



GPO BOX 12
SYDNEY NSW 2001

Independent Audit Report ***Office of the Protective Commissioner***

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Office of the Protective Commissioner:

- (a) presents fairly the Office's financial position as at 30 June 2003 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983 (the Act)*.

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

The Protective Commissioner's Role

The financial report is the responsibility of the Protective Commissioner. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- . evaluated the accounting policies and significant accounting estimates used by the Office of the Protective Commissioner in preparing the financial report, and
- . examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Office of the Protective Commissioner had failed in their reporting obligations.

My opinion does *not* provide assurance:

- . about the future viability of the Office of the Protective Commissioner,

Independent Audit Report

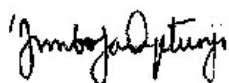
Office of the Protective Commissioner (Cont'd)

- . that it has carried out its activities effectively, efficiently and economically, or
- . about the effectiveness of its internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The 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.



A Oyetunji CPA
Assistant Director of Audit

SYDNEY
9 September 2003

**OFFICE OF THE PROTECTIVE COMMISSIONER
ADMINISTRATION FUND**

**STATEMENT IN ACCORDANCE WITH
SECTION 41C *PUBLIC FINANCE AND AUDIT ACT, 1983***

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

- a) The financial statements of the Administration Fund and notes thereon exhibit a true and fair view of the financial position and transactions for the year ended 30 June 2003;
- b) The financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act, 1983* and the Public Finance and Audit Regulation 2000 and the Treasurer's Directions; and
- c) I am not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.



Ken Gabb
PROTECTIVE COMMISSIONER & PUBLIC GUARDIAN

Statement of Financial Performance

Statement of Financial Performance for the year ended 30 June 2003

	<i>Notes</i>	2003 \$'000	2002 \$'000
REVENUE			
Revenue from Ordinary Activities			
Common Fund transfers	(7a)	10,583	12,475
Section 57 of the <i>Protected Estates Act, 1983</i> transfers	(7b)	11	346
NSW Government contributions	(8)	10,506	5,225
Fees	(2)	8,466	9,982
Other		682	580
Investment Income		517	349
Total Revenue		30,765	28,957
EXPENSES			
Expenses from Ordinary Activities			
Employee expenses	(3a)	19,540	18,129
Superannuation	(3b)	3,234	3,167
Extended Leave	(6)	1,047	676
Lease - Minimum Lease Rentals		3,182	2,929
Postal & Telephone		486	522
Fees for Services Rendered	(5)	1,285	1,246
Maintenance and General		1,966	1,838
Printing, Stationery, etc.		252	301
Depreciation and Amortisation	(12)	1,826	1,405
Revenue waived		14	89
Carrying value of Assets sold	(4)	1	1
Total Expenses		32,833	30,303
(Deficit)from Ordinary Activities		(2,068)	(1,346)
Total Revenues, Expenses and Valuation Adjustments recognised directly in Equity			
		-	-
Total changes in Equity other than those resulting from transactions with owners as owners			
		(2,068)	(1,346)

The accompanying notes form part of these financial statements

Statement of Financial Position

Statement of Financial Position as at 30 June, 2003

	Notes	2003 \$'000	2002 \$'000
ASSETS			
Current Assets			
Cash Assets	(15a)	6,743	5,782
Other	(10)	1,390	2,905
Receivables	(1n)(9)	1,741	753
Total Current Assets		9,874	9,440
Non Current Assets			
Property, Plant and Equipment	(12)	7,959	8,262
Total Non Current Assets		7,959	8,262
Total Assets		17,833	17,702
LIABILITIES			
Current Liabilities			
Payables	(13)	1,108	945
Provisions	(6)	2,968	1,835
Total Current Liabilities		4,076	2,780
Non Current Liabilities			
Provisions	(6)	3,466	2,563
Total Non Current Liabilities		3,466	2,563
Total Liabilities		7,542	5,343
NET ASSETS		10,291	12,359
EQUITY			
Asset Revaluation Reserve	(14)	-	146
Accumulated Funds	(14)	10,291	12,213
Total Equity		10,291	12,359

The accompanying notes form part of these financial statements

Statement of Cash Flows

Statement of Cash Flows for the year ended 30 June, 2003

	<i>Notes</i>	2003 \$'000	2002 \$'000
Cash Flows from Operating Activities			
Receipts from customers		9,410	10,156
Receipts from Common Fund		10,583	12,475
Receipts under Section 57 of the <i>Protected Estates Act, 1983</i>		11	346
Government contributions		9,256	5,225
GST Refunds from ATO		929	970
Interest Received		517	348
Payments to Employees and Suppliers		(28,051)	(27,238)
Net Cash provided by Operating Activities	<i>(15b)</i>	2,655	2,282
Cash Flows from Investing Activities			
Purchase of Plant and Equipment		(1,696)	(1,562)
Proceeds from Sale of Plant and Equipment		2	16
Net Cash (used in) Investing Activities		(1,694)	(1,546)
Net Increase in Cash held		961	736
Cash at Beginning of the Reporting Period		5,782	5,046
Cash at End of the Reporting Period	<i>(15a)</i>	6,743	5,782

