FINANCIAL INFORMATION | PART 6

FINANCIAL OVERVIEW

In 2013-14 CrimTrac recorded an operating surplus of $3.162 million compared to a deficit for 2012-13 of $0.804 million (excludes asset revaluation surplus).

Total revenue for 2013-14 was $67.754 million compared with $63.470 million for 2012-13. Revenue from the National Police Checking Service (NPCS) increased from $60.494 million in 2012-13 to $65.180 million in 2013-14; an increase of $4.686 million. The increase in NPCS revenue was due to growth in the volume of chargeable criminal history checks conducted by CrimTrac, from 3.16 million in 2012-13 to 3.55 million in 2013-14 (+12%).

Total expenses for 2013-14 were $64.592 million; an increase of $0.318 million from the 2012–13 expenses total of $64.274 million. Employee expenses increased from $24.648 million in 2012-13 to $24.830 million in 2013-14. The average staffing level increased from 213 in 2012-13 to 223 in 2013-14. Capitalised employee costs increased from $1.847 million in 2012-13 to $2.210 million in 2013-14. Supplier expenses decreased by $0.485 million from $29.493 million in 2012-13 to $29.008 million in 2013-14.

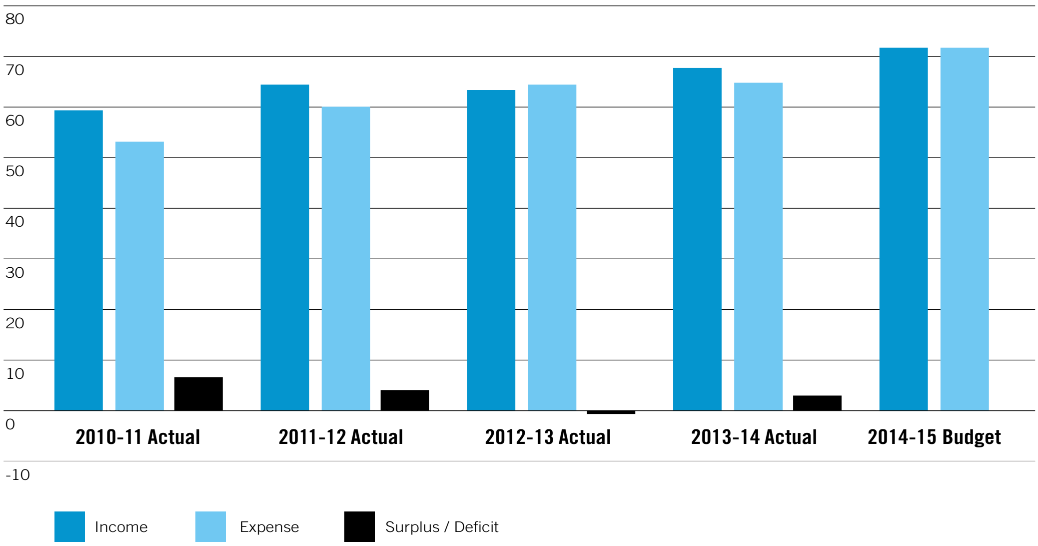
Project activity amounted to $12.830 million dollars in 2013-14, compared to $12.301 million for 2012-13. Project expenditure on system development is capitalised where the work will provide future economic benefits or expensed where the expenditure is not eligible for capitalisation under the Australian Accounting Standards. Major project activity during 2013-14 included the Data Archiving and Storage Capability Project, the Australian Ballistics Information Network Implementation, the Australian Cybercrime Online Reporting Network and the National Automated Fingerprint Identification System upgrade.

At 30 June 2014 CrimTrac total assets were $154.376 million, which is an increase of $3.795 million from the 30 June 2013 total assets of $150.581 million. Asset increases included a $0.876 million increase to prepayments, which is largely attributable to maintenance and support prepayments. At 30 June 2014, total liabilities were $13.754 million, an increase of $0.316 million from the 30 June 2013 total liabilities of $13.438 million. The Agency's net asset (assets minus liabilities) position of $140.622 million increased from the 30 June 2013 net assets balance of $137.143 million.

Agency commitments increased from $37.906 million at 30 June 2013 to $41.993 million at 30 June 2014. Significant commitments at 30 June 2014 include $11.303 million for the NAFIS support contract, $8.512 million for the remaining four year lease for office accommodation, $8.044 million for a data centre lease and $4.861 million to implement and support the Australian Ballistics Information Network.

Figure 6.1 below reflects CrimTrac's total income, expenses and surplus or deficit over the past four years, and the budget for the 2014-15 financial year.

Figure 6.1: CrimTrac Financial Summary 2010-11 to 2014-15 ($million)



Revenue derived from the National Police Checking Service has increased in line with increased volumes which have grown from 2.90 million chargeable checks in 2010-11 to 3.55 million checks in 2013-14. Total income for 2012-13 reduced due to the loss of the interest equivalency appropriation. Expenses have increased steadily over the four year period due to increased expenditure on maintenance and support of existing systems, expenditure to ensure the availability of systems and increased payments to police agencies for referral and final vetting work undertaken as part of NPCS checks.

Outcome performance

CrimTrac has one outcome which is 'access to information that supports law enforcement agencies through collaborative national information systems and services'. The outcome is delivered by the Agency's 'national law enforcement information systems and services' program.

The following tables report actual appropriation, payments, budgets and actual expenses against the outcome.

Table 6.1: Agency resource statement 2013–14

	Actual Available Appropriations for 2013–14 $'000	Payments Made 2013–14 $'000	Balance Remaining $'000
SPECIAL ACCOUNTS			
Opening balance	111,980		
Appropriation receipts	–		
Non-appropriation receipts to special accounts	75,081		
Payments made		70,670	
Closing Balance			116,391
Total resourcing and payments	**187,061**	**70,670**	

Note: All revenue is attributed to the special account.

The closing balance of the CrimTrac Special Account is $116.391m. As a non appropriated agency, these funds are available for future delivery of agency outcomes.

