

# Directors' Declaration

**OFFICE OF THE SYDNEY OLYMPIC PARK AUTHORITY**  
**Financial Statements for the Year Ended 30 June 2008**

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 Division's financial position as at 30 June 2008 and transactions for the year then ended.
2. The statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2005, 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.



**A Marsh**  
Chief Executive Officer



**N Hubble**  
General Manager,  
Commercial and Corporate



GPO BOX 12  
Sydney NSW 2001

#### INDEPENDENT AUDITOR'S REPORT

##### Sydney Olympic Park Authority Sydney Olympic Park Aquatic and Athletic Centres Division

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Sydney Olympic Park Authority Sydney Olympic Park Aquatic and Athletic Centres Division (the Division), which comprises the balance sheet as at 30 June 2008, the operating statement, statement of recognised income and expense, cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Division as at 30 June 2008, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

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

The members of the Sydney Olympic Park Authority Board are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

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

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

I believe that 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 Division,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

#### Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- 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 are not compromised in their role by the possibility of losing clients or income.

P J Boutous, CA  
Director, Financial Audit Services

30 September 2008  
SYDNEY

# Operating Statement

for the year ending 30 June 2008

	Notes	2008 \$'000	2007 \$'000
<b>Expenses</b>			
Employee related	2	5,432	5,081
<b>Total Expenses</b>		<b>5,432</b>	<b>5,081</b>
<b>Revenue</b>			
Personnel Services		5,448	5,071
<b>Total Revenue</b>		<b>5,448</b>	<b>5,071</b>
<b>Net Cost of Services</b>	8	<b>(16)</b>	<b>10</b>
<b>Government Contributions</b>			
<b>Acceptance by the Crown Entity of employee</b>			
benefits and other liabilities	3	(16)	10
<b>Total Government Contributions</b>		<b>(16)</b>	<b>10</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	7	<b>0</b>	<b>0</b>

The accompanying notes form part of these statements.

# Statement of Recognised Income and Expense

for the year ending 30 June 2008

	Notes	2008 \$'000	2007 \$'000
Surplus/(deficit) for the year	7	0	0
<b>TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR</b>		<b>0</b>	<b>0</b>

The accompanying notes form part of these statements.

# Balance Sheet

as at 30 June 2008

	Notes	2008 \$'000	2007 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Receivables	4(a)	588	486
<b>Total Current Assets</b>		<b>588</b>	<b>486</b>
<b>Non-Current Assets</b>			
Receivables	4(b)	0	6
<b>Total Non-Current Assets</b>		<b>0</b>	<b>6</b>
<b>Total Assets</b>		<b>588</b>	<b>492</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	5	244	164
Provisions	6	344	322
<b>Total Current Liabilities</b>		<b>588</b>	<b>486</b>
<b>Non-Current Liabilities</b>			
Provisions	6	0	6
<b>Total Non-Current Liabilities</b>		<b>0</b>	<b>6</b>
<b>Total Liabilities</b>		<b>588</b>	<b>492</b>
<b>Net Assets</b>		<b>0</b>	<b>0</b>
<b>EQUITY</b>			
Accumulated funds		0	0
<b>Total Equity</b>		<b>0</b>	<b>0</b>

The accompanying notes form part of these statements.

# Cash Flow Statement

for the year ending 30 June 2008

	Notes	2008 \$'000	2007 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee related		(5,333)	(4,551)
<b>Total Payments</b>		<b>(5,333)</b>	<b>(4,551)</b>
<b>Receipts</b>			
Personnel services		5,333	4,551
<b>Total Receipts</b>		<b>5,333</b>	<b>4,551</b>
<b>NET CASH FLOWS FROM</b>			
<b>OPERATING ACTIVITIES</b>	8	<b>0</b>	<b>0</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>0</b>	<b>0</b>
Opening cash and cash equivalents		0	0
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		<b>0</b>	<b>0</b>

The accompanying notes form part of these statements.

# Notes to the Financial Statements

## for the year ending 30 June 2008

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Reporting entity

The Sydney Olympic Park Authority Sydney Olympic Park Authority Aquatic and Athletic Centres Division (the Division) is a Division of the Government Service, established pursuant to Part 3 of Schedule 1 to the Public Sector Employment and Management Act 2002. It is a not-for-profit entity as profit is not its principal objective. It is consolidated as part of the NSW Total State Sector Accounts. It is domiciled in Australia and its principal office is at Olympic Boulevard, Sydney Olympic Park NSW 2127.

The Division's objective is to provide personnel services to the Sydney Olympic Park Authority for the management of the operations of the Sydney Olympic Park Aquatic and Athletic Centres.

The Division commenced operation on and from 1 July 2006 when it assumed responsibility for the employees and employee-related liabilities of the Sydney Olympic Park Aquatic and Athletic Centres.

The financial report was authorised for issue by the Chief Executive Officer on 22 September 2008.

#### (b) Basis of Preparation

This is a general purpose financial report prepared in accordance with the requirements of Australian Accounting Standards and Interpretations, the Public Finance and Audit Act 1983, and specific directions issued by the Treasurer.