The accompanying notes form part of these financial statements

Notes to and forming part of the Administration Fund Financial Statements for the year ended 30 June 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) The Reporting Entity

The Office of the Protective Commissioner, as a reporting entity, comprises all the operating activities under the control of the Protective Commissioner. It is a controlled entity of the Attorney General's Department and the operations of the Administration Fund and the Public Guardian are included in the financial statements of the Department.

(b) Basis of Accounting

The financial statements are a general purpose financial report and have been prepared on an accrual basis to comply with Australian Accounting Standards, the requirements of the *Public Finance & Audit Act, 1983* and regulations, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The Office has received a direction from NSW Treasury under Section 45E of the *Public Finance & Audit Act* to require the Office's Administration Fund financial statements to be prepared in accordance with the statutory body requirements as outlined in the Act and Regulation. Consequently, the Office is exempt from the Financial Reporting Code for Budget dependent agencies.

Except for certain property, plant and equipment, which are recorded at valuation, the financial statements have been prepared in accordance with the historical cost convention. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Employee Benefits and other Provisions

(i) Salaries and Wages, Annual Leave, Sick Leave and on-costs

Liabilities for salaries and wages and annual leave are recognised and measured in respect of employees services up to the reporting date at nominal amounts based on the amount 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 entitlements accrued in the future.

The outstanding amounts of payroll tax, employer superannuation contributions, 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.

1. *Summary of Significant Accounting Policies (continued)*

(ii) **Long Service Leave**

Long service leave is measured on a revised shorthand method based on Treasury circular TC03/06. The shorthand method is based on the remuneration rates at year end for all employees. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

(d) **Insurance**

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

TMF normally calculates hindsight premiums each year. However in regard to workers compensation the final hindsight adjustment for the 1997/1998 fund year and an interim adjustment for the 1999/2000 fund year has not yet been calculated. The basis for calculating the hindsight premium is currently being reviewed and will not be resolved until next financial year.

(e) **Acquisitions of Assets**

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Office. Cost is determined as the fair value of the assets given as consideration plus the costs incidental to the acquisition.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at date of acquisition.

Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

(f) **Plant, Equipment, Furniture & Fittings and Computer Hardware and Software**

Plant, equipment, furniture and fittings and software costing \$3,000 and above individually, and computer hardware costing \$1,000 and above; with an estimated useful life to the entity in excess of 12 months are capitalised.

(g) **Revaluation of Physical Non Current Assets**

Physical non-current assets are valued in accordance with the "Guidelines for the Valuation of Physical Non-Current Assets at Fair Value" (TPP 03-02). This policy adopts fair value in accordance with AASB 1041 from financial years beginning on or after 1 July 2002. There is no substantive difference between the fair value valuation methodology and the previous

valuation methodology adopted in the NSW public sector.

(h) Depreciation of Physical Non Current Assets

Depreciation is provided for on a straight line basis over the estimated economic life of the asset to the entity. All material separately identifiable component assets are recognised and depreciated over their shorter useful lives, including those components that in effect represent major periodic maintenance.

The depreciation rates used for each class of assets are as follows:

· Computer Equipment	33.33%
· Furniture and Fittings	10%
· Plant and Equipment	10%
· Leasehold Improvements and Office Refurbishment	10- 20%
· Leasehold Premium	16.67%
· Software	14.29%- 33.33%

(i) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits. Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred.

(j) Financial Instruments

Financial instruments give rise to positions that are a financial asset of the Administration Fund and a financial liability (or equity instrument) of the other party. For the Administration Fund, these include cash at bank, receivables and payables.

In accordance with AAS 33 "Presentation and Disclosure of Financial Instruments", information is disclosed in Note 11 in respect of the credit risk and interest rate risk of financial instruments.

All such amounts are carried in the accounts at net fair value unless otherwise stated. The specific accounting policy in respect of each class of such financial instrument is stated hereunder.

Classes of instruments recorded at cost comprise:

- Cash
- Receivables
- Payables

All financial instruments including revenue, expenses or other cash flows arising from instruments are recognised on an accrual basis.