Table 6.2: Expenditure and Staffing by Outcome

Outcome 1 – Access to information that supports law enforcement agencies through collaborative national information systems and services.	Budget 2013–14 $'000	Actual Expenses 2013–14 $'000	Variation $'000
OUTCOME 1			
Departmental expenses - Special accounts			
Total for Outcome 1	67,025	64,592	2,433
Outcome 1 totals by appropriation type	**67,025**	**64,592**	**2,433**
Departmental expenses - Special accounts	67,025	64,592	2,433
Total expenses for Outcome 1	**67,025**	**64,592**	**2,433**

	Actual 2012–13	Actual 2013–14
Average staffing level (number)	213	223

The following tables report actual appropriation, payments, budgets and actual expenses against the outcome.

FINANCIAL STATEMENTS

Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Justice

I have audited the accompanying financial statements of the CrimTrac Agency for the year ended 30 June 2014, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive of the CrimTrac Agency is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the CrimTrac Agency's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CrimTrac Agency's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive of the CrimTrac Agency, as well as evaluating the overall presentation of the financial statements.

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

Independence

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

Opinion

In my opinion, the financial statements of the CrimTrac Agency:

(a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability 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 CrimTrac Agency's financial position as at 30 June 2014 and its financial performance and cash flows for the year then ended.

Australian National Audit Office

Sean Benfield
Senior Director

Delegate of the Auditor-General

Canberra
25 September 2014

STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2014 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 *Financial Management and Accountability Act 1997*, as amended.

Signed	Signed
Doug Smith APM	**Yvette Whittaker**
Chief Executive Officer	Chief Financial Officer
25 September 2014	25 September 2014

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2014

	Notes	**2014** **$'000**	2013 $'000
NET COST OF SERVICES			
Expenses			
Employee benefits	3A	**24,830**	24,648
Supplier expenses	3B	**29,008**	29,493
Depreciation and amortisation	3C	**10,512**	10,117
Write-down of assets	3D	**242**	16
Total expenses		**64,592**	64,274
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	4A	**67,674**	63,400
Other revenue	4B	**80**	70
Total own-source revenue		**67,754**	63,470
Total own-source income		**67,754**	63,470
Net cost of / (contribution by) services		**(3,162)**	804
Surplus (Deficit)		**3,162**	(804)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		**317**	1,510
Total comprehensive income		**3,479**	706

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

STATEMENT OF FINANCIAL POSITION

as at 30 June 2014

	Notes	2014 $'000	2013 $'000
ASSETS			
Financial assets			
Cash and cash equivalents	6A	**1,740**	1,887
Trade and other receivables	6B	**124,019**	120,028
Total financial assets		**125,759**	121,915
Non-financial assets			
Land and buildings	7A,C	**3,162**	3,898
Property, plant and equipment	7B,C	**6,779**	6,176
Intangibles	7D,E	**15,544**	16,336
Other non-financial assets	7F	**3,132**	2,256
Total non-financial assets		**28,617**	28,666
Total assets		**154,376**	150,581
LIABILITIES			
Payables			
Suppliers	8A	**5,638**	4,733
Other payables	8B	**1,115**	1,865
Total payables		**6,753**	6,598
Provisions			
Employee provisions	9A	**7,001**	6,840
Total provisions		**7,001**	6,840
Total liabilities		**13,754**	13,438
Net assets		**140,622**	137,143
EQUITY			
Reserves		**3,777**	3,460
Retained earnings		**136,845**	133,683
Total equity		**140,622**	137,143

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

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2014

	Retained earnings		Asset revaluation surplus		Administered transfers		Total equity	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Opening balance								
Balance carried forward from previous period	**133,683**	143,781	**3,460**	1,950	**-**	(9,294)	**137,143**	136,437
Adjusted opening balance	**133,683**	143,781	**3,460**	1,950	**-**	(9,294)	**137,143**	136,437
Comprehensive income								
Other comprehensive income	**-**	-	**317**	1,510	**-**	-	**317**	1,510
Surplus (Deficit) for the period	**3,162**	(804)	**-**	-	**-**	-	**3,162**	(804)
Total comprehensive income	**3,162**	(804)	**317**	1,510	**-**	-	**3,479**	706
Transfers between equity components	**-**	(9,294)	**-**	-	**-**	9,294	**-**	-
Closing balance	**136,845**	133,683	**3,777**	3,460	**-**	-	**140,622**	137,143

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

CASH FLOW STATEMENT

for the period ended 30 June 2014

	Notes	2014 $'000	2013 $'000
OPERATING ACTIVITIES			
Cash received			
Sale of goods and rendering of services		**75,080**	69,380
Total cash received		**75,080**	69,380
Cash used			
Employees		**25,091**	22,673
Suppliers		**32,071**	34,831
Net GST paid		**3,545**	2,704
Total cash used		**60,707**	60,208
Net cash from operating activities	10	**14,373**	9,172
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		**1**	-
Total cash received		**1**	-
Cash used			
Purchase of property, plant and equipment		**4,113**	3,772
Purchase of intangibles		**5,850**	4,182
Total cash used		**9,963**	7,954
Net cash used by investing activities		**(9,962)**	(7,954)
FINANCING ACTIVITIES			
Cash used			
Net transfers to the Official Public Account		**4,558**	726
Total cash used		**4,558**	726
Net cash used by financing activities		**(4,558)**	(726)
Net increase (decrease) in cash held		**(147)**	492
Cash and cash equivalents at the beginning of the reporting period		**1,887**	1,395
Cash and cash equivalents at the end of the reporting period	6A	**1,740**	1,887

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

SCHEDULE OF COMMITMENTS

as at 30 June 2014

	2014 $'000	2013 $'000
BY TYPE		
Commitments receivable		
Net GST recoverable on commitments	**4,515**	3,670
Project payments receivable	**3,350**	-
Total commitments receivable	**7,865**	3,670
Commitments payable		
Capital commitments		
Property, plant and equipment	**3,451**	-
Intangibles[1]	**1,194**	2,105
Total capital commitments	**4,645**	2,105
Other commitments		
Operating leases[2]	**20,244**	20,862
Other[3]	**24,969**	18,609
Total other commitments	**45,213**	39,471
Total commitments payable	**49,858**	41,576
Net commitments by type	**41,993**	37,906
BY MATURITY		
Commitments receivable		
One year or less	**4,712**	1,427
From one to five years	**2,749**	1,816
Over five years	**404**	427
Total commitments receivable	**7,865**	3,670
Commitments payable		
Capital commitments		
One year or less	**4,645**	1,489
From one to five years	**–**	616
Total capital commitments	**4,645**	2,105

SCHEDULE OF COMMITMENTS (Continued)

as at 30 June 2014

	2014 $'000	2013 $'000
Operating lease commitments		
One year or less	**4,027**	3,696
From one to five years	**11,771**	12,466
Over five years	**4,446**	4,700
Total operating lease commitments	**20,244**	20,862
Other commitments		
One year or less	**9,874**	11,581
From one to five years	**15,095**	7,028
Total other commitments	**24,969**	18,609
Total commitments payable	**49,858**	41,576
Net commitments by maturity	**41,993**	37,906

Note: Commitments are GST inclusive where relevant.

