

CRIMTRAC AGENCY





INDEPENDENT AUDIT REPORT

To the Minister for Justice and Customs

Scope

I have audited the financial statements of the CrimTrac Agency for the year ended 30 June 2002. The financial statements comprise:

- statement by the Chief Executive;
- statements of Financial Performance, Financial Position and Cashflows;
- schedules of Contingencies and Commitments;
- Notes to and forming part of the Financial Statements.

The CrimTrac Agency's Chief Executive is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the CrimTrac Agency's financial position, its financial performance and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of the CrimTrac Agency as at 30 June 2002, and its financial performance and cash flows for the year then ended.

Australian National Audit Office



David Crossley
Executive Director

Delegate of the Auditor-General

Canberra
21 August 2002

**THE CRIMTRAC AGENCY
STATEMENT BY THE CHIEF EXECUTIVE**

In my opinion, the attached financial statements for the year ended 30 June 2002 give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability ACT 1997*.

Signed.....


John D Mobbs
Chief Executive

21 August 2002

THE CRIMTRAC AGENCY
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2002

	Notes	2002 \$'000	2001 \$'000
Revenues from ordinary activities			
Revenues from Government	3A	66	12,618
Sales of goods and services	3B	18,317	14,652
Interest	3C	216	360
Net gains from sales of assets	3D	20	85
Other	3E	11,301	8,341
<i>Total revenues from ordinary activities</i>		<u>29,920</u>	<u>36,056</u>
Expenses from ordinary activities			
Employees	4A	2,504	4,370
Suppliers	4B	11,885	17,302
Depreciation and amortisation	4C	2,101	1,481
Write-down of assets	4D	0	92
<i>Total expenses from ordinary activities</i>		<u>16,490</u>	<u>23,245</u>
Net operating surplus (deficit) from ordinary activities		<u>13,430</u>	<u>12,811</u>
Net surplus (deficit)		<u>13,430</u>	<u>12,811</u>
Net surplus (deficit) attributable to the Commonwealth		<u>13,430</u>	<u>12,811</u>
Net credit (debit) to asset revaluation reserve		1,367	0
Total revenues, expenses and valuation adjustments attributable to the Commonwealth and recognised directly in equity		<u>0</u>	<u>0</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>14,797</u>	<u>12,811</u>

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

THE CRIMTRAC AGENCY
STATEMENT OF FINANCIAL POSITION
as at 30 June 2002

	Notes	2002 \$'000	2001 \$'000
ASSETS			
Financial Assets			
Cash	5A	7,969	8,877
Receivables	5B	4,039	1,599
Investments	5C	1,071	0
Total financial assets		<u>13,079</u>	<u>10,476</u>
Non - Financial Assets			
Land and Buildings	6A,D	537	215
Infrastructure, plant and equipment	6B,D	7,592	4,268
Intangibles	6C,D	9,606	36
Other	6E	235	100
Total non-financial assets		<u>17,970</u>	<u>4,619</u>
Total assets		<u>31,049</u>	<u>15,095</u>
LIABILITIES			
Provisions			
Employees	7A	917	710
Total provisions		<u>917</u>	<u>710</u>
Payables			
Suppliers	8A	3,067	2,255
Other	8B	138	0
Total payables		<u>3,205</u>	<u>2,255</u>
Total liabilities		<u>4,122</u>	<u>2,965</u>
NET ASSETS		<u>26,927</u>	<u>12,130</u>
EQUITY			
Parent entity interest			
Reserves	9A	1,367	0
Retained surpluses or accumulated deficits	9A	25,560	12,130
Total parent entity interest	9A	<u>26,927</u>	<u>12,130</u>
Total equity		<u>26,927</u>	<u>12,130</u>
Current assets		13,314	10,576
Non-current assets		17,735	4,519
Current liabilities		4,041	2,662
Non-current liabilities		81	303

