



PART SEVEN FINANCIAL STATEMENTS



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INDEPENDENT AUDITOR'S REPORT

To the Attorney-General

I have audited the accompanying financial statements of the High Court of Australia for the year ended 30 June 2011, which comprise: the Statement by the Chief Executive and Principal Registrar and Chief Financial Officer; the Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Asset Additions; Schedule of Administered Items; and Notes to and Forming Part of the Financial Statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

The Chief Executive and Principal Registrar's Responsibility for the Financial Statements

The Chief Executive and Principal Registrar of the High Court of Australia is responsible for the preparation of the financial statements in accordance with the form required by the Finance Minister under sub-section 47(1) of the *High Court of Australia Act 1979*. The form approved by the Finance Minister is Schedule 1 to the *Commonwealth Authorities and Companies Orders (Financial Statements for reporting periods ending on or after 1 July 2010)* - the Finance Minister's Orders. Schedule 1 incorporates by reference Australian Accounting Standards. The Chief Executive and Principal Registrar is also responsible for such internal control determined to be necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate 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 about 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 High Court of Australia's preparation of the financial statements that give a true and fair view 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 High Court of Australia's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of

accounting estimates made by the Chief Executive and Principal Registrar, as well as evaluating the overall presentation of the financial statements.

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

Independence

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

Opinion

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

- are based on proper accounts and records;
- are in agreement with accounts and records;
- have been prepared in the form of financial statements approved by the Finance Minister under the *High Court of Australia Act 1979* and the Australian Accounting Standards; and
- give a true and fair view of the matters required by the Finance Minister's Orders, including High Court of Australia's financial position as at 30 June 2011 and of its financial performance and cash flows for the year then ended.

Further, in my opinion, the receipt, expenditure and investment of monies, and the acquisition and disposal of assets by the High Court of Australia during the year ended 30 June 2011, have been in accordance with the *High Court of Australia Act 1979*.

Australian National Audit Office



John McCullough
Executive Director
Delegate of the Auditor-General

Canberra
6 September 2011

Financial statements for the High Court of Australia for the year ended 30 June 2011

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HIGH COURT OF AUSTRALIA
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

The attached financial statements of the High Court of Australia for the year ended 30 June 2011 have been prepared as required by section 47(1) of the *High Court of Australia Act 1979* (Cth) and include:

Statement of Comprehensive Income;

Balance Sheet;

Statement of Changes in Equity;

Cash Flow Statement;

Schedule of Commitments;

Schedule of Asset Additions;

Schedule of Administered Items; and

Notes to and forming part of the Financial Statements.

In our opinion, the attached financial statements for the year ended 30 June 2011 are based on properly maintained financial records and give a true and fair view of matters consistent with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, as amended.

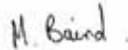
In our opinion, at the date of this statement, there are reasonable grounds to believe that the Court will be able to pay its debts as and when they become due and payable.



Andrew Pbelan
Chief Executive & Principal Registrar
High Court of Australia

Date of signing

6 September 2011



Margaret Baird
Chief Financial Officer
High Court of Australia

Date of signing

6 September 2011

STATEMENT OF COMPREHENSIVE INCOME [SHOWING NCOS] for the High Court of Australia

for the period ended 30 June 2011

	Notes	30 June 2011 \$	30 June 2010 \$
EXPENSES			
Employee benefits	3A	7,864,699	7,472,928
Supplier expenses	3B	7,685,178	7,034,134
Depreciation and amortisation	3C	4,411,067	4,061,027
Write-down and impairment of assets	3D	6,868	80,078
Losses from asset sales	3E	2,000	15,033
Total expenses		<u>19,969,812</u>	<u>18,663,200</u>
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	160,039	165,673
Interest	4B	570,343	304,337
Other	4C	128,583	93,108
Resources received free of charge	4D	1,271,142	995,658
Total own-source revenue		<u>2,130,107</u>	<u>1,558,776</u>
Gains			
Other	4E	-	53,500
Total gains		<u>-</u>	<u>53,500</u>
Total own-source income		<u>2,130,107</u>	<u>1,612,276</u>
Net cost of services		<u>(17,839,705)</u>	<u>(17,050,924)</u>
Revenue from Government	4F	13,017,000	16,477,000
(Deficit) attributable to the Australian Government		<u>(4,822,705)</u>	<u>(573,924)</u>
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserves		<u>3,701,262</u>	<u>23,638,423</u>
Total other comprehensive income		<u>3,701,262</u>	<u>23,638,423</u>
Total comprehensive income (loss) attributable to the Australian Government		<u>(1,121,443)</u>	<u>23,064,499</u>

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

BALANCE SHEET for the High Court of Australia
as at 30 June 2011

		30 June 2011	30 June 2010
	Notes	\$	\$
ASSETS			
Financial assets			
Cash and cash equivalents	5A	2,509,414	1,661,808
Trade and other receivables	5B	269,709	178,181
Other investments	5C	<u>8,027,557</u>	<u>4,167,601</u>
Total financial assets		<u>10,806,680</u>	<u>6,007,590</u>
Non-financial assets			
Land and buildings	6A,D	192,132,802	189,912,370
Infrastructure, plant and equipment	6B,D	4,300,265	4,245,081
Library holdings	6C,D	17,913,756	17,064,621
Intangibles	6E,F	266,977	110,195
Other	6G	<u>148,721</u>	<u>533,996</u>
Total non-financial assets		<u>214,762,521</u>	<u>211,866,263</u>
Total assets		<u>225,569,201</u>	<u>217,873,853</u>
LIABILITIES			
Payables			
Suppliers	7A	183,154	-
Other	7B	<u>679,901</u>	<u>735,443</u>
Total payables		<u>863,055</u>	<u>735,443</u>
Provisions			
Employee provisions	8A	<u>1,885,528</u>	<u>1,927,349</u>
Total provisions		<u>1,885,528</u>	<u>1,927,349</u>
Total liabilities		<u>2,748,583</u>	<u>2,662,792</u>
Net assets		<u>222,820,618</u>	<u>215,211,061</u>
EQUITY			
Contributed equity		66,741,598	58,010,598
Reserves		162,771,469	159,070,207
(Accumulated deficit)		<u>(6,692,449)</u>	<u>(1,869,744)</u>
Total equity		<u>222,820,618</u>	<u>215,211,061</u>

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

STATEMENT OF CHANGES IN EQUITY for the High Court of Australia
for the year ended 30 June 2011

	Retained earnings		Asset revaluation reserve		Contributed equity/capital		Total equity	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance								
Balance carried forward from previous period	(1,869,744)	(1,295,820)	159,070,207	135,431,784	58,010,598	56,678,598	215,211,061	190,814,562
Adjusted opening balance	(1,869,744)	(1,295,820)	159,070,207	135,431,784	58,010,598	56,678,598	215,211,061	190,814,562
Comprehensive income								
Other comprehensive income	-	-	3,701,262	23,638,423	-	-	3,701,262	23,638,423
Surplus (Deficit) for the period	(4,822,705)	(573,924)	-	-	-	-	(4,822,705)	(573,924)
Total comprehensive income	(4,822,705)	(573,924)	3,701,262	23,638,423	-	-	(1,121,443)	23,064,499
Transactions with owners								
Contributions by owners	-	-	-	-	5,728,000	1,332,000	5,728,000	1,332,000
Equity injection - Appropriation	-	-	-	-	(3,003,000)	-	(3,003,000)	-
Departmental capital budget (DCBs)	-	-	-	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	8,731,000	1,332,000	8,731,000	1,332,000
Closing balance as at 30 June	(6,692,449)	(1,869,744)	162,771,469	159,070,207	66,741,598	58,010,598	222,820,618	215,211,061
Closing balance attributable to the Australian Government	(6,692,449)	(1,869,744)	162,771,469	159,070,207	66,741,598	58,010,598	222,820,618	215,211,061

