AIC financial statements

Australian National
Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Home Affairs

Scope

I have audited the accompanying financial statements of the Australian Institute of Criminology for the year ended 30 June 2009, which comprise: a Statement by the Chair of the Board of Management, the Directors and the CFO; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

The Responsibility of the Board of Management for the Financial Statements

The members of the Board of Management are responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997,* including the Australian Accounting Standards (which include the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit.

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the 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 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 Australian Institute of Criminology's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the

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purpose of expressing an opinion on the effectiveness of the Australian Institute of Criminology's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, 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 the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the Australian Institute of Criminology:

(a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997,* including the Australian Accounting Standards; and

(b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australian Institute of Criminology's financial position as at 30 June 2009 and its financial performance and cash flows for the year then ended.

Australian National Audit Office

Simon Kidman

Executive Director

Delegate of the Auditor-General

Canberra

14 September 2009

Statement by Chair of the Board of Management, Director and Chief Finance Officer

In our opinion, the attached financial statements for the year ended 30 June 2009 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997* .

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

This statement is made in accordance with a resolution of the directors.

Signed.......................................

Richard Fox
Chair of the Board of Management
Australian Institute of Criminology

Signed.......................................

Norman Reaburn
Director
Australian Institute of Criminology

Signed.......................................

Tony Marks
Chief Finance Officer
Australian Institute of Criminology

INCOME STATEMENT
for the period ended 30 June 2009

	Notes	2009 $	2008 $
INCOME			
Revenue			
Revenue from Government	3A	**7,166,000**	7,717,000
Sale of goods and rendering of services	3B	**2,201,836**	1,936,266
Interest	3C	**224,011**	298,843
Royalties		**37,097**	79,052
Other revenue		**7,378**	8,074
Total revenue		**9,636,322**	10,039,235
Total Income		**9,636,322**	10,039,235
EXPENSES			
Employee benefits	4A	**5,268,026**	4,873,792
Suppliers	4B	**4,820,334**	5,369,290
Grants		**43,000**	63,000
Depreciation and amortisation	4C	**103,590**	58,911
Losses from asset sales	4D	**979**	14,956
Total Expenses		**10,235,929**	10,379,949
Surplus (Deficit) attributable to the Australian Government		**(599,607)**	(340,714)

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

BALANCE SHEET

as at 30 June 2009

	Notes	2009 $	2008 $
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	**3,335,558**	3,726,628
Trade and other receivables	5B	**307,093**	283,657
Total financial assets		**3,642,651**	4,010,285
Non-Financial Assets			
Infrastructure, plant and equipment	6A	**590,405**	645,096
Intangibles	6B	**40,915**	-
Other non-financial assets	6C	**237,869**	211,012
Total non-financial assets		**869,189**	856,108
Total Assets		**4,511,840**	4,866,393
LIABILITIES			
Payables			
Suppliers	7A	**844,308**	1,096,838
Other payables	7B	**1,271,790**	911,583
Total payables		**2,116,098**	2,008,421
Provisions			
Employee provisions	8A	**568,588**	470,052
Other provisions	8B	**38,841**	-
Total provisions		**607,429**	470,052
Total Liabilities		**2,723,527**	2,478,473
Net Assets		**1,788,313**	2,387,920
EQUITY			
Contributed equity		**996,276**	996,276
Reserves		**782,855**	782,855
Retained earnings		**9,182**	608,789
Total Equity		**1,788,313**	2,387,920
Current Assets		**3,880,520**	4,010,285
Non-Current Assets		**631,320**	856,108
Current Liabilities		**2,528,573**	2,310,973
Non-Current Liabilities		**194,954**	167,500

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

STATEMENT OF CHANGES IN EQUITY for Not-For-Profit Reporting Entities
as at 30 June 2009