1. Summary of Significant Accounting Policies (continued)

(k) Revenue Recognition

(i) Common Fund Transfers

Transfers from the Common Fund are recognised as revenue in the period in which they are determined by the Protective Commissioner.

(ii) NSW Government Contribution

The grant from the Government of NSW is recognised in an accrual basis.

(iii) Transfers under Section 57 of the *Protected Estates Act, 1983*

Transfers of this type are recognised in the period in which they are determined by the Protective Commissioner.

(iv) Fees

Fees are recognised when income is collected, on realisation of an asset or when an activity is completed on behalf of a client.

(v) Asset Sales

The revenue on the sale of assets is recognised in the period in which the contract for sale occurs.

(vi) Investment Income

Investment income is recognised as it accrues.

(l) Accounting for the Goods and Services Tax (GST)

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

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

(m) Maintenance and Repairs

The costs of maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which the costs are capitalised and depreciated.

(n) Receivables

Trade debtors are required to settle within thirty days. Bad debts are written off in the period they are identified. The Office considers that the carrying amounts of trade and other debtors

NOTES TO AND FORMING PART OF THE
ADMINISTRATION FUND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

approximate their net fair value. An estimate is made for doubtful debts when collection of the full amount is no longer probable.

(o) Other Assets

Other assets including prepayments are recognised on a cost basis.

(p) Payables

These amounts represent liabilities for goods and services provided to the agency and other amounts.

2. FEES

In accordance with Section 8 of the *Protected Estates Act 1983*, fees may be charged by the Office of the Protective Commissioner when income is collected, on realisation of an asset or when an activity is completed on behalf of a client. These charges may, from time to time, be prescribed by Regulation and were last varied in 1995.

	2003	2002
	\$'000	\$'000
Registry Fees	171	174
Court Directions and Supervision Fees	655	588
Income Fees (Common Fund Earnings)	2,542	3,292
Income & Capital Fees (Client Activities)	5,098	5,928
	8,466	9,982

3. EMPLOYEE & RELATED EXPENSES

(a) Employee Related Expenses

Salaries and Wages	16,611	15,831
Overtime	151	190
Meal Allowances	21	22
Workers' Compensation Insurance	87	198
Payroll Tax	1,092	958
Fringe Benefits Tax	3	8
Recreation Leave	1,575	922
	19,540	18,129

NOTES TO AND FORMING PART OF THE
ADMINISTRATION FUND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

3. Employee and Related Expenses (Cont'd)

(b) Superannuation

The Office of the Protective Commissioner fully funds its employee superannuation entitlements. Payments are made based on current month contributions as assessed by Pillar Administration.

The position of the superannuation fund as at 30 June 2003 is: -

	(a) SASS \$'000	(b) SANCS \$'000	(c) SSS \$'000	Total 2003 \$'000	Total 2002 \$'000
Reserve Account Balance 30 June 2003	1,554	794	10,612	12,960	13,476
<u>Less: Liability at 30 June 2003</u>	(1,972)	(932)	(9,302)	(12,206)	(11,084)
Assessed surplus/(deficit) at 30 June 2003	(418)	(138)	1,310	754	2,392

(a) SASS - State Authorities Superannuation Scheme

(b) SANCS - State Authorities Non-Contributory Superannuation Scheme

(c) SSS - State Superannuation Scheme

The Superannuation position is shown in the Statement of Financial Position as follows: -

	2003 \$000's	2002 \$000's
Prepaid Superannuation	1,310	2,641
Provision for Superannuation SASS and SANCS	(556)	(249)
	754	2,392

The liability for the various schemes is based on an actuarial assessment by William M. Mercer for the defined benefit schemes administered by Pillar Administration for the financial year ending 30 June 2003.

Assumptions with regards to rates of mortality, resignation, retirements and other demographics are those used for the 2003 triennial valuation.

The economic assumptions used by William M. Mercer are as follows: -

NOTES TO AND FORMING PART OF THE
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	2004	2005	2006 and thereafter
	% p.a.	% p.a.	% p.a.
Rates of Investment Return	7.00	7.00	7.00
Rate of General Salary Increase	4.00	4.00	4.00
Rate of Increase in CPI	2.50	2.50	2.50

	SASS \$'000	SANCS \$'000	SSS \$'000	2003 \$'000
Provision at 1 July 2002	201	48	(2,641)	(2,392)
Reduction arising on actuarial assessment	217	90	1,331	1,638
Provision at 30 June 2003	418	138	(1,310)	(754)

The reduction in the prepayment of \$1.638M has been charged to superannuation expenditure in the Statement of Financial Performance, bringing total superannuation charges for the year to \$3.234M (\$3.167M - 2002).

