

# Financial report for the year ended 30 June 2005

## Contents

Statement of Financial Performance	28
Statement of Financial Position	29
Statement of Cash Flows	30
Notes to and forming part of the financial statements	31
Certificate of Queensland Studies Authority	44
Independent Audit Report	45

### GENERAL INFORMATION

The Queensland Studies Authority is a statutory body established under the *Education (Queensland Studies Authority) Act 2002*. The principal address of the authority is:

295 Ann Street  
Brisbane Qld 4000

A description of the nature of the authority's operations and principal activities is included in the notes to the financial statements.

**Queensland Studies Authority  
Statement of Financial Performance  
For the year ended 30 June 2005**

	<i>Notes</i>	<i>2005</i> \$	<i>2004</i> \$
<b>Revenue from ordinary activities</b>			
User charges	2	1,918,557	2,007,906
Government contributions	2	24,555,000	22,973,100
Interest		515,486	459,177
Proceeds from sale of minor assets		-	1,032
Other revenue		106,027	121,427
<b>Total revenues from ordinary activities</b>		<u><b>27,095,070</b></u>	<u><b>25,562,642</b></u>
<b>Expenses from ordinary activities</b>			
Employee expenses	3	17,357,738	16,161,031
Supplies and services	4	9,232,520	8,469,748
Depreciation and amortisation	5	833,981	704,356
<b>Total expenses from ordinary activities</b>		<u><b>27,424,239</b></u>	<u><b>25,335,135</b></u>
<b>Borrowing costs</b>	6	<u>15,544</u>	<u>-</u>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	16	<u><b>(344,713)</b></u>	<u><b>227,507</b></u>

The accompanying notes form part of these financial statements.

**Queensland Studies Authority  
Statement of Financial Position  
As at 30 June 2005**

	<i>Notes</i>	<i>2005</i> \$	<i>2004</i> \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash assets	7	1,691,447	3,390,935
Receivables	8	371,796	241,927
Inventories	9	76,581	48,048
Other	10	574,207	63,276
<b>Total current assets</b>		<b>2,714,031</b>	<b>3,744,186</b>
<b>Non-current assets</b>			
Intangibles	11	2,812,951	2,319,469
Property, plant and equipment	12	2,326,763	460,365
<b>Total non-current assets</b>		<b>5,139,714</b>	<b>2,779,834</b>
<b>TOTAL ASSETS</b>		<b>7,853,745</b>	<b>6,524,020</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	13	614,178	613,497
Interest Bearing Liabilities	15	124,288	-
Provisions	14	1,290,551	1,115,577
<b>Total current liabilities</b>		<b>2,029,017</b>	<b>1,729,074</b>
<b>Non current liabilities</b>			
Interest bearing liabilities	15	1,454,779	-
<b>TOTAL LIABILITIES</b>		<b>3,483,796</b>	<b>1,729,074</b>
<b>NET ASSETS</b>		<b>4,369,949</b>	<b>4,794,946</b>
<b>EQUITY</b>			
Contributed Capital	16	5,133,248	5,213,532
Accumulated Deficit		(763,299)	(418,586)
<b>TOTAL EQUITY</b>		<b>4,369,949</b>	<b>4,794,946</b>

The accompanying notes form part of these financial statements.