	Retained Earnings		Asset Revaluation Reserves		Contributed Equity/Capital		Total Equity	
	2009 $	2008 $	**2009 $**	2008 $	**2009 $**	2008 $	**2009 $**	2008 $
Opening balance								
Balance carried forward from previous period	**608,789**	949,503	**782,855**	782,855	**996,276**	996,276	**2,387,920**	2,728,634
Adjustment for errors	-	-	-	-	-	-	-	-
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
Adjusted opening balance	**608,789**	949,503	**782,855**	782,855	**996,276**	996,276	**2,387,920**	2,728,634
Income and expenses recognised directly in equity (each item)								
Revaluation adjustment	-	-	-	-	-	-	-	-
Sub-total income and expenses recognised directly in equity	-	-	-	-	-	-	-	-
Surplus (deficit) for the period	**(599,607)**	(340,714)	-	-	-	-	**(599,607)**	(340,714)
Total income and expenses	**(599,607)**	(340,714)	-	-	-	-	**(599,607)**	(340,714)
Closing balance at 30 June attributable to the Australian Government	**9,182**	608,789	**782,855**	782,855	**996,276**	996,276	**1,788,313**	2,387,920

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

CASH FLOW STATEMENT

for the period ended 30 June 2009

	Notes	2009 $	2008 $
OPERATING ACTIVITIES			
Cash received			
Receipts from Government		**7,166,000**	7,717,000
Goods and services		**2,690,873**	2,217,650
Interest		**226,146**	295,090
Net GST received		**254,330**	339,570
Other cash received		**36,689**	69,731
Total cash received		**10,374,038**	10,639,041
Cash used			
Employees		**5,082,324**	4,906,553
Suppliers		**5,548,991**	5,420,497
Grants		**43,000**	63,000
Total cash used		**10,674,315**	10,390,050
Net cash from (used by) operating activities	9	**(300,277)**	248,991
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		**-**	14,557
Total cash received		**-**	14,557
Cash used			
Purchase of property, plant and equipment		**38,403**	494,805
Purchase of intangibles		**52,390**	-
Total cash used		**90,793**	494,805
Net cash (used by) investing activities		**(90,793)**	(480,248)
Net increase (decrease) in cash held		**(391,070)**	(231,257)
Cash and cash equivalents at the beginning of the reporting period		**3,726,628**	3,957,885
Cash and cash equivalents at the end of the reporting period	5A	**3,335,558**	3,726,628

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

SCHEDULE OF COMMITMENTS

as at 30 June 2009

	2009	2008
BY TYPE	**$**	$
Commitments Receivable		
Contracts	**336,269**	-
GST recoverable on commitments	**337,688**	200,599
Total Commitments Receivable	**673,957**	200,599
Commitments Payable		
Other commitments		
Operating leases [1]	**1,682,564**	2,206,590
Contracts	**2,032,010**	-
GST payable on commitments	**30,570**	-
Total other commitments	**3,745,144**	2,206,590
Net commitments by type	**3,071,187**	2,005,991
BY MATURITY		
Commitments receivable		
One year or less	**509,908**	43,200
From one to five years	**164,049**	157,399
Over five years	**-**	-
Total commitments receivable	**673,957**	200,599
Commitments payable		
Operating lease commitments		
One year or less	**489,546**	475,199
From one to five years	**1,193,018**	1,731,391
Over five years	**-**	-
Total operating lease commitments	**1,682,564**	2,206,590
Other commitments		
One year or less	**1,451,059**	-
From one to five years	**611,521**	-
Over five years	**-**	-
Total other commitments	**2,062,580**	**-**
Total commitments payable	**3,745,144**	2,206,590
Net Commitments by Maturity	**3,071,187**	2,005,991

NB: Commitments are GST inclusive where relevant.

1. Operating leases included are effectively non-cancellable and comprise:

Leases for office accommodation - The current lease expires in December 2012. A new lease agreement from December 2007 was signed for 5 years with a 5 year option. Lease payments are subject to a fixed annual increase and recognised on a straight line basis.

Leases for IT Equipment - There are no current leases for IT Equipment with the last lease ceasing in April 2009. The lease payments are not indexed each year.