4. PROFIT ON SALE OF NON CURRENT ASSETS

	2003 \$'000	2002 \$'000
Proceeds from sale of Plant and Equipment	2	16
Carrying value of Assets sold	(1)	(1)
Profit on disposal of Plant and Equipment	1	15

5. FEES FOR SERVICES RENDERED

	2003 \$'000	2002 \$'000
Training & Development	104	102
Payments to Consultants/Contractors	33	33
Internal Audit Fees	138	120
Audit Office of NSW-Audit of Financial Statements	144	137
Security Officers	154	187
Sundry Payments for Other Services	712	667
	1,285	1,246

NOTES TO AND FORMING PART OF THE
ADMINISTRATION FUND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

6. PROVISION FOR EMPLOYEE ENTITLEMENTS

	Superannuation		Extended leave		Recreation Leave		TOTAL	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
At 1 July	-	-	2,735	2,393	1,414	1,336	4,149	3,729
Payments for Leave	-	-	(61)	(334)	(832)	(844)	(893)	(1,178)
	-	-	2,674	2,059	582	492	3,256	2,551
Increase in Provision	556	-	1,047	676	1,575	922	3,178	1,598
At 30 June	556	-	3,721	2,735	2,157	1,414	6,434	4,149

The Current and Non Current Liabilities of provisions as follows:

	2003 \$'000	2002 \$'000
Current Liabilities		
Provision for Recreation leave	2,067	910
Provision for Extended leave	345	676
Superannuation	556	249
Total Current Liabilities	2,968	1,835
Non Current Liabilities		
Provision for Recreation leave	90	503
Provision for Extended leave	3,376	2,060
Total Non Current Liabilities	3,466	2,563
Total Liabilities	6,434	4,398

7. TRANSFERS

(a) Transfers under Section 55 of the *Protected Estates Act, 1983*

Section 55 1(c) of the *Protected Estates Act 1983* enables transfers of money from investment funds to be made towards meeting the cost of exercising the functions of the Office of the Protective Commissioner. Section 55 (2) of the *Protected Estates Act 1983* limits transfers in any one financial year to the budget approved by the Director -General of the Attorney General's Department of NSW.

NOTES TO AND FORMING PART OF THE
ADMINISTRATION FUND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

	2003 \$'000	2002 \$'000
Transfers under former Section 55 of the <i>Protected Estates Act, 1983</i>		
Interim payments:		
- July	-	2,500
- October	-	5,000
- September	5,000	4,595
- November	5,583	380
Total	10,583	12,475

(b) Transfers under Section 57 of the *Protected Estates Act, 1983*

During the year amounts totalling \$0.011M (\$0.346M - 2002) were transferred to the Administration Fund under the authority of Section 57 of the *Protected Estates Act, 1983*. The purpose of these transfers was to cover the costs of the Prudent Person Principle Project.

8. GOVERNMENT CONTRIBUTIONS

During the year the Treasurer of NSW transferred \$10.506M (\$5.225M - 2002) to meet the cost of operating the Office of the Public Guardian and the Office of the Protective Commissioner.

9. RECEIVABLES

Accrued Income	1,301	76
Sundry Debtors	452	689
Less provision for Doubtful debts	(12)	(12)
	1,741	753

10. OTHER ASSETS

Prepaid Expenses	80	264
Prepaid Superannuation	1,310	2,641
	1,390	2,905

NOTES TO AND FORMING PART OF THE
ADMINISTRATION FUND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

11. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates. The Administration Fund's exposure to interest rate risks and the effective interest rates of financial assets and liabilities are as follows:

2003	Floating Interest Rate \$'000	Non-Interest Bearing \$'000	Total carrying amount as per Statement of Financial Position \$'000	Weighted Average Effective Interest Rate %
Financial Assets				
Cash - Current Account	2,778	1	2,779	4.30
Deposits - 11a.m. Account	3,964	-	3,964	4.70
Receivables	-	1,741	1,741	n/a
Total Financial Assets	6,742	1,742	8,484	
Financial Liabilities				
Payables	-	455	455	n/a
Total Financial Liabilities	-	455	455	
Net Financial Assets/(Financial Liabilities)	6,742	1,287	8,029	

2002	Floating Interest Rate \$'000	Non-Interest Bearing \$'000	Total carrying amount as per Statement of Financial Position \$'000	Weighted Average Effective Interest Rate %
Financial Assets				
Cash	2,960	1	2,961	4.31
Deposits	2,821	-	2,821	4.45
Receivables	-	753	753	n/a
Total Financial Assets	5,781	754	6,535	
Financial Liabilities				
Payables	-	415	415	n/a
Total Financial Liabilities	-	415	415	
Net Financial Assets/(Financial Liabilities)	5,781	339	6,120	

NOTES TO AND FORMING PART OF THE
ADMINISTRATION FUND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

(b) Credit Risk

Credit risk is the risk of financial loss arising from another party to a contract/or financial position failing to discharge a financial obligation thereunder. The Administration Fund's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the Statement of Financial Position.

