

Abt Railway Ministerial Corporation
Financial Statements
2020–21



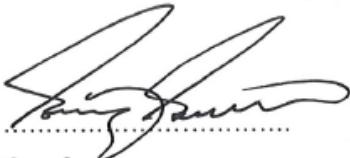
Contents

Certification of Financial Statements for the year ended 30 June 2021	3
Statement of Comprehensive Income for the year ended 30 June 2021	4
Statement of Financial Position as at 30 June 2021	5
Statement of Cash Flows for the year ended 30 June 2021	6
Statement of Changes in Equity for the year ended 30 June 2021	7
Notes to and forming part of the Special Purpose Financial Statements for the year ended 30 June 2021	8
1.1 Objectives and Funding	8
1.2 Basis of Accounting	8
1.3 Going concern	8
1.4 Income from transactions	8
1.5 Expenses from transactions	9
1.6 Other gains and losses	9
1.7 Assets	10
1.8 Liabilities	10
1.9 Income Tax	11
1.10 Goods and Services Tax ('GST') and other similar taxes	11
1.11 Adoption of new and amended accounting standards	11
1.12 Critical Accounting Judgements, Estimates and Assumptions	12
Note 2: Events after balance date	12
Note 3: Income from transactions	13
3.1 Appropriation revenue – recurrent	13
3.2 Sales from goods and services	13
3.3 Other revenue	13
Note 4: Expenses from transactions	13
Note 5: Assets	14
Note 6: Liabilities	16
6.1 Payables	16
Note 7: Cash Flow Reconciliation	17
7.1 Cash and deposits	17
Note 8: Commitments and Contingent Liabilities	17
8.1 Schedule of Commitments	17
Note 9: Reserves	18
Note 10: Prior Period Error	18
Independent Auditor's report	19

Certification of Financial Statements for the year ended 30 June 2021

The accompanying Special Purpose Financial Statement of Abt Railway Ministerial Corporation is in agreement with the relevant accounts and records and has been prepared in compliance with the *Abt Railway Development Act 1999*, to the extent described in Note 1.2. The statements present fairly the financial transactions for the year ended 30 June 2021 and the financial position as at the end of the year.


At the date of signing, I am not aware of any circumstances which would render the particulars included in the Special Purpose Financial Statements misleading or inaccurate.



Gary Swain

Delegate to the Minister

22 October 2021



General Manager

6 October 2021

Statement of Comprehensive Income for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Revenue from Government			
Appropriation revenue – recurrent	1.4(a), 3.1	8,000	4,000
Sales of goods and services	1.4(b), 3.2	3,470	4,145
Other revenue	1.4(c), 3.3	107	263
Total revenue and other income from transactions		11,577	8,408
Expenses from transactions			
Employee benefits	1.5(a)	3,789	3,670
Superannuation	1.5(a)	347	330
Depreciation and amortisation	1.5(b)	1,792	1,696
Supplies and consumables	4.1, 1.5(c)	2,797	2,959
Total expenses from transactions		8,725	8,655
Net gain/(loss) on non-financial assets		1,846	-
Net result (net operating balance)		1,006	(247)
Other Comprehensive Income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in property, plant and equipment revaluation surplus	9.1	-	-
Total other comprehensive income		-	-
Comprehensive result		1,006	(247)

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Assets			
<i>Financial assets</i>			
Cash and deposits	1.7(a), 7.1	3,182	2,914
Receivables	1.7(b)	20	15
Goods & services tax		13	208
<i>Non-financial assets</i>			
Prepayments		2,050	1,924
Inventory	1.7(c)	217	218
Property, plant and equipment	1.7(d), 5.1	7,576	7,121
Land & buildings	1.7(d), 5.1	6,725	6,712
Infrastructure	1.7(d), 5.1	26,326	28,423
Total assets		46,109	47,535
Liabilities			
Payables	1.8(a), 6.1	741	3,852
Income in advance	6.3	656	48
Employee benefits	1.8(b), 6.2	475	404
Total liabilities		1,872	4,304
Net assets (liabilities)		44,237	43,231
Equity			
Accumulated funds		30,994	29,988
Reserves		13,243	13,243
Total equity		44,237	43,231

This Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Cash Flows for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Cash inflows			
Appropriation revenue - recurrent		8,000	4016
Other cash inflows		4,977	5,450
Total cash inflows		12,977	9,466
Cash outflows			
Employee benefits		(4,065)	(4,152)
Supplies and consumables		(6,636)	(4,063)
Total cash outflows		(10,700)	(8,215)
Net cash from / (used by) operating activities	7.2	2,277	1,251
Cash flows from investing activities			
Cash inflows			
Receipts from term deposit redemption		-	7,000
Total cash inflows		-	7,000
Cash outflows			
Payments for acquisition of fixed assets		(2,009)	(7,162)
Total cash outflows		(2,009)	(7,162)
Net cash from / (used by) investing activities		(2,009)	(162)
Net increase / (decrease) in cash and cash equivalents held		268	1,089
Cash and deposits at the beginning of the reporting period		2,914	1,825
Cash and deposits at the end of the reporting period	7.1	3,182	2,914

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2021

	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2020	13,243	29,988	43,231
Net result	-	1,006	1,006
Other comprehensive income	-	-	-
Total comprehensive result	-	1,006	1,006
Balance as at 30 June 2021	13,243	30,994	44,237

	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2019	13,243	30,235	43,478
Net result	-	(247)	(247)
Other comprehensive income	-	-	-
Total comprehensive result	-	(247)	(247)
Balance as at 30 June 2020	13,243	29,988	43,231

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to and forming part of the Special Purpose Financial Statements for the year ended 30 June 2021

1.1 Objectives and Funding

The Abt Railway Corporation (the Ministerial Corporation) is a body corporate, established by the *Abt Railway Development Act 1999* (the Act). The main activity of Abt Railway is passenger and freight services between Queenstown Station and Regatta Point Station at Strahan. The railway provides the only means of access between Lowana and Lower Landing (Teepookana Plateau), which is State Forest under the control of Sustainable Timber Tasmania.

Since the 1st May 2014, the West Coast Wilderness Railway (WCWR) has been managed by the Ministerial Corporation.

1.2 Basis of Accounting

As there are no users dependent on a General Purpose Financial Statement, the financial statements are therefore a Special Purpose Financial Statements that has been prepared in order to meet the financial reporting obligations of the Corporation.

These Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flow', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation and Application of Standards' and AASB 116 'Property Plant and Equipment'.

1.3 Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Ministerial Corporation will be able to realise its assets and discharge its liabilities in the normal course of business.

Despite the continuing challenges and impact of the COVID-19 pandemic, the Ministerial Corporation achieved a positive net operating result of \$1,006 million after receiving a \$8 million appropriation from Government. The Ministerial Corporation was able to invest \$2.010 million in its property, plant and equipment, land and buildings and railway infrastructure. Cash and cash equivalents and term deposits increased from \$2.914 million (30 June 2020) to \$3.182 million (30 June 2021).

The Delegate of the Minister is confident of the Ministerial Corporation's ability to continue as a going concern for the reasons outlined below:

- Despite recent border lockdowns, strong demand continues for the experience offered by the railway, as evidenced by the trend of trains beingbooked out in advance;
- The Tasmanian Government has demonstrated over an extended period of time support for the Ministerial Corporation through appropriation funding. \$4 million will be appropriated to the Ministerial Corporation in both 2021-22 and 2022-23 as detailed in the 2020-21 Budget; and
- Based on previous reporting, the combination of ongoing demand and confirmed financial support is expected to be adequate to enable the Corporation to realise its assets and discharge its liabilities in the normal course of business for the immediate future.

Based on the circumstances described above, the financial statements are prepared on the assumption that the entity is a going concern.

1.4 Income from transactions

Revenue is measured at the fair value of the consideration received or entitled to receive in exchange for goods and services or completion of performance obligations.

