

FINANCIAL *statements*

TABLE OF CONTENTS

Statement of Financial Performance	59
Statement of Financial Position	60
Statement of Cash Flows	61
Notes to and Forming Part of the Financial Statements	62
Management Certificate	74
Independent Audit Report	75

GENERAL INFORMATION

AAS37(4.4)(b)	This financial report covers the Commission for Children and Young People.
AAS37(5.1)(a),(c)	The Commission for Children and Young People is an independent statutory body attached to the Premier's portfolio proclaimed under the <i>Commission for Children and Young People Act 2000</i> .
AAS37(5.1)(b)	A description of the nature of the Commission's operations and its principal activities is included in the notes to the financial statements.

Commission for Children and Young People
Statement of Financial Performance
For the year ended 30 June 2002

		2002	2001
		\$'000	\$'000
Revenues from ordinary activities			
User charges	3	885	43
Grants and other contributions	4	2,747	2,510
Net assets assumed / relinquished	5	41	41
Other	6	79	65
Total revenues from ordinary activities		3,752	2,659
Expenses from ordinary activities			
Employee expenses	7	2,369	1,320
Supplies and services	8	1,352	1,094
Depreciation and amortisation	9	69	65
Net liabilities assumed / relinquished	10	48	60
Other	11	45	16
Total expenses from ordinary activities		3,883	2,555
Net surplus / (deficit)		(131)	104
Total changes in equity other than those resulting from transactions with owners as owners		(131)	104

The above Statement of Financial Performance should be read in conjunction with the accompanying notes



FINANCIAL *statements*

Commission for Children and Young People
Statement of Financial Position
At 30 June 2002

		2002	2001
		\$'000	\$'000
Current assets			
Cash assets	12	759	685
Receivables	13	60	44
Total current assets		819	729
Non-current assets			
Property, plant and equipment	14	265	141
Intangibles	15	98	99
Total non-current assets		363	240
Total assets		1,182	969
Current liabilities			
Payables	16	222	203
Provisions	17	214	148
Other	18	359	100
Total current liabilities		795	451
Total liabilities		795	451
Net assets		387	518
Equity			
Contributed equity	19	376	376
Retained surplus	19	11	142
Total equity		387	518

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Commission for Children and Young People
Statement of Cash Flows
 For the year ended 30 June 2002

	2002	2001
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Inflows:</i>		
User charges	1,183	65
Grants and other contributions	2,709	2,610
Interest received	76	43
GST collected from ATO	151	71
GST input tax credits received	6	1
Other	1	-
<i>Outflows:</i>		
Employee costs	(2,322)	(1,289)
Supplies and services	(1,325)	(1,031)
Insurance premiums	(3)	-
GST paid on purchases	(150)	(90)
GST remitted to ATO	(6)	(1)
Other	(5)	(4)
Net cash provided by operating activities	20	375
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Inflows:</i>		
Sales of property, plant and equipment	1	-
<i>Outflows:</i>		
Payments for property, plant and equipment	(242)	(27)
Net cash used in investing activities	(241)	(27)
Net increase in cash held	74	348
Cash at beginning of financial year	685	337
Cash at end of financial year	12	685

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

FINANCIAL *statements*

Commission for Children and Young People
Notes to and Forming Part of the Financial Statements 2002

1. Objectives of the Commission

The Commission for Children and Young People is an independent statutory body with a strategic commitment to promote and protect the rights, interests and well being of children and young people in Queensland. The Commission's key outcomes include:

- advocating for the rights, interests and well being of children and young people;
- safeguarding children and young people from harm;
- monitoring laws, policies and practices that impact on children and young people; and
- promoting evidence based practice in relation to children and young people's issues.

2. Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements are a general purpose financial report and have been prepared in accordance with the *Financial Administration and Audit Act 1977*, *Financial Management Standard 1997*, Australian Accounting Standards and other prescribed requirements.

Except where stated, the financial statements have been prepared in accordance with the historical cost convention.

The accounting policies adopted are consistent with those for the previous year.

The accrual basis of accounting has been adopted.

(b) The Reporting Entity

The financial statements include all assets, liabilities, equities, revenues and expenses of the Commission.

(c) User Charges and Fees

User charges and fees controlled by the Commission are recognised as revenues when applications are accepted or when invoices for related services are issued. User charges and fees are controlled by the Commission where they can be deployed for the achievement of the Commission's objectives.

(d) Grants and Other Contributions

Grants, donations and gifts which are non-reciprocal in nature are recognised as revenue in the year in which the Commission obtains control over them.

Where grants are received that are reciprocal in nature, revenue is accrued over the term of the funding arrangements.

Contributions of assets are recognised at their fair value. Contributions of services are only recognised when a fair value can be determined reliably and the services would be purchased if not donated.