The Administration Fund does not have any significant exposure to any individual debtor or creditor.

(c) Net Fair Value

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

12. PLANT, EQUIPMENT, FURNITURE & FITTINGS, HARDWARE AND CORPORATE SOFTWARE

	2003	2002
	\$'000	\$'000
Leasehold Improvements		
Fair Value	1,459	1,281
less: Accumulated Depreciation	(898)	(764)
	561	517
Plant and Equipment		
Fair Value	606	549
less: Accumulated Depreciation	(380)	(314)
	226	235
Computer Hardware and Software		
Fair Value	11,171	10,645
less: Accumulated Depreciation	(4,479)	(3,423)
	6,692	7,222
Work in Progress		
Fair Value	480	288
less: Accumulated Depreciation	-	-
	480	288
Total Property, Plant and Equipment at Carrying Value	7,959	8,262

NOTES TO AND FORMING PART OF THE
ADMINISTRATION FUND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

12. Plant, Equipment, Furniture & Fittings, Hardware and Corporate Software

Reconciliations - 2003	Leasehold Improvements \$'000	Plant and Equipment \$'000	Computer Hardware and Software \$'000	Work in Progress \$'000	TOTAL \$'000
Carrying amount at start of year	517	235	7,222	288	8,262
Additions	178	65	1,088	192	1,523
Disposals (at carrying value)	-	-	-	-	-
Depreciation Expense	(134)	(74)	(1,618)	-	(1,826)
Carrying amount at end of year	561	226	6,692	480	7,959

13. PAYABLES

	2003 \$'000	2002 \$'000
Accrued Salaries	594	530
Other Creditors	514	415
	1,108	945

14. EQUITY

	Accumulated Funds		Asset Revaluation Reserve		Total	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
At the beginning of the financial year	12,213	13,559	146	146	12,359	13,705
<u>Changes in Equity - Other than Transactions with Owners as Owners</u>	146	-	(146)	-	-	-
(Deficit)/Surplus for the year	(2,068)	(1,346)	-	-	(2,068)	(1,346)
At the end of the financial year	10,291	12,213	-	146	10,291	12,359

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and deposits at call with Westpac and other financial institutions. Cash at the end of the period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows: -

	2003 \$'000	2002 \$'000
Cash at bank and on hand	6,743	5,782

(b) Reconciliation of Net Cash provided by Operating Activities to Operating Result

Operating (Deficit)	(2,068)	(1,346)
Depreciation and Amortisation	1,825	1,405
(Profit)/Loss on Disposal of Assets	-	(15)
Decrease in Prepayments	1,517	2,034
(Increase) in Receivables	(988)	(193)
Increase/(Decrease) in Payables	309	(23)
Increase in Provisions	2,060	420
Net Cash provided by Operating Activities	2,655	2,282

16. ADDITIONAL DISCLOSURE

(a) Loans & Advances

There were no loans or advances due to the Office of the Protective Commissioner by officers or employees.

There were no amounts due by way of loan or otherwise to the Office of the Protective Commissioner by a corporation, a director of which is an officer or employee of the Protective Commissioner.

(b) Contingent Liabilities

There are a number of claims against the Protective Commissioner at 30 June 2003. The value of these claims are not determinable. All claims are covered by Treasury Managed Fund.

16. Additional Disclosure (Cont'd)

(c) Operating Lease Commitments

Commitments Inclusive of GST	2003 \$'000	2002 \$'000
Not later than one year	3,701	3,486
Later than one year and not later than 5 years	11,079	4,401
	14,780	7,887

Operating Lease commitments relate to leases currently held in relation to the occupancy of premises by the Office of the Protective Commissioner and Office of the Public Guardian in Sydney and Regional Offices. They also include Operating Leases of Equipment and Motor Vehicles.

(d) Input Tax Receivable

The Office of the Protective Commissioner and the Public Guardian is entitled to claim its input tax credits of \$1.329M (\$0.689M - 2002).

(e) Capital Commitments

	2003 \$'000	2002 \$'000
Not later than 1 year (Inclusive GST)	nil	68

17. EVENTS OCCURRING AFTER REPORTING DATE

There are no significant events impacting the Financial Statements occurred after the reporting date.

END OF AUDITED FINANCIAL STATEMENTS