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

Index to the Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Report

The Financial Statements and notes are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are a General Purpose Financial Report.

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

The Financial Statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 01 July 2008; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets 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 Report is presented in Australian dollars and values are rounded to the nearest dollar unless otherwise specified.

Unless an alternative treatment is specifically required by an Accounting Standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the Entity and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard.

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

1.2 Significant Accounting Judgements and Estimates

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

1.3 Statement of Compliance

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. Of the new standards, amendments to standards and interpretations issued by the Australian Accounting Standards Board that are applicable to the current period, none have had a material financial impact on the AIC.

Future Australian Accounting Standard requirements

Of the new standards, amendments to standards and interpretations issued by the Australian Accounting Standards Board that are applicable to future periods, none will have a material financial impact on the AIC.

1.4 Revenue

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 seller 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 with the transaction will flow to the entity.

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 associated with the transaction will flow to the Entity.

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 impairments allowance account. Collectability of debts is reviewed at balance date. 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* .

Revenues from Government

Funding received from Attorney-General's Department (appropriated to them as a CAC Act body payment item for payment to the Australian Institute of Criminology ("AIC")) is recognised as Revenue from Government unless they are in the nature of an equity injection.

1.5 Gains

Sale of Assets

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

1.6 Employee Benefits

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

Liabilities for short-term employee benefits (as defined in AASB 119) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

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

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

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 AIC 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 apply when the leave is taken, including the AIC'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 work of the Australian Government actuary as at 30 June 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 AIC 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 AIC are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other choice Superannuation Schemes.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap and other are defined contribution schemes.

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 Deregualtion as an administered item.

The AIC makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government of the superannuation entitlements of the AIC's employees. The AIC 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.

1.7 Leases

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

1.8 Cash

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of 4 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.9 Financial assets

The AIC classifies its financial assets in the following category:

- 'loans and receivables'.

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'.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

- *Financial assets held at amortised cost* - If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of 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 Income Statement.

1.10 Financial Liabilities

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

Financial liabilities are 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

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).

1.11 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.

1.12 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 Authority's accounts immediately prior to the restructuring.

1.13 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than $5,000, which are expensed in the year of acquisition. The asset threshold does not apply for purchases which form a part of the library collection.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'makegood' provisions in property leases taken up by the AIC where there exists an obligation to restore the property to its original condition. Currently the property lease held by the AIC does not have a 'makegood' provision, hence no provision for this has been brought to account.

Revaluations

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

Asset class	Fair value measured at:
Infrastructure, plant & equipment	Market Selling Price
Library Collection	Depreciated replacement cost

Following initial recognition at cost, infrastructure, plant and equipment and library collection are carried at fair value less 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.

The Library collection was valued in 2006-07 based on a 15% reducing balance and a five percent residual value.

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 through operating result. Revaluation decrements for a class of assets are recognised directly through operating result 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 AIC using the straight-line method of depreciation. The library collection is depreciated using the reducing balance method at a rate of 15%.

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

Depreciation rates applying to infrastructure, plant and equipment are based on a useful life of 2 to 10 years (2007-08 : 2 to 10 years)

Impairment

All assets were assessed for impairment at 30 June 2009. Where indications of impairment exist, an impairment adjustment is made if the asset's recoverable amount is less than its carrying amount.

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

1.14 Intangibles

The AIC's intangibles are comprised of purchased software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the AIC's software is 3 to 5 years (2007-08: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2009.

1.15 Taxation

The AIC 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
- except for receivables and payables.

1.16 Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

Note 2: Events after the Balance Sheet Date

No subsequent events have occurred which would require disclosure in the financial statements.

