisions, contingent liabilities and contingent assets
- AASB 139 regarding financial instruments recognition and measurement
- AASB 1031 regarding materiality
- AASB 1053 regarding application of tiers of Australian accounting standards
- AASB 1054 regarding Australian additional disclosures
- AASB 2009-11 regarding amendments to Australian accounting standards arising from AASB 9
- AASB 2009-14 regarding prepayments of a minimum funding requirement
- AASB 2010-1 regarding AASB 7 comparatives for first time adopters
- AASB 2010-2 regarding amendments to Australian accounting standards arising from reduced disclosure requirements
- AASB 2010-4 regarding annual improvements
- AASB 2010-6 regarding disclosures on transfers of financial assets
- AASB 2010-7 regarding financial instruments

# Parklands Foundation Limited

## Notes to the financial statements for the year ended 30 June 2011

- AASB 2010-10 regarding removal of fixed dates for first time adopters
- AASB 2011-1 regarding amendments to Australian accounting standards arising from the Trans-Tasman convergence project
- AASB 2011-2 regarding amendments to Australian accounting standards arising from the Trans-Tasman convergence project - reduced disclosure requirements
- AASB 2011-3 regarding orderly adoption of changes to the ABS GFS Manual
- Interpretation 19 and AASB 2009-13 regarding extinguishing financial liability with equity instruments

The accrual basis of accounting has been adopted in the preparation of the financial statement, except for cash flow information.

Management's judgements, key assumptions and estimations are disclosed in the relevant notes to the financial statement.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

### (e) Going Concern

The Foundation is no longer a going concern and as such the financial statement has been prepared on a liquidation basis.

### (f) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

### (g) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable.

#### (i) Grants and Contributions

Grants and Contributions are generally recognised as revenue when the Foundation obtains control over the assets comprising the contributions. Control is normally obtained upon receipt of cash.

#### (ii) Investment Revenue

Interest revenue is recognised using the effective interest method set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

### (h) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the operating statement when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

### (i) Payables

These amounts represent liabilities for goods and services provided to the Foundation. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

# Parklands Foundation Limited

Notes to the financial statements for the year ended 30 June 2011

## **(j) Employee Benefits**

### *(i) Salaries and Wages, Annual Leave, Sick Leave and On-Costs*

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

### *(ii) Long Service Leave*

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 11/06) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

### *(iii) Superannuation*

Superannuation expense for the financial year is the defined contribution superannuation, calculated as a multiple percentage of the employees' salaries.

## **(k) Accounting for the Goods and Services Tax (GST)**

Income, expenses and assets are recognised net of the amount of GST except where:

- the amount of GST incurred by the Foundation as a purchaser, that is not recoverable from the Australian Taxation Office, is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the cash flow statement on a gross basis.

## **(l) Comparative Information**

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

# Parklands Foundation Limited

Notes to the financial statements for the year ended 30 June 2011

Notes	2011 \$'000	2010 \$'000
<b>2. EXPENSES EXCLUDING LOSSES</b>		
<b>(a) Employee Related Expenses</b>		
Salaries and wages (including recreation leave)	30	352
Superannuation - defined contribution plans	3	24
Payroll tax and fringe benefit tax	3	24
	<b>36</b>	<b>400</b>
<b>(b) Other Operating Expenses</b>		
Insurance	2	5
Administration	-	10
Advertising and promotion	-	13
Activity and entertainment	-	14
Audit Fee	3	4
Maintenance	3	248
Information technology	-	7
Education projects	677	74
Blaxland Riverside Park improvements	900	-
Other	-	2
	<b>1,585</b>	<b>377</b>
<b>3. REVENUE</b>		
<b>(a) Sale of Goods and Services</b>		
Education tours	-	54
	<b>-</b>	<b>54</b>
<b>(b) Investment Revenue</b>		
Interest on bank	40	46
	<b>40</b>	<b>46</b>
<b>(c) Grants and Contributions</b>		
Sydney Olympic Park Authority	-	240
	<b>-</b>	<b>240</b>
<b>4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS</b>		
Cash at bank and on hand	-	1,586
	<b>-</b>	<b>1,586</b>
<i>Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:</i>		
<b>Cash and cash equivalents (per statement of financial position)</b>	<b>-</b>	<b>1,586</b>
<b>Closing cash and cash equivalents (per statement of cash flows)</b>	<b>-</b>	<b>1,586</b>