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

CASH FLOW STATEMENT for the High Court of Australia
for the period ended 30 June 2011

	30 June 2011	30 June 2010
Notes	<u>\$</u>	<u>\$</u>
OPERATING ACTIVITIES		
Cash received		
Appropriations	13,017,000	16,477,000
Goods and services	164,685	197,733
Interest	481,320	319,042
Net GST received	906,308	876,300
Other	128,583	93,108
Total cash received	<u>14,697,896</u>	<u>17,963,183</u>
Cash used		
Employees	7,942,408	7,351,200
Suppliers	6,870,257	7,377,696
Total cash used	<u>14,812,665</u>	<u>14,728,896</u>
Net cash from (used by) operating activities	9 <u>(114,769)</u>	<u>3,234,287</u>
INVESTING ACTIVITIES		
Cash received		
Proceeds from sales of infrastructure, plant and equipment	-	19,727
Investments	2,898,702	4,342,933
Total cash received	<u>2,898,702</u>	<u>4,362,660</u>
Cash used		
Purchase of infrastructure, plant and equipment	3,908,669	3,337,975
Investments	6,758,658	5,221,170
Total cash used	<u>10,667,327</u>	<u>8,559,145</u>
Net cash (used by) investing activities	<u>(7,768,625)</u>	<u>(4,196,485)</u>
FINANCING ACTIVITIES		
Cash received		
Capital injection	8,731,000	1,332,000
Total cash received	<u>8,731,000</u>	<u>1,332,000</u>
Net cash from financing activities	<u>8,731,000</u>	<u>1,332,000</u>
Net increase (decrease) in cash held	<u>847,606</u>	<u>369,802</u>
Cash and cash equivalents at the beginning of the reporting period	1,661,808	1,292,006
Cash and cash equivalents at the end of the reporting period	5A <u>2,509,414</u>	<u>1,661,808</u>

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

SCHEDULE OF COMMITMENTS for the High Court of Australia
as at 30 June 2011

	30 June 2011 \$	30 June 2010 \$
BY TYPE		
Commitments receivable		
Sublease rental income	(1,755)	(2,899)
Net GST recoverable on commitments	<u>(899,377)</u>	<u>(1,002,937)</u>
Total commitments receivable	<u>(901,132)</u>	<u>(1,005,836)</u>
Commitments payable		
Capital commitments		
Land and buildings ¹	438,959	365,825
Infrastructure, plant and equipment	25,646	148,371
Intangibles	<u>43,327</u>	<u>12,881</u>
Total capital commitments	<u>507,932</u>	<u>527,077</u>
Other commitments		
Operating leases	7,787,021	8,319,573
Other ²	<u>1,598,200</u>	<u>2,185,653</u>
Total other commitments	<u>9,385,221</u>	<u>10,505,226</u>
Net commitments by type	<u>8,992,021</u>	<u>10,026,467</u>
BY MATURITY		
Commitments receivable		
Operating lease income		
One year or less	<u>(1,755)</u>	<u>(2,899)</u>
Total operating lease income	<u>(1,755)</u>	<u>(2,899)</u>
Other commitments receivable		
One year or less	(199,419)	(260,620)
From one to five years	(370,894)	(362,190)
Over five years	<u>(329,064)</u>	<u>(380,127)</u>
Total other commitments receivable	<u>(899,377)</u>	<u>(1,002,937)</u>
Commitments payable		
Capital commitments		
One year or less	<u>507,932</u>	<u>527,077</u>
Total capital commitments	<u>507,932</u>	<u>527,077</u>
Operating lease commitments		
One year or less	927,368	965,595
From one to five years	3,239,948	3,172,588
Over five years	<u>3,619,705</u>	<u>4,181,390</u>
Total operating lease commitments	<u>7,787,021</u>	<u>8,319,573</u>
Other commitments		
One year or less	758,308	1,374,151
From one to five years	<u>839,892</u>	<u>811,502</u>
Total other commitments	<u>1,598,200</u>	<u>2,185,653</u>
Net commitments by maturity	<u>8,992,021</u>	<u>10,026,467</u>

NB: Commitments are GST inclusive where relevant.

¹ Capital commitments represent contracts for capital works in the Court precinct.

² Other commitments include contracts for security, telecommunications and building maintenance.

SCHEDULE OF COMMITMENTS for the High Court of Australia (continued)
as at 30 June 2011

Nature of lease	General description of leasing arrangement
Leases for office accommodation	The majority of these commitments are leases for accommodation within Commonwealth Law Court buildings owned by the Commonwealth of Australia. Lease payments are subject to annual increases in accordance with upward movements in the Consumer Price Index.
Agreement for the provision of motor vehicles to Justices and one office car.	The Court leases motor vehicles under the terms of a contract with various operative dates.

This schedule should be read in conjunction with the accompanying notes.

**SCHEDULE OF ASSET ADDITIONS for the High Court of Australia
for the period ended 30 June 2011**

The following non-financial non-current assets were added in 2010-11:

	Land	Buildings	Heritage & cultural	Other infrastructure, plant & equipment	Intangibles	Library holdings	Total
	\$	\$	\$	\$	\$	\$	\$
Additions funded in the current year							
By purchase - appropriation ordinary annual services	-	768,693	-	443,833	111,021	-	1,323,547
Departmental capital budget							
By purchase - appropriation other services	-	1,357,584	-	-	104,617	1,210,960	2,673,161
Equity injections							
Total additions	-	2,126,277	-	443,833	215,638	1,210,960	3,996,708

The following non-financial non-current assets were added in 2009-10:

	Land	Buildings	Heritage & cultural	Other infrastructure, plant & equipment	Intangibles	Library holdings	Total
	\$	\$	\$	\$	\$	\$	\$
Additions funded in the current year							
By purchase - appropriation ordinary annual services	-	1,360,689	-	397,636	2,904	30,026	1,791,255
Ordinary operating costs							
By purchase - appropriation other services	-	-	-	-	89,675	1,200,000	1,289,675
Equity injections							
By purchase - other	-	-	11,500	12,000	-	-	23,500
Assets received as gifts/donations	-	-	30,000	-	-	-	30,000
Total additions	-	1,360,689	41,500	409,636	92,579	1,230,026	3,134,430

SCHEDULE OF ADMINISTERED ITEMS for the High Court of Australia

	30 June 2011	30 June 2010
Notes	\$	\$
Income administered on behalf of Government		
<i>for the period ended 30 June 2011</i>		
Revenue		
Non-taxation revenue		
Fees and charges	15A <u>1,430,157</u>	<u>1,042,854</u>
Total non-taxation revenue	<u>1,430,157</u>	<u>1,042,854</u>
Total revenues administered on behalf of Government	<u>1,430,157</u>	<u>1,042,854</u>