Note 3: Income

	2009	2008
Revenue	**$**	$
Note 3A: Revenue from Government		
Attorney-General's Department:		
CAC Act body payment items	**7,166,000**	7,717,000
Total revenue from Government	**7,166,000**	7,717,000
Note 3B: Sale of goods and rendering of services		
Rendering of services - related entities	**827,418**	1,170,201
Rendering of services - external parties	**1,374,418**	766,065
Total rendering of services	**2,201,836**	1,936,266
Total sale of goods and rendering of services	**2,201,836**	1,936,266
Note 3C: Interest		
Deposits	**224,011**	298,843
Total interest	**224,011**	298,843

Note 4: Expenses

	2009	2008
	$	$
Note 4A: Employee benefits		
Wages and salaries	**4,130,199**	3,878,058
Superannuation: Defined contribution plan	**612,425**	580,829
Leave and other entitlements	**522,439**	406,905
Separation and redundancies	**2,963**	8,000
Total employee benefits	**5,268,026**	4,873,792
Note 4B: Suppliers		
Rendering of services – related entities	**271,203**	176,559
Rendering of services – external parties	**4,036,857**	4,709,982
Operating lease rentals: Minimum lease payment	**492,210**	462,956
Workers compensation premiums	**20,064**	19,793
Total supplier expenses	**4,820,334**	5,369,290
Note 4C: Depreciation and amortisation		
Depreciation:		
Infrastructure, plant and equipment	**77,523**	38,993
Library Collection	**14,592**	19,546
Total depreciation	**92,115**	58,539
Intangibles:		
Computer Software	**11,475**	372
Total amortisation	**11,475**	372
Total depreciation and amortisation	**103,590**	58,911

	2009	2008
	$	$
Note 4D: Losses from asset sales		
Infrastructure, plant and equipment		
Proceeds from sale	**-**	(14,909)
Carrying value of assets sold	**979**	29,513
Selling expense	**-**	352
Total losses from asset sales	**979**	14,956

Note 5: Financial Assets

	2009	2008
	$	**$**
Note 5A: Cash and cash equivalents		
Cash on hand or on deposit	**27,722**	43,810
Overnight and term deposits	**3,307,836**	3,682,818
Total cash and cash equivalents	**3,335,558**	3,726,628
Note 5B: Trade and other receivables		
Goods and services - related entity	**50,220**	-
Goods and services - external parties	**204,067**	248,881
Total receivables for goods and services	**254,287**	248,881
GST receivable from the Australian Taxation Office	**12,572**	193
Interest receivable	**15,053**	17,188
Other receivables	**25,181**	17,395
Total trade and other receivables (gross)	**307,093**	283,657
Receivables are aged as follows:		
Not overdue	**307,093**	179,989
Overdue by:		
Less than 30 days	**-**	3,308
30 to 60 days	**-**	33,550
61 to 90 days	**-**	26,004
More than 90 days	**-**	40,806
Total receivables (gross)	**307,093**	283,657

No receivables are impaired and all receivables are current assets.

Note 6: Non-Financial Assets

	2009	2008
	$	$
Note 6A: Infrastructure, plant and equipment		
Infrastructure, plant and equipment:		
Gross carrying value (at fair value)	597,807	569,302
Accumulated depreciation	(146,754)	(70,752)
Total infrastructure, plant and equipment	**451,053**	498,550
Library collection:		
Gross carrying value (at fair value)	1,077,229	1,069,831
Accumulated depreciation	(937,877)	(923,285)
Total library collection	**139,352**	146,546
Total infrastructure, plant and equipment (non-current)	**590,405**	645,096

All revaluations are conducted in accordance with the revaluation policy stated at Note 1.13 No revaluations were conducted in 2008-09. The last revaluations were conducted by an independent valuer AON Risk Service in 2006-07.

There was no revaluation movement for the Library Collection in the asset revaluation reserve for 2008-09. No decrements were expensed (2007-08: Nil expensed).

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

Note 6B: Intangibles

Computer software at cost	81,218	28,828
Accumulated amortisation	(40,303)	(28,828)
Total intangibles (non-current)	**40,915**	-

No indicators of impairment were found for intangible assets.