**Queensland Studies Authority  
Statement of Cash Flows  
For the year ended 30 June 2005**

	<i>Notes</i>	<i>2005</i> \$	<i>2004</i> \$
<b>Cash Flows from Operating Activities</b>			
<b>Inflows:</b>			
User charges		2,031,500	2,354,637
Government contributions		24,555,000	22,973,100
Interest		506,304	451,825
GST input tax credits		1,270,788	969,174
<b>Outflows:</b>			
Suppliers and Employees		(28,241,022)	(25,516,133)
GST remitted to the ATO		(191,557)	(186,781)
Borrowing costs		(15,544)	-
<b>Net cash (used in)/provided by operating activities</b>	17	<u>(84,531)</u>	<u>1,045,822</u>
<b>Cash Flows from Investing Activities</b>			
<b>Inflows:</b>			
Proceeds from the sale of property, plant & equipment		-	1,000
<b>Outflows:</b>			
Payments for property, plant & equipment		(3,194,024)	(1,051,386)
<b>Net cash (used in)/provided by investing activities</b>		<u>(3,194,024)</u>	<u>(1,050,386)</u>
<b>Cash Flows from financing activities</b>			
<b>Inflows:</b>			
Borrowings		1,600,000	-
<b>Outflows:</b>			
Borrowing redemptions		(20,933)	-
<b>Net cash provided by financing activities</b>		<u>1,579,067</u>	<u>-</u>
<b>Net decrease in cash held</b>		(1,699,488)	(4,564)
Cash at beginning of financial year		3,390,935	3,395,499
<b>Cash at end of financial year</b>	7	<u>1,691,447</u>	<u>3,390,935</u>

The accompanying notes form part of these financial statements.

**Queensland Studies Authority**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2005**

**Objectives of the Queensland Studies Authority**

The Queensland Studies Authority was established as a statutory body from 1 July 2002 under the *Education (Queensland Studies Authority) Act 2002*.

The objective of the Queensland Studies Authority is responsibility for syllabus development, assessment and the transition to tertiary education and post-school destinations for Queensland students from preschool to Year 12.

The authority is funded for the outputs it delivers principally by parliamentary appropriations. It also provides the following on a fee for service basis:

- Sale of publications
- Seminars, conferences and workshops
- Past examination papers
- Visa student fees
- Verification of student education profiles
- Certificates.

**1 Summary of Significant Accounting Policies**

**(a) Basis of Accounting**

*General*

This financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards, the Treasurer's financial reporting requirements for the year ending 30 June 2005, and other authoritative pronouncements. Except where stated; the historical cost convention is used.

*Classification between current and non-current*

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the Authority's operational cycle.

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

**(b) Revenue recognition**

Revenue is recognised when goods or services are delivered.

*Services acquired for no cost*

The value of services received free of charge are recognised as revenue when received.

*Assets received*

When assets are provided to the Authority free of charge, the fair value of those assets is recognised as revenue when the assets are controlled.

**Queensland Studies Authority**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2005**

*Government contributions*

Government grants and contributions are recognised as operating revenue on receipt or when an entitlement is established whichever is the sooner, and disclosed in the Statement of Financial Performance as *Government Contributions*. However, grants and contributions received from the Queensland State Government which were originally appropriated by the Parliament as additions to net assets or where the Treasurer or Minister for Education and the Arts has indicated are in the nature of owners' contributions are accounted for as Equity – Contributed Capital.

*Sale of assets*

The profit or loss on sale of an asset is determined when control has passed to the buyer. In accounting for the sale of non-current assets, gross proceeds from the sales are included as other revenue and the written down value of the assets sold is disclosed as an operating expense.

**(c) Cash Assets**

For the purposes of the Statement of Financial Position and the Statement of Cash flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions. It also includes investments with short periods to maturity that are readily convertible to cash on hand at the authority's option and that are subject to a low risk of changes in value.

**(d) Receivables**

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery. Settlement on these amounts is required within 14 days from invoice date.

The collectability of receivables is assessed periodically with provision being made for doubtful debts. All known bad debts were written-off as at 30 June.

Other debtors generally arise from transactions outside the usual operating activities of the authority and are recognised at their assessed values. Terms are a maximum of three months, no interest is charged and no security is obtained.

**(e) Inventories**

Inventories are valued at the lower of cost and net realisable value.

Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition.

Net realisable value is determined on the basis of the authority's normal selling pattern.

**(f) Acquisitions of Assets**

Actual cost is used for the initial recording of all asset acquisitions. Cost is determined as the value given as consideration plus cost incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees.