1. The intangibles commitment is project expenditure that will be capitalised.
2. Operating leases are effectively non-cancellable and comprise leases for office accommodation and data centre facilities.

   Nature of lease/general description of leasing arrangement

   Lease for office accommodation

   CrimTrac exercised an option to enter a new lease for eight years in 2010. The lease may be extended for a further five years at CrimTrac's option, following a one-off rental adjustment to market levels. Lease payments are subject to annual fixed increases.

   Lease for data centre facilities

   The primary data centre lease was for an initial term of two years. CrimTrac may extend for four further terms of two years.

   The secondary data centre lease is for ten years. Lease payments will increase by the lease price index from 1 January 2016.
3. Other commitments are primarily information technology support arrangements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Objectives of CrimTrac

CrimTrac is an Australian Government controlled entity. It is a not-for-profit entity.

CrimTrac's objectives as set out in the Inter-Governmental Agreement signed in July 2000 are:

a) the provision of high quality information services that:

i) meet the needs 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 for the jurisdictions in the implementation and use of CrimTrac services; and

c) providing controlled access to appropriate information by duly accredited third parties.

CrimTrac 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 established under the Public Service Act 1999 as part of the Australian Government Attorney-General's portfolio.

CrimTrac is structured to meet one outcome:

Outcome 1: Access to information that supports law enforcement agencies through collaborative national information systems and services.

Program 1.1: National law enforcement information systems and services.

CrimTrac's activities contributing toward this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by CrimTrac in its own right. Administered activities involve the management or oversight by CrimTrac, on behalf of the Government, of items controlled or incurred by the Government.

The continued existence of CrimTrac in its present form and with its present program is dependent on Government policy.

1.2 Basis of Preparation of the Financial Statements

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

The Financial Statements have been prepared in accordance with:

- Finance Minister's Orders (or FMO) for reporting periods ending on or after 1 July 2013; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unless an alternative treatment is specifically required by an accounting standard or the FMO, 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 or a future sacrifice of economic benefits will be required 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. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

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

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth [2014] HCA 23*, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the entity has made the following judgements that have had a significant impact on the amounts recorded in the financial statements:

- the fair value of leasehold improvements, property, plant and equipment and purchased computer software has been based on the depreciated replacement cost or market value as determined by an independent valuer
- leave provisions involve assumptions based on expected tenure of staff, patterns of leave claims and payouts, future salary movements and discount rates.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. AASB13 Fair Value Measurement was applied in 2013-14, resulting in additional asset disclosures. There were no other new standards, revised standards, interpretations or amending standards issued prior to the signing of the statement by the Chief Executive and Chief Financial Officer that were applicable to the current reporting period and had a financial impact on CrimTrac.

Future Australian Accounting Standard Requirements

AASB 1055 Budgetary Reporting will be applied in 2014-15. AASB 1055 will require disclosure of the annual budgets provided to parliament and explanation of major variances. There are no other new standards, revised standards, interpretations or amending standards issued prior to the signing of the statement by the Chief Executive and Chief Financial Officer and applicable to the future reporting period that are expected to have a future financial impact on CrimTrac.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.5 Revenue

Resources Received Free of Charge

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

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

Other Types of Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the agency retains no managerial involvement or 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 impairment allowance account. Collectability of debts was reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

1.6 Gains

Resources Received Free of Charge

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

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements.

Sale of Assets

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

1.7 Employee Benefits

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the agency is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the agency'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 was calculated using the shorthand method provided by the Australian Government actuary. 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. CrimTrac recognises a provision for termination when it has developed a detailed formal plan for the termination and has informed the employee affected that it will carry out the termination.

Superannuation

Staff of CrimTrac are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

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

1.8 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

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

1.9 Borrowing Costs

All borrowing costs are expensed as incurred.

1.10 Cash

Cash and cash equivalents includes cash on hand, cash held with outsiders, demand deposits in bank accounts with an original maturity of 3 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.

1.11 Financial Assets

CrimTrac classifies its financial assets as loans and receivables.

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

Financial assets are recognised and derecognised upon trade date.

Effective Interest Method

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

Income is recognised on an effective interest rate basis except for financial assets that are recognised 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'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of Financial Assets

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

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for loans and receivables held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

Financial assets held at cost - If there is objective evidence that an impairment loss has been incurred the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Financial Liabilities

Financial liabilities are classified as other financial liabilities.

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

Other Financial Liabilities

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

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

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

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.13 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.

1.14 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 agency's accounts immediately prior to the restructuring.

1.15 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 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. CrimTrac does not have any 'make good' provisions at 30 June 2014 (2013: Nil).

Revaluations

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

Asset class	Fair value measured at:
Leasehold improvements	Depreciated replacement cost
Plant & equipment	Market selling price

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Depreciation

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

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 each class of depreciable asset are based on the following useful lives:

	2014	2013
Leasehold improvements	Effective lease term	Effective lease term
Plant and Equipment	3 to 10 years	3 to 10 years

Impairment

All assets were assessed for impairment at 30 June 2014. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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 CrimTrac were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

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

1.16 Intangibles

CrimTrac's intangibles comprise purchased and internally developed software. Internally developed software assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Externally purchased software assets 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of CrimTrac's software is from 3 to 10 years (2013: 3 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2014.