Note 6: Non-Financial Assets

Note 6B: Analysis of property, plant and equipment and intangibles

TABLE A – Reconciliation of the opening and closing balances of property, plant and equipment and intangibles (2008-09)

	Infrastructure, plant and equipment $	Library Collection $	Intangibles $	Total $
As at 1 July 2008				
Gross book value	569,302	1,069,831	28,828	**1,667,961**
Accumulated depreciation/amortisation and impairment	(70,752)	(923,285)	(28,828)	**(1,022,865)**
Net book value 1 July 2008	**498,550**	**146,546**	**-**	**645,096**
Additions:				
by purchase	31,005	7,398	52,390	**90,793**
Revaluations and impairments through equity	-	-	-	-
Depreciation/amortisation expense	(77,523)	(14,592)	(11,475)	**(103,590)**
Disposals:				
Other disposals	(979)	-	-	**(979)**
Net book value 30 June 2009	**451,053**	**139,352**	**40,915**	**631,320**
Net book value as of 30 June 2009 represented by:				
Gross book value	597,807	1,077,229	81,218	**1,756,254**
Accumulated depreciation/amortisation and impairment	(146,754)	(937,877)	(40,303)	**(1,124,934)**
	451,053	**139,352**	**40,915**	**631,320**

Note 6B: Analysis of property, plant and equipment and intangibles

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

Item	Infrastructure, plant and equipment $	Library Collection $	Intangibles $	Total $
As at 1 July 2007				
Gross book value	190,344	1,254,796	59,736	1,504,876
Accumulated depreciation/amortisation and impairment	(121,522)	(1,085,275)	(59,364)	(1,266,161)
Net book value 1 July 2007	68,822	169,521	372	238,715
Additions:				
by purchase	486,299	8,506	-	494,805
Revaluations and impairments through equity	-	-	-	-
Depreciation/amortisation expense	(38,993)	(19,546)	(372)	(58,911)
Disposals:				
Other disposals	(17,578)	(11,935)	-	(29,513)
Net book value 30 June 2008	498,550	146,546	-	645,096
Net book value as of 30 June 2008 represented by:				
Gross book value	569,302	1,069,831	28,828	1,667,961
Accumulated depreciation/amortisation and impairment	(70,752)	(923,285)	(28,828)	(1,022,865)
	498,550	146,546	-	645,096

	2009	2008
	$	$
Note 6C: Other non-financial assets		
Prepayments	**237,869**	211,012
Total other non-financial assets	**237,869**	211,012

All other non-financial assets are current assets.

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

Note 7: Payables

	2009	2008
	$	$
Note 7A: Suppliers		
Trade creditors	**430,526**	512,949
Accrued expenses	**413,782**	583,889
Total supplier payables	**844,308**	1,096,838

All suppliers payable are current. Settlement is usually made net 30 days.

Note 7B: Other payables		
Unearned income	**823,654**	550,613
Salaries and wages	**69,367**	49,443
Superannuation	**10,544**	7,565
Annual Leave	**368,225**	295,962
Separations and redundancies	**-**	8,000
Total other payables	**1,271,790**	911,583

Other payables include accruals for annual leave. The entire obligation is presented as current , since there is no inconditional right to defer settlement. However, based on past experience it is not expected that all employees will take the full amount of accrued annual leave within twelve months from the reporting date. The amount of annual leave that is not expected to be settled in twelve months from the reporting date is $73,645 (2008: $59,192). All other payables are current liabilities

Note 8: Provisions

	2009	2008
	$	$
Note 8A: Employee provisions		
Long Service Leave	**474,388**	397,712
Appointment fees	**60,000**	-
Other	**34,200**	72,340
Total employee provisions	**568,588**	470,052
Employee provisions are represented by:		
Current	**373,634**	302,552
Non-current	**194,954**	167,500
Total employee provisions	**568,588**	470,052

The classification of current employee provisions includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of reporting date. Employee provisions expected to be settled in twelve months from the reporting date are $164,058 (2008: $216,282) and in excess of one year $404,530 (2008: $318,778)

Note 8B: Other provisions		
Building lease provision	**38,841**	-
	38,841	-

All other provisions are current liabilities.