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

THE CRIMTRAC AGENCY
STATEMENT OF CASH FLOWS
for the year ending 30 June 2002

	Notes	2002 \$'000	2001 \$'000
OPERATING ACTIVITIES			
Cash received			
Sales of goods and services			
Government		3,432	2,661
Non-government		12,639	10,392
Appropriations		0	12,554
Interest		160	360
Other income		5	6,822
Total cash received		16,236	32,789
Cash used			
Employees		2,297	3,822
Suppliers		10,690	15,602
GST paid to ATO		971	0
Total cash used		13,958	19,424
Net cash from/ (used by) operating activities	10	2,278	13,365
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of property, plant and equipment		20	85
Proceeds from maturity of term deposits		1,787	0
Total cash received		1,807	85
Cash used			
Purchase of property, plant and equipment		939	4,516
Purchase of term deposits		2,858	0
Purchase of intangibles		1,196	57
Total cash used		4,993	4,573
Net cash from/ (used by) investing activities		(3,186)	(4,488)
Net increase / (decrease) in cash held			
Cash at the beginning of the reporting period		8,877	0
Cash at the end of the reporting period		7,969	8,877

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

THE CRIMTRAC AGENCY
SCHEDULE OF COMMITMENTS
as at 30 June 2002

	Notes	2002 \$'000	2001 \$'000
BY TYPE			
CAPITAL COMMITMENTS			
Infrastructure, plant and equipment ¹		60	2,041
Total capital commitments		<u>60</u>	<u>2,041</u>
OTHER COMMITMENTS			
Operating leases ²		1,570	1,704
Other operating commitments ³		1,535	724
Total other commitments		<u>3,105</u>	<u>2,428</u>
COMMITMENTS RECEIVABLE		<u>0</u>	<u>0</u>
Net commitments		<u><u>3,165</u></u>	<u><u>4,469</u></u>
BY MATURITY			
All net commitments			
One year or less		1,889	2,940
From one year to five years		1,257	1,240
Over five years		19	289
Net commitments		<u><u>3,165</u></u>	<u><u>4,469</u></u>
Operating Lease Commitments			
One year or less		298	316
From one to five years		1,253	1,099
Over five years		19	289
Net commitments		<u><u>1,570</u></u>	<u><u>1,704</u></u>

NB: Commitments are GST inclusive where relevant.

1. Plant and equipment commitments are primarily contracts for purchases of computer equipment for DNA and NAFIS systems.
2. Operating leases included are effectively non-cancellable and comprise:
 - leases for office accommodation
 - Lease payments are subject to increase every 2 years;
 - The initial periods of office accommodation are still current and may be renewed for up to 7 years at the Agency's option.
3. Other operating commitments are primarily agreements for support services.

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

THE CRIMTRAC AGENCY
SCHEDULE OF CONTINGENCIES

as at 30 June 2002

	Notes	2002 \$'000	2001 \$'000
CONTINGENT LOSSES		0	0
CONTINGENT GAINS		0	0
Net contingencies		0	0

As at 30 June 2002 the Agency has no contingent gains or losses and there are no remote or unquantifiable contingencies that require separate disclosure.

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

THE CRIMTRAC AGENCY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2002

Note	Description
1	Summary of Significant Accounting Policies
2	Events Occurring After Balance Date
3	Operating Revenues
4	Operating Expenses
5	Financial Assets
6	Non-Financial Assets
7	Provisions
8	Payables
9	Equity
10	Cash Flow Reconciliation
11	Executive Remuneration
12	Remuneration of Auditors
13	Average Staffing Levels
14	Act of Grace Payments, Waivers and Defective Administration Scheme
15	Financial Instruments
16	Reporting of Outcomes
17	Appropriations

1. Summary of Significant Accounting Policies

1.1 Objectives of the CrimTrac Agency

The objectives of the CrimTrac Agency as set out in the Inter-Government Agreement signed in July 2000 are:

- (a) provision of high quality information services that:
 - (i) meet the need of the Australian policing community;
 - (ii) establish best practice service models in relation to the provision of information to support policing; and
 - (iii) are project-oriented and cost-benefit driven to achieve outcomes;
- (b) support Jurisdictions in the implementation and use of CrimTrac services; and
- (c) provide controlled access to appropriate information by duly accredited third parties.

The CrimTrac Agency has continued to carry out the financial and operational functions assigned to it in the July 2000 Inter-Governmental Agreement. It continues to operate as an Executive Agency within the Commonwealth Attorney-General's portfolio but will also assume Prescribed Agency status on 1 July 2002.

