

APPENDICES



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APPENDIX 1 – Financial Statements



INDEPENDENT AUDITOR'S REPORT

To the Attorney-General

Scope

We have audited the accompanying financial statements of the Federal Court of Australia for the year ended 30 June 2008. The financial statements comprise: a Statement by the Registrar and Chief Finance Officer; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedules of Commitments, Contingencies and Administered Items; and Notes to and Forming Part of the Financial Statements.

The Responsibility of the Registrar for the Financial Statements

The Federal Court of Australia's Registrar is responsible for the preparation and fair presentation of the financial statements in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, and Australian Accounting Standards including Australian Accounting Interpretations. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are 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 statements based on our audit. Our audit has been conducted in accordance with Australian National Audit Office Auditing Standards, which incorporate Australian Auditing Standards. The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 Federal Court of Australia'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 Federal Court of Australia's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Registrar, as well as evaluating the overall presentation of the financial statements.

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

Independence

In conducting the audit, we have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the Federal Court of Australia:

- (a) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, and Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Federal Court of Australia's financial position as at 30 June 2008 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



P Hinchey
Senior Director
Delegate of the Auditor-General

Sydney
5 September 2008

FEDERAL COURT OF AUSTRALIA

STATEMENT BY THE REGISTRAR AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2008 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



Signed

Warwick Soden
Registrar and Chief Executive Officer

5 September 2008



Signed

Peter Bowen
Chief Finance Officer

5 September 2008

FEDERAL COURT OF AUSTRALIA

INCOME STATEMENT

for the period ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
INCOME			
Revenue			
Revenue from government	2A	78,462	85,333
Sale of goods and rendering of services	2B	10,902	1,898
Interest	2C	-	16
Total revenue		<u>89,364</u>	<u>87,247</u>
Gains			
Sale of assets	2D	-	4
Other gains	2E	15,084	14,351
Total gains		<u>15,084</u>	<u>14,355</u>
Total Income		<u>104,448</u>	<u>101,602</u>
EXPENSES			
Judge benefits	3A	26,196	25,203
Employee benefits	3A	30,267	28,341
Suppliers	3B	47,250	44,518
Depreciation and amortisation	3C	3,182	2,989
Finance costs	3D	52	69
Loss on sale of assets	2D	14	-
Write-down and impairment of assets	3E	838	25
Total Expenses		<u>107,799</u>	<u>101,145</u>
Surplus (Deficit) attributable to the Australian Government		<u>(3,351)</u>	<u>457</u>

FEDERAL COURT OF AUSTRALIA

BALANCE SHEET*as at 30 June 2008*

	Notes	2008 \$'000	2007 \$'000
ASSETS			
Financial Assets			
Cash	4A	3,330	516
Trade and other receivables	4B	31,975	37,534
Total financial assets		<u>35,305</u>	<u>38,050</u>
Non-Financial Assets			
Land and buildings	5A	8,208	7,420
Infrastructure, plant and equipment	5B	9,432	10,495
Intangibles	5C	842	432
Other non-financial assets	5E	1,763	2,183
Total non-financial assets		<u>20,245</u>	<u>20,530</u>
Total Assets		<u>55,550</u>	<u>58,580</u>
LIABILITIES			
Payables			
Suppliers	6	1,122	508
Total payables		<u>1,122</u>	<u>508</u>
Interest Bearing Liabilities			
Leases	7	633	986
Total interest bearing liabilities		<u>633</u>	<u>986</u>
Provisions			
Judges and employee provisions	8	17,141	16,858
Total provisions		<u>17,141</u>	<u>16,858</u>
Total Liabilities		<u>18,896</u>	<u>18,352</u>
Net Assets		<u>36,654</u>	<u>40,228</u>
EQUITY			
Contributed equity		9,719	9,617
Reserves		1,289	1,614
Retained surplus		25,646	28,997
Total Equity		<u>36,654</u>	<u>40,228</u>
Current Assets		37,068	40,234
Non-Current Assets		18,482	18,346
Current Liabilities		17,125	16,835
Non-Current Liabilities		1,771	1,517

FEDERAL COURT OF AUSTRALIA

STATEMENT of CHANGES in EQUITY

for the period ended 30 June 2008

	Retained Earnings		Asset Revaluation Reserves		Contributed Equity/Capital		Total Equity	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	28,997	28,540	1,614	1,614	9,617	7,914	40,228	38,068
Income and expense								
Revaluation adjustment	-	-	(325)	-	-	-	(325)	-
<i>Sub-total income and expenses recognised Directly in Equity</i>	28,997	28,540	1,289	1,614	9,617	7,914	39,903	38,068
Surplus (Deficit) for period	(3,351)	457	-	-	-	-	(3,351)	457
Total income and expenses	25,646	28,997	1,289	1,614	9,617	7,914	36,552	38,525
Transactions with owners								
Appropriation (equity injection)	-	-	-	-	102	1,703	102	1,703
Closing balance at 30 June	25,646	28,997	1,289	1,614	9,719	9,617	36,654	40,228