Note 9: Cash Flow Reconciliation

	2009 $	2008 $
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Report cash and cash equivalents as per:		
Cash Flow Statement	**3,335,558**	3,726,628
Balance Sheet	**3,335,558**	3,726,628
Difference	**0**	**0**
Reconciliation of operating result to net cash from operating activities:		
Operating result	**(599,607)**	(340,714)
Depreciation /amortisation	**103,590**	58,911
Loss on disposal of assets	**979**	14,956
(Increase) / decrease in net receivables	**(23,436)**	417,373
(Increase) / decrease in prepayments	**(26,857)**	6,790
Increase / (decrease) in employee provisions	**98,536**	(32,761)
Increase / (decrease) in other provisions	**38,841**	-
Increase / (decrease) in supplier payables	**(252,530)**	478,308
Increase / (decrease) in other payables	**360,207**	(353,872)
Net cash from operating activities	**(300,277)**	248,991

Note 10: Contingent Liabilities and Assets

There were no contingencies at 30 June 2009 or 30 June 2008.

There were no unquantifiable contingencies at 30 June 2009 or 30 June 2008.

Note 11: Directors' Remuneration

	2009	2008
The number of directors of the AIC included in these figures are shown below in the relevant remuneration bands:		
$ Nil - $ 14,999	**9**	7
$ 30,000 - $ 44,999	**-**	1
$ 225,000 - $ 239,999	**1**	-
$ 270,000 - $ 284,999	**-**	1
Total number of directors of the Authority	**10**	9
Total remuneration received or due and receivable by directors of the AIC.	**225,467**	309,245

The directors of the AIC are appointed as per Section 9 of the *Criminology Research Act 1971* and shall consist of the Director, three members appointed by the Attorney-General and four members appointed by the Criminology Research Council.

Note 12: Related Party Disclosures

Directors of the AIC

The Board of Management during the year were:

Professor Richard Fox AM (Chair), Monash University, Victoria

Mr Tony Marks (AIC Acting Director), Australian Institute of Criminology

Mr Nigel Hadgkiss APM, Australian Building and Construction Commission, Commonwealth	(to 04.09.08)
Mr John Lawler APM, Australian Crime Commission	(from 20.03.09)
Dr Dianne Heriot, Australian Government Attorney-General's Department	(to 19.03.09)
Ms Elizabeth Kelly, Australian Government Attorney-General's Department	(from 20.03.09)
Ms Renèe Leon, Department of Justice and Community Safety, Australian Capital Territory	(to 10.05.09)

Mr Norman Reaburn, Legal Aid Commission of Tasmania

ACT representative - vacant

Ms Penny Armytage, Department of Justice, Victoria

Ms Ingrid Haythorpe, Attorney-General's Department, South Australia

Membership of the Board of Management of the AIC comprises the director of the AIC, three members nominated by the Commonwealth Attorney-General and four members nominated by the Criminology Research Council (CRC).

The AIC advises the CRC in relation to criminological research and provides secretariat and administrative services (for which the AIC receives $100,000). The AIC also provides advice and assistance in relation to any research funded wholly or partly by the CRC. The total amount paid to the AIC for these services are $72,346.

The aggregate remuneration of Directors is disclosed in Note 11.

Note 13: Executive Remuneration

The executive remuneration includes all senior executive concerned with or taking part in the management of the AIC during 2008-09 except the Director. Details in relation to the Director have been incorporated into Note 11.

	2009	2008
The number of senior executives who received or were due to receive total remuneration of $130,000 or more are shown below in the relevant remuneration bands:		
$ 160,000 - $ 174,999	**-**	2
$ 175,000 - $ 189,999	**1**	-
Total	**1**	2
The aggregate amount of total remuneration of senior executives shown above.	**189,343**	329,746

Note 14: Remuneration of Auditors

Financial statement audit services are provided to the AIC by the Auditor General.