(e) Cash

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash includes all cash and cheques received but not banked as well as deposits at call with financial institutions. It also includes highly liquid investments with short periods to maturity which are readily convertible to cash on hand at the Commission's option and which are subject to an insignificant risk of changes in value.

(f) Receivables

Receivables are recognised at the amount due at the time of sale or service delivery. Settlement on trade debtors is generally required within fourteen days. The collectability of receivables is assessed periodically with provision being made for doubtful debts if required.

(g) Acquisitions of Assets

Cost is used for the initial recording of all acquisitions of assets controlled by the Commission unless these have been received as a result of a machinery-of-Government restructure.

In the later case, the assets are recognised at their gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation offset.

Assets acquired at no cost or for nominal consideration are recognised at their 'fair value' at date of acquisition in accordance with AAS21 - *Acquisition of Assets*. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees.

FINANCIAL *statements*

Commission for Children and Young People
Notes to and Forming Part of the Financial Statements 2002

(h) Property, Plant and Equipment

All items of property, plant and equipment, with a cost or other value in excess of \$2,000 are capitalised in the year of acquisition, with the exception of personal computers which are capitalised regardless of value, and leasehold improvements with a cost or other value greater than \$5,000. Other items with a value less than these amounts are expensed. Plant and equipment and leasehold improvements are valued at cost in accordance with Queensland Treasury's *Non-current Asset Accounting Guidelines for the Queensland Public Sector*.

(i) Amortisation and Depreciation of Non-Current Assets

Depreciation on property, plant and equipment, is calculated on a straight-line basis so as to write off the net cost of each depreciable asset less its estimated residual value, progressively over its estimated useful life to the Commission.

Work-in-progress is not depreciated until it has reached service delivery capacity.

The depreciable amount of improvements to or on a leasehold property is progressively allocated over the estimated useful lives of the improvements to the Commission or the unexpired period of the lease, whichever is shorter.

For each class of depreciable asset the following depreciation rates are used:

Class	Depreciation Rate
Plant and equipment:	
Computers	33.3%
Office equipment	20%
Other equipment / furniture	10%
Leasehold improvements:	
Office fitout	10%

	Amortisation Rate
Intangibles:	
Internal use software	20%

(j) Leases

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

Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are expensed in the periods in which they are incurred.

(k) Intangibles

Intangible assets are costs incurred by the Commission in developing software and systems. The costs are amortised over the expected useful life to the Commission of the developed software.

All intangible assets with costs or other values greater than \$5,000 are recognised as assets. Items with a lesser value are recognised as expenses.

Software as developed by the Commission is valued at cost. Cost is determined as the initial purchase of software (where relevant) and subsequent costs incurred in developing the software for use within the Commission.

(l) Payables

Creditors are recognised at the amount to be paid in the future for goods and services received, inclusive of GST.

(m) Employee Entitlements

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages, salaries and annual leave are recognised in the Statement of Financial Position and are measured as the amount unpaid at the reporting date at current pay rates in respect of the employees' services up to that date and include related on-costs such as payroll tax, Workcover premiums and employee superannuation contributions. As the pattern of sick leave taken is expected to be stable in the future, and sick leave entitlements do not vest with employees, no provision has been made for sick leave entitlements.

Long Service Leave

Under the State Government's long service leave scheme a levy is made on the Commission to cover this expense. Amounts paid to employees for long service leave are claimed from the scheme as and when leave is taken.

FINANCIAL *statements*

Commission for Children and Young People
Notes to and Forming Part of the Financial Statements 2002

No provision for long service leave is recognised in the financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS31 – *Financial Reporting by Governments*.

Superannuation

The State Actuary determines the rate of employer contributions for superannuation expense. These contributions are paid to QSuper. No liability is recognised for superannuation benefits in the Statement of Financial Position, as the liability is held on a whole-of-Government basis and reported in the whole-of-Government financial statements prepared in terms of AAS31 – *Financial Reporting by Governments*.

(n) **Taxation**

The Commission for Children and Young People is exempt from all forms of Commonwealth and State taxation except for Fringe Benefits Tax, Payroll Tax and Goods and Services Tax (GST). As such, GST input tax credits receivable and GST payable from/to the Australian Taxation Office (ATO) are recognised and accrued. Further disclosure is provided in Note 13.

The amount of GST incurred on purchases that is not recoverable from the ATO is recognised as part of the cost of acquisition of an asset or as part of the expense item.

All fees relating to the Employment Screening service are GST-free in accordance with a Division 81 determination of the *New Tax System (Goods and Services Tax) Act 1999*.

(o) **Services Received Free of Charge or For Nominal Value**

Services received free of charge or for nominal value which can be reliably measured and which would have been acquired in the normal course of operations are recognised as a revenue and an expense.

(p) **Insurance**

The Commission's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund with premiums being paid on a risk basis. In addition, the Commission pays premiums to Workcover Queensland in respect of its obligations for employee compensation.