	30 June 2011	30 June 2010
Notes	\$	\$
Administered Cash Flows		
<i>for the year ended 30 June 2011</i>		
OPERATING ACTIVITIES		
Cash received		
Fees and charges	<u>1,430,157</u>	<u>1,042,854</u>
Total cash received	<u>1,430,157</u>	<u>1,042,854</u>
Net cash flows from (used by) operating activities	<u>1,430,157</u>	<u>1,042,854</u>
Net Increase (Decrease) in Cash Held	1,430,157	1,042,854
Cash and cash equivalents at the beginning of the reporting period	-	-
Cash to Official Public Account for:		
- Other	<u>(1,430,157)</u>	<u>(1,042,854)</u>
Cash and cash equivalents at the end of the reporting period	<u>-</u>	<u>-</u>

This schedule should be read in conjunction with the accompanying notes.

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FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements for the High Court of Australia

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the High Court of Australia ("the Court")

The Court is a Commonwealth entity. The objective of the Court is to interpret and uphold the Australian Constitution and to perform the functions of the ultimate appellate court of Australia.

The Court operates solely in Australia and is structured to meet one outcome.

Outcome 1: To interpret and uphold the Australian Constitution and to perform the functions of the ultimate appellate court of Australia.

The continued existence of the Court is guaranteed by the Constitution.

All activities contributing toward this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income 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 Court conducts the following administered activities: Fees and charges are collected in accordance with the *High Court of Australia (Fees) Regulations 2004* Schedule 1. The fees and charges collected are transferred to consolidated revenue.

1.2 Administration of the Court

The Court is administered by the Justices, who are assisted by the Chief Executive and Principal Registrar of the Court.

Chief Justice:

The Honourable Robert French, AC

Justices:

The Honourable William Gummow, AC

The Honourable Kenneth Hayne, AC

The Honourable Dyson Heydon, AC

The Honourable Susan Crennan, AC

The Honourable Susan Kiefel, AC

The Honourable Virginia Bell

Chief Executive & Principal Registrar:

Andrew Phelan

Under section 10 of the *High Court of Australia Act 1979* (Cth), a Justice is not capable of accepting or holding any other office of profit within Australia. No related party transactions have occurred during the 2010-2011 financial year.

Notes to and forming part of the Financial Statements for the High Court of Australia

1.3 Basis of Preparation of the Financial Statements

The financial statements and notes are required by section 47 (1) of the *High Court of Australia Act 1979* (Cth) and are general purpose financial statements. Under section 47 (1) the Financial Statements are required to be in such a form as the Minister of Finance approves.

On that basis, the financial statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMO) for reporting periods ending on or after 1 July 2010; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets and liabilities at fair value. 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 dollar unless otherwise specified.

Unless alternative treatment is specifically required by an accounting standard or the FMO's, 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 or a future sacrifice of economic benefit will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the statement of comprehensive income when and only when the flow, 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 departmental items, except where otherwise stated at Note 1.20.

1.4 Significant Accounting Judgement and Estimates

In the process of applying the accounting policies listed in this note, the Court has made the following judgment's that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of land and buildings has been taken to be the written down replacement cost as determined by an independent valuer. The Court's building is purpose-built and may in fact realise more or less in the market.

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.

1.5 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

Of the new standards, amendments to standards and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on the Court.

Future Australian Accounting Standards Requirements

Of the new standards, amendments to standards and interpretations that were issued prior to the sign-off date and are applicable to the future reporting period are not expected to have a future financial impact on the Court.

Notes to and forming part of the Financial Statements for the High Court of Australia

1.6 Revenue

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government 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.

Resources Received Free of Charge

Resources received free of charge are recognised as revenue 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 those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Other Types of Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the Court retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated from the transaction will flow to the Court.

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 will flow to the Court.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of reporting period. Allowances 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 *Financial Instruments: Recognition and Measurement*.

1.7 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 those resources is recognised as an expense.

Resources received free of charge are recorded either as revenue or gains depending on their nature.

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 restructuring of administrative arrangements (Refer to Note 1.8).

Sale of Assets

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

Notes to and forming part of the Financial Statements for the High Court of Australia

1.8 Transactions with the Government as Owner

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

1.9 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan asset (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for 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 leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including 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.

The liability for long service leave has been determined by reference to the Department of Finance and Deregulation's short-hand method as revised in February 2009. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Court recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

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

The CSS and PSS are defined benefit schemes for the Australian Government. 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. This liability is reported by the Department of Finance and Deregulation as an administered item.

The Court makes employer contributions to the employee superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. 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.

Notes to and forming part of the Financial Statements for the High Court of Australia

1.10 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 rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is 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 which is representative of the pattern of benefits derived from the leased assets.

1.11 Borrowing Costs

All borrowing costs are expensed as incurred.

1.12 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- cash on hand;
- demand deposits in bank accounts with an original maturity of 2 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value; and
- cash held by outsiders.

1.13 Financial Assets

The Court classifies its financial assets in the following categories:

- held-to-maturity investments; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon trade date.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets at fair value through profit or loss.

Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Court has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Notes to and forming part of the Financial Statements for the High Court of Australia

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'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

- *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 estimated future 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 statement of comprehensive income.

1.14 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities were recognised and derecognised upon 'trade date'.

Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

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).

1.15 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.16 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 income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor accounts immediately prior to the restructuring.

Notes to and forming part of the Financial Statements for the High Court of Australia

1.17 Infrastructure, Plant and Equipment

Asset Recognition Threshold

Purchases of infrastructure, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$3,000 (or building improvements less than \$10,000), 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).

Revaluations

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

Asset class	Fair value measured at
Land	Highest and best use with recognition of the restrictive zoning within the Parliamentary Triangle and the inability of the assets to be disposed of due to legislation or government policy.
Buildings	Depreciated replacement cost recognising that the Court's Building is a special-purpose heritage building.
Infrastructure, plant & equipment	Market selling price
Heritage and cultural assets	Market selling price

Following initial recognition at cost, infrastructure, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

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

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

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

The Court has heritage and cultural assets that do not have limited useful lives and are not depreciated.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<u>2011</u>	<u>2010</u>
Building assets	4 to 172 years	4 to 170 years
Infrastructure, plant and equipment	0 to 50 years	0 to 50 years
Library holdings	50 years	50 years

Impairment

All assets were assessed for impairment at 30 June 2011. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

Notes to and forming part of the Financial Statements for the High Court of Australia

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.

Derecognition

An item of infrastructure, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Heritage and Cultural Assets

The Court has a small collection of heritage assets which includes rare books, works of art and antique furniture. The aims of the Court's preservation activities are to preserve collection items and to maintain access to them, consistent with their significance to the collection, usage requirements and current condition. The Court's preservation activities include documenting the collection, providing appropriate storage arrangements, adopting adequate security measures and undertaking conservation treatments when material is at risk or damaged.

1.18 Intangibles

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

Software is amortised on a straight-line basis over their anticipated useful life. The useful lives of the Court's software is 3 years (2009-10: 3 years).