1.2 Basis of Accounting

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- Finance Minister's Orders (being the *Financial Management and Accountability (Financial Statements 2001-2002) Orders*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board;
- Other authoritative pronouncements of the Boards; and
- Consensus Views of the Urgent Issues Group.

The statements have also been prepared having regard to the Explanatory Notes to Schedule 1, and Finance Briefs issued by the Department of Finance and Administration.

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets, which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amount of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an Accounting Standard. Liabilities and assets which are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies.

Revenues and expenses are recognised in the Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

The continued existence of the Agency in its present form, and with its present programs, is dependent on Government policy and the support of state and territory police jurisdictions and accredited agencies.

1.3 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2000-01.

1.4 Revenue

The revenues described in this Note are revenues relating to the core operating activities of the Agency.

(a) Revenues from Government

No appropriations have been drawn down during the financial year.

(b) Resources Received Free of Charge

Services received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

(c) Other Revenue

Revenue from the sale of goods and services is recognised upon the delivery of goods and services to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

Revenue from assets which could not be reliably measured in the prior year are now being recognised at their valued amount as per AAS 29 '*Financial Reporting by Government Department*'. This amount has been taken directly to the Statement of Financial Performance in accordance with AASB 1018 '*Statement of Financial Performance*' and is disclosed in Note 3E.

1.5 Employee Entitlements

(a) Leave

The liability for employee entitlements includes provisions 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 Agency is estimated to be less than the annual entitlement for sick leave.

The liability for annual leave reflects the value of total annual leave entitlements of all employees as at 30 June 2002 and is recognised at the nominal amount.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees as at 30 June 2002. In determining the present value of the liability, the Agency has taken into account attrition rates and pay increases through promotion and inflation.

(b) Superannuation

Staff of the CrimTrac Agency contribute to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. Employer contributions amounting to \$251,855.52 (2001: \$224,655) in relation to these schemes have been expensed in these financial statements.

No liability for superannuation is recognised as at 30 June as the employer contributions fully extinguish the accruing liability, which is assumed by the Commonwealth.

Employer Superannuation Productivity Benefit contributions totalled \$44,232 (2001: \$28,128).

1.6 Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased asset. The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.

Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

1.7 Cash

Cash means notes and coins held, and any deposits held at call with a bank or financial institution.

1.8 Financial Instruments

Accounting policies for financial instruments are stated at note 15.

1.9 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.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of a restructuring administrative arrangements. In the latter case, the assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

1.10 Property (Land, Buildings and Infrastructure), Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Revaluations

Infrastructure, plant and equipment are valued progressively in accordance with the 'deprival' method of valuation in yearly cycles, so that no asset has a value greater than one year old.

Leasehold improvements are revalued progressively on a geographical basis. The current cycle commenced in 2001-02.

Assets in each class acquired after the commencement of a progressive revaluation cycle are not captured by the progressive revaluation then in progress.

In accordance with the deprival methodology, plant and equipment are measured at their depreciated replacement cost. Where assets are held which would not be replaced or are surplus to requirements, measurement is at net realisable value. At 30 June 2002, the CrimTrac Agency had no assets in this situation.

Leasehold improvements, plant and equipment assets are being revalued on an annual basis by type of asset. In 2001-02 leasehold improvements, plant and equipment were revalued by the Australian Valuation Office in accordance with the 'deprival' method of valuation.

All valuations are independent.

Recoverable Amount Test

Schedule 1 requires the application of the recoverable amount test to agency non-current assets in accordance with AAS 10 *Recoverable Amount of Non-Current Assets*. The carrying amounts of these non-current assets have been reviewed to determine whether they are in excess of their recoverable amounts. In assessing recoverable amounts, the relevant cash flows have been discounted to their present value.

Depreciation and Amortisation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Agency using, in all cases, the straight line method of depreciation. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation/amortisation rates (useful lives) and methods are reviewed at each balance date and necessary adjustments are recognised in the current, or future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

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

	<u>2001-2002</u>	<u>2000-2001</u>
Leasehold improvements	Lease term	Lease term
Plant and equipment	3-10 years	3-10 years

The aggregate amount of depreciation and amortisation allocated for each class of asset during the reporting period is disclosed in Note 4C.