(a) Grants

Grants are recognised when received or when the Ministerial Corporation obtains control over the assets comprising the contributions or at a point of time when the Corporation satisfies its performance obligations in the underlying agreement. Government grants of a revenue nature are recognised as income over the periods necessary to match related costs. Government grants related to assets are recognised in the Statement of Financial Position as a deferred liability and are recognised as revenue on a systematic basis over the useful life of the asset.

(b) Sales of goods and services

Revenue from the Sale of goods and services are recognised when the Corporation satisfies a performance obligation by transferring the good or services to the customer. The Corporation typically satisfies its performance obligations at the time of the transaction or delivery of the service. The Corporation recognise revenue associated with performance obligations as they occur or in line with the relevant contractual arrangements.

(c) Other revenue

Revenue from such sources is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably and any associated performance obligations have been fulfilled.

1.5 Expenses from transactions

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

(a) Employee benefits

Employee benefits include entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(b) Depreciation and amortisation

All applicable Non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

The following table details the asset lives, and depreciation rates and the methods for the various classes of assets employed in the current and previous reporting periods. Asset useful lives and depreciation methods are reviewed annually and adjusted according to the expected rate and/or pattern of consumption, asset condition, and industry best practice.

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
Tracks, bridges, structures, culverts and station buildings	20 - 100	1.00%-5.00%	Straight Line
Railway carriages	30 - 75	1.33%-3.33%	Straight Line
Locomotives	25	4.00%	Straight Line
Buildings	20 - 30	3.33%-5.00%	Straight Line
Rail wagons	5	20.00%	Straight Line
Plant and equipment	5 - 15	6.66%-20.00%	Straight Line

(c) Other expenses

Expenses from activities other than those identified above are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

1.6 Other gains and losses

Other gains and losses are recognised when there is a change in value of assets or liabilities that do not result from transactions.

(a) Gain/(loss) on non-financial assets

Gains or losses from the disposal of Non-financial assets are recognised when control of the assets has passed from the Ministerial Corporation.

Key Judgements

Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use.

Specialised non-financial assets are not used for the purpose of generating cash flows; therefore their recoverable amount is expected to be materially the same as fair value, as determined under AASB 13 Fair Value Measurement.

All other non-financial assets are assessed to determine whether any impairment exists, with impairment losses recognised in the Statement of Comprehensive Income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

	2021 \$'000	2020 \$'000
Impairment of non-financial assets	1,846	-

During the year a review of railway infrastructure work in progress was conducted on assets held to be used in future track construction and replacement. Observable indicators of impairment were identified that for some materials there was a significant decline in the asset values and that others were considered no longer suitable for original use. Identified assets have been impaired.

1.7 Assets

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the Ministerial Corporation and the asset has a cost or value that can be measured reliably.

(a) Cash and deposits

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund.

(b) Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value. Impairment losses are recognised based on a lifetime expected credit loss calculation.

(c) Inventories

Inventories held for distribution are valued at cost adjusted, when applicable, for any loss of service potential.

(d) Infrastructure, property, plant and equipment

(i) Valuation basis

ABT Railway infrastructure comprises of the rail track, bridges, culverts, sidings, ramps and earthworks. Railway infrastructure is revalued every 5 years on a current replacement cost basis, with the last valuation completed in June 2017. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight-line basis on the expired proportion of the estimated useful life of the asset.

Additions to infrastructure, property, plant and equipment since June 2017 are recorded at cost, which approximates fair value.

Land and buildings are recorded at fair value less accumulated depreciation and are revalued every 5 years by the Valuer General, the last valuation completed in June 2017.

Railway Rolling Stock is revalued every 5 years on a current replacement cost basis, with the last valuation completed in June 2017. Replacement cost is based on the estimated current cost to build similar assets, which are depreciated on a straight-line basis on the expired proportion of the estimated useful life of the assets. The next valuation is required on 30th June 2022.

(ii) Asset recognition threshold

The asset capitalisation threshold adopted by the Ministerial Corporation is \$5,000. Assets valued at less than \$5,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

1.8 Liabilities

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

(a) Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Ministerial Corporation becomes obliged to make future payments as a result of a purchase of assets or services.