1.17 Taxation

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

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

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

1.18 Reporting of Administered Activities

Administered Cash Transfers to and from the Official Public Account

From 2006 to 2010 CrimTrac funded the administered payments to State and Territory police jurisdictions for the development of the provision of data to the National Police Reference System, thereby drawing funds from the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. The administered payments transferred from CrimTrac during this period are shown on the Statement of Changes in Equity. The administered payments balance was transferred to retained earnings at 30 June 2013.

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

No significant events occurred after reporting date, which warrant disclosure, or are required to be brought to account in the financial statements.

NOTE 3: EXPENSES

	2014 $'000	2013 $'000
Note 3A: Employee Benefits		
Wages and salaries	**18,066**	17,501
Superannuation		
Defined contribution plans	**1,939**	1,739
Defined benefit plans	**2,212**	1,835
Leave and other entitlements	**2,295**	2,865
Separation and redundancies	**318**	708
Total employee benefits	**24,830**	24,648
Note 3B: Suppliers		
Goods and services supplied or rendered		
Information technology[1]	**14,268**	14,558
Jurisdiction fees	**5,631**	5,114
Contractors	**1,585**	1,849
Training and development	**557**	525
Travel and accommodation	**472**	507
Consultants	**392**	887
Physical security	**390**	353
Legal fees	**354**	292
General office expenses	**353**	450
Internal audit consultants	**288**	412
Marketing and communication	**72**	165
Other goods and services	**730**	697
Total goods and services supplied or rendered	**25,092**	25,809
Goods supplied in connection with		
Related entities	**-**	-
External parties	**536**	504
Total goods supplied	**536**	504

NOTE 3: EXPENSES (CONTINUED)

	2014 $'000	2013 $'000
Services rendered in connection with		
Related entities	**4,863**	5,726
External parties	**19,693**	19,579
Total services rendered	**24,556**	25,305
Total goods and services supplied or rendered	**25,092**	25,809
Other suppliers		
Operating lease rentals in connection with		
External parties		
Minimum lease payments[1]	**3,590**	3,480
Workers compensation expenses	**326**	204
Total other suppliers	**3,916**	3,684
Total suppliers	**29,008**	29,493

Note 3C: Depreciation and Amortisation

Depreciation		
Property, plant and equipment	**3,137**	2,556
Buildings - leasehold improvements	**736**	730
Total depreciation	**3,873**	3,286
Amortisation		
Intangibles	**6,639**	6,831
Total amortisation	**6,639**	6,831
Total depreciation and amortisation	**10,512**	10,117

Note 3D: Write-Down and Impairment of Assets

Asset write-downs and impairments from		
Write-down of property, plant and equipment	**242**	16
Write-down of intangible assets	**-**	-
Total write-down of assets	**242**	16

1. Data centre lease expenses were reclassified from information technology supplier expenses to lease payments in 2013-14. The 2012-13 comparative figure has been adjusted to reflect the reclassification.

NOTE 4: OWN-SOURCE INCOME

Own-Source Revenue	2014 $'000	2013 $'000
Note 4A: Sale of Goods and Rendering of Services		
Sale of goods in connection with		
Related entities	**-**	128
External parties	**1**	-
Total sale of goods	**1**	128
Rendering of services in connection with		
Related entities	**20,455**	19,315
External parties	**47,218**	43,957
Total rendering of services	**67,673**	63,272
Total sale of goods and rendering of services	**67,674**	63,400
Note 4B: Other Revenue		
Resources received free of charge	**80**	70
Total other revenue	**80**	70

NOTE 5: FAIR VALUE MEASUREMENTS

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Note 5A: Fair Value Measurements

Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities in 2014

	Fair value measurements at the end of the reporting period using			
	Fair value $'000	Level 1 inputs $'000	Level 2 inputs $'000	Level 3 inputs $'000
Non-financial assets				
Leasehold improvements	4,621	-	-	4,621
Furniture and equipment	715	-	-	715
Computer equipment	6,734	-	4,843	1,891
Purchased software	3,781	-	-	3,781
Total non-financial assets	15,851	-	4,843	11,008
Total fair value measurements of assets in the statement of financial position	15,851	-	4,843	11,008

Fair value measurements - highest and best use differs from current use for non-financial assets (NFAs)

The highest and best use of all non-financial assets are the same as their current use.

NOTE 5: FAIR VALUE MEASUREMENTS (CONTINUED)

Note 5B: Valuation Technique and Inputs for Level 2 and Level 3 Fair Value Measurements

Level 2 and 3 fair value measurements – valuation technique and the inputs used for assets and liabilities in 2014

	Category (Level 2 or Level 3)	Fair value $'000	Valuation technique(s)[1]	Inputs used[2]	Range[3]
Non-financial assets					
Leasehold improvements	Level 3	4,621	Depreciated replacement cost	Price per square metre Expected useful life	N/A
Furniture and equipment	Level 3	715	Depreciated replacement cost	Estimated replacement cost Expected useful life	N/A
Computer equipment	Level 2	4,843	Market comparables	Sale price of comparable computer equipment	N/A
Computer equipment	Level 3	1,891	Depreciated replacement cost	Estimated replacement cost Expected useful life	N/A
Purchased software	Level 3	3,781	Depreciated replacement cost	Estimated replacement cost Expected useful life	N/A

1. No change in valuation technique occurred during the period.
2. Significant unobservable inputs only. The estimated replacement cost used for the office fit-out was $1,500/sqm.
3. Range and weighted average rates for unobservable inputs are not available. Where applicable, this information will be obtained from future valuations.

Recurring and non-recurring Level 3 fair value measurements – valuation processes

CrimTrac procured valuation services from appropriately qualified valuers. CrimTrac has relied on the valuation models and information provided by valuers. Depreciated replacement cost methodology was used for leasehold improvements and furniture and valued in June 2012, purchased software valued in June 2013 and the installation component of specific computer equipment.

Recurring Level 3 fair value measurements – sensitivity of inputs

The significant unobservable inputs used in the fair value measurement of the entity's leasehold improvement assets are the estimated replacement cost and expected useful life. Significant increases (decreases) in any of those inputs in isolation would result in a significantly higher (lower) fair value measurement.

The significant unobservable inputs used in the fair value measurement of the entity's furniture and computer equipment assets are estimated replacement cost and expected useful life. Significant increases (decreases) in any of those inputs in isolation would result in a significantly higher (lower) fair value measurement.