**Queensland Studies Authority  
Notes to and forming part of the Financial Report  
For the year ended 30 June 2005**

Where assets are received free of charge from another Queensland department (whether as a result of a machinery-of-Government or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland department, are recognised at their fair value at date of acquisition in accordance with AAS 21 — *Acquisitions of Assets*.

**(g) Property, Plant and Equipment**

All items of property, plant and equipment, except intangibles, with a cost or other value in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition.

Items with a lesser value are expensed in the year of acquisition.

**(h) Amortisation and Depreciation of Intangibles, Property, Plant and Equipment**

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the authority.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the authority.

Major spares purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate.

Items comprising the authority's technical library are expensed on acquisition.

For each class of depreciable asset the following depreciation and amortisation rates were used:

Class	Rate %
Plant and equipment:	
Computers	20
Other equipment	16.67 - 20
Intangible Assets:	
Purchased Software	20
Internal Use Software	20



**Queensland Studies Authority**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2005**

**(i) Leases**

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

Where a non-current physical asset is acquired by means of a finance lease, the asset is recognised at an amount equal to the present value of the minimum lease payments. The liability is recognised at the same amount.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

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

**(j) Intangibles**

Intangible assets with a cost or other value greater than \$100,000 are recognised in the financial statements, items with a lesser value being expensed. Each intangible asset is amortised over its estimated useful life to the agency, less any anticipated residual value.

*Internal Use Software*

Costs associated with the development of computer software have been capitalised and are amortised on a straight-line basis over the period of expected benefit to the authority, namely 5 years.

**(k) Payables**

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

**(l) Interest Bearing Liabilities**

Loans payable are recognised at the face value of the principal outstanding, interest being expensed or otherwise recognised as it accrues. The fair value of these loans is disclosed in Note 15.

**(m) Employee Benefits**

*Wages, Salaries, Annual Leave and Sick Leave*

Wages, salaries and annual leave due but unpaid at reporting date are recognised in the Statement of Financial Position at the remuneration rates expected to apply at the time of settlement and include related on-costs such as payroll tax, WorkCover premiums, long service leave levies and employer superannuation contributions.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to recur in future periods.

Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.



## Notes to and forming part of the Financial Report For the year ended 30 June 2005

### *Long service Leave*

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

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 AAS 31 *Financial Reporting by Governments*.

### *Superannuation*

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees, at rates determined by the State Actuary.

No liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS 31 *Financial Reporting by Governments*.

### **(n) Insurance**

The authority's non-current physical assets and other risks are insured through a commercial insurer with premiums being paid on a risk assessment basis. In addition, the authority pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

### **(o) Rounding and Comparatives**

Amounts included in the financial statements have been rounded to the nearest dollar.

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

### **(p) Contributed Equity**

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-Government changes are adjusted to 'Contributed Equity' in accordance with UIG Abstract 38 Contributions by Owners Made to Wholly Owned Public sector Entities. Appropriations for equity adjustments are similarly designated.

### **(q) Borrowing Costs**

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are included in the cost of qualifying assets.

The capitalisation rate used to determine borrowing costs is the weighted average interest rate applicable to the authority's outstanding borrowings, 5.57% (2004:Nil).

### **(r) Taxation**

The Queensland Studies Authority is a State body as defined under the Income Tax Assessment Act 1936 and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax and Goods and Services Tax (GST). As such, GST credits receivable from/payable to the ATO are recognised and accrued.

**Queensland Studies Authority  
Notes to and forming part of the Financial Report  
For the year ended 30 June 2005**

**(s) Adoption of International Financial Reporting Standards**

The Financial Reporting Council has determined that all entities preparing general purpose financial statements will apply the Australian Equivalents to International Financial Reporting Standards (IFRSs) for reporting periods beginning on or after 1 January 2005.

The Queensland Studies Authority established an IFRS work group to assist in the implementation of the new reporting requirements. All Australian Equivalents to IFRSs have been reviewed for implications for policies, procedures, systems and financial impacts arising from such changes.