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

FEDERAL COURT OF AUSTRALIA

CASH FLOW STATEMENT

for the period ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		10,501	1,916
Appropriations		83,733	81,630
Refunds credited		131	4,416
Net GST received		212	36
Total cash received		<u>94,577</u>	<u>87,998</u>
Cash used			
Judges and employees		47,371	44,937
Suppliers		40,274	40,141
Borrowing costs		52	69
Total cash used		<u>87,697</u>	<u>85,147</u>
Net cash from or (used by) operating activities	9	<u>6,880</u>	<u>2,851</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		19	6
Total cash received		<u>19</u>	<u>6</u>
Cash used			
Purchase of property, plant and equipment		3,708	2,858
Purchase of intangibles		367	64
Total cash used		<u>4,075</u>	<u>2,922</u>
Net cash flows from or (used by) investing activities		<u>(4,506)</u>	<u>(2,916)</u>
FINANCING ACTIVITIES			
Cash received			
Appropriations – contributed equity		601	233
Total cash received		<u>601</u>	<u>233</u>
Cash Used			
Payment of finance lease liabilities		611	-
Total cash used		<u>611</u>	<u>-</u>
Net cash from or (used by) financing activities		<u>(10)</u>	<u>233</u>
Net increase or (decrease) in cash held		<u>2,814</u>	<u>168</u>
Cash at the beginning of the reporting period		516	348
Cash at the end of the reporting period	4A	<u>3,330</u>	<u>516</u>

FEDERAL COURT OF AUSTRALIA

SCHEDULE OF COMMITMENTS

as at 30 June 2008

	2008 \$'000	2007 \$'000
BY TYPE		
Capital commitments		
Infrastructure, plant and equipment ¹	608	621
Total capital commitments	608	621
Other commitments		
Operating leases ²	176,397	176,519
Other ³	887	7,844
Total other commitments	177,284	184,363
Commitments receivable	(16,875)	(16,817)
Net commitments by type	161,017	168,167
BY MATURITY		
Capital commitments		
One year or less	608	621
Total capital commitments	608	621
Operating lease commitments		
One year or less	16,608	20,379
From one to five years	67,605	70,796
Over five years	92,184	93,188
Total operating lease commitments	176,397	184,363
Commitments receivable	(16,875)	(16,817)
Net Commitments by Maturity	161,017	168,167

NB: Commitments are GST inclusive where relevant.

Nature of leases/General description

1. Plant and equipment commitments are primarily contracts for the purchase of furniture and fittings.
2. Operating leases included are effectively non-cancellable and comprise:

Leases for judicial and other accommodation.

These commitments are mainly for rental of special purpose court buildings which are occupied by the Court's registries. The court buildings are owned by the Commonwealth of Australia, except for the New South Wales court building, which is owned by Law Courts Limited, a joint venture between the NSW State and Commonwealth Governments.

Agreements for the provision of motor vehicles to judges and senior officers.

The Court leases motor vehicles from Lease Plan under the terms of a contract that is operative until January 2010. These vehicles are leased under individual operating leases.

3. Other commitments - The Court has entered into commitments for the provision of information technology and library goods and services.

FEDERAL COURT OF AUSTRALIA

SCHEDULE OF CONTINGENCIES

as at 30 June 2008

There were no contingent losses or gains as at 30 June 2008 (2007 nil).

FEDERAL COURT OF AUSTRALIA

SCHEDULE OF ADMINISTERED ITEMS

	Notes	2008 \$'000	2007 \$'000
Income administered on behalf of Government			
<i>for the period ended 30 June 2008</i>			
Revenue			
Fees (filing and hearing fees)	14	6,592	6,372
Fines	14	568	47
Other	14	113	105
Total revenue administered on behalf of Government		<u>7,273</u>	<u>6,524</u>
Expenses administered on behalf of Government			
<i>for the period ended 30 June 2008</i>			
Refund of fees and fines	15	145	87
Fees and fines – provision for doubtful debts	15	-	66
Total expenses administered on behalf of Government		<u>145</u>	<u>153</u>
Assets administered on behalf of Government			
<i>as at 30 June 2008</i>			
Financial assets			
Cash and cash equivalents	16A	45	38
Receivables	16B	297	326
Total assets administered on behalf of Government		<u>342</u>	<u>364</u>

FEDERAL COURT OF AUSTRALIA

SCHEDULE OF ADMINISTERED ITEMS (Continued)

	Notes	2008 \$'000	2007 \$'000
Administered cash flows			
<i>for the period ended 30 June 2008</i>			
OPERATING ACTIVITIES			
Cash received			
Fees and Fines		7,188	6,399
Other		113	105
Total cash received		<u>7,301</u>	<u>6,504</u>
Cash used			
Refund of court fees and fines		(144)	(87)
Total cash used		<u>(144)</u>	<u>(87)</u>
Net cash flows from or (used by) operating activities		<u>7,157</u>	<u>6,417</u>
Net Increase (Decrease) in cash held		<u>7,157</u>	<u>6,417</u>
Cash at the beginning of the reporting period		38	19
Cash from Official Public Account for:			
- Appropriations		145	90
		<u>145</u>	<u>90</u>
Cash to Official Public Account		(7,296)	(6,488)
		<u>(7,296)</u>	<u>(6,488)</u>
Cash at the end of the reporting period	16A	<u>44</u>	<u>38</u>

Administered commitments*as at 30 June 2008*

There were no Administered commitments as at 30 June 2008. (2007: nil)

Administered Contingencies*as at 30 June 2008*

There were no Administered contingent losses or gains as at 30 June 2008. (2007: nil)

- Note 1: Summary of Significant Accounting Policies
- Note 2: Income
- Note 3: Operating Expenses
- Note 4: Financial Assets
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- Note 6: Payables
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FEDERAL COURT OF AUSTRALIA

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Court

The Federal Court of Australia is an Australian Public Service organisation. The objectives of the Court are to:

- decide disputes according to law promptly, courteously and effectively; and in so doing to interpret the statutory law and develop the general law of the Commonwealth, so as to fulfil the role of a court exercising the judicial power of the Commonwealth under the Constitution;
- provide an effective registry service to the community; and
- manage the resources allotted by Parliament efficiently.