The significant unobservable inputs used in the fair value measurement of the entity's purchased software assets are estimated replacement cost and expected useful life. Significant increases (decreases) in any of those inputs in isolation would result in a significantly higher (lower) fair value measurement.

NOTE 5: FAIR VALUE MEASUREMENTS (CONTINUED)

Note 5C: Reconciliation for Recurring Level 3 Fair Value Measurements

Recurring Level 3 fair value measurements – reconciliation for assets

	Non-financial assets				
	Leasehold improvement	Furniture and equipment	Computer equipment	Purchased software	Total
	2014	2014	2014	2014	2014
	$'000	$'000	$'000	$'000	$'000
Opening balance	4,621	629	2,476	3,790	11,516
Total gains/(losses) recognised in net cost of services	-	-	-	-	-
Total gains/(losses) recognised in other comprehensive income[1]	-	-	(585)	(9)	(594)
Purchases	-	86	-	-	86
Closing balance	4,621	715	1,891	3,781	11,008
Changes in unrealised gains/(losses) recognised in net cost of services for assets held at the end of the reporting period.	-	-	-	-	-

1. These gains/(losses) are presented in the Statement of Comprehensive Income under changes in asset revaluation surplus.

NOTE 6: FINANCIAL ASSETS

	2014 $'000	2013 $'000
Note 6A: Cash and Cash Equivalents		
Cash on hand or on deposit	**1,740**	1,887
Total cash and cash equivalents	**1,740**	1,887
Note 6B: Trade and Other Receivables		
Goods and services receivables in connection with		
Related entities	**2,505**	2,653
External parties	**6,863**	7,282
Total goods and services receivables	**9,368**	9,935
OPA receivable		
OPA Special Account	**114,651**	110,093
Total appropriations receivable	**114,651**	110,093
Total trade and other receivables (gross)	**124,019**	120,028
Total impairment allowance account	**-**	-
Total trade and other receivables (net)	**124,019**	120,028
Trade and other receivables (net) expected to be recovered		
No more than 12 months	**124,019**	120,028
Total trade and other receivables (net)	**124,019**	120,028
Trade and other receivables (gross) aged as follows		
Not overdue	**123,765**	119,854
Overdue by		
0 to 30 days	**254**	173
61 to 90 days	**-**	1
Total trade and receivables (gross)	**124,019**	120,028

The impairment allowance account for 2014 is Nil (2013: Nil).

NOTE 7: NON-FINANCIAL ASSETS

	2014 $'000	2013 $'000
Note 7A: Land and Buildings		
Leasehold improvements		
Fair value	**4,621**	4,621
Accumulated depreciation	**(1,459)**	(723)
Total leasehold improvements	**3,162**	3,898
Total land and buildings	**3,162**	3,898

No indicators of impairment were found for land and buildings.
No land or buildings are expected to be sold or disposed of within the next 12 months.

	2014 $'000	2013 $'000
Note 7B: Property, Plant and Equipment		
Property, plant and equipment		
Assets under construction	**2,784**	179
Fair value	**4,665**	15,719
Accumulated depreciation	**(670)**	(9,722)
Total property, plant and equipment	**6,779**	6,176

Impairment indicators found for computer equipment (subclass of property, plant and equipment) were physical damage, technological obsolescence, asset performance and changes in asset use.

No property, plant or equipment was held for sale or disposal at 30 June 2014.

Revaluations of non-financial assets

Asset revaluations are conducted in accordance with the revaluation policy stated at Note 1. An independent valuer revalued computer equipment assets at 31 March 2014.

The revaluation increment for computer equipment (subclass of property, plant and equipment) in 2014 was $341,824 (2013: Nil).

A revaluation surplus decrement of $24,646 (2013: $Nil) was recorded for impairment of computer equipment and purchased software. The adjustment was against the revaluation surplus in accordance with AASB136 Impairment Of Assets.

The revaluation increment and impairment decrement were transferred to the asset revaluation surplus by asset class and included in the equity section of the Statement of Financial Position. No decrement was expensed (2013: Nil).

NOTE 7: NON-FINANCIAL ASSETS (CONTINUED)

Note 7C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment

Reconciliation of the opening and closing balance of property, plant and equipment for 2013–14

	Buildings – leasehold improvements $'000	Property, plant & equipment $'000	Total $'000
As at 1 July 2013			
Gross book value	4,621	15,899	20,520
Accumulated depreciation and impairment	(723)	(9,723)	(10,446)
Total as at 1 July 2013	**3,898**	**6,176**	**10,074**
Additions			
By purchase	–	3,662	3,662
Revaluations and impairments recognised in other comprehensive income	–	320	320
Depreciation expense	(736)	(3,137)	(3,873)
Disposals			
Write-off	–	(242)	(242)
Total as at 30 June 2014	**3,162**	**6,779**	**9,941**
Total as at 30 June 2014 represented by			
Gross book value	4,621	7,449	12,070
Accumulated depreciation	(1,459)	(670)	(2,129)
Total as at 30 June 2014	**3,162**	**6,779**	**9,941**

NOTE 7: NON-FINANCIAL ASSETS (CONTINUED)

Reconciliation of the opening and closing balance of property, plant and equipment for 2012-13

	Buildings - leasehold improvements $'000	Property, plant & equipment $'000	Total $'000
As at 1 July 2012			
Gross book value	4,046	12,776	16,822
Accumulated depreciation and impairment	-	(7,218)	(7,218)
Total as at 1 July 2012	4,046	5,558	9,604
Additions			
By purchase	597	3,175	3,772
Revaluations recognised in other comprehensive income	-	-	-
Depreciation expense	(730)	(2,556)	(3,286)
Disposals			-
Write-off	(15)	(1)	(16)
Total as at 30 June 2013	3,898	6,176	10,074
Total as at 30 June 2013 represented by			
Gross book value	4,621	15,899	20,520
Accumulated depreciation	(723)	(9,723)	(10,446)
Total as at 30 June 2013	3,898	6,176	10,074

	2014 $'000	2013 $'000
Note 7D: Intangibles		
Computer software		
Internally developed – in progress	**6,191**	1,764
Internally developed – in use	**37,990**	36,566
Purchased	**3,781**	3,790
Accumulated amortisation	**(32,418)**	(25,784)
Total computer software	**15,544**	16,336
Total intangibles	**15,544**	16,336

Impairment indicators found for externally purchased software were technological obsolescence and changes in asset use.
No intangibles are expected to be sold or disposed of within the next 12 months.