To date, the authority has identified the following likely impacts arising from the adoption of Australian Equivalents to IFRSs:

- The valuation of inventories will not change from the lower of cost and net realisable value as stated in note 1(e) under AASB 102 Inventories. It is therefore estimated that there will be no change in the valuation of inventories.
- The introduction of AASB 136 Impairment of Assets requires an annual impairment test to be performed on all non-current physical and intangible assets. The material assets of the authority are currently valued at written-down replacement cost and the effect of this Standard is expected to be immaterial. However, as an impairment test has not previously applied to the public sector, an assessment of the effect is still ongoing and cannot be quantified at this time.
- AASB 119 Employee Benefits requires employers to recognise the net surplus or deficit in their employer sponsored defined benefit superannuation funds as an asset or liability, respectively. As the authority contributes to a whole-of-Government superannuation scheme, and the Government assumes the responsibilities for the funding of the scheme, the authority will recognise as a liability only that portion of superannuation contributions owing to QSuper at the end of the reporting period. There will therefore be no effect on the authority's accounts.
- Research costs associated with internally generated intangible assets such as internal use software have to be derecognised in accordance with AASB 138 as they would not satisfy the new recognition criteria. The application of this standard will not have any impact on the costs currently being capitalised to internal use software.

**Queensland Studies Authority**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2005**

**2 Revenue**

	2005	2004
	\$	\$
<u>User Charges</u>		
- Visa student fees	384,546	391,278
- Sale of publications, syllabuses, past papers	337,255	343,139
- Workshops	747,927	873,958
- Verification of Student Education Profiles	11,848	14,739
- Examinations	43,524	55,018
- Attainment certificate statements	59,960	48,780
- Certificates	29,453	27,876
- Other	304,044	253,118
	1,918,557	2,007,906
 <u>Government contributions</u>		
- Operating	24,555,000	22,973,100

**3 Employee expenses/Number of employees/Chief Executives Remuneration**

Employees expenses:		
Wages and salaries	14,281,095	13,189,622
Employee superannuation contributions	1,548,198	1,415,307
Long service leave levy	180,934	176,509
Workers compensation	53,143	38,201
Other	1,294,368	1,341,392
	17,357,738	16,161,031

The Authority had 193 full time equivalent employees at 30 June 2005(191.8-2004)

Chief Executives Remuneration:	<i>Min</i>	<i>Max</i>
SES 4	146,161	154,080

**4 Supplies and services**

- Administration and finance	3,493,721	3,645,458
- Asset operating costs	1,303,228	814,543
- Consulting, contracting & bureau fees	3,123,598	2,736,514
- Property costs & maintenance	1,306,604	1,238,779
- Other	5,369	34,454
	9,232,520	8,469,748

**5 Depreciation, Amortisation and other expenses**

The (deficit)/surplus from ordinary activities includes the following specific net gains and expenses

<u>Depreciation</u>		
- Computer equipment	226,485	74,733
- Plant & equipment	63,689	148,970
	290,174	223,703
<u>Amortisation</u>		
- Computer software	543,807	480,653
<u>Bad and doubtful debts</u>	35,052	8,280
<u>Rental expense – operating lease</u>	1,079,076	1,023,847
 <u>Auditors' remuneration</u>		
Queensland Audit Office -	19,000	15,000