1.11 Intangibles

The Agency's intangibles comprise internally-developed software. The asset is carried at cost.

The carrying amount of each non-current intangible asset is reviewed to determine whether it is in excess of the asset's recoverable amount. If an excess exists as at the reporting date, the asset is written down to its recoverable amount immediately. In assessing recoverable amounts, the relevant cash flows, including the expected cash inflows from future appropriations by the Parliament and funding from State and Territory police jurisdictions and accredited agencies, have been discounted to their present value.

No write-down to recoverable amount has been made in 2001-02.

Intangible assets are amortised on a straight-line basis over their anticipated useful lives.

Useful lives:

	<u>2001-2002</u>	<u>2000-2001</u>
Internally developed software	10 years	10 years

1.12 Taxation

The Agency is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax.

1.13 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of transaction. Foreign currency receivables and payables are translated into Australian currency at the exchange rates current as at balance date. Associated currency gains and losses are not material.

1.14 Insurance

The Agency has insured for risk through the Government's insurable risk managed fund, called 'Comcover'. Workers compensation is insured through Comcare Australia.

1.15 Comparative Figures

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

1.16 Rounding

Amounts have been rounded to the nearest \$1,000 except in relation to the following:

- act of grace payments and waivers;
- remuneration of executives;
- remuneration of auditors; and
- appropriation note disclosures.

2 Events Occurring After Balance Date

There are no significant events occurring after balance date, which warrant disclosure, or have to be brought to account in the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2002 \$'000	2001 \$'000
Note 3 - Operating Revenues		
<u>Note 3A - Revenues from Government</u>		
Appropriations for outputs	0	12,554
Resources received free of charge	66	64
Total	<u>66</u>	<u>12,618</u>
<u>Note 3B - Sales of Goods and Services</u>		
Services	18,317	14,652
Total	<u>18,317</u>	<u>14,652</u>
Goods and services were sold as follows:		
Government	3,753	3,814
Non-Government	14,564	10,838
Total	<u>18,317</u>	<u>14,652</u>
<u>Note 3C - Interest</u>		
Interest on deposits	216	360
	<u>216</u>	<u>360</u>
<u>Note 3D - Net gains from Sales of Assets</u>		
Infrastructure, plant and equipment:		
Proceeds from sale	20	85
Net book value at sale	0	(92)
Net gain	<u>20</u>	<u>(7)</u>
Total net gains from sales of assets	20	85
Less: plant and equipment written off on disposal (Note 4D)	0	(92)
Net gain on disposal of property, plant and equipment	<u>20</u>	<u>(7)</u>
<u>Note 3E- Other Revenue</u>		
NEPI	0	8,330
Other	11,301	11
Total	<u>11,301</u>	<u>8,341</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2002	2001
\$'000	\$'000

Note 4 - Operating Expenses

Note 4A - Employee Expenses

Remuneration (for services provided)	2,395	3,525
Separation and redundancy	0	620
Total remuneration	<u>2,395</u>	<u>4,145</u>
Other employee expenses	109	225
Total	<u><u>2,504</u></u>	<u><u>4,370</u></u>

Note 4B - Supplier Expenses

Supply of goods and services	11,600	16,902
Operating lease rentals ¹	285	400
Total	<u><u>11,885</u></u>	<u><u>17,302</u></u>

¹These comprise minimum lease payments only.

Note 4C - Depreciation and Amortisation

Depreciation of property, plant and equipment	2,101	1,481
Total	<u><u>2,101</u></u>	<u><u>1,481</u></u>

The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable asset are as follows:

Leasehold Improvements	60	22
Plant and equipment	1,037	1,438
Intangibles	1,004	21
Total	<u><u>2,101</u></u>	<u><u>1,481</u></u>

No depreciation or amortisation was allocated to the carrying amounts of other assets.