The Court has one Output and one Outcome:

Outcome: To apply and uphold the rule of law to deliver remedies and enforce rights and in so doing, contribute to the social and economic development and well-being of all Australians.

The Court's activities contributing toward this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenue and expenses controlled or incurred by the Court in its own right. Administered activities involve the management or oversight by the Court, on behalf of the Government, of items controlled or incurred by the Government.

The continued existence of the Court in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the Court's administration and programs.

1.2 Basis of Preparation of the Financial Statements

The financial statements and notes are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general-purpose financial report.

The financial statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMOs, for reporting periods ending on or after 1 July 2007); and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements are prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets, which are at fair value or amortised cost. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless alternative treatment is specifically required by an Accounting Standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the Court and the amounts of assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies.

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the Income Statement only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for the Court departmental items.

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

1.3 Significant Accounting Judgements and Estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.4 Statement of Compliance

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standards. The following new standards are applicable to the current reporting period:

Financial instrument disclosure

AASB 7 Financial Instruments: Disclosure is effective for reporting periods beginning on or after 1 January 2007 (the 2007-08 financial year) and amends the disclosure requirements for financial instruments. In general, AASB 7 requires greater disclosure than that previously required. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements through 2005-10 Amendments to Australian Accounting Standards [AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]. These changes have no financial impact but will affect the disclosure presented in future financial reports.

The following new standards, amendments to standards or interpretations for the current financial year have no material financial impact on the Court.

2007-4 Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments and Erratum: Proportionate Consolidation

2007-7 Amendments to Australian Accounting Standards

UIG Interpretation 11 AASB 2 – Group and Treasury Share Transactions and 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 11

Future Australian Accounting Standard requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

AASB Interpretation 12 Service Concession Arrangements and 2007-2 Amendments to Australian Accounting Standards arising from AASB Interpretation 12

AASB 8 Operating Segments and 2007-3 Amendments to Australian Accounting Standards arising from AASB 8

2007-6 Amendments to Australian Accounting Standards arising from AASB 123

AASB Interpretation 13 Customer Loyalty Programmes

AASB Interpretation 14 AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Other

The following standards and interpretations have been issued but are not applicable to the operations of the Court.

AASB 1049 Financial Reporting of General Government Sectors by Governments

AASB 1049 specifies the reporting requirements for the General Government Sector, and therefore, has no effect on the Court's financial statements.

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

1.5 Revenue

The revenues described in this note and Note 1.20 are revenues relating to the core operating activities of the Court, whether in its own right or on behalf of the Commonwealth. Details of revenue amounts are given in Note 2 and Note 13.

Revenue from Government

Amounts appropriated for departmental outputs appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Court gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

Other Types of Revenue

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- The amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- The probable economic benefits with the transaction have flowed to the Court.

Receivables for services are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139.

1.6 Gains

Resources Received Free of Charge

Resources received free of charge are recognised as gains when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of these resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government Agency or Authority as a consequence of a restructure of administrative arrangements.

Sale of Assets

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as Owner

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

1.8 Judges and Employee Benefits

Liabilities for services rendered by Judges and employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance date are measured at their nominal amounts. The nominal amount is calculated at the rates expected to be paid on settlement of the liability.

All other judges and employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by judges and employees at the reporting date.

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

Leave

The liability for employee benefits includes annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Court is estimated to be less than the annual entitlement for sick leave.

The long service leave provision is based on the Court's estimated liability at balance date. Court staff employed under the Public Service Act accrue 3 months long service leave after 10 years service, and proportionally thereafter. The estimate of the present liability takes into account attrition rates and pay increases through promotion and inflation. Judges accrue 6 months long leave after 5 years of service. In recognition of the nature of Judges' tenure, a provision is accrued from the first year of service.

The leave liabilities are based on the judges' and employees' remuneration. This includes the Court's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

Superannuation

Staff of the Court are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Commonwealth. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

The Court makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Court's employees. The Court accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

Judges' Pension

Under the Judges' Pension Act 1968, Federal Court Judges are entitled to a non-contributory pension upon retirement after 6 years service. Where entitlements are not available under the Judges Pension Act 1968, entitlements are available under the Superannuation (Productivity Benefit) Act 1988. As the liability for these pension payments is assumed by the Australian Government, the Court has not recognised a liability for unfunded superannuation liability. The Court does, however, recognise an expense and a corresponding revenue item, "Liabilities assumed by other agencies", in respect of the notional amount of the employer contributions to Judges' pensions for the reporting period amounting to \$8,903,109 (2006-07: \$8,422,562). The contribution rate has been provided by the Australian Government Actuary.

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the lower of the fair value of the lease property or the present value of minimum lease payments at the beginning of the lease term and a liability recognised at the same time and for the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis unless another systematic approach is more representative of the pattern of benefits derived from the leased assets.

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

1.10 Borrowing Costs

All borrowing costs are expensed as incurred.

1.11 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

1.12 Financial Assets

Financial assets are recognised and derecognised upon 'trade date'.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

- *Financial assets held at amortised cost* – If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of future net cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the income statement.

1.13 Financial Liabilities

Supplier and other payables

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

1.14 Acquisition of assets

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

1.15 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases of:

- assets other than information technology equipment costing less than \$2,000; and
- information technology equipment costing less than \$1,500;

which are expensed in the year of acquisition other than where they form part of a group of similar items, which are significant in total.