**Queensland Studies Authority**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2005**

	2005 \$	2004 \$			
<b>6 Borrowing costs</b>					
Interest – QTC Borrowings	15,544	-			
No borrowing costs were recognised during the period as part of the carrying amount of any qualifying assets.					
<b>7 Cash assets</b>					
Cash on hand	1,700	1,900			
Cash at bank	30,747	92,035			
Deposits at call	1,659,000	3,297,000			
	<u>1,691,447</u>	<u>3,390,935</u>			
<b>8 Receivables</b>					
<i>Current</i>					
Trade debtors	97,445	104,363			
Less provision for doubtful debts	-	(8,280)			
Other debtors	274,351	145,844			
	<u>371,796</u>	<u>241,927</u>			
<b>9 Inventories</b>					
Publications	1,090,646	1,062,113			
Provision for obsolescence	(1,014,065)	(1,014,065)			
<b>Total inventories</b>	<u>76,581</u>	<u>48,048</u>			
<b>10 Other current assets</b>					
<i>Current</i>					
Prepayments	574,207	63,276			
<b>11 Intangibles</b>					
Computer software					
At cost	3,913,044	2,882,655			
Less accumulated amortisation	(1,100,093)	(563,186)			
	<u>2,812,951</u>	<u>2,319,469</u>			
<b>Movements during the reporting period</b>					
	Opening WDV	Additions	Disposals	Depreciation	Closing WDV
<i>Computer software</i>	157,369	426,256		(99,362)	484,263
<i>Internal use software</i>	1,519,182	-	-	(444,444)	1,074,738
<i>Software Development - work in progress</i>	642,918	611,032		-	1,253,950
	<u>2,319,469</u>	<u>1,037,288</u>		<u>(543,806)</u>	<u>2,812,951</u>

**Queensland Studies Authority**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2005**

**12 Plant & equipment**

*Computer equipment*

At cost	2,622,372	586,419
Less accumulated depreciation	<u>(514,415)</u>	<u>(314,453)</u>
	<u>2,107,957</u>	<u>271,966</u>

*Plant and equipment*

At cost	1,069,829	1,002,564
Less accumulated depreciation	<u>(851,023)</u>	<u>(814,165)</u>
	<u>218,806</u>	<u>188,399</u>

<b>Total</b>	<u>2,326,763</u>	<u>460,365</u>
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**Movements during the reporting period**

	Opening WDV	Additions	Disposals	Depreciation	Closing WDV
<i>Computer equipment</i>	271,966	2,062,641	(164)	(226,485)	2,107,958
<i>Plant &amp; equipment</i>	188,399	94,095	-	(63,689)	218,805
	<u>460,365</u>	<u>2,156,736</u>	<u>(164)</u>	<u>(290,174)</u>	<u>2,326,763</u>

**13 Payables**

Trade creditors	379,435	435,522
Other creditors	234,743	177,975
	<u>614,178</u>	<u>613,497</u>

**14 Provisions**

*Current*

Employee entitlements - Annual leave	1,290,551	1,115,577
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**15 Interest Bearing Liabilities**

Queensland Treasury Corporation borrowings		
Non-current	1,454,779	-
Current	124,288	-
	<u>1,579,067</u>	<u>-</u>

No assets have been pledged as security for any liabilities.

All borrowings are in \$A denominated amounts and recognised at their face value, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period.

On 30 October 2004, a 10 year loan facility with the Queensland Treasury Corporation was approved with a limit of \$4,066,000. This facility remained partially undrawn at 30 June 2005 and \$2,466,000 is available for use in the next reporting period.

Principal and interest repayments are made quarterly in arrears. The current interest rate is 5.57% (2004:Nil).

The market value of the authority's borrowings at 30 June, as notified by the Queensland Treasury Corporation, was \$1,593,827 (2004: \$nil). This represents the value of the debt if the authority repaid it in full at balance date.

As it is the intention of the authority to hold its borrowings for their full term, no adjustment provision is made in these accounts.

**Queensland Studies Authority**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2005**

	2005 \$	2004 \$
<b>16 Equity</b>		
Changes in equity		
<b>Contributed capital</b>		
Balance at the beginning of the reporting period	5,213,532	5,206,890
Net transfer (in)/out of annual leave provision	(80,284)	6,642
Balance at the end of the reporting period	<u>5,133,248</u>	<u>5,213,532</u>
<b>Accumulated deficit</b>		
Balance at the beginning of the reporting period	(418,586)	(646,093)
Net surplus/(deficit)	(344,713)	227,507
Balance at the end of the reporting period	<u>(763,299)</u>	<u>(418,586)</u>
<b>17 Reconciliation of net (deficit) /surplus to net cash (used in)/provided by Operating activities</b>		
Net (deficit)/surplus from ordinary activities	(344,713)	227,507
Depreciation	290,174	223,703
Amortisation	543,807	480,653
Assets written off and movements in provisions	1,064,259	1,031,862
Loss on disposal of non-current assets	164	669
Change in assets and liabilities		
(Increase)/Decrease in receivables and inventory	(626,724)	9,711
Decrease in accounts payables	(5,116)	(19,256)
Decrease in provisions	(1,006,382)	(909,027)
Net cash (used in)/provided by operating activities	<u>(84,531)</u>	<u>1,045,822</u>