NOTE 7: NON-FINANCIAL ASSETS (CONTINUED)

Revaluations of non-financial assets

Asset revaluations are conducted in accordance with the revaluation policy stated at Note 1. An independent valuer revalued purchased software at 30 June 2013.

The revaluation increment for purchased software in 2014 was nil (2013: $1,510,073).

The revaluation increment and decrement was transferred to the asset revaluation surplus by asset class and included in the equity section of the balance sheet. No decrement was expensed (2013: Nil).

Note 7E: Reconciliation of the Opening and Closing Balances of Intangibles

Reconciliation of the opening and closing balances of intangibles for 2013-14

	Computer software internally developed $'000	Computer software purchased $'000	Total $'000
As at 1 July 2013			
Gross book value	38,330	3,790	42,120
Accumulated amortisation and impairment	(25,765)	(19)	(25,784)
Total as at 1 July 2013	12,565	3,771	16,336
Additions			
By purchase	-	-	-
Internally developed	5,850	-	5,850
Impairments recognised in other comprehensive income	-	(3)	(3)
Amortisation	(5,362)	(1,277)	(6,639)
Other movement	-	-	-
Total as at 30 June 2014	13,053	2,491	15,544
Total as at 30 June 2014 represented by			
Gross book value	44,181	3,781	47,962
Accumulated amortisation and impairment	(31,128)	(1,290)	(32,418)
Total as at 30 June 2014	13,053	2,491	15,544

NOTE 7: NON-FINANCIAL ASSETS (CONTINUED)

Reconciliation of the opening and closing balances of intangibles for 2012-13

	Computer software internally developed $'000	Computer software purchased $'000	Total $'000
As at 1 July 2012			
Gross book value	33,849	7,775	41,624
Accumulated amortisation and impairment	(18,957)	(5,192)	(24,149)
Total as at 1 July 2012	14,892	2,583	17,475
Additions			
By purchase	-	1,740	1,740
Internally developed	2,442	-	2,442
Revaluations recognised in other comprehensive income	-	1,510	1,510
Amortisation	(5,916)	(915)	(6,831)
Other movement	1,147	(1,147)	-
Total as at 30 June 2013	12,565	3,771	16,336
Total as at 30 June 2013 represented by			
Gross book value	38,330	3,790	42,120
Accumulated amortisation and impairment	(25,765)	(19)	(25,784)
Total as at 30 June 2013	12,565	3,771	16,336

	2014 $'000	2013 $'000
Note 7F: Other Non-Financial Assets		
Prepayments	**3,132**	2,256
Total other non-financial assets	**3,132**	2,256
Total other non-financial assets expected to be recovered		
No more than 12 months	**1,599**	979
More than 12 months	**1,533**	1,277
Total other non-financial assets	**3,132**	2,256

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

NOTE 8: PAYABLES

	2014 $'000	2013 $'000
Note 8A: Suppliers		
Trade creditors and accruals	**4,318**	3,473
Operating lease rentals	**1,320**	1,260
Total suppliers	**5,638**	4,733
Suppliers expected to be settled		
No more than 12 months	**4,368**	3,473
More than 12 months	**1,270**	1,260
Total suppliers	**5,638**	4,733
Suppliers in connection with		
Related entities	**1,107**	654
External parties	**4,531**	4,079
Total suppliers	**5,638**	4,733

Settlement was usually made within 30 days.

	2014 $'000	2013 $'000
Note 8B: Other Payables		
Wages and salaries	**633**	520
Superannuation	**127**	99
Separations and redundancies	**–**	549
GST payable to the ATO	**283**	645
Other	**72**	52
Total other payables	**1,115**	1,865
Other payables expected to be settled		
No more than 12 months	**1,115**	1,865
Total other payables	**1,115**	1,865

NOTE 9: PROVISIONS

	2014 $'000	2013 $'000
Note 9A: Employee Provisions		
Leave	**7,001**	6,840
Total employee provisions	**7,001**	6,840
Employee provisions expected to be settled		
No more than 12 months	**5,533**	5,319
More than 12 months	**1,468**	1,521
Total employee provisions	**7,001**	6,840

NOTE 10: CASH FLOW RECONCILIATION

	2014 $'000	2013 $'000
Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement		
Cash and cash equivalents as per		
Cash flow statement	**1,740**	1,887
Statement of financial position	**1,740**	1,887
	-	-
Reconciliation of net cost of services to net cash from/(used by) operating activities		
Net (cost of) / contribution by services	**3,162**	(804)
Adjustments for non-cash items		
Depreciation / amortisation	**10,512**	10,117
Losses from asset disposal / write-offs	**242**	16
Movements in assets and liabilities		
Assets		
(Increase) / decrease in goods/services receivable	**567**	(307)
(Increase) in prepayments	**(876)**	(1,328)
Adjustment for non-operating movement in prepayments	**450**	-
Liabilities		
Increase / (decrease) in supplier payables	**905**	(748)
Increase / (decrease) in other payables	**(388)**	682
Increase in employee provisions	**161**	1,472
Increase / (decrease) in GST payable	**(362)**	72
Net cash from operating activities	**14,373**	9,172

NOTE 11: CONTINGENT LIABILITIES AND ASSETS

CrimTrac has no contingencies in the current and preceding reporting periods and therefore has not prepared a Schedule of Contingencies.

NOTE 12: SENIOR EXECUTIVE REMUNERATION

Note 12A: Senior Executive Remuneration Expenses for the Reporting Period

	2014 $	2013 $
Short-term employee benefits		
Salary	**672,688**	332,779
Salary packaged benefits	**18,601**	812
Total short-term employee benefits	**691,289**	333,591
Post-employment benefits		
Superannuation	**119,072**	55,558
Total post-employment benefits	**119,072**	55,558
Other long-term benefits		
Annual leave accrued	**54,844**	34,142
Long service leave accrued	**20,854**	12,041
Total other long-term employee benefits	**75,698**	46,183
Termination benefits		
Separation expenses	**-**	530,678
Total termination benefits	**-**	530,678
Total senior executive remuneration expenses	**886,059**	966,010

Notes:

1. Note 12A is prepared on an accrual basis.
2. Note 12A excludes acting arrangements and part-year service where remuneration expensed was less than $195,000.