All software assets were assessed for indications of impairment as at 30 June 2011.

1.19 Taxation

The Court is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

Notes to and forming part of the Financial Statements for the High Court of Australia

1.20 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 otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, 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. These transfers to the OPA are adjustments to the administered cash held by the Court on behalf of the Government and reported as such in the statement of cash flows in the schedule of administered items and in the Administered Reconciliation Table in Note 16: Administered Reconciliation Table.

Revenue

All administered revenues are revenues relating to the course of ordinary activities performed by the Court on behalf of the Australian Government.

Note 2: Events After the Reporting Period

No events have occurred after the reporting period that affect the Financial Statements.

Notes to and forming part of the Financial Statements for the High Court of Australia

	30 June 2011	30 June 2010
	\$	\$

Note 3: Expenses

Note 3A: Employee Benefits

Wages and salaries	6,119,991	5,703,799
Superannuation:		
Defined contribution plans	405,689	365,793
Defined benefit plans	654,537	742,592
Leave and other entitlements	662,421	660,744
Separation and redundancies	<u>22,061</u>	<u>-</u>
Total employee benefits	<u>7,864,699</u>	<u>7,472,928</u>

The salaries and allowances paid to the Chief Justice and other Justices of the Court are provided from special appropriations under the control of the Attorney-General's Department. These payments are not included in the Financial Statements of the High Court of Australia.

Note 3B: Suppliers

Goods and services

Property	3,164,432	2,641,858
Travel	1,006,183	888,218
Information technology and communications	613,691	840,355
Staff related	465,786	415,713
Electronic library subscriptions	167,346	155,548
Other	<u>1,136,500</u>	<u>970,992</u>
Total goods and services	<u>6,553,938</u>	<u>5,912,684</u>

Goods and services are made up of:

Provision of goods - related entities	16,214	4,916
Provision of goods - external parties	349,340	212,484
Rendering of services - related entities	1,824,469	1,680,867
Rendering of services - external parties	<u>4,363,915</u>	<u>4,014,417</u>
Total goods and services	<u>6,553,938</u>	<u>5,912,684</u>

Other supplier expenses

Operating lease rentals - external parties:		
Minimum lease payments	988,405	1,016,606
Workers compensation premiums	<u>142,835</u>	<u>104,844</u>
Total other supplier expenses	<u>1,131,240</u>	<u>1,121,450</u>
Total supplier expenses	<u>7,685,178</u>	<u>7,034,134</u>

Note 3C: Depreciation and Amortisation

Depreciation:

Infrastructure, plant and equipment	383,279	378,974
Buildings	3,607,107	3,334,713
Library holdings	<u>361,825</u>	<u>341,280</u>
Total depreciation	<u>4,352,211</u>	<u>4,054,967</u>

Amortisation:

Intangibles:		
Computer software	<u>58,856</u>	<u>6,060</u>
Total amortisation	<u>58,856</u>	<u>6,060</u>
Total depreciation and amortisation	<u>4,411,067</u>	<u>4,061,027</u>

Notes to and forming part of the Financial Statements for the High Court of Australia

	30 June 2011	30 June 2010
	<u>\$</u>	<u>\$</u>
Note 3D: Write-Down and Impairment of Assets		
Asset write-downs and impairments from:		
Financial assets		
Impairment of trade and other receivables	3,498	2,019
Non-financial assets		
Revaluation decrement - infrastructure, plant and equipment	-	76,071
Impairment of infrastructure, plant and equipment	<u>3,370</u>	<u>1,988</u>
Total write-down and impairment of assets	<u>6,868</u>	<u>80,078</u>
Note 3E: Losses from Asset Sales		
Infrastructure, plant and equipment:		
Proceeds from sale	-	(19,728)
Carrying value of assets sold	<u>2,000</u>	<u>34,761</u>
Total losses from asset sales	<u>2,000</u>	<u>15,033</u>

Notes to and forming part of the Financial Statements for the High Court of Australia

	30 June 2011 \$	30 June 2010 \$
Note 4: Income		
REVENUE		
Note 4A: Sale of Goods and Rendering of Services		
Provision of goods - external parties	34,920	33,440
Rendering of services - external parties	<u>125,119</u>	<u>132,233</u>
Total sale of goods and rendering of services	<u>160,039</u>	<u>165,673</u>
Note 4B: Interest		
Deposits	<u>570,343</u>	304,337
Total interest	<u>570,343</u>	<u>304,337</u>
Note 4C: Other Revenue		
Practitioner certificates	53,789	63,268
Insurance recoveries	44,596	24,303
Grants	21,058	-
Other	<u>9,140</u>	<u>5,537</u>
Total other revenue	<u>128,583</u>	<u>93,108</u>
Note 4D: Resources Received Free of Charge		
Financial statement audit	30,000	36,000
Property operating cost	<u>1,241,142</u>	<u>959,658</u>
Total resources received free of charge	<u>1,271,142</u>	<u>995,658</u>
GAINS		
Note 4E: Other Gains		
Other	-	<u>53,500</u>
Total other gains	-	<u>53,500</u>
Recognising assets held by the Court in the accounts for the first time.		
REVENUE FROM GOVERNMENT		
Note 4F: Revenue from Government		
Appropriations:		
Departmental appropriation	<u>13,017,000</u>	<u>16,477,000</u>
Total revenue from Government	<u>13,017,000</u>	<u>16,477,000</u>
Note 5: Financial Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	2,506,014	1,658,408
Cash on hand	1,900	1,900
Other	<u>1,500</u>	<u>1,500</u>
Total cash and cash equivalents	<u>2,509,414</u>	<u>1,661,808</u>

Notes to and forming part of the Financial Statements for the High Court of Australia

	30 June 2011	30 June 2010
	\$	\$

Note 5B: Trade and Other Receivables

Goods and Services

Goods and services - related entities	8,239	1,650
Goods and services - external parties	<u>32,951</u>	<u>44,232</u>
Total receivables for goods and services	<u>41,190</u>	<u>45,882</u>

Other receivables:

GST receivable from the Australian Taxation Office	130,503	91,499
Interest	101,006	18,303
Other	-	22,497
Total other receivables	<u>231,509</u>	<u>132,299</u>
Total trade and other receivables (gross)	<u>272,699</u>	<u>178,181</u>

Less: impairment allowance account:

Goods and services	<u>2,990</u>	-
Total impairment allowance account	<u>2,990</u>	-
Total trade and other receivables (net)	<u>269,709</u>	<u>178,181</u>

Receivables are expected to be recovered in:

No more than 12 months	<u>269,709</u>	<u>178,181</u>
Total trade and other receivables (net)	<u>269,709</u>	<u>178,181</u>

Receivables are aged as follows:

Not overdue	260,398	174,438
Overdue by:		
0 to 30 days	2,520	21
31 to 60 days	1,750	715
61 to 90 days	-	750
More than 90 days	<u>8,031</u>	<u>2,257</u>
Total receivables (gross)	<u>272,699</u>	<u>178,181</u>

The impairment allowance account is aged as follows:

More than 90 days	<u>2,990</u>	-
Total impairment allowance account	<u>2,990</u>	-