# Parklands Foundation Limited

Notes to the financial statements for the year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
<b>5. CURRENT ASSETS - RECEIVABLES</b>			
<b>Current Receivables</b>			
GST receivable		–	–
		–	–
<b>6. CURRENT LIABILITIES – PAYABLES</b>			
Creditors and accrued expenses		–	3
Accrued salaries, wages and on-costs	7	–	2
		–	5
<b>7. CURRENT LIABILITIES - PROVISIONS</b>			
Employee Benefits and Related On-costs		–	–
<b>Aggregate employee benefits and related on-costs</b>			
Accrued salaries, wages and on-costs	6	–	2
		–	2
<b>8. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT) FOR THE YEAR</b>			
<b>Net Cash Used on Operating Activities</b>		(1,586)	(474)
Increase/(decrease) in receivables		–	(10)
Decrease/(increase) in payables		5	12
Decrease/(increase) in employee provisions		–	35
<b>Surplus/(Deficit) for the year</b>		<b>(1,581)</b>	<b>(437)</b>

# Parklands Foundation Limited

Notes to the financial statements for the year ended 30 June 2011

## 9. FINANCIAL INSTRUMENTS

The Foundation's principal financial instruments are outlined below. These financial instruments arise directly from the Foundation's operations or are required to finance the Foundation's operations. The Foundation does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Chief Executive Officer has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Foundation, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Internal Auditors on a continuous basis.

		Notes	2011 \$'000	2010 \$'000
<b>Category</b>				
<b>(a) Financial Instrument Category</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	N/A	4	–	1,586
Receivables refer note 1 below	Receivables (at amortised cost)	5	–	–
			<b>–</b>	<b>1,586</b>
<b>Financial Liabilities</b>				
Payables refer note 2 below.	Financial liabilities (at amortised cost)	6	–	5
			<b>–</b>	<b>5</b>

### Notes

1. Excludes statutory receivables and prepayments (not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (not within scope of AASB 7).

### (b) Credit Risk

Credit risk arises when there is the possibility of the Foundation's debtors defaulting on their contractual obligations, resulting in a financial loss to the Foundation.

There are no financial assets that are past due or impaired in the balance sheet. Exposure to credit risk is considered minimal.

### (c) Liquidity Risk

Liquidity risk is the risk that the Foundation will be unable to meet its payment obligations when they fall due. Liquidity risk is represented by the Foundation's payables owing to other parties. This is expected to be settled within normal trading terms.

The Foundation has considered that there are no liabilities upon voluntary deregistration per (note 1). The liquidity risk is deemed insignificant.

### (d) Market risk

The Foundation is not subject to any interest rate, foreign currency or other price risk.

### (e) Fair Value

The amortised cost of financial instruments recognised in the balance sheet approximates the fair value, because of the short-term nature of the financial instruments.

# Parklands Foundation Limited

Notes to the financial statements for the year ended 30 June 2011

## 10. CONTINGENT LIABILITIES

There are no contingent liabilities.

## 11. RELATED PARTY DISCLOSURE

### (a) Directors

The director named in the attached directors' report each held office as a director of the Foundation during the year ended 2011.

### Remuneration

No remuneration was paid to the Directors.

	Notes	2011 \$'000	2010 \$'000
<b>(b) Related Party Transactions</b>			
Grants received from Sydney Olympic Park Authority	3(c)	–	240

## 12. COMMITMENTS

There are no commitments as at 30 June 2011.

## 13. AFTER BALANCE DATE EVENTS

Parklands Foundation Ltd is deregistered on 1 September 2011.

## End of Audited Financial Statements