NOTE 12: SENIOR EXECUTIVE REMUNERATION (CONTINUED)

Note 12B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives during the Reporting Period

Average annual reportable remuneration paid to substantive senior executives in 2014

Average annual reportable remuneration[1]	Substantive senior executives	Reportable salary[2]	Contributed superannuation[3]	Reportable allowances[4]	Bonus paid[5]	Total reportable remuneration
	No.	$	$	$	$	$
Total reportable remuneration (including part-time arrangements):						
Less than $195,000	**1**	**92,971**	**19,039**	**-**	**-**	**112,010**
$225,000 to $254,999	**2**	**207,289**	**39,033**	**50**	**-**	**246,372**
$345,000 to $374,999	**1**	**315,379**	**40,300**	**-**	**-**	**355,679**
Total number of substantive senior executives	**4**					

Average annual reportable remuneration paid to substantive senior executives in 2013

Average annual reportable remuneration[1]	Substantive senior executives	Reportable salary[2]	Contributed superannuation[3]	Reportable allowances[4]	Bonus paid[5]	Total reportable remuneration
	No.	$	$	$	$	$
Total reportable remuneration (including part-time arrangements):						
$285,000 to $314,999	1	250,264	47,250	-	-	297,514
$315,000 to $344,999	1	283,128	36,889	-	-	320,017
Total number of substantive senior executives	2					

Notes:

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
2. 'Reportable salary' includes the following:
   a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
   b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
   c) reportable employer superannuation contributions; and
   d) exempt foreign employment income.
3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period.
4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

NOTE 12: SENIOR EXECUTIVE REMUNERATION (CONTINUED)

Note 12C: Average Annual Reportable Remuneration Paid to Other Highly Paid Staff during the Reporting Period

Average annual reportable remuneration paid to other highly paid staff in 2014

Average annual reportable remuneration[1]	**Other highly paid staff**	**Reportable salary[2]**	**Contributed superannuation[3]**	**Reportable allowances[4]**	**Bonus paid[5]**	**Total reportable remuneration**
	No.	**$**	**$**	**$**	**$**	**$**
Total reportable remuneration (including part-time arrangements):						
$195,000 to $224,999	**1**	**185,623**	**28,210**	**–**	**–**	**213,833**
Total number of other highly paid staff	**1**					

Average annual reportable remuneration paid to other highly paid staff in 2013

Average annual reportable remuneration[1]	Other highly paid staff	Reportable salary[2]	Contributed superannuation[3]	Reportable allowances[4]	Bonus paid[5]	Total reportable remuneration
	No.	$	$	$	$	$
Total reportable remuneration (including part-time arrangements):						
$195,000 to $224,999	1	182,099	27,720	233	-	210,052
Total number of other highly paid staff	1					

Notes:

1. This table reports staff:
   a) who were employed by the entity during the reporting period;
   b) whose reportable remuneration was $195,000 or more for the reporting period; and
   c) were not required to be disclosed in Table B or director disclosures.

Each row is an averaged figure based on headcount for individuals in the band.

2. 'Reportable salary' includes the following:
   a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
   b) reportable fringe benefits (at the net amount prior to 'grossing up' for tax purposes);
   c) reportable employer superannuation contributions; and
   d) exempt foreign employment income.
3. The 'contributed superannuation' amount is the average cost to the entity for the provision of superannuation benefits to other highly paid staff in that reportable remuneration band during the reporting period.
4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

NOTE 13: REMUNERATION OF AUDITORS

	2014 $'000	2013 $'000
Financial statement audit services were provided free of charge to the agency by the Australian National Audit Office (ANAO).		
Fair value of the services provided		
Financial statement audit services	**70**	70
Total fair value of services received	**70**	70

The ANAO provided assurance engagements free of charge to the agency. No other services were provided by the Auditor-General.

NOTE 14: FINANCIAL INSTRUMENTS

	2014 $'000	2013 $'000
Note 14A: Categories of Financial Instruments		
Financial Assets		
Loans and receivables		
Cash and cash equivalents	**1,740**	1,887
Trade receivables	**9,368**	9,935
Total loans and receivables	**11,108**	11,822
Total financial assets	**11,108**	11,822
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	**4,318**	3,473
Total financial liabilities measured at amortised cost	**4,318**	3,473
Total financial liabilities	**4,318**	3,473

The net income/expense from financial assets and financial liabilities not at fair value from profit and loss is Nil (2013: Nil).

NOTE 14: FINANCIAL INSTRUMENTS (CONTINUED)

Note 14B: Fair Value of Financial Instruments

	Carrying amount 2014 $'000	**Fair value 2014 $'000**	Carrying amount 2013 $'000	Fair value 2013 $'000
Financial Assets				
Cash and cash equivalents	**1,740**	**1,740**	1,887	1,887
Trade receivables	**9,368**	**9,368**	9,935	9,935
Total financial assets	**11,108**	**11,108**	11,822	11,822
Financial Liabilities				
Trade creditors	**4,318**	**4,318**	3,473	3,473
Total financial liabilities	**4,318**	**4,318**	3,473	3,473

The fair values for cash, trade receivables and trade creditors is the nominal value.

Note 14C: Credit Risk

CrimTrac is exposed to minimal credit risk as loans and receivables are cash and trade receivables.

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 2014: $9,368,000 (2013: $9,935,000).

CrimTrac has assessed the risk of the default on payment and as such has no need to allocate an allowance for impairment.

CrimTrac manages its credit risk by undertaking an accreditation process for its accredited agencies. In addition, CrimTrac has policies and procedures that are to be applied during debt recovery.