Reconciliation of the Impairment Allowance Account:

Movements in relation to 2011

	Goods and services \$	Total \$
Opening balance	-	-
Increase/decrease recognised in net surplus	2,990	2,990
Closing balance	<u>2,990</u>	<u>2,990</u>

Note 5C: Other Investments

Deposits	<u>8,027,557</u>	4,167,601
Total other investments	<u>8,027,557</u>	<u>4,167,601</u>

Total other investments expected to be recovered in:

No more than 12 months	<u>8,027,557</u>	<u>4,167,601</u>
Total other investments	<u>8,027,557</u>	<u>4,167,601</u>

Notes to and forming part of the Financial Statements for the High Court of Australia

	30 June 2011	30 June 2010
	<u>\$</u>	<u>\$</u>
Note 6: Non-Financial Assets		
Note 6A: Land and Buildings		
Land		
Land at fair value	<u>8,925,000</u>	<u>8,925,000</u>
Total Land	<u>8,925,000</u>	<u>8,925,000</u>
Buildings on freehold land:		
Work in progress - at cost	1,549,903	342,311
Fair value	<u>181,722,659</u>	<u>180,748,042</u>
Accumulated depreciation	<u>(64,760)</u>	<u>(102,983)</u>
Total buildings on freehold land	<u>183,207,802</u>	<u>180,987,370</u>
Total land and buildings	<u>192,132,802</u>	<u>189,912,370</u>
All revaluations are conducted in accordance with the revaluation policy stated at Note 1. The effective date for the land and buildings revaluation was 30 June 2011. The revaluations were conducted by independent valuers from the Australian Valuation Office.		
No revaluation increment for land (2010: \$1,407,942), an increment of \$3,701,262 for buildings on freehold land (2010: \$22,230,481) was credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet.		
No indicators of impairment were found for land and buildings.		
No land or buildings are expected to be sold or disposed of within the next 12 months.		
Note 6B: Infrastructure, Plant and Equipment		
Heritage and cultural:		
Artworks - fair value	2,699,800	2,699,800
Rare books - fair value	130,711	130,711
Heritage furniture - fair value	<u>203,300</u>	<u>203,300</u>
Total heritage and cultural	<u>3,033,811</u>	<u>3,033,811</u>
Other infrastructure, plant and equipment:		
Work in progress - at cost	53,152	-
Fair Value	<u>1,599,862</u>	<u>1,220,461</u>
Accumulated depreciation	<u>(386,560)</u>	<u>(9,191)</u>
Total other infrastructure, plant and equipment	<u>1,266,454</u>	<u>1,211,270</u>
Total infrastructure, plant and equipment	<u>4,300,265</u>	<u>4,245,081</u>

All revaluations are conducted in accordance with the revaluation policy stated at Note 1.

The effective date for the heritage and cultural assets revaluation was 30 June 2009. The artwork and heritage furniture revaluation was conducted by an independent valuer, Simon Storey. The rare books revaluation was conducted by independent valuers from the Australian Valuation Office.

The effective date for the revaluation of infrastructure, plant and equipment was 30 June 2010. The infrastructure, plant and equipment revaluation was conducted by independent valuers from Pickles Auction Pty Ltd.

No revaluation increment/decrement for 2011 for infrastructure, plant and equipment was expensed (2010:\$76,071 decrement was expensed for other infrastructure, plant & equipment).

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

No infrastructure, plant or equipment is expected to be sold or disposed of within the next 12 months.

Notes to and forming part of the Financial Statements for the High Court of Australia

	30 June 2011	30 June 2010
	<u>\$</u>	<u>\$</u>
Note 6C: Library Holdings		
Library holdings		
Work in progress - at cost	238,131	-
Fair value	18,594,082	17,621,253
Accumulated depreciation	(918,457)	(556,632)
Total library holdings	<u>17,913,756</u>	<u>17,064,621</u>

The effective date for the library holdings revaluation was 30 June 2009. The revaluation was conducted by independent valuers from the Australian Valuation Office.

No indicators of impairment were found for library holding assets.

No library holdings are expected to be sold or disposed of within the next 12 months.

Notes to and forming part of the Financial Statements for the High Court of Australia

Note 6D: Reconciliation of the Opening and Closing Balances of Infrastructure, Plant and Equipment (2010-11)

	Land	Buildings	Total Land and Buildings	Other IP&E	Heritage & Cultural	Library Holdings	Total
	\$	\$	\$	\$	\$	\$	\$
As at 1 July 2010							
Gross book value	8,925,000	181,090,353	190,015,353	1,220,461	3,033,811	17,621,253	211,890,878
Accumulated depreciation and impairment	n/a	(102,983)	(102,983)	(9,191)	-	(556,632)	(668,806)
Net book value 1 July 2010	8,925,000	180,987,370	189,912,370	1,211,270	3,033,811	17,064,621	211,222,072
Additions*	-	2,126,277	2,126,277	443,833	-	1,210,960	3,781,070
Revaluations and impairments recognised in other comprehensive income	-	3,701,262	3,701,262	-	-	-	3,701,262
Impairments recognised in the operating result	-	-	-	(3,370)	-	-	(3,370)
Depreciation expense	n/a	(3,607,107)	(3,607,107)	(383,279)	-	(361,825)	(4,352,211)
Disposals:							
Other	-	-	-	(2,000)	-	-	(2,000)
Net book value 30 June 2011	8,925,000	183,207,802	192,132,802	1,266,454	3,033,811	17,913,756	214,346,823
Net book value as of 30 June 2011 represented by:							
Gross book value	8,925,000	183,272,562	192,197,562	1,653,014	3,033,811	18,832,213	215,716,600
Accumulated depreciation and impairment	n/a	(64,760)	(64,760)	(386,560)	-	(918,457)	(1,369,777)
	8,925,000	183,207,802	192,132,802	1,266,454	3,033,811	17,913,756	214,346,823

*Disaggregated additions in information are disclosed in the Schedule of Asset Additions.

Notes to and forming part of the Financial Statements for the High Court of Australia

Note 6D (Cont'd): Reconciliation of the Opening and Closing Balances of Infrastructure, Plant and Equipment (2009-10)

	Land	Buildings	Total Land and Buildings	Other IP&E	Heritage and Cultural	Library Holdings	Total
	\$	\$	\$	\$	\$	\$	\$
As at 1 July 2009							
Gross book value	7,517,058	240,811,531	248,328,589	1,964,504	2,979,311	16,391,227	269,663,631
Accumulated depreciation and impairment	n/a	(80,081,202)	(80,081,202)	(657,492)	-	(215,352)	(80,954,046)
Net book value 1 July 2009	7,517,058	160,730,329	168,247,387	1,307,012	2,979,311	16,175,875	188,709,585
Additions*	-	1,360,689	1,360,689	409,636	41,500	1,230,026	3,041,851
Revaluations and impairments recognised in other comprehensive income	1,407,942	22,230,481	23,638,423	-	-	-	23,638,423
Revaluations recognised in the operating result	-	-	-	(76,071)	-	-	(76,071)
Impairments recognised in the operating result	-	-	-	(1,988)	-	-	(1,988)
Reclassification	-	584	584	(13,584)	13,000	-	-
Depreciation expense	n/a	(3,334,713)	(3,334,713)	(378,974)	-	(341,280)	(4,054,967)
Disposals:							
Other	-	-	-	(34,761)	-	-	(34,761)
Net book value 30 June 2010	8,925,000	180,987,370	189,912,370	1,211,270	3,033,811	17,064,621	211,222,072
Net book value as of 30 June 2010 represented by:							
Gross book value	8,925,000	181,090,353	190,015,353	1,220,461	3,033,811	17,621,253	211,890,878
Accumulated depreciation and impairment	n/a	(102,983)	(102,983)	(9,191)	-	(556,632)	(668,806)
	8,925,000	180,987,370	189,912,370	1,211,270	3,033,811	17,064,621	211,222,072

*Disaggregated additions information are disclosed in the Schedule of Asset Additions.