	2009	2008
	$	$
The fair value of the services provided was:	**25,500**	29,000
	25,500	29,000

No other services were provided by the Auditor-General.

Note 15: Financial Instruments

	2009	2008
	$	$
<u>Note 15A: Categories of financial instruments</u>		
Financial assets		
Loans and receivables		
Cash at bank	**3,335,558**	3,726,628
Receivables for goods and services	**254,287**	248,881
Interest receivable	**15,053**	17,188
Other receivables	**25,181**	17,395
Carrying amount of financial assets	**3,630,079**	4,010,092
Financial liabilities		
Other financial liabilities		
Trade creditors	**430,526**	512,949
Accrued expenses	**413,782**	583,889
Carrying amount of financial liabilities	**844,308**	1,096,838

<u>Note 15B: Net income and expense from financial assets</u>

	2009	2008
Loans and receivables		
Interest revenue (see note 3C)	**224,011**	298,843
Net gain loans and receivables	**224,011**	298,843
Net gain from financial assets	**224,011**	298,843

<u>Note 15C: Net income and expense from financial liabilities</u>

The AIC does not have any income or expenses from financial liabilities.

<u>Note 15D: Fair value of financial instruments</u>

The carrying amount of all financial assets and liabilities is a reasonable approximation of fair value.

Note 15E: Credit Risk

The AIC is exposed to minimal credit risk as the majority of loans and receivables are cash, trade receivables or amounts owed by the Australian Tax Office in the form of a Goods and Services Tax refund. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2009: $307,093 and 2008: $283,657). The AIC has assessed the risk of the default on payment and has not made an allowance for this as all debts are expected to be recovered in full.

The AIC manages its credit risk by entering into contracts with parties and by having progressive milestone payments. In addition, the AIC has policies and procedures that guide employees in debt recovery techniques that are to be applied.

The AIC has no significant exposures to any concentrations of credit risk.

The AIC holds no collateral to mitigate against credit risk.

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

	Not Past Due Nor Impaired 2009	Not Past Due Nor Impaired 2008	**Past due but not impaired 2009**	Past due but not impaired 2008
Cash at bank	**3,335,558**	3,726,628	**-**	-
Receivables for Goods and Services	**254,287**	145,213	**-**	103,668
Interest Receivable	**15,053**	17,188	**-**	-
Other Receivable	**25,181**	17,395	**-**	-
Total	**3,630,079**	3,906,424	-	103,668

Ageing of financial assets that are past due but not impaired for 2009:

	0 to 30 days	**31 to 60 days**	**61 to 90 days**	**90+ days**	**Total**
Receivables for Goods and Services	-	-	-	-	-
Total	-	-	-	-	-

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

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
Receivables for Goods and Services	3,308	33,550	26,004	40,806	103,668
Total	3,308	33,550	26,004	40,806	103,668

The AIC has no impaired financial assets.

Note 15F: Liquidity risk

The AIC's financial liabilities are payables only. The exposure to liquidity risk is based on the notion that the AIC will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

The AIC receives appropriated funding from the Australian Government with some funding generated through the provision of services. The Authority manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the AIC has policies in place to ensure payments are made when due and has no past experience of default. Trade creditors are paid on demand.

Note 15G: Market risk

The AIC holds basic financial instruments that do not expose it to certain market risks. The AIC is not exposed to 'currency risk' or 'other price risk'.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The AIC is exposed to interest rate risk primarily from loans and receivables.

The following table is a sensitivity analysis of the risk that the AIC entity is exposed to:

Sensitivity analysis for financial year ended 30 June 2009

	Risk variable	Change in risk variable	Effect on	
			Profit and loss	Equity
			2009	2009
Interest rate risk	Interest	0.75%	25,017	25,017

Sensitivity analysis for financial year ended 30 June 2008

	Risk variable	Change in risk variable	Effect on	
			Profit and loss	Equity
			2008	2008
Interest rate risk	Interest	0.50%	18,633	18,633

Note 16: Compensation and Debt Relief

No payments were made for compensation or debt relief during 2008-09 (2007-08 no payments made).