(q) **Rounding and Comparatives**

Amounts included in the financial statements have been rounded to the nearest \$1,000 or where the amount is \$500 or less, to zero.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

	2002 \$'000	2001 \$'000
3. User charges		
Employment screening	880	40
Conference registration and fees	5	3
Total	885	43
4. Grants and Other Contributions		
Grants from Queensland Government Departments	2,747	2,510
Total	2,747	2,510
5. Net assets assumed / relinquished		
Employee annual leave transferred	38	41
Assets and revenues assumed	3	-
Total	41	41
6. Other Revenue		
Interest earned	76	43
Resources received below fair value	-	22
Gain on sale of property, plant and equipment	1	-
Other	2	-
Total	79	65
7. Employee Expenses		
Salaries, wages and allowances	2,007	1,095
Salary related taxes	107	65
Employer superannuation contributions	204	128
Long service leave levy	29	17
Other	22	15
Total	2,369	1,320

FINANCIAL *statements*

Commission for Children and Young People
Notes to and Forming Part of the Financial Statements 2002

	2002 \$'000	2001 \$'000
Annual and sick leave expenses have been included in salaries, wages and allowances.		
Number of Employees:	43.5	22.2
The number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.		
8. Supplies and Services		
Motor vehicle running costs	34	25
Building services	267	175
Telecommunications	66	40
Administration costs	324	90
Advertising and Promotions	278	501
Professional services	274	176
Travel	53	51
Other	56	36
Total	1,352	1,094
Contractors and consultants expenses are included in professional services.		
9. Depreciation and Amortisation		
Depreciation and amortisation expenses for the financial year were charged in respect of:		
Property, plant and equipment	51	49
Internal use software	18	16
Total	69	65
10. Net Liabilities Assumed / Relinquished		
Liabilities assumed – employee annual leave	48	60
Total	48	60
11. Other Expenses		
Loss on disposal of non-current assets	37	12
Audit fees – QAO	5	4
Insurance	3	-
Total	45	16

Commission for Children and Young People
Notes to and Forming Part of the Financial Statements 2002

	2002	2001
	\$'000	\$'000

During 2001-02, the Commission moved premises. Due to this move, the capitalised fit-out cost of the previous location (\$37,320) was written-off as a loss.

12. Cash assets

Cash at bank	435	374
Cash on hand	1	-
Deposits at call	323	311
Total	759	685

The above figures are reconciled to cash at the end of the year as shown in the Statement of Cash Flows.

13. Receivables

Current		
Trade debtors	24	11
GST input tax credits receivable	35	33
Travel Advances	1	-
Total	60	44

14. Property, Plant and Equipment

Plant and equipment		
At cost	274	239
Less: Accumulated depreciation	(147)	(143)
Total	127	96
Leasehold improvements		
At cost	138	118
Less: Accumulated amortisation	-	(73)
Total	138	45
Total	265	141

FINANCIAL *statements*

Commission for Children and Young People
Notes to and Forming Part of the Financial Statements 2002

	2002 \$'000	2001 \$'000
15. Intangibles		
Internal use software:		
Work in progress	-	15
At cost	133	100
Less: Accumulated amortisation	(35)	(16)
Total	98	99

Reconciliation

Reconciliation of the carrying amount of each class of property, plant and equipment and intangibles at the beginning and end of the current financial year:

	Plant & Equipment \$'000	Leasehold Improvements \$'000	Intangibles \$'000	Total \$'000
Carrying amount at start of year	96	45	99	240
Acquisitions	74	138	17	229
Disposals	4	33	-	37
Depreciation/Amortisation	39	12	18	69
Carrying amount at end of year	127	138	98	363

16. Payables

Current

Trade creditors	222	198
Long service leave levy payable	-	4
Other creditors	-	1
Total	222	203

Commission for Children and Young People
 Notes to and Forming Part of the Financial Statements 2002

	2002 \$'000	2001 \$'000
17. Provisions		
<i>Current</i>		
Employee Entitlements		
- Annual leave	214	148
Total	214	148

18. Other Liabilities		
<i>Current</i>		
Unearned revenue	359	100
Total	359	100

	Retained Surpluses		Contributed Equity		Total	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000
Balance 1 July	142	38	376	376	518	414
Net surplus/(deficit)	(131)	104			(131)	104
Balance 30 June	11	142	376	376	387	518

FINANCIAL *statements*

Commission for Children and Young People
Notes to and Forming Part of the Financial Statements 2002