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

Revaluations

Basis

Fair values for each class of asset are determined as shown below:

<i>Asset Class</i>	<i>Fair value measured at:</i>
Buildings	Market selling price
Leasehold improvements	Depreciated replacement cost
Plant & Equipment	Market selling price

Following initial recognition, buildings, infrastructure, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency such that the carrying amount of each asset class is not materially different, at reporting date, from its fair value. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. Valuations are done as at 30 June.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class previously recognised through the Income Statement. Revaluation decrements for a class of assets are recognised directly through the Income Statement except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the valuation date is offset against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Depreciation and amortisation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Court using the straight-line method of depreciation.

Leasehold improvements are depreciated over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

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

Depreciation and amortisation rates for each class of depreciable asset are based on the following useful lives:

	<u>2008</u>	<u>2007</u>
Leasehold improvements	10 years or Lease term	10 years or Lease term
Plant and equipment – excluding library materials	3 to 10 years	3 to 10 years
Plant and equipment – library materials	5 to 40 years	5 to 40 years

Impairment

All assets were assessed for impairment at 30 June 2008. Where indications of impairment exist, the asset's recoverable amount is estimated and an adjustment made if the asset's recoverable amount is less than its carrying amount.

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

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

1.16 Intangibles

The Court's intangibles comprise externally and internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment loss.

Software is amortised on a straight line basis over its anticipated useful life of 5 years (2006-07: 5 years).

All software assets were assessed for indications of impairment at 30 June 2008.

1.17 Taxation

The Court is exempt from all forms of taxation except fringe benefits tax (FBT) and goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable; and
- except for receivables and payables.

1.18 Resources provided free of charge

Federal Magistrates Court

Prior to this financial year the Court provided resources free of charge to the Federal Magistrates Court (FMC) in accordance with sections 90, 92 and 99 of the Federal Magistrates Act 1999. Resources provided free of charge included:

- Court staff performing work on behalf of the FMC; and
- accommodation, including access to the Court's courtrooms.

From 1 July 2007 the funding related to the provision of these services was appropriated directly to the Federal Magistrates Court. The Court then invoiced the Federal Magistrates Court for services provided on a cost recovery basis.

The estimated cost of resources provided free of charge by the Court to the FMC during 2007-08 was therefore Nil. (2006-07: \$7,959,551).

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

1.19 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related Notes.

Except where stated below, administered items are accounted for on the same basis and using the same policies as the Court, including the application of Australian Accounting Standards.

Administered Cash Transfers to and from Official Public Account

Revenue collected by the Court for use by the Government rather than the Court is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Court on behalf of the Government and reported as Administered Cash Flows in the Schedule of Administered Items and in the Administered Reconciliation Table in Note 16. Thus, the Schedule of Administered Items reflects the Government's transactions, through the Court, with parties outside the Government.

Revenues

All administered revenues are revenues relating to the core operating activities performed by the Court on behalf of the Commonwealth.

Revenue from fees is recognised at the time the services are performed. The services are performed at the same time as, or within two days of, the fees becoming due and payable. It is recognised at its nominal amount due less any provision for bad or doubtful debts. Debts are reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely. Revenue from fines is recognised in the period in which the invoice for the fine is raised.

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

	2008 \$'000	2007 \$'000
Note 2: Income		
<i>Revenue</i>		
Note 2A: Revenue from Government		
Appropriation:		
Departmental outputs	78,462	85,333
Total revenue from Government	78,462	85,333
Note 2B: Sale of goods and rendering of services		
Rendering of services – related entities	10,419	1,441
Rendering of services – external entities	483	457
Total rendering of services	10,902	1,898
Total sale of goods and rendering of services	10,902	1,898
Note 2C: Interest		
Deposits	-	16
Total interest	-	16
<i>Gains</i>		
Note 2D: Sale of Assets		
Infrastructure, plant and equipment:		
Proceeds from sale	3	6
Carrying value of assets sold	(17)	(2)
Net gain from sale of assets	(14)	4
Note 2E: Other gains		
Liabilities assumed by other agencies	8,903	8,423
Resources received free of charge	6,181	5,928
Total other gains	15,084	14,351

Resources received free of charge includes an amount of \$5,547,582 (2006-07: \$5,547,582) in respect of rent and outgoings associated with the accommodation occupied by the Court in the Law Courts Building located in Sydney, New South Wales. This building is owned by Law Courts Limited, a joint venture between the NSW State and Commonwealth Governments.

Note 3: Expenses**Note 3A: Judges and Employee benefits**

Judges remuneration	17,293	16,780
Judges notional superannuation	8,903	8,423
	26,196	25,203
Employee wage & salaries	26,965	24,621
Employee superannuation	3,218	3,548
Employee separation and redundancies	84	172
	30,267	28,341
Total judges and employee benefits	56,463	53,544

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

	2008 \$'000	2007 \$'000
Note 3B: Suppliers		
Provision of goods - external entities	3,053	3,127
Rendering of services - related entities	1,721	1,668
Rendering of services - external entities	20,354	19,076
Operating lease rentals:		
Minimum Lease Payments	21,908	20,430
Workers compensation premiums	214	217
Total supplier expenses	47,250	44,518
Note 3C: Depreciation and Amortisation		
Depreciation:		
Buildings	1,594	1,114
Infrastructure, plant and equipment	853	1,028
Total depreciation	2,447	2,142
Amortisation:		
Intangibles:		
Computer Software	134	181
Leased plant and equipment	601	666
Total amortisation	735	847
Total depreciation and amortisation	3,182	2,989
Note 3D: Finance costs		
Finance leases	52	69
Total finance costs	52	69
Note 3E Write-down and impairment of assets		
Financial assets		
Bad & doubtful debt	31	21
Non-financial assets		
Plant & equipment	807	4
Total write-down and impairment of assets	838	25
Note 4: Financial Assets		
Note 4A: Cash and cash equivalents		
Cash at bank and at hand	3,330	516
Total cash and cash equivalents	3,330	516