Note 17: Assets Held in Trust

The AIC is trustee of funds held in a trust account on behalf of the Australian Crime and Violence Prevention Awards. These are designed to reward good practice in the prevention or reduction of violence and other types of crimes in Australia and encourage local public initiatives at the grass roots level and to assist governments identify and develop practical projects that will reduce violence and other types of crime in the community. These monies are not available for other purposes of the AIC and are not recognised in the financial statements.

	2009	2008
	$	$
Australian Crime and Violence Prevention Awards Trust Account		
Opening Balance	151,513	61,717
Receipts during the year	92,336	179,749
Interest received	4,883	5,640
Available for payments	248,732	247,106
Payments made	(151,691)	(95,593)
Closing Balance	97,041	151,513

Note 18: Reporting of Outcomes

Note 18A: Outcomes of the AIC

The AIC is structured to meet one outcome:

Outcome 1: To inform Government of activities which aim to promote justice and reduce crime.

There are two Outputs identified for the Outcome:

Output 1.1: Policy advice and publications
Output 1.2: Library, information and reference services to support policy advice and publications

Note 18B: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2009	2008	**2009**	2008
	$	$	**$**	$
Expenses				
Departmental	**10,235,929**	10,379,949	**10,235,929**	10,379,949
Total expenses	**10,235,929**	10,379,949	**10,235,929**	10,379,949
Costs recovered from provision of goods and services to the non-government sector				
Departmental	**1,374,418**	766,065	**1,374,418**	766,065
Total costs recovered	**1,374,418**	**766,065**	**1,374,418**	**766,065**
Other external income				
Departmental				
Sale of goods and services to Related Parties	**827,418**	1,170,201	**827,418**	1,170,201
Interest	**224,011**	298,843	**224,011**	298,843
Royalties	**37,097**	79,052	**37,097**	79,052
Other	**7,378**	**8,074**	**7,378**	8,074
Total other external income	**1,095,904**	1,556,170	**1,095,904**	1,556,170
Net cost outcome	**7,765,607**	8,057,714	**7,765,607**	8,057,714

Outcome 1 is described in note 18A. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

Note 18C: Major Classes of Departmental Income and Expenses by Outputs

Outcome 1	Outcome 1				Total	
	Output 1.1		Output 1.2			
	2009	2008	**2009**	2008	**2009**	2008
	$	$	**$**	$	**$**	$
Departmental expenses						
Employee benefits	**4,915,668**	4,528,971	**352,358**	344,821	**5,268,026**	4,873,792
Suppliers	**4,669,748**	5,219,156	**150,586**	150,134	**4,820,334**	5,369,290
Grants	**43,000**	63,000	-	-	**43,000**	63,000
Depreciation and amortisation	**103,590**	58,911	-	-	**103,590**	58,911
Losses from asset sales	**979**	14,956	-	-	**979**	14,956
Total departmental expenses	**9,732,985**	9,884,994	**502,944**	494,955	**10,235,929**	10,379,949
Funded by:						
Departmental income						
Revenue from Government	**6,746,000**	7,265,700	**420,000**	451,300	**7,166,000**	7,717,000
Sale of goods and rendering of services	**2,197,384**	1,933,255	**4,452**	3,011	**2,201,836**	1,936,266
Interest	**224,011**	298,843	-	-	**224,011**	298,843
Royalties	**10,384**	44,211	**26,713**	34,841	**37,097**	79,052
Other revenue	**7,378**	8,074	-	-	**7,378**	8,074
Total departmental income	**9,185,157**	9,550,083	**451,165**	489,152	**9,636,322**	10,039,235

Outcome 1 is described in note 18A. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

Note 18D: Major Classes of Departmental Assets and Liabilities by Outcome

The AIC only has one Outcome. For details of Assets and Liabilties by Outcome please refer to the Balance Sheet. Outcome 1 is described in note 18A.