	2002 \$'000	2001 \$'000
20. Reconciliation of Net Surplus / (Deficit) to Net Cash provided by Operating Activities		
Net surplus / (deficit)	(131)	104
Non-cash items		
Depreciation/Amortisation expenses	69	65
Net assets and liabilities assumed / relinquished	7	18
Loss on sale of property, plant and equipment	37	12
Net assets write on / adjustments	-	(5)
Gain on sale of property, plant and equipment	(1)	-
Changes in assets and liabilities		
Increase in GST input tax credits receivable	(2)	(35)
Increase in net receivables	(10)	(6)
Increase in LSL reimbursement receivables	(3)	-
(Increase)/decrease in other assets	(1)	4
Increase in unearned revenue	259	100
Increase in employee provisions	56	13
Increase in creditors	35	99
Increase in GST output tax payable	-	2
Increase in long service leave levy payable	-	4
Net Cash provided by operating activities	315	375
21. Commitments for Expenditure		
<i>(a) Non-cancellable operating lease commitments</i>		
Commitments under operating leases at reporting date are inclusive of GST and are payable as follows:		
• Not later than one year	240	109
• Later than one year and not later than five years	1,000	-
Total non-cancellable operating lease commitments	1,240	109
<i>(b) Capital Expenditure Commitments</i>		
Material capital expenditure commitments inclusive of GST contracted for but not recognised are payable as follows:		
Plant and equipment	10	43
Total capital expenditure commitments	10	43
Payable:		
Not later than one year	10	43
	10	43

Commission for Children and Young People
Notes to and Forming Part of the Financial Statements 2002

	2002 \$'000	2001 \$'000
(c) Other Expenditure Commitments		
Material expenditure commitments inclusive of GST contracted for but not recognised are payable as follows:		
• Not later than one year	23	148
Total other expenditure commitments	23	148

22. Financial Instruments

(a) Interest Rate Risk Exposure

The Commission is exposed to interest rate risk through financial assets and liabilities. The following table summarises interest rate risk for the Commission, together with effective interest rates as at balance date. All other assets and liabilities have no interest rate risk exposure.

Maturity Date:

	Floating Rate \$'000	1 year or less \$'000	1 to 5 years \$'000	Greater than 5 years \$'000	Non Interest Bearing \$'000	Total	Weighted Average Rate
Financial Assets							
Cash	436	-	-	-	-	436	3.88%
Deposits at call	323	-	-	-	-	323	4.43%
Receivables	-	-	-	-	59	59	N.A.
Total	759	-	-	-	59	818	4.16%
Financial Liabilities							
Payables	-	-	-	-	222	222	N.A.
Total	-	-	-	-	222	222	N.A.

(b) Credit Risk Exposure

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets net of any provisions for doubtful debts as indicated in the Statement of Financial Position.

No significant credit risks have been identified.

(c) Net Fair Value

The net fair value of all monetary financial assets and financial liabilities approximate their carrying value.

FINANCIAL *statements*

Commission for Children and Young People
Certificate of the Commission for Children and Young People

We have prepared the foregoing financial statements pursuant to the provisions of the *Financial Administration and Audit Act 1977, Commission for Children and Young People Act 2000*, and other prescribed requirements and certify that in our opinion:

- a) The prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) The statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Commission for Children and Young People for the financial year ended 30 June 2002 and of the financial position as at the end of that year.

25th September 2002



Robin Sullivan
Commissioner for Children and Young People



Peter Noyes
Manager, Corporate Services

Scope

I have audited the general purpose financial statements of Commission for Children and Young People prepared by the statutory body for the year ended 30 June 2002 in terms of section 46F of the *Financial Administration and Audit Act 1977*. The financial statements comprise the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Notes to and forming part of the financial statements and certificates given by the Commissioner for Children and Young People and the Manager, Corporate Services.

The Commission is responsible for the preparation and the form of presentation of the financial statements and the information they contain.

I have audited the financial statements in order to express an opinion on them.

The audit has been conducted in accordance with *QAO Auditing Standards*, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures include the examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with prescribed requirements in Australia which include Australian Accounting Standards so as to present a view which is consistent with my understanding of the Commission for Children and Young People's financial position, and the performance as represented by the results of its operations and its cash flows.

FINANCIAL *statements*

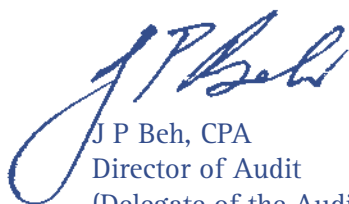
Commission for Children and Young People
Independent Audit Report

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In accordance with section 46G of the *Financial Administration and Audit Act 1977*, I certify that I have received all the information and explanations I have required and, in my opinion -

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- the statements have been drawn up so as to present a true and fair view, in accordance with prescribed accounting standards and other mandatory professional reporting requirements in Australia, of the transactions of the Commission for Children and Young People for the financial year 1 July 2001 to 30 June 2002 and of the financial position as at the end of that year.



J P Beh, CPA
Director of Audit
(Delegate of the Auditor-General)

Queensland Audit Office
Brisbane