(b) Employee benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

1.9 Income Tax

As the Ministerial Corporation is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

1.10 Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

1.11 Adoption of new and amended accounting standards

In the current year, the Ministerial Corporation has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

The amendments refine the definition of material in AASB 101 and are applicable for the year ended 30 June 2021. The amendments clarify the definition of material and includes guidance relating to obscuring information that could be reasonably expected to influence decisions of the primary users of the financial information. The amendments include additional guidance to the definition of material, gives it more prominence, and clarifies the explanation accompanying the definition of material. The adoption of the amendments has not had any significant impact on the Ministerial Corporation.

Pending Accounting Standards

AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Correction, applicable to annual reporting periods beginning on or after 1 January 2022.

The amendments address an acknowledge inconsistency between the requirements in AASB 10, and those in AASB 128 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Adoption of AASB 2017-5 is not expected to have any impact on the Ministerial Corporation.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the Ministerial Corporations activities, or have no material impact.

1.12 Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Ministerial Corporation based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Ministerial Corporation operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Ministerial Corporation unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets

The Ministerial Corporation determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

The Ministerial Corporation assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Ministerial Corporation and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1.7, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 2: Events after balance date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially negative for the Ministerial Corporation up to 30 June 2021, it is not practicable to estimate the potential negative impact after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Ministerial Corporation's operations, the results of those operations, or the Ministerial Corporation's state of affairs in future financial years.

Note 3: Income from transactions

3.1 Appropriation revenue – recurrent

	2021 \$'000	2020 \$'000
Grant - State Government	8,000	4,000
Total	8,000	4,000

3.2 Sales from goods and services

	2021 \$'000	2020 \$'000
Ticket sales - West Coast Wilderness Railway	1,859	2,653
Café sales	1,454	1,299
Retail sales	157	193
Total	3,470	4,145

3.3 Other revenue

	2021 \$'000	2020 \$'000
Interest received	4	188
Miscellaneous revenue	103	75
Total	107	263

Note 4: Expenses from transactions

	2021 \$'000	2020 \$'000
Advertising and promotion	75	141
Audit	8	8
Communications	19	29
Consultants	50	52
Cost of sales	458	483
Insurance	723	596
IT	40	35
Maintenance	44	48
Motor vehicle running costs	46	51
Other employee costs	81	121
Other supplies and consumables	819	952
Property services	115	133
Rail operations	299	273
Travel and transport	20	37
Total	2,797	2,959

Note 5: Assets

(a) Carrying amount

	Notes	2021 \$'000	2020 \$'000
Plant and equipment:			
Plant and equipment (at fair value)			
At fair value		4,503	4,437
Less: Accumulated depreciation		(2,310)	(2,025)
Total	1.6(d)i	2,193	2,412
Railway Rolling Stock (at fair value)			
At fair value		5,526	4,839
Railway Rolling Stock work in progress		554	208
Less: Accumulated depreciation		(697)	(338)
Total	1.6(d)i	5,383	4,709
Total Plant and Equipment		7,576	7,121
Land and Buildings:			
Land (at fair value)			
At fair value		1,041	1,011
Total	1.6(d)i	1,041	1,011
Buildings (at fair value)			
At fair value		6,461	6,242
Less: Accumulated depreciation		(777)	(541)
Total	1.6(d)i	5,684	5,701
Total Land and Buildings		6,725	6,712
Abt Railway infrastructure (at fair value)			
At fair value		24,870	24,659
Railway infrastructure work in progress		5,058	6,453
Less: Accumulated depreciation		(3,602)	(2,689)
Total	1.6(d)i	26,326	28,423
Total infrastructure, property, plant and equipment		40,627	42,256

