

**TREASURER'S INSTRUCTION
GOVERNMENT BUSINESS ENTERPRISES ACT 1995**

**GBE 08-52-05
REQUIREMENTS OF AND CERTIFICATION OF FINANCIAL STATEMENTS**

BACKGROUND

In accordance with section 52 of the *Government Business Enterprises Act 1995* (GBE Act) the Board must prepare, within 45 days after the end of the financial year, the financial statements of the Government Business Enterprise (GBE) relating to that financial year.

Further, section 52(3) of the GBE Act provides that the financial statements must contain the documents, statements and information required by, and otherwise comply with, the Treasurer's Instructions, and must be signed and certified as specified in the Treasurer's Instructions.

DEFINITIONS

Words and phrases used in this Treasurer's Instruction have the same meaning as those defined in the GBE Act.

TREASURER'S INSTRUCTION

Requirements of Financial Statements

The financial statements in respect of a financial year must comply with the requirements of section 52 of the GBE Act and are to consist of:

- (a) an Income Statement for that financial year; and
- (b) a Balance Sheet as at the end of that financial year; and
- (c) a Statement of Changes in Equity for that financial year; and
- (d) a Cash Flow Statement for that financial year; and
- (e) any other financial information required to be included by any other Treasurer's Instruction; and
- (f) any other financial information required to be included by a direction given under section 52(4) of the GBE Act; and
- (g) where the GBE or subsidiary is liable to pay an income tax equivalent, a statement of income tax equivalence; and
- (h) statements, reports and notes, other than a directors' report or an auditor's report, attached to, or intended to be read with the Income Statement, Balance Sheet, Statement of Change in Equity or Statement of Cash Flows.

Income Statement

A GBE's Income Statement will be prepared in accordance with the Australian Accounting Standards including AASB 101 *Presentation of Financial Statements* and AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* or AASB 1004 *Contributions*, except all government contributions to operating deficits of the GBE shall not be recognised as other income. The contribution shall be included in the Income Statement after disclosure of "profit or loss after income tax equivalent". Refer to attachment 1.

Balance Sheet

A GBE's Balance Sheet will be prepared in accordance with Australian Accounting Standards.

Statement of Changes in Equity

A GBE's Statement of Changes in Equity will be prepared in accordance with Australian Accounting Standards.

Cash Flow Statement

A GBE's Cash Flow Statement will be prepared in accordance with the Australian Accounting Standards.

Certification of Financial Statements

The financial statements of a GBE shall include a Statement of Certification in the following terms:

"In the opinion of the directors of (name of the Government Business Enterprise):

- (a) the financial statements and notes of the Enterprise and of the consolidated entity (delete 'and of the consolidated entity' if subsidiary(ies) do not exist) are in accordance with the *Government Business Enterprises Act 1995*, including:
 - (i) giving a true and fair view of the results and cash flows for the (period as specified) and the financial position as at (date), of the Enterprise (together with the words 'and its subsidiary(ies)' if applicable); and
 - (ii) subject to the Treasurer's Instructions, complying with Australian Accounting Standards and Interpretations; and
 - (iii) complying with Australian equivalents to International Financial Reporting Standards; and
- (b) there are reasonable grounds to believe that the Enterprise will be able to pay its debts as and when they fall due.

This declaration has been made after receiving the following declaration from the Chief Executive Officer and Chief Financial Officer (or insert appropriate equivalents) of the Enterprise:

- (a) the financial records of the Enterprise for the (period specified) have been properly maintained in accordance with Section 51 of the *Government Business Enterprises Act 1995*;
- (b) the financial statements, and notes for the (period specified) have been prepared in accordance with Section 52 of the *Government Business Enterprises Act 1995*; and
- (c) the financial statements and notes for the (period specified) give a true and fair view.

Signed in accordance with a resolution of the directors:

The Statement of Certification should be signed and dated by two members of the board.

COMMENCEMENT DATE

This Treasurer's Instruction applies to all GBEs commencing for the year ended 30 June 2008, and replaces Treasurer's Instruction GBE 08-52-04 *Requirements of and Certification of Financial Statements*.

Attachment 1**INCOME STATEMENT****for the reporting period ended 30 June 20XX***Extract*

	20X1	20X0
Profit or loss after income tax equivalent	X	X
Government deficit contribution	X	X
Profit or loss after income tax equivalent and Government deficit contribution	X	X