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

	2008 \$'000	2007 \$'000
Note 4B: Trade and other receivables		
Goods and services	556	99
Appropriations receivable: for existing outputs	<u>31,104</u>	<u>36,874</u>
GST receivable from the Australian Taxation Office	<u>366</u>	<u>582</u>
Total trade and other receivables (gross)	<u>32,026</u>	<u>37,555</u>
Less Allowance for doubtful debts:		
Goods and Services	<u>(51)</u>	<u>(21)</u>
Total trade and other receivables (net)	<u>31,975</u>	<u>37,534</u>
Receivables are aged as follows:		
Not overdue	31,919	37,490
Overdue by:		
Less than 30 days	6	11
30 to 60 days	33	-
61 to 90 days	-	1
More than 90 days	<u>68</u>	<u>53</u>
	<u>107</u>	<u>65</u>
Total receivables (gross)	<u>32,026</u>	<u>37,555</u>
The allowance for doubtful debts is aged as follows:		
Overdue by:		
More than 90 days	<u>(51)</u>	<u>(21)</u>
Total allowance for doubtful debts	<u>(51)</u>	<u>(21)</u>

All receivables are current. Credit terms are net 30 days (2006: 30 days).

Note 5: Non-Financial Assets**Note 5A: Land and buildings**

Leasehold improvements		
fair value	9,783	10,179
accumulated depreciation	<u>(1,575)</u>	<u>(2,759)</u>
Total leasehold improvements	<u>8,208</u>	<u>7,420</u>
Total land and buildings (non-current)	<u>8,208</u>	<u>7,420</u>

No indications of impairment were found for land and buildings

Note 5B: Infrastructure, plant and equipment

Infrastructure, plant and equipment		
gross carrying value (at fair value)	12,204	14,280
accumulated depreciation	<u>(2,772)</u>	<u>(3,785)</u>
	<u>9,432</u>	<u>10,495</u>
Total infrastructure, plant and equipment (non-current)	<u>9,432</u>	<u>10,495</u>

All revaluations are conducted in accordance with the valuation policy stated in Note 1. In 2007-08, formal valuations were conducted by an independent valuer, the Australian Valuation Office.

Revaluation decrements of \$56,938.37 for buildings and \$295,711.55 for infrastructure, plant and equipment were debited to the asset revaluation reserve by class and included in the equity section of the balance sheet. Decrements of \$748,312.69 for classes of infrastructure plant and equipment that had no revaluation reserve are shown as an expense in the operating statement. Of this, \$654,853.48 related to the Court's library collection.

No further indications of impairment were found for infrastructure, plant and equipment.

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

Note 5C: Intangible Assets

Computer software at cost		
Internally developed – in progress	620	98
Purchased – in use	1,917	2,206
Total Computer Software	<u>2,537</u>	<u>2,304</u>
Accumulated amortisation	(1,695)	(1,872)
Total intangibles (non-current)	842	432

No indication of impairment was found for intangibles.

Note 5D: Analysis of infrastructure property, plant, and equipment

TABLE A - Reconciliation of the opening and closing balances of property, plant, and equipment (2007-08)

Item	Leasehold improvement – Total land and buildings \$'000	Infrastructure, plant and equipment \$'000	Computer Software – Intangibles \$'000	Total \$'000
As at 1 July 2007				
Gross book value	10,179	14,280	2,304	26,763
Accumulated depreciation/amortisation	(2,759)	(3,785)	(1,872)	(8,416)
Net book value 1 July 2007	7,420	10,495	432	18,347
Additions:				
by purchase	2,497	1,165	544	4,206
by finance lease	-	259	-	259
Revaluations and impairments through equity	(57)	(1,015)	-	(1,072)
Depreciation/amortisation expense	(1,594)	(1,454)	(134)	(3,182)
Disposals:				
Other disposals	(58)	(18)	-	(76)
Net book value 30 June 2008	8,208	9,432	842	18,482
Net book value as of 30 June 2008 represented by:				
Gross book value	9,783	12,204	2,537	24,524
Accumulated depreciation/amortisation	(1,575)	(2,772)	(1,695)	(6,042)
	8,208	9,432	842	18,482

TABLE A - Reconciliation of the opening and closing balances of property, plant, and equipment (2006-07)

Item	Leasehold improvement – Total land and buildings \$'000	Infrastructure, plant and equipment \$'000	Computer Software – Intangibles \$'000	Total \$'000
As at 1 July 2006				
Gross book value	7,265	13,015	2,135	22,415
Accumulated depreciation/ amortisation	(1,645)	(2,108)	(1,691)	(5,444)
Net book value 1 July 2006	5,620	10,907	444	16,971
Additions:				
by purchase	2,914	1,057	169	4,372
by finance lease		232		232
Depreciation/amortisation expense	(1,114)	(1,694)	(181)	(2,989)
Disposals:				
Other disposals	-	(7)	-	(7)
Net book value 30 June 2007	7,420	10,495	432	18,347
Net book value as of 30 June 2007 represented by:				
Gross book value	10,179	14,280	2,304	26,763
Accumulated depreciation amortisation	(2,759)	(3,785)	(1,872)	(8,416)
	7,420	10,495	432	18,347

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

	2008 \$'000	2007 \$'000
Note 5E: Other Non-financial assets		
Prepayments	1,763	2,183
Total other non-financial assets	1,763	2,183

All other non-financial assets are current assets.