Note 4D - Write Down of Assets

Plant & Equipment - write off on disposal	0	92
Total	<u><u>0</u></u>	<u><u>92</u></u>

Note 5 - Financial Assets

Note 5A- Cash

Cash at bank and on hand	7,969	8,877
	<u><u>7,969</u></u>	<u><u>8,877</u></u>

All cash recognised is a current asset.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2002 \$'000	2001 \$'000
<u>Note 5B - Receivables</u>		
Goods and services	3,777	1,537
Less: Provision for doubtful debts	0	0
	<u>3,777</u>	<u>1,537</u>
GST receivable	206	62
Other (interest)	56	0
	<u>4,039</u>	<u>1,599</u>

All receivables are current assets.

Receivables (gross) are aged as follows:

Not Overdue	<u>1,965</u>	<u>1,585</u>
Overdue by:		
Less than 30 days	28	6
30 to 60 days	155	0
60 to 90 days	0	0
More than 90 days	1,891	8
	<u>2,074</u>	<u>14</u>
Total receivables (gross)	<u>4,039</u>	<u>1,599</u>

Note 5C-Investments

Term Deposits (current)	1,071	0
	<u>1,071</u>	<u>0</u>

Note 6 - Non-financial assets

Note 6A - Land and Buildings

Leasehold Improvements - at valuation	597	0
Accumulated depreciation	(60)	0
	<u>537</u>	<u>0</u>

Note 6B - Infrastructure, Plant and Equipment

Plant & equipment - at cost	939	2,400
Accumulated depreciation	(68)	(1,444)
	<u>871</u>	<u>956</u>

Plant & equipment - work in progress	0	3,527
	<u>0</u>	<u>3,527</u>

Plant & equipment - at valuation	7,690	0
Accumulated depreciation	(969)	0
	<u>6,721</u>	<u>0</u>

Total Infrastructure, Plant and Equipment (non-current)	<u>7,592</u>	<u>4,483</u>
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Note 6C - Intangibles

Purchased software - at cost	9,983	57
Accumulated amortisation	(1,025)	(21)
Total Purchased software	<u>8,958</u>	<u>36</u>
Computer Software:		
Internally developed - in progress (non-current)	648	0
Total Intangibles (non-current)	<u>9,606</u>	<u>36</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 6D - Analysis of Property, Plant, Equipment and Intangibles

TABLE A - Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

Item	Total Land	Buildings - Leasehold Improvements	Total Land & Buildings	Total Plant & Equipment	Computer software - Total Intangibles	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross value as at 1 July 2001	0	238	238	5,690	57	5,985
Additions: purchases of assets	0	0	0	939	1,196	2,135
Assets previously unrecognised	0	281	281	2,157	9,378	11,816
Revaluations: write-ups/(write-downs)	0	78	78	958	0	1,036
Other: prior year adjustments	0	0	0	(1,114)	0	(1,114)
Write-offs	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Gross value as at 30 June 2002	0	597	597	8,630	10,631	19,858
Accumulated Depreciation/Amortisation as at 1 July 2001	0	22	22	1,422	21	1,465
Depreciation/amortisation charge for assets held 1 July 2001	0	33	33	357	23	413
Depreciation /amortisation charge for additions for the year	0	0	0	68	43	111
Assets previously unrecognised	0	27	27	614	938	1,579
Revaluations: write-ups/(write-downs)	0	(22)	(22)	(309)	0	(331)
Assets transferred in/(out)	0	0	0	0	0	0
Other: prior year adjustments	0	0	0	(1,114)	0	(1,114)
Disposals	0	0	0	0	0	0
Accumulated Depreciation/Amortisation as at 30 June 2002		60	60	1,038	1,025	2,123
Net book value as at 30 June 2002		537	537	7,592	9,606	17,735
Net book value as at 1 July 2001	0	216	216	4,268	36	4,520

TABLE B - Assets at valuation

Item	Total Land	Buildings - Leasehold Improvements	Total Land & Buildings	Total Plant & Equipment	Computer software - Total Intangibles	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2002						
Gross value	0	597	597	7,690	0	8,287
Accumulated depreciation/amortisation	0	60	60	969	0	1,029
Net book Value	0	537	537	6,721	0	7,258
As at 30 June 2001						
Gross value	0	0	0	0	0	0
Accumulated depreciation/amortisation	0	0	0	0	0	0
Net book Value	0	0	0	0	0	0