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

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

	Not past due nor impaired 2014 $'000	Not past due nor impaired 2013 $'000	**Past due or impaired 2014 $'000**	Past due or impaired 2013 $'000
Cash and cash equivalents	**1,740**	1,887	**–**	–
Trade receivables	**9,114**	9,761	**254**	174
Total	**10,854**	11,648	**254**	174

NOTE 14: FINANCIAL INSTRUMENTS (CONTINUED)

Ageing of financial assets that were past due but not impaired for 2014

	0 to 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	90+ days $'000	Total
Trade receivables	**254**	**–**	**–**	**–**	**254**
Total	**254**	**–**	**–**	**–**	**254**

Ageing of financial assets that were past due but not impaired for 2013

	0 to 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	90+ days $'000	Total
Trade receivables	173	-	1	-	174
Total	173	-	1	-	174

Note 14D: Liquidity Risk

CrimTrac's financial liabilities are payables and operating leases rentals. The exposure to liquidity risk is based on the notion that CrimTrac will have difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to CrimTrac's available funds and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

Maturities for non-derivative financial liabilities 2014

	On demand $'000	within 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	> 5 years $'000	Total $'000
Trade creditors	**–**	**4,318**	**–**	**–**	**–**	**4,318**
Total	**–**	**4,318**	**–**	**–**	**–**	**4,318**

Maturities for non-derivative financial liabilities 2013

	On demand $'000	within 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	> 5 years $'000	Total $'000
Trade creditors	–	3,473	-	-	-	3,473
Total	–	3,473	-	-	-	3,473

CrimTrac has no derivative financial liabilities in both the current and prior year.

Note 14E: Market Risk

CrimTrac is not exposed to 'Currency risk' or 'Other price risk'. CrimTrac does not hold any significant interest-bearing items on the Statement of Financial Position, therefore is not subject to 'interest rate risk'.

NOTE 15: FINANCIAL ASSETS RECONCILIATION

	Notes	2014 $'000	2013 $'000
Total financial assets as per statement of financial position		**125,759**	121,915
Less: non-financial instrument components			
OPA receivable	6B	**114,651**	110,093
Total non-financial instrument components		**114,651**	110,093
Total financial assets as per financial instruments note	14A	**11,108**	11,822

NOTE 16: SPECIAL ACCOUNTS

National Policing Information Systems and Services Special Account (Departmental)	2014 $'000	2013 $'000
National Policing Information Systems and Services Special Account (Departmental)	2014 $'000	2013 $'000

Legal Authority: Financial Management and Accountability Act 1997; s20(1) (FMA Act)

Appropriation: Financial Management and Accountability Act 1997; s20

Purpose:

(1) The purposes of the National Policing Information Systems and Services Special Account, in relation to which amounts may be debited from the Special Account, are:

a) scoping, developing, procuring, implementing and operating new and existing information technology systems and services in relation to the agency and its stakeholders and clients; and

b) to repay to an original payer amounts credited to the Special Account and residual after any necessary payments made for a purpose mentioned in paragraph a); and

c) activities that are incidental to a purpose mentioned in paragraphs a) or b); and

d) to reduce the balance of the Special Accounts (and, therefore, the available appropriation for the Account) without making a real or notional payment; and

e) to repay amounts where an Act or other law requires or permits the repayment of an amount received.

(2) To avoid doubt, incidental activities include:

a) the administration of the Special Account; and

b) dealing with direct and indirect costs.

Balance brought forward from previous period	**111,980**	110,762
Increases		
Appropriation for reporting period	**-**	-
Receipts from the provision of goods and services	**75,080**	69,380
Other receipts	**1**	-
Total increases	**75,081**	69,380
Available for payments	**187,061**	180,142
Decreases		
Departmental		
Payments made - suppliers	**42,034**	42,785
Payments made - employees	**25,091**	22,673
Net GST Paid	**3,545**	2,704
Total departmental decreases	**70,670**	68,162
Total decreases	**70,670**	68,162
Balance carried to next period and represented by	**116,391**	111,980
Cash - transferred to the Official Public Account	**114,651**	110,093
Cash - held by the Agency	**1,740**	1,887
Total balance carried to the next period	**116,391**	111,980

NOTE 17: COMPENSATION AND DEBT RELIEF

	2014 $	2013 $
Departmental		
No 'Act of Grace' expenses were incurred during the reporting period (2013: Nil).	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2013: Nil).	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2013: Nil).	-	-
No ex-gratia payments were provided for during the reporting period (2013: Nil).	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the *Public Service Act 1999* (PS Act) in 2014 (2013: $100,000).	-	100,000

NOTE 18: REPORTING OF OUTCOMES

Note 18A: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Departmental				
Expenses	**64,592**	64,274	**64,592**	64,274
Own-source income	**67,754**	63,470	**67,754**	63,470
Net cost/(contribution) of outcome delivery	**(3,162)**	804	**(3,162)**	804

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome. Refer to Outcome 1 Resourcing Table on page 90 of this Annual Report.

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

	Outcome 1		Total	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Expenses				
Employees	**24,830**	24,648	**24,830**	24,648
Suppliers	**29,008**	29,493	**29,008**	29,493
Depreciation and amortisation	**10,512**	10,117	**10,512**	10,117
Other	**242**	16	**242**	16
Total expenses	**64,592**	64,274	**64,592**	64,274
Income				
Sale of goods and services	**67,674**	63,400	**67,674**	63,400
Other Revenue	**80**	70	**80**	70
Total own-source income	**67,754**	63,470	**67,754**	63,470
Assets				
Cash and cash equivalents	**1,740**	1,887	**1,740**	1,887
Trade and other receivables	**124,019**	120,028	**124,019**	120,028
Land and buildings	**3,162**	3,898	**3,162**	3,898
Property, plant and equipment	**6,779**	6,176	**6,779**	6,176
Intangibles	**15,544**	16,336	**15,544**	16,336
Other assets	**3,132**	2,256	**3,132**	2,256
Total assets	**154,376**	150,581	**154,376**	150,581
Liabilities				
Supplier payables	**5,638**	4,733	**5,638**	4,733
Other payables	**1,115**	1,865	**1,115**	1,865
Employee provisions	**7,001**	6,840	**7,001**	6,840
Total liabilities	**13,754**	13,438	**13,754**	13,438

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome. Refer to Outcome 1 Resourcing Table on page 90 of this Annual Report.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