**Queensland Studies Authority**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2005**

**18 Financial Instruments**

(a) **Interest rate risk** - The exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date, are as follows:

Financial Instruments	Floating Interest Rate		Fixed interest rate maturing in:						Non interest bearing		Total carrying amount as per Statement of Financial Position		Weighted average interest rates	
	2005	2004	One year or less		One to 5 years		Over 5 years		2005	2004	2005	2004	2005	2004
			2005	2004	2005	2004	2005	2004						
<i>Financial assets</i>														
Cash assets	30,747	92,035	1,659,000	3,297,000					1,700	1,900	1,691,447	3,390,935	5.11	4.9
Receivables									371,796	241,927	371,796	241,927		
Other financial assets														
<i>Total financial assets</i>	30,747	92,035	1,659,000	3,297,000					373,496	243,827	2,063,243	3,632,862		
<i>Financial liabilities</i>														
Payables									614,178	613,498	614,178	613,498		
Interest-bearing liabilities			124,288	-	573,290		881,489		-	-	1,579,067	-	5.57	-
<i>Total financial liabilities</i>	-	-	124,288		573,290		881,489		614,178	613,498	2,193,245	613,498		

(b) **Net fair values** - The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised at balance date are follows.

Financial Instruments	Total carrying amount as per Statement of Financial Position		Aggregate net fair value	
	2005	2004	2005	2004
<i>Financial assets</i>				
Cash assets	1,691,447	3,390,935	1,691,447	3,390,935
Receivables	371,796	241,927	371,796	241,927
Other financial assets				
<i>Total financial assets</i>	2,063,243	3,632,862	2,063,243	3,632,862
<i>Financial liabilities</i>				
Payables	614,178	613,498	614,178	613,498
Interest-bearing liabilities	1,579,067	-	1,593,828	-
<i>Total financial liabilities</i>	2,193,245	613,498	2,208,006	613,498

(c) **Credit Risk** - The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Statement of Financial Position. There are no concentrations of credit risk.



**Queensland Studies Authority**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2005**

2005                      2004  
 \$                              \$

**19 Segment Information**

The Queensland Studies Authority's business is predominantly to provide syllabus development, and assessment services for Queensland students.

**20 Commitments for expenditure**

**(a) Non-Cancellable Operating Lease Commitments**

At 30 June the Authority had the following operating lease commitments inclusive of GST:  
*Operating leases for property, office equipment and motor vehicles*

Outstanding lease commitments are due for payment as follows:

* within one year	1,228,251	1,083,370
* one to five years	4,847,671	5,436,243
	6,075,922	6,519,613

**(b) Capital Expenditure Commitments**

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

* Plant and equipment	291,987	-
Payable:		
* Not later than one year	291,987	-

**21 Contingent liabilities**

There were no known contingent assets or liabilities of a significant nature as at 30 June 2005.

**22 Superannuation**

The Authority contributes in respect of its employees to the following Superannuation scheme:

QSuper

	Contribution Rate	2005 \$	2004 \$
<u>Type of Scheme</u>	<u>%</u>		
Defined Benefit	12.75	874,475	860,382
Accumulation account	9 - 12.75	673,723	554,925
Total contributions to all schemes		1,548,198	1,415,307

The disclosure requirements for defined benefit schemes, detailed in AASB 1028 have not been provided as the liability is held and reported on a whole-of-Government basis.

**Queensland Studies Authority**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2005**

**23 Remuneration of Board Members**

Remuneration received, or due and receivable by Board Members from the Authority in connection with the management of the Authority.