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

TABLE C - Assets under construction

Item	Total Land	Buildings - Leasehold Improvements	Total Land & Buildings	Total Plant & Equipment	Computer software - Total Intangibles	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2002						
Gross value*	0	0	0	0	648	648
Accumulated depreciation/amortisation	0	0	0	0	0	0
Net Book Value	0	0	0	0	648	648
As at 30 June 2001						
Gross value**	0	0	0	3,526	0	3,526
Accumulated depreciation/amortisation	0	0	0	0	0	0
Net Book Value	0	0	0	3,526	0	3,526

* Assets for the development of new DNA, EAMS, Messaging and LIMS systems..

** Assets for the development of new National Automated Fingerprint Identification System (NAFIS).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2002	2001
	\$'000	\$'000
<u>Note 6E - Other Non-Financial Assets</u>		
Prepayments	<u>235</u>	<u>100</u>
	<u><u>235</u></u>	<u><u>100</u></u>

All other non-financial assets are current assets

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2002	2001
	\$'000	\$'000
Note 7 - Provision		
<u>Note 7A - Employees Provisions</u>		
Salaries & Wages	245	156
Leave	663	548
Superannuation	9	6
Aggregate employee entitlement liability	<u>917</u>	<u>710</u>
Total	<u><u>917</u></u>	<u><u>710</u></u>
Current	836	407
Non-current	81	303
Note 8 - Payables		
<u>Note 8A - Supplier Payables</u>		
Trade creditors	<u>3,067</u>	2,255
	<u><u>3,067</u></u>	<u><u>2,255</u></u>
Supplier payables are represented by:		
Current	3,067	2,255
Non-current	<u>0</u>	<u>0</u>
	<u><u>3,067</u></u>	<u><u>2,255</u></u>
<u>Note 8B- Other Payables</u>		
Prepayments received	<u>138</u>	0
	<u><u>138</u></u>	<u><u>0</u></u>
All other payables are current liabilities		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 9: Equity

Note 9A - Analysis of Equity

Item	Accumulated results		Asset revaluation reserve		Total reserves		Contributed Equity		TOTAL EQUITY	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Opening balance as at 1 July	12,130	0	0	0	0	0	0	0	12,130	0
Net result and extraordinary items	13,430	12,811	0	0	0	0	0	0	13,430	12,811
Restructuring transfer *	0	-681	0	0	0	0	0	0	0	-681
Net revaluation increment/(decrement)	0	0	1,367	0	1,367	0	0	0	1,367	0
Closing balance as at 30 June	25,560	12,130	1,367	0	1,367	0	0	0	26,927	12,130
Less: outside equity interests	0	0	0	0	0	0	0	0	0	0
Total equity attributable to the Commonwealth	25,560	12,130	1,367	0	1,367	0	0	0	26,927	12,130

*Net liabilities transferred from Attorney General's Department on 1 July 2000 (refer note 1.1)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2002
\$'000

2001
\$'000

Note 10 - Cash Flow Reconciliation

Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows

. Cash at year end per Statement of Cash Flows	7,969	8,877
. Statement of Financial Position items comprising above cash:		
'Financial Assets-Cash'	7,969	8,877

Reconciliation of net surplus to net cash from operating activities:

Net surplus (deficit)	13,430	12,811
Depreciation/Amortisation	2,101	1,481
Recognition of Assets	(11,815)	0
Write down of non-current assets	0	7
(Increase)/decrease in net receivables	(2,440)	(1,599)
(Increase)/decrease in other assets	(135)	(100)
Increase/(decrease) in employee provisions	207	710
Increase/(decrease) in supplier payables	812	2,255
Increase/(decrease) in other liabilities	138	0
Gain on disposal of asset	(20)	0
Liabilities transferred from Attorney General's Department (refer note 1.1)	0	(696)
Assets transferred from NEPI	0	(1,504)
Net cash from/(used by) operating activities	<u>2,278</u>	<u>13,365</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2002 2001

Note 11 - Executive Remuneration

The number of executives who received or were due to receive total remuneration of \$100,00 or more:

\$150,001 to \$160,000	1	0
\$170,001 to \$180,000	1	0

The aggregate amount of total remuneration of executives shown above

\$331,010	0
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Note 12 - Remuneration of Auditors

2002 2001
\$ \$

Financial statement audit services are provided free of charge to the Agency. The fair value of audit services provided was:

<u>66,300</u>	<u>64,000</u>
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No other services were provided by the Auditor-General.