Note 6: Payables

Trade creditors	1,122	508
Total supplier payables	1,122	508

Supplier payables are all current.
Settlement is usually made net 30 days.

Note 7: Interest Bearing Liabilities**Note 7: Leases**

Finance leases	633	986
Total finance leases	633	986

Payable		
Within one year		
Minimum lease payments	421	623
Less future finance charges	(31)	(44)
Total leases payable within one year	390	579

In one to five years		
Minimum lease payments	260	429
Less future finance charges	(17)	(22)
Total leases payable within one year to five years	243	407

Finance lease recognised on the balance sheet	633	986
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Finance leases are for certain major IT equipment assets and some office equipment. The leases are non-cancellable and for fixed terms averaging three years, with a maximum of five years. The interest rate implicit in the leases averaged 5.70% (2007: 5.61%). The leased assets secure the lease liabilities. The Court guarantees the residual values of all assets leased. There are no contingent rentals.

Note 8: Provisions

	2008 \$'000	2007 \$'000
Note 8A: Judges & Employee provisions		
Salaries and wages	326	222
Long Leave (Judges)	9,989	9,707
Leave	6,529	6,085
Superannuation	297	844
Total judge and employee provisions	17,141	16,858
Employee provisions are represented by:		
Current	15,613	15,748
Non-current	1,528	1,110
Total judges and employee provisions	17,141	16,858

The classification of current employee provisions includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of reporting date. Judge and employee provisions expected to be settled in twelve months from the reporting date are \$5,590,261 (2007 \$4,810,491), in excess of one year \$11,550,900 (2007: \$12,047,926).

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

Note 9: Cash flow reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement	2008 \$'000	2007 \$'000
Report cash and cash equivalents as per:		
Cash Flow Statement	3,330	516
Balance Sheet	3,330	516
Reconciliation of operating result to net cash from operating activities:		
Operating result	(3,351)	457
Depreciation/amortisation	3,182	2,989
Net write down of non-financial assets	807	25
(Gain)/Loss on disposal of assets	(6)	(4)
Assets not previously recognised	(18)	-
(Increase)/decrease in net receivables	5,559	(4,734)
(Increase)/decrease in prepayments	420	3,309
Increase/(decrease) in suppliers payables	615	104
Increase/(decrease) in judge and employee provisions	283	1,130
Increase/(decrease) in other liabilities	(611)	(425)
Net cash from/(used by) operating activities	6,880	2,851

Note 10: Executive Remuneration

The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:	2008	2007
\$175,000 to \$189,999	1	1
\$190,000 to \$204,999	2	1
\$205,000 to \$219,999	-	3
\$220,000 to \$234,999	-	3
\$235,000 to \$249,999	3	-
\$250,000 to \$264,999	3	1
\$280,000 to \$294,999	1	1
\$295,000 to \$309,999	1	-
Total	11	10
The aggregate amount of total remuneration of executives shown above:	2,643,734	2,254,730
The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above:	-	-

Note 11: Remuneration of Auditors

Financial statement audit services are provided free of charge to the Court.

The fair value of the services provided was:	90,000	82,000
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No other services were provided by the Auditor-General.

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

Note 12: Financial Instruments

	2008 \$'000	2007 \$'000
Note 12A: Categories of financial instruments		
Loans and receivables		
Loans and receivables		
Cash and cash equivalents	3,330	516
Trade receivables	556	99
Carrying amount of financial assets	3,886	615
Financial Liabilities		
Other Liabilities		
Finance leases	633	986
Payables - suppliers	1,123	508
Carrying amount of financial liabilities	1,756	1,494

Note 12B: Fair value of financial instruments

	Carrying amount 2008 \$'000	Fair value 2008 \$'000	Carrying amount 2007 \$'000	Fair value 2007 \$'000
FINANCIAL LIABILITIES				
Other Liabilities				
Finance leases	633	633	986	986
Total	633	633	986	986

Note 12C: Credit Risk

The Court is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2008: \$556,213 and 2007: \$99,000). The Court has assessed the risk of default on payment and has allocated \$51,571 in 2008 (2007: \$21,000) to an allowance for doubtful debts account.

The Court manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship. In addition, the Court has policies and procedures that are to be applied by employees who perform debt recovery duties.

The Court holds no collateral to mitigate credit risk.

Credit quality of financial instruments not past due or individually determined as impaired.

	Not Past Due Nor Impaired 2008 \$'000	Not Past Due Nor Impaired 2007 \$'000	Past due or impaired 2008 \$'000	Past due or impaired 2007 \$'000
Loans and receivables				
Cash	3,330	516	-	
Trade receivables	449	34	107	65
Total	3,779	550	107	65

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

Ageing of financial assets that are past due but not impaired for 2008.

	0 to 30 days \$'000	31 to 60 days \$'000	60 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables					
Trade receivables	6	33	-	17	56
Total	6	33	-	17	56

Ageing of financial assets that are past due but not impaired for 2007.