AAASB 116 para. 35 permits the adoption of the gross or net method with respect to accumulated depreciation at the date of the revaluation. The net approach was applied for the revaluation as at 30 June 2010.

Notes to and forming part of the Financial Statements for the High Court of Australia

	30 June 2011	30 June 2010
	\$	\$
Note 6E: Intangibles		
Computer software:		
Work in progress - at cost	59,445	89,675
Fair value	766,898	521,030
Accumulated amortisation	<u>(559,366)</u>	<u>(500,510)</u>
Total computer software	<u>266,977</u>	<u>110,195</u>
Total intangibles	<u>266,977</u>	<u>110,195</u>

No indicator of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months.

Notes to and forming part of the Financial Statements for the High Court of Australia

Note 6F: Reconciliation of the Opening and Closing Balances of Intangibles (2010 - 11)

	Computer software purchased \$	Total \$
As at 1 July 2010		
Gross book value	610,705	610,705
Accumulated amortisation and impairment	(500,510)	(500,510)
Net book value 1 July 2010	110,195	110,195
Additions*	215,638	215,638
Amortisation	(58,856)	(58,856)
Net book value 30 June 2011	266,977	266,977

Net book value as at 30 June 2011 represented by:

Gross book value	826,343	826,343
Accumulated amortisation and impairment	(559,366)	(559,366)
	266,977	266,977

* Disaggregated additions information are disclosed in the Schedule of Asset Additions.

Note 6F (Cont'd): Reconciliation of the Opening and Closing Balances of Intangibles (2009 - 10)

	Computer software purchased \$	Total \$
As at 1 July 2009		
Gross book value	518,127	518,127
Accumulated amortisation and impairment	(494,451)	(494,451)
Net book value 1 July 2009	23,676	23,676
Additions*	92,579	92,579
Amortisation	(6,060)	(6,060)
Net book value 30 June 2010	110,195	110,195

Net book value as of 30 June 2010 represented by:

Gross book value	610,705	610,705
Accumulated amortisation and impairment	(500,510)	(500,510)
	110,195	110,195

* Disaggregated additions information are disclosed in the Schedule of Asset Additions.

Notes to and forming part of the Financial Statements for the High Court of Australia

	30 June 2011	30 June 2010
	<u>\$</u>	<u>\$</u>

Note 6G: Other Non-Financial Assets

Prepaid property rentals	53,026	336,235
Other prepayments	95,695	197,761
Total other non-financial assets	148,721	533,996

Total other non-financial assets - are expected to be recovered in:

No more than 12 months	148,721	533,996
Total other non-financial assets	148,721	533,996

No indicators of impairment were found for other non-financial assets.

Note 7: Payables

Note 7A: Suppliers

Trade creditors	183,154	-
Total supplier payables	183,154	-

Supplier payables expected to be settled within 12 months:

External parties	183,154	-
Total supplier payables	183,154	-

Settlement is usually made within 30 days.

In preparation for the implementation of a new FMIS in July 2010 all trade creditor obligations in June 2010 were paid immediately upon receipt of invoice.

Note 7B: Other Payables

Unearned revenue	16,943	16,482
Salaries and wages	220,101	177,597
Accrued expenses	418,762	416,381
Superannuation	24,095	124,983
Total other payables	679,901	735,443

Total other payables are expected to be settled in:

No more than 12 months	679,901	735,443
Total other payables	679,901	735,443

Note 8: Provisions

Note 8A: Employee Provisions

Leave	1,885,528	1,927,349
Total employee provisions	1,885,528	1,927,349

Employee provisions are expected to be settled in:

No more than 12 months	1,715,950	1,714,705
More than 12 months	169,578	212,644
Total employee provisions	1,885,528	1,927,349

Notes to and forming part of the Financial Statements for the High Court of Australia

30 June 2011	30 June 2010
\$	\$

Note 9: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement

Cash and cash equivalent as per:

Cash flow statement	2,509,414	1,661,808
Balance sheet	<u>2,509,414</u>	<u>1,661,808</u>
Difference	<u>-</u>	<u>-</u>

Reconciliation of net cost of services to net cash from operating activities:

Net cost of services	(17,839,705)	(17,050,924)
Add revenue from Government	13,017,000	16,477,000

Adjustment for non-cash items

Depreciation / amortisation	4,411,067	4,061,027
Net write down of non-financial assets	3,370	78,059
Loss on disposal of assets	2,000	15,033
Other Gains	-	(53,500)

Changes in assets / liabilities

(Increase) / decrease in net receivables	(91,528)	50,844
(Increase) / decrease in prepayments	385,274	(57,608)
Increase / (decrease) in employee provisions	(41,821)	117,015
Increase / (decrease) in supplier payables	183,154	(401,111)
Increase / (decrease) in accrued expenses	(85,657)	(18,785)
Increase / (decrease) in other payables	<u>(57,923)</u>	<u>17,237</u>
Net cash from / (used by) operating activities	<u>(114,769)</u>	<u>3,234,287</u>

Note 10: Contingent Liabilities and Assets

Quantifiable Contingencies

As at 30 June 2011, the Court had no quantifiable contingencies (2010: nil).

Unquantifiable Contingencies

As at 30 June 2011, the Court had no unquantifiable contingencies (2010: nil).

Significant Remote Contingencies

As at 30 June 2011, the Court has no significant remote contingencies (2010: nil).

Notes to and forming part of the Financial Statements for the High Court of Australia

Note 11: Senior Executive Remuneration

Note 11A: Senior Executive Remuneration Expense for the Reporting Period

	2011	2010
Short-term employee benefits:		
Salary	1,073,412	1,029,756
Annual leave accrued	<u>92,241</u>	<u>82,313</u>
Total short-term employee benefits	<u>1,165,653</u>	<u>1,112,069</u>
Post-employment benefits:		
Superannuation (post-employment benefits)	<u>159,452</u>	<u>258,348</u>
Total post-employment benefits	<u>159,452</u>	<u>258,348</u>
Other long-term benefits:		
Long service leave accrued	<u>50,654</u>	<u>32,205</u>
Total other long-term benefits	<u>50,654</u>	<u>32,205</u>
Total	<u>1,375,759</u>	<u>1,402,622</u>

Note 11A excludes acting arrangements and part-year service where remuneration expensed was less than \$150,000.