Note 13 - Average Staffing Levels

The average staffing levels for the business operation and the Agency during the year were:

32.78	20.85
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Note 14 - Act of Grace Payments, Waivers and Defective Administration Scheme

No Act of Grace payments were made during the reporting period

No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997*

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 15: Financial Instruments

Note 15A - Terms, Conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows)
<i>Financial Assets</i>		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	5A	Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.	The agency's official account is held with the Reserve Bank of Australia; interest rates have been calculated at 2% for the year. Interest is paid quarterly.
Receivables for goods & services	5B	These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely.	Credit terms are net 30 days (2001: 30 days)
<i>Term Deposits</i>	5C	Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.	The Agency invests surplus funds with the Reserve Bank of Australia in a series of term deposits. Rates have averaged 4.33 % for the year. Interest is paid on maturity.
<i>Financial Liabilities</i>		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of liabilities can be reliably measured.	
Trade creditors	8A	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	All creditors are entities that are not part of the Commonwealth legal entity. Settlement is usually made net 30 days.

Note 15B – Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate		
		2002 \$'000	2001 \$'000	1 year or less		1 to 5 years		> 5 years		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 %	2001 %	
				2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000							
Financial Assets																
Cash at bank	5A	7,969	8,877	0	0	0	0	0	0	0	0	0	7,969	8,877	2%	2%
Receivables for goods and services	5B	0	0	0	0	0	0	0	0	4,039	1,599	4,039	1,599	n/a	n/a	n/a
Less: provision for doubtful debts	5B	0	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a
Term deposits	5C	0	0	1,071	0	0	0	0	0	0	0	0	1,071	0	4.55%	0
Total		7,969	8,877	1,071	0	0	0	0	0	4,039	1,599	13,079	10,476			
Total Assets												31,049	15,095			
Financial Liabilities																
Trade creditors	8A	0	0	0	0	0	0	0	0	3,067	2,255	3,067	2,255	n/a	n/a	n/a
Total		0	0	0	0	0	0	0	0	3,067	2,255	3,067	2,255			
Total Liabilities												4,122	2,965			

Note 15C - Net Fair Values of Financial Assets and Liabilities

		Total Carrying Amount	Aggregate Net Fair Value	Total Carrying Amount	Aggregate Net Fair Value
DEPARTMENTAL	Note	2002 \$'000	2002 \$'000	2001 \$'000	2001 \$'000
Financial Assets					
Cash at bank	5A	7,969	7,969	8,877	8,877
Receivables for goods and services (net)	5B	4,039	4,039	1,599	1,599
Term deposits	5C	1,071	1,071		
Total Financial Assets		13,079	13,079	10,476	10,476
Financial Liabilities (Recognised)					
Trade creditors	8A	3,249	3,249	2,255	2,255
Total Financial Liabilities (Recognised)		3,249	3,249	2,255	2,255
Financial Liabilities (Unrecognised)	n/a	0	0	0	0

Financial assets

The net fair values of cash and non-interest-bearing monetary financial assets approximate their carrying amounts.

Financial liabilities

The net fair values of trade creditors are approximated by their carrying amounts.

Note 15D - Credit Risk Exposures

The Agency's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Performance.

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

All figures of credit risk referred to do not take into account the value of any collateral or other security.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 16 - Reporting of Outcomes

The Agency has only one outcome, accordingly the output is reflected in the Statement of Financial Performance.

Note 17 - Appropriations

In 1998 the Commonwealth committed \$50M over 3 years to establish a national crime information system. During the 2000-2001 financial year the Agency received \$12,554,000 in output appropriations (refer note 3A).

During the 2001-2002 financial year the Agency did not receive any output appropriations (refer note 3A).