	0 to 30 days \$'000	31 to 60 days \$'000	60 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables					
Trade receivables	11	-	1	32	44
Total	11	-	1	32	44

Note 12D: Liquidity Risk

The Court's financial liabilities are payables, loans from government, finance leases and other interest bearing liabilities. The exposure to liquidity risk is based on the notion that the Court will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the Court and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

The following tables illustrate the maturities for financial liabilities

	On demand 2008 \$'000	Within 1 year 2008 \$'000	1 to 5 years 2008 \$'000	Total 2008 \$'000
Other liabilities				
Payables - Suppliers	-	1,123	-	1,123
Finance leases	-	390	243	633
Total	-	1,513	243	1,756

	On demand 2007 \$'000	Within 1 year 2007 \$'000	1 to 5 years 2007 \$'000	Total 2007 \$'000
Other liabilities				
Payables - Suppliers	-	508	-	508
Finance leases	-	579	407	986
Total	-	1,087	407	1,494

The Court is appropriated funding from the Australian Government. The Court manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due.

This note also applies to the Court's administered financial instruments and is therefore not reproduced at Note 17.

Note 12E: Market risk

The Court holds basic financial instruments that do not expose the Agency to certain market risks. The Court is not exposed to currency risk.

Interest Rate Risk

The only interest-bearing items on the balance sheet are the 'Finance leases'. All bear interest at a fixed interest rate and will not fluctuate due to changes in the market interest rate.

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

Note 13: Income Administered on Behalf of Government

	2008	2007
	\$'000	\$'000
Fees (filing and hearing fees)	6,592	6,372
Fines	568	47
Other	113	105
Total revenue administered on behalf of government	7,273	6,524

Note 14: Expenses Administered on Behalf of Government**Expenses**

Refund of fees and fines	145	87
Fees and fines – provision for doubtful debts	0	66
Total expenses administered on behalf of government	145	153

Note 15: Assets Administered on Behalf of Government**Financial Assets****Note 15A: Cash and cash equivalents**

Cash on hand or on deposit	44	38
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Note 15B: Receivables

Fees (filing and hearing fees)	342	436
Less: Allowance for doubtful debts	(45)	(110)
Total receivables (net)	297	326

Receivables are aged as follows:

Not overdue	75	66
Overdue by:		
- Less than 30 days	79	136
- 30 to 60 days	86	79
- 60 to 90 days	25	39
- More than 90 days	77	116
Total receivables (gross)	342	436

All doubtful debts are for receivables more than 90 days overdue
 Receivables are with entities external to the Australian Government.
 Credit terms are net 30 days (2007: 30 days)

Note 16: Administered Reconciliation Table

Opening administered assets less administered liabilities as at 1 July	364	391
Plus: Administered income	7,273	6,524
Less: Administered expenses	(145)	(153)
Appropriation transfers from OPA	145	90
Transfers to OPA	(7,296)	(6,488)
Closing administered assets less administered liabilities as at 30 June	342	364

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

2008	2007
\$'000	\$'000

Note 17: Administered Financial Instruments**Note 17A Categories of financial instruments****Financial Assets**

Loans and receivables

Cash	44	38
Trade receivables	342	436
	386	474

Carrying amount of financial assets

386	474
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Note 17B Credit Risk

The administered activities of the Court are not exposed to a high level of credit risk as the majority of financial assets are receivables. The Court has policies and procedures that guide employees who perform debt recovery functions.

The maximum exposure to credit risk is outlined in the table below.

	2008 \$'000	2007 \$'000
Financial Assets		
Loans and Receivables	-	-
Receivables	342	436
Total	342	436

The Court has assessed the risk of default on payment and has allocated the following amounts to an allowance for doubtful debts account:

Receivables \$44,689 in 2008 (2007: \$110,000)

Credit quality of financial instruments not past due or individually determined as impaired

	Not Past Due Nor Impaired 2008 \$'000	Not Past Due Nor Impaired 2007 \$'000	Past due or impaired 2008 \$'000	Past due or impaired 2007 \$'000
Loans and receivables				
Cash	44	38	-	-
Trade receivables	75	66	267	370
Total	119	104	267	370

Ageing of financial assets that are past due but not impaired for 2008

	0 to 30 days \$'000	31 to 60 days \$'000	60 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables					
Receivables	79	86	25	32	222
Total	79	86	25	32	222

Ageing of financial assets that are past due but not impaired for 2007

	0 to 30 days \$'000	31 to 60 days \$'000	60 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables					
Receivables	136	79	39	6	260
Total	136	79	39	6	260

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

Note 18: Appropriations

TABLE A - Acquittal of authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations

Particulars	Departmental Outputs	
	2008 \$'000	2007 \$'000
Balance carried from previous period	34,549	30,678
Appropriation Act:		
Appropriation Act (No.1)	78,176	84,655
Appropriation Act (No.3)	286	678
Departmental adjustments by the Finance Minister (Appropriation Acts)	-	-
Comcover receipts (Appropriation Act s13)	-	65
Refunds credited (FMA s30)	131	4,351
FMA Act:		
Appropriations to take account of recoverable GST (FMA s30A)	3,502	4,085
Annotations to 'net appropriations' (FMA s31)	10,520	1,916
Total appropriations available for payments	127,164	126,428
Cash payments made during the year (GST inclusive)	95,072	91,879
Appropriations credited to special Accounts (excluding GST)	-	-
Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations	32,092	34,549
Represented by:		
Cash at bank and on hand	3,330	516
Departmental appropriations receivable	28,762	34,033
Total	32,092	34,549

TABLE B - Acquittal of authority to Draw Cash from the Consolidated Revenue Fund for Other than Ordinary Annual Services Appropriations

	Non-operating				Total	
	Equity		Previous Years' Outputs			
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Balance carried forward from previous period	2,841	1,371	-	-	2,841	1,371
Appropriation Act (No.2)	102	1,703	-	-	102	1,703
Total appropriations available for payments	2,943	3,074	-	-	2,943	3,074
Cash payments made during the year (GST inclusive)	601	233	-	-	601	233
Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Other Than Ordinary Annual Services Appropriations	2,342	2,841	-	-	2,342	2,841
Represented by:						
Cash at bank and on hand	-	-	-	-	-	-
Departmental appropriations receivable	2,342	2,841	-	-	2,342	2,841
Total	2,342	2,841	-	-	2,342	2,841