As mandated by the Treasurer, the Division has not early-adopted the following new/revised Accounting Standards/Interpretations:

- AASB 3 (Mar 2008), AASB 127 and AASB 2008-3 regarding business combinations
- AASB 8 & AASB 2007-3 regarding operating segments
- AASB 101 (Sep 2007) regarding presentation of financial statements
- AASB 123 (June 2007) and AASB 2007-06 regarding borrowing costs

- AASB 1004 (Dec 2007) regarding contributions
- AASB 1049 (Oct 2007) regarding the whole of government and general government sector financial reporting
- AASB 1050 (Dec 2007) regarding administered assets
- AASB 1051 (Dec 2007) regarding land under roads
- AASB 1052 (Dec 2007) regarding disaggregated disclosures
- AASB 2007-9 regarding amendments arising from the review of AASs 27, 29 and 31
- AASB 2008-1 regarding share based payments
- AASB 2008-2 regarding puttable financial instruments
- Interpretation 1 (Jun 2007) regarding restoration and similar liabilities
- Interpretation 4 (Feb 2007) regarding determining whether an arrangement contains a lease
- Interpretation 12 & AASB 2007-2 regarding service concession arrangements
- Interpretation 13 on customer loyalty programs
- Interpretation 14 regarding the limit on a defined benefit assets
- Interpretation 129 (Feb 2007) regarding service concession disclosures
- Interpretation 1038 (Dec 2007) regarding contributions by owners.

It is expected that the impact of the application of the new Standards on the Division's financial report in the period of initial application will not be significant.

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

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

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

#### (c) Statement of Compliance

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

#### (d) Income Recognition

Income is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

#### (e) 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.

#### (f) Payables

Payables include accrued wages, salaries, and related on-costs (such as payroll tax, fringe benefits tax and workers' compensation insurance) where there is certainty as to the amount and timing of settlement.

A payable is recognised when a present obligation arises under a contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted.

A short-term payable with no stated interest rate is measured at historical cost if the effect of discounting is immaterial.

# Notes to the Financial Statements

for the year ending 30 June 2008

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (g) Employee Benefit Provisions and Expenses

#### (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 and Superannuation

The Division's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Office accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of Employee Benefits and Other Liabilities'.

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 07/04) 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. 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.

#### (h) 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.

	Notes	2008 \$'000	2007 \$'000
<b>2. EXPENSES</b>			
<b>Employee Related Expenses</b>			
Salaries and wages (including recreation leave)		4,623	4,268
Superannuation – defined contribution plans		398	430
Long service leave	3	(16)	10
Workers' compensation insurance		99	62
Payroll tax and fringe benefit tax		328	311
		<b>5,432</b>	<b>5,081</b>

## 3. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

The following liabilities and/or expenses have been assumed by the Crown Entity:

Long service leave	2	(16)	10
		<b>(16)</b>	<b>10</b>

## 4. CURRENT/NON CURRENT ASSETS – RECEIVABLES

### (a) Current Receivables

Sydney Olympic Park Authority		588	486
		<b>588</b>	<b>486</b>

### (b) Non Current Receivables

Sydney Olympic Park Authority		0	6
		<b>0</b>	<b>6</b>

The amounts receivable from the Sydney Olympic Park Authority are recognised at balance date. The carrying amount approximates to fair value.

# Notes to the Financial Statements

for the year ending 30 June 2008

	Notes	2008 \$'000	2007 \$'000
<b>5. CURRENT LIABILITIES – PAYABLES</b>			
Accrued salaries, wages and on-costs	6	244	164
		<b>244</b>	<b>164</b>

The liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced.

## 6. CURRENT/NON CURRENT LIABILITIES – PROVISIONS

### Employee Benefits and Related On-costs

Annual leave		300	239
Other		44	89
<b>Total Provisions</b>		<b>344</b>	<b>328</b>

### Aggregate employee benefits and related on-costs

Provisions – current		344	322
Provisions – non current		0	6
Accrued salaries, wages and on-costs	5	244	164
		<b>588</b>	<b>492</b>

## 7. CHANGES IN EQUITY

<b>Balance at the beginning of the financial year</b>		<b>0</b>	<b>0</b>
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### Changes in Equity

Surplus/(deficit) for the year		0	0
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<b>Balance at the end of financial year</b>		<b>0</b>	<b>0</b>
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## 8. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

Net Cash Used on Operating Activities		0	0
Acceptance by the Crown Entity of employee benefits and other liabilities	3	16	(10)
Increase/(decrease) in receivables		95	492
Decrease/(increase) in payables		(80)	(164)
Decrease/(increase) in employee provisions		(15)	(328)
<b>Net Cost of Services</b>		<b>16</b>	<b>(10)</b>

# Notes to the Financial Statements

for the year ending 30 June 2008

## 9. FINANCIAL INSTRUMENTS

The Division does not have a separate bank or a bank overdraft facility but uses the bank facility of Sydney Olympic Park Authority.

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

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 Division, 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.

### (a) Financial Instrument Category

	Category	Notes	2008 \$'000	2007 \$'000
<b>Financial Assets</b>				
Receivables 1.	Receivables (at amortised cost)	4	588	492
			<b>588</b>	<b>492</b>
<b>Financial Liabilities</b>				
Payables 2.	Financial liabilities measured at amortised cost	5	192	153
			<b>192</b>	<b>153</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 Division's debtors defaulting on their contractual obligations, resulting in a financial loss to the Division.

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 Division will be unable to meet its payment obligations when they fall due.

Liquidity risk is represented by the Division's payables owing to other parties.

This is expected to be settled within normal trading terms: that is 28 days.

The Division's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

### (d) Market risk

The Division 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.

## 10. CONTINGENT LIABILITIES

There are no contingent liabilities.

## 11. AFTER BALANCE DATE EVENTS

There are no events after Balance Sheet date that would have a material impact on the financial report.

### End of Audited Financial Statements