Notes to and forming part of the Financial Statements for the High Court of Australia

Note 11: Senior Executive Remuneration (continued)

Note 11B: Average Annual Remuneration Packages for Substantive Senior Executives as at the end of the Reporting Period

Fixed Elements ¹	as at 30 June 2011			as at 30 June 2010		
	Senior Executives No.	Fixed elements		Senior Executives No.	Fixed elements	
		Salary	Allowances		Salary	Allowances
	No.	\$	\$	No.	\$	\$
Total remuneration (including part-time arrangements)						
\$150,000 - \$179,999	3	174,006	-	3	168,774	-
\$240,000 - \$269,999	1	249,927	-	1	240,000	-
\$270,000 - \$299,999	-	-	-	1	284,463	-
\$300,000 - \$329,999	1	325,742	-	-	-	-
Total	5			5		

Notes:

1. This table reports on substantive senior executives who are employed by the entity as at the end of the reporting period. Fixed elements are based on the employment agreement of each individual. Each row represents an average annualised figure (based on headcount) for the individuals in that remuneration package band (i.e. the 'Total' column).

Variable Elements:

With the exception of performance bonuses, variable elements are not included in the 'Fixed Elements and Bonus Paid' table above. The following variable elements are available as part of senior executives' remuneration package:

- (a) Performance bonuses:
 - Bonuses not provided.
- (b) On average senior executives are entitled to the following leave entitlements:
 - Annual Leave (AL): entitled to 20 days (2010:20 days) each full year worked (pro-rata for part-time SES);

Notes to and forming part of the Financial Statements for the High Court of Australia

Note 11: Senior Executive Remuneration (continued)

Personal Leave (PL): entitled to 18 days (2010:18 days) or part-time equivalent; and

Long Service Leave (LSL): in accordance with *Long Service Leave (Commonwealth Employees) Act 1976*.

(c) Senior executives are members of one of the following superannuation funds:

Commonwealth Superannuation Scheme (CSS): this scheme is closed to new members, employer contributions were averaged 28.3 per cent (2010:24 per cent) (including productivity component). More information on CSS can be found at <http://www.css.gov.au>;

Public Sector Superannuation Scheme (PSS): this scheme is closed to new members, current employer contributions were set at 15.4 per cent (2010: 15.4 per cent) (including productivity component). More information on PSS can be found at <http://www.pss.gov.au>.

(d) Various salary sacrifice arrangements were available to senior executives including super and motor vehicle.

Note 11C: Other Highly Paid Staff

During the reporting period, there were no (2010: nil) employees whose salary plus performance bonus were \$150,000 or more. 11A and Note 11B.

Note 12: Remuneration of Auditors

	2011	2010
	\$	\$
Financial statement audit services were provided free of charge to the Court.		
The fair value of audit services provided was:		
High Court of Australia	<u>30,000</u>	<u>36,000</u>
	<u>30,000</u>	<u>36,000</u>

No other services are provided by the Auditor-General.

Note 13: Public Money in the Custody of the Court

Suitor's Fund

Balance as at 1 July	15,250	17,000
Amounts received	2,236,948	-
Amounts deducted/paid out	<u>(1,736,448)</u>	<u>(1,750)</u>
Total description	<u>515,750</u>	<u>15,250</u>

These are funds paid into the Court under an order of the Court or a Justice of the Court.

Notes to and forming part of the Financial Statements for the High Court of Australia

30 June	30 June
2011	2010
\$	\$

Note 14: Financial Instruments

Note 14A: Categories of Financial Instruments

Financial Assets

Held-to-maturity:

Term deposits	8,027,557	4,167,601
Total	8,027,557	4,167,601

Loans and receivables:

Cash at bank	2,509,414	1,661,808
Receivable for goods and services	41,190	68,379
Total	2,550,604	1,730,187

Carrying amount of financial assets	10,578,161	5,897,788
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Financial Liabilities

At amortised cost:

Supplier payables	183,154	-
Accrued expenses	418,762	416,381
Total	601,916	416,381

Carrying amount of financial liabilities	601,916	416,381
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Note 14B: Net Income and Expense from Financial Assets

Held-to-maturity

Interest revenue	437,070	201,765
Net gain/(loss) held-to-maturity	437,070	201,765

Loans and receivables

Interest revenue	126,954	97,877
Net gain/(loss) loans and receivables	126,954	97,877

Net gain/(loss) from financial assets	564,024	299,642
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Note 14C: Fair Value of Financial Instruments

	Carrying amount 2011 \$'000	Fair Value 2011 \$'000	Carrying amount 2010 \$'000	Fair value 2010 \$'000
Financial Assets				
Cash at bank	2,509,414	2,509,414	1,661,808	1,661,808
Held-to-maturity	8,027,557	8,027,557	4,167,601	4,167,601
Receivables for goods and services	41,190	41,190	68,379	68,379
Total	10,578,161	10,578,161	5,897,788	5,897,788
Financial Liabilities				
Suppliers payable at amortised cost	183,154	183,154	-	-
Accrued expenses at amortised cost	418,762	418,762	416,381	416,381
Total	601,916	601,916	416,381	416,381

Notes to and forming part of the Financial Statements for the High Court of Australia

Note 14D: Credit Risk

The Court's primary credit risk exposure arises from the Court's business interactions on credit with trade debtors. The credit quality of other customers is risk assessed by management taking into account their financial position, past experience and other factors and compliance with the Court's credit terms is regularly monitored by management.

The Court assessed the risk of the default on payment and has allocated \$2,990 in 2011 (2010: nil) to an impairment allowance account. The Court had policies and procedures that guided employees debt recovery techniques that were to be applied.

The Court held no collateral to mitigate against credit risk.

The following table illustrates the Court's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2011 \$	2010 \$
Financial assets		
Loans and receivables	41,190	68,379
Total	41,190	68,379

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

	Not past due nor impaired 2011 \$	Not past due nor impaired 2010 \$	Past due or impaired 2011 \$	Past due or impaired 2010 \$
Financial assets				
Loans and receivables	28,889	64,636	12,301	3,743
Total	28,889	64,636	12,301	3,743

Ageing of financial assets that are past due but not impaired for 2011

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Loans and receivables	2,520	1,750	-	5,041	9,311
Total	2,520	1,750	-	5,041	9,311

Ageing of financial assets that are past due but not impaired for 2010

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Loans and receivables	21	715	750	2,257	3,743
Total	21	715	750	2,257	3,743

Notes to and forming part of the Financial Statements for the High Court of Australia

Note 14E: Liquidity Risk

The Court manages liquidity risk by continuously monitoring the forecast and actual cashflows associated with the financial assets and liabilities of the Court. The following tables illustrates the maturities for the Court's financial liabilities.

Maturities for non-derivative financial liabilities 2011

	On demand	within 1				Total
		year	1 to 2 years	2 to 5 years	> 5 years	
	\$	\$	\$	\$	\$	\$
Supplier payables	-	183,154	-	-	-	183,154
Accrued expenses	-	418,762	-	-	-	418,762
Total	-	601,916	-	-	-	601,916

Maturities for non-derivative financial liabilities 2010

	On demand	within 1				Total
		year	1 to 2 years	1 to 2 years	> 5 years	
	\$	\$	\$	\$	\$	\$
Accrued expenses	-	416,381	-	-	-	416,381
Total	-	416,381	-	-	-	416,381

High Court of Australia has no derivative financial liabilities in both the current and prior year.