(b) Reconciliation of infrastructure, property, plant and equipment

Reconciliations of the carrying amounts of each class of infrastructure, property, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2021	Balance at beginning of financial year	Acquisition of assets	Written down value of disposals	Transfers	Depreciation and amortisation	Revaluation increments (decrements)	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Plant and equipment</i>							
Plant and equipment	2,205	451	-	-	(462)	-	2,194
Railway rolling stock	4,708	509	-	(208)	(181)	-	4,828
Total Plant and equipment	6,913	960	-	(208)	(643)	-	7,022
<i>Land and buildings</i>							
Land and buildings	1,011	30	-	-	-	-	1,041
Buildings	5,701	218	-	-	(235)	-	5,684
Total Land and buildings	6,712	248	-	-	(235)	-	6,725
<i>Abt Railway infrastructure</i>							
Abt Railway infrastructure	21,970	212	-	-	(914)	-	21,268
Total Abt Railway infrastructure	21,970	212	-	-	(914)	-	21,268
<i>Work in progress</i>							
Railway rolling stock	208	138	-	208	-	-	554
Abt Railway infrastructure	6,453	451	(1,846)	-	-	-	5,058
Total work in progress	6,661	589	(1,846)	208	-	-	5,612
Total infrastructure, property, plant and equipment	42,256	2,009	(1,846)	-	(1,792)	-	40,627
2020	Balance at beginning of financial year	Acquisition of assets	Written down value of disposals	Transfers	Depreciation and amortisation	Revaluation increments (decrements)	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Plant and equipment</i>							
Plant and equipment	1,483	1,138	-	-	(416)	-	2,205
Railway rolling stock	4,501	384	-	-	(177)	-	4,708
Total Plant and equipment	5,984	1,522	-	-	(593)	-	6,913
<i>Land and buildings</i>							
Land and buildings	1,011	-	-	-	-	-	1,011
Buildings	5,314	580	-	-	(193)	-	5,701
Total Land and buildings	6,325	580	-	-	(193)	-	6,712
<i>Abt Railway infrastructure</i>							
Abt Railway infrastructure	22,842	39	-	-	(911)	-	21,970
Total Abt Railway infrastructure	22,842	39	-	-	(911)	-	21,970
<i>Work in progress</i>							
Railway rolling stock	-	208	-	-	-	-	208
Abt Railway infrastructure	-	6,453	-	-	-	-	6,453
Total work in progress	-	6,661	-	-	-	-	6,661
Total infrastructure, property, plant and equipment	35,151	8,802	-	-	(1,697)	-	42,256

Note 6: Liabilities

6.1 Payables

	2021 \$'000	2020 \$'000
Creditors	546	3,765
Payroll Liabilities	195	87
Total	741	3,852
Settled within 12 months	741	3,852
Total	741	3,852

Settlement is usually made within 30 days.

6.2 Employee benefits

	2021 \$'000	2020 \$'000
Accrued salaries	107	89
Annual leave	223	180
Long service leave	146	135
Total	475	404
Settled within 12 months	351	284
Settled in more than 12 months	124	120
Total	475	404

6.3 Income in Advance

Income in advance is from advance ticketing sales where customers have prepaid their ticket and have yet to receive the service. The prior year balance is recognised as income in the current year. The current year balance relates to payments received during the current year for services provided after balance date. A reconciliation of the movement in income recognised in the current year and the income recognised in future periods is set out below.

	2021 \$'000	2020 \$'000
Income in Advance		
Opening Balance	48	172
Income recognised in current year	(48)	(172)
Income to be recognised in future period	656	48
Closing Balance	656	48
Total income in advance	656	48

Note 7: Cash Flow Reconciliation

7.1 Cash and deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Ministerial Corporation, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2021 \$'000	2020 \$'000
Special Deposits and Trust Fund balance	677	677
Total Special Deposits and Trust Fund	677	677
Deposits:		
Commonwealth Bank cheque account (Queenstown)	464	1,978
Commonwealth Bank online saver	2,034	252
Till Float & Petty Cash (Queenstown)	7	7
Total Deposits	2,505	2,237
Total Cash and deposits	3,182	2,914