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

Note 19: Special Accounts

Other Trust Moneys Account	2008	2007
	\$	\$
Legal authority: <i>Financial Management and Accountability Act, 1997, s 20</i>		
<i>Purpose:</i> for expenditure of moneys temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth. This account is non-interest bearing.		
Balance carried from previous period	38,332	47,623
Other receipts	25,235	69,865
Total credits	63,567	117,488
Payments made	31,577	79,156
Balance carried to next period	31,990	38,332
Represented by:		
Cash – held by the Court	31,990	38,332
Total	31,990	38,332

Services for other Governments & Non-agency bodies	2008	2007
	\$	\$
Legal authority: <i>Financial Management and Accountability Act, 1997, s 20</i>		
<i>Purpose:</i> for expenditure in connection with services performed on behalf of other Governments and bodies that are not FMA agencies. This account is interest bearing.		
Balance carried from previous period	10,398	10,398
Other receipts	-	-
Total credits	10,398	10,398
Payments made	-	-
Balance carried to next period	10,398	10,398
Represented by:		
Cash – held by the Court	10,398	10,398
Total	10,398	10,398

Federal Court of Australia Litigant's Fund	2008	2007
	\$	\$
Legal Authority: <i>Financial Management and Accountability Act, 1997, s20</i>		
<i>Purpose:</i> to hold private moneys for litigants pending acceptance of moneys paid into Court by litigants; security for costs or pursuant to an order of a Federal Court Judge. This account is non-interest bearing.		
Balance carried from previous period	2,028,626	1,671,643
Other receipts	2,891,013	3,070,498
Total credits	4,919,639	4,742,141
Payments made	3,313,034	2,713,515
Balance carried to next period	1,606,605	2,028,626
Represented by:		
Cash – held by the Court	1,606,605	2,028,626
Total	1,606,605	2,028,626

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

Federal Court of Australia Litigant's Fund	2008	2007
	\$	\$
Legal authority: <i>Financial Management and Accountability Act, 1997, s39</i>		
<i>Purpose:</i> to invest private moneys paid by litigants pursuant to an order of a Federal Court Judge, pending an order for payment out by a Federal Court Judge. This account is interest bearing.		
Balance carried from previous period	8,598,517	12,399,712
Other receipts	24,774,872	5,830,614
Total credits	33,373,389	18,230,326
Payments made	9,879,913	9,631,809
Balance carried to next period	23,493,476	8,598,517
Represented by:		
Cash – held by the Court	23,493,476	8,598,517
Total	23,493,476	8,598,517

Note 20: Comcare Account

Comcare account	2008	2007
	\$	\$
This account holds monies advanced to the Court by COMCARE to distribute compensation payments made in accordance with the <i>Safety Rehabilitation and Compensation Act 1998</i> . Where the Court makes payments against accrued sick leave entitlements pending determination of an employee's claim, permission is obtained in writing from each individual to allow the Court to recover the payments from the monies in the account.		
Balance carried from previous period	-	782
Other receipts	-	64,673
Total credits	-	65,455
Payments made	-	65,455
Balance carried to next period	-	-
Represented by:		
Cash – held by the Court	-	-
Total	-	-

Note 21: Compensation and Debt Relief

	2008	2007
	\$	\$
Administered		
No Act of Grace expenses were incurred during the reporting period under sub-section 33(1) of the <i>Financial Management and Accountability Act 1997</i> . (2007: No Act of Grace Expenses)	-	-
No payments were waived during the reporting period under subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2007: No Waivers).	-	-
2,957 exemptions and waivers of amounts owing to the Commonwealth were made pursuant to sub-regulations 2(4)(a-c), 2A(2)(e-g), 2AA(2)(f-h) of the <i>Federal Court of Australia Regulations 2004</i> . (2007: 3,246)	3,125,260	3,418,307

Departmental

No payments were made under the 'Defective Administration Scheme' during 2007-08 (2006-07 nil).

FEDERAL COURT OF AUSTRALIA

Notes to and forming part of the Financial Statements

Note 22: Reporting of Outcomes

The Court has one Output and Outcome:

To apply and uphold the rule of law to deliver remedies and enforce rights and in so doing, contribute to the social and economic development and well-being of all Australians.

Outcome 1	Outcome 1	
	2008 \$'000	2007 \$'000
Expenses		
Administered	145	153
Departmental	107,799	101,145
Total expenses	107,944	101,298
Costs recovered from provision of goods and services to the non-government sector		
Administered	-	-
Departmental	-	-
Total costs recovered	-	-
Other external revenues		
Administered	7,273	6,524
Departmental	10,902	1,918
Total other external revenues	18,175	8,442
Net cost/(contribution) of outcome	89,769	92,856

Note 22B: Major Classes of Departmental Revenues and Expenses by Outputs

Outcome 1	Outcome 1	
	2008 \$'000	2007 \$'000
Departmental expenses		
Judges and Employees	56,463	53,544
Suppliers	47,250	44,518
Depreciation and Amortisation	3,182	2,989
Finance costs	52	69
Other Expenses	852	25
Total departmental expenses	107,799	101,145
Funded by:		
Revenues from government	93,546	99,684
Sale of goods and services	10,902	1,902
Other non-taxation revenues	-	16
Total departmental revenues	104,448	101,602