Note 14F: Market Risk

The Court's primary market risk exposure arises from changes in the interest rates associated with funds held with banks and financial institutions.

The weighted average interest rate received on cash at bank funds during the 2010/2011 financial year was 4.325%. Based on recent trends and the current economic environment, management estimates that the maximum perceived exposure to changes in the interest rates in the next 12 months is approximately +/- 1.75%.

The weighted average interest rate received on investments during the 2010/2011 financial year was 5.786%. Based on recent trends and the current economic environment, management estimates that the maximum perceived exposure to changes in the interest rates in the next 12 months is approximately +/- 1.75%.

Sensitivity analysis of the risk that the Court is exposed to for 2011

Risk variable	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk - cash at bank	4.325	43,855	-
Interest rate risk - cash at bank	4.325	(43,855)	-
Interest rate risk - investments	5.786	140,482	-
Interest rate risk - investments	5.786	(140,482)	-

Sensitivity analysis of the risk that High Court of Australia is exposed to for 2010

Risk variable	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk - cash at bank	3.150	24,876	-
Interest rate risk - cash at bank	3.150	(24,876)	-
Interest rate risk - investments	3.977	62,514	-
Interest rate risk - investments	3.977	(62,514)	-

Notes to and forming part of the Financial Statements for the High Court of Australia

	30 June 2011 \$	30 June 2010 \$
Note 15: Income Administered on Behalf of Government		
REVENUE		
Non-Taxation Revenue		
Note 15A: Sale of Goods and Rendering of Services		
Filing and other hearing fees	1,375,974	998,095
Other	54,183	44,759
Total sale of goods and rendering of services	1,430,157	1,042,854
Note 16: Administered Reconciliation Table		
Opening administered assets less administered liabilities as at 1 July	-	-
Plus: Administered income	1,430,157	1,042,854
Administered transfers to/from Australian Government:		
Transfers to OPA	(1,430,157)	(1,042,854)
Closing administered assets less administered liabilities as at 30 June	-	-
Note 17: Compensation and Debt Relief		
Administered	2011 \$	2010 \$
218 waivers of amounts owing to the Australian Government were made pursuant to Regulation 10 of the High Court of Australia (Fees) Regulations 2004, for persons being in financial hardship (waiver of two-thirds fee) (2010: 182 waivers)	309,430	181,071
31 exemptions of amounts owing to the Australian Government were made pursuant to Regulation 9(1)(a) of the High Court of Australia (Fees) Regulations 2004, for persons in receipt of legal aid. (2010:9).	33,084	7,621
89 exemptions of amounts owing to the Australian Government were made pursuant to Regulation 9(1)(b)(i) and (ii) of the High Court of Australia (Fees) Regulations 2004, for persons who hold a concession card issued by Centrelink or the Dept of Veterans' Affairs. (2010:98).	179,038	139,541
49 exemptions of amounts owing to the Australian Government were made pursuant to Regulation 9(1)(b)(iii) of the High Court of Australia (Fees) Regulations 2004, for persons being a prison inmate or person in lawful detention. (2010:70).	52,847	50,046
2 exemptions of amounts owing to the Australian Government were made pursuant to Regulation 9(1)(b)(iv) of the High Court of Australia (Fees) Regulations 2004, for persons being a child under the age of 18 years. (2010:1).	4,048	1,364
1 exemptions of amounts owing to the Australian Government were made pursuant to Regulation 9(1)(b)(v) of the High Court of Australia (Fees) Regulations 2004, for persons in receipt Austudy. (2010:0).	1,974	-

Notes to and forming part of the Financial Statements for the High Court of Australia**Note 18: Reporting of Outcomes**

The High Court of Australia operates solely in Australia and is structured to meet the following single outcome.

Outcome 1: To interpret and uphold the Australian Constitution and to perform the functions of the ultimate appellate court of Australia.

Note 18A: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2011	2010	2011	2010
	\$	\$	\$	\$
Expenses				
Administered	-	-	-	-
Departmental	19,969,812	18,663,200	19,969,812	18,663,200
Total	19,969,812	18,663,200	19,969,812	18,663,200
Income from non-government sector				
Administered	-	-	-	-
Other	1,430,157	1,042,854	1,430,157	1,042,854
Total administered	1,430,157	1,042,854	1,430,157	1,042,854
Departmental				
Other	160,039	165,673	160,039	165,673
Total departmental	160,039	165,673	160,039	165,673
Total	1,590,196	1,208,527	1,590,196	1,208,527
Other own-source income				
Departmental	1,970,068	1,446,603	1,970,068	1,446,603
Total	1,970,068	1,446,603	1,970,068	1,446,603
Net cost/(contribution) of outcome delivery	16,409,548	16,008,070	16,409,548	16,008,070

Notes to and forming part of the Financial Statements for the High Court of Australia

Note 18B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcome

	Outcome 1		Total	
	2011	2010	2011	2010
	\$	\$	\$	\$
Departmental Expenses:				
Employees	7,864,699	7,472,928	7,864,699	7,472,928
Suppliers	7,685,178	7,034,134	7,685,178	7,034,134
Depreciation and amortisation	4,411,067	4,061,027	4,411,067	4,061,027
Write down of assets	6,868	80,078	6,868	80,078
Loss on disposal of assets	2,000	15,033	2,000	15,033
Total	19,969,812	18,663,200	19,969,812	18,663,200
Departmental Income:				
Income from Government	13,017,000	16,477,000	13,017,000	16,477,000
Sale of goods and services	160,039	165,673	160,039	165,673
Interest	570,343	304,337	570,343	304,337
Other revenue	1,299,725	1,088,766	1,399,725	1,088,766
Other gains	-	53,500	-	53,500
Total	15,147,107	18,089,276	15,147,107	18,089,276
Departmental Assets:				
Financial assets	10,806,680	6,007,590	10,806,680	6,007,590
Non-financial assets	214,762,521	211,866,263	214,762,521	211,866,263
Total	225,569,201	217,873,853	225,569,201	217,873,853
Departmental Liabilities:				
Payables	863,055	735,443	863,055	735,443
Provisions	1,885,528	1,927,349	1,885,528	1,927,349
Total	2,748,583	2,662,792	2,748,583	2,662,792

Note 18C: Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcome

	Outcome 1		Total	
	2011	2010	2011	2010
	\$	\$	\$	\$
Administered Income:				
Fees and charges	1,430,157	1,042,854	1,430,157	1,042,854
Total	1,430,157	1,042,854	1,430,157	1,042,854

Notes to and forming part of the Financial Statements for the High Court of Australia

Note 19: Comprehensive Income (Loss) Attributable to the entity

	30 June 2011	30 June 2010
	\$	\$
Total Comprehensive Income (Loss) Attributable to the entity		
Total comprehensive income (loss) attributable to the Australian Government ¹	(1,121,443)	23,064,499
Plus: non-appropriated expenses		
Depreciation and amortisation expenses	4,411,067	-
Total comprehensive income (loss) attributable to the entity	3,289,624	23,064,499

1. As per the Statement of Comprehensive Income.