The number of responsible persons whose remuneration from the Authority was within the following specified bands were:

	\$		2005 No.	2004 No.
0	-	5,000	12	10
5,001	-	10,000	1	-

The Authority's Board comprises the following members as at 28 July 2005:

Professor J Mattick (Chairperson)  
 Dr B.J. Arnison  
 Professor T. Aspland  
 R. Cloonan  
 G. Collins  
 P. Cooper  
 L. Englert  
 M. Dawson  
 L. Jeffcoat  
 Z. Johnston  
 J. Ketchell  
 D. Chapman-Kiddell  
 K. O'Neill  
 L. Perry  
 D. Porter  
 P. Reust  
 B. Stoddart  
 L. Walsh  
 C. Webb  
 J. Wilson

## CERTIFICATE OF QUEENSLAND STUDIES AUTHORITY

These general purpose financial statements have been prepared pursuant to section 46F(1) of the *Financial Administration and Audit Act 1977* (the Act), and other prescribed requirements. In accordance with Section 46F(3) of the Act we 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 Queensland Studies Authority for the financial year ended 30 June 2005 and of the financial position of the Authority at the end of that year.



K. Bannikoff  
*Director*

28 July 2005



Professor J. Mattick  
*Chairperson*

28 July 2005

## INDEPENDENT AUDIT REPORT

To the Queensland Studies Authority

### Scope

#### **The Financial Report**

The financial report of the Queensland Studies Authority consists of 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 Chairperson and Director of the Queensland Studies Authority, for the year ended 30 June 2005.

#### **The Authority's Responsibility**

The Authority is responsible for the preparation and true and fair presentation of the financial report, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and accounting estimates inherent in the financial report.

#### **Audit Approach**

As required by law, an independent audit was conducted in accordance with QAO Auditing Standards to enable me to provide an independent opinion whether in all material respects the financial report is presented fairly, in accordance with the prescribed requirements, including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

Audit procedures included –

- Examining information on a test/sample basis to provide evidence supporting the amounts and disclosures in the financial report;
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Authority;
- Obtaining written confirmation regarding the material representations made in conjunction with the audit; and
- Reviewing the overall presentation of information in the financial report.

#### **Independence**

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors.

The Auditor-General is the auditor of all public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which powers are to be exercised.

The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

#### **Audit Opinion**

In accordance with section 46G of the *Financial Administration and Audit Act 1977* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the statements have been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Queensland Studies Authority for the financial year 1 July 2004 to 30 June 2005 and of the financial position as at the end of that year.

J F WELSH, FCPA  
Acting Director of Audit  
As Delegate of the Auditor-General of Queensland



Queensland Audit Office  
Brisbane

## INDEPENDENT AUDIT REPORT

To the *Queensland Studies Authority*

### Matters Relating to the Electronic Presentation of the Audited Financial Report

The audit report relates to the financial report of Queensland Studies Authority for the financial year ended 30 June 2005 *included* on Queensland Studies Authority's web site. The Accountable Officer is responsible for the integrity of the Queensland Studies Authority's web site. The audit report refers only to the financial report identified below and does not include a review of the integrity of this web site or provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from Queensland Studies Authority, to confirm the information included in the audited financial report presented on this web site.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.

### Scope

#### *The Financial Report*

The financial report of the Queensland Studies Authority consists of 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 Chairperson and Director of the Queensland Studies Authority, for the year ended 30 June 2005.

#### *The Authority's Responsibility*

The Authority is responsible for the preparation and true and fair presentation of the financial report, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and accounting estimates inherent in the financial report.

#### *Audit Approach*

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Audit procedures included –

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- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Authority;
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In accordance with section 46G of the *Financial Administration and Audit Act 1977* –

- (a) I have received all the information and explanations which I have required; and
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J F WELSH, FCPA  
Acting Director of Audit  
As Delegate of the Auditor-General of Queensland



Queensland Audit Office  
Brisbane