7.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2021 \$'000	2020 \$'000
Net result	1,006	(247)
Non-cash expenses		
Depreciation and amortisation	1,792	1,696
Impairment Loss	1,846	
Decrease (increase) in Receivables	190	(163)
Decrease (increase) in Prepayments	(126)	(79)
Decrease (Increase) in Stock	2	(37)
Increase (decrease) in Employee entitlements	71	(25)
Increase (decrease) in Payables	(3,112)	231
Increase (decrease) in Income in Advance	608	(125)
Net cash from (used by) operating activities	2,277	1,251

Note 8: Commitments and Contingent Liabilities

8.1 Schedule of Commitments

	2021 \$'000	2020 \$'000
Lease commitments		
Operating leases	-	17
Total lease commitments	-	17
Lease commitments		
One year or less	-	17
From one to five years	-	
Total operating lease commitments	-	17
Total	-	17

The Ministerial Corporation has no operating lease agreements as at 30 June 2021.

8.2 Contingent Assets and Liabilities

The Ministerial Corporation has not identified nor recognised any contingent assets or liabilities as at 30 June 2021.

Note 9: Reserves

9.1 Reserves

2021	Land	Buildings	Infrastructure	Rolling Stock	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020	-	3,029	8,978	1,236	13,243
Revaluation increments/ (decrements)	-	-	-	-	-
Impairment losses	-	-	-	-	-
Reversals of impairment losses	-	-	-	-	-
Balance at 30 June 2021	-	3,029	8,978	1,236	13,243

2020	Land	Buildings	Infrastructure	Rolling Stock	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	-	3,029	8,978	1,236	13,243
Revaluation increments/ (decrements)	-	-	-	-	-
Impairment losses	-	-	-	-	-
Reversals of impairment losses	-	-	-	-	-
Balance at 30 June 2020	-	3,029	8,978	1,236	13,243

Note 10: Prior Period Error

In preparation of the 2020-21 financial statements, the Corporation identified that composite sleepers to be used in future track replacement were on order at year end 30 June 2020. In 2019-20 the sleepers were incorrectly recognised as received and classified as work in progress, when they should have been classified as a prepaid asset in prepayments. The value of work in progress and prepayments impacted by this error in 2019-20 was \$1,365,719. Delivery of the sleepers is still outstanding as at 30 June 2021.

Comparative numbers reported in the 2019-20 statement of financial position have been restated to correct this error for the line items affected as follows:

Financial statement line items affected	Published financial statements \$'000	2019-20	
		Correction of error \$'000	Restated actuals \$'000
Statement of financial position			
Work in progress			
Abt Railway infrastructure	7,819	(1,366)	6,453
Prepayments	558	1,366	1,924

Independent Auditor's report



Independent Auditor's Report

To the Members of Parliament

Abt Railway Ministerial Corporation

Report on the Audit on the Special Purpose Financial Report

Opinion

I have audited the financial report of the Abt Railway Ministerial Corporation (the Corporation), which comprises the statement of financial position as at 30 June 2021, statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of certification signed by the Delegate of the Minister (the Delegate) and the General Manager of the Corporation.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Corporation as at 30 June 2021 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Section 17 of the *Audit Act 2008*.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

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

Emphasis of Matter – Basis of Accounting

I draw attention to Note 1.2 of the financial report, which prescribes the basis of accounting. The financial report has been prepared to assist the Corporation to meet the financial reporting requirements of the *Audit Act 2008*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of the Delegate for the Financial Report

The Delegate is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Audit Act 2008* and for such internal control as determined necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Delegate is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation is to be dissolved by an Act of Parliament, or the Delegate intends to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Delegate.

- Conclude on the appropriateness of the Delegate's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Delegate regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Jeff Tongs
**Assistant Auditor-General, Audit
Delegate of the Auditor-General**
Tasmanian Audit Office

22 October 2021
Hobart



Department of State Growth

GPO Box 536 Hobart
TAS 7001 Australia

Phone: 1800 030 688

Email: info@stategrowth.tas.gov.au

Web: www.stategrowth.tas.gov.au

© State of Tasmania October 2021