

Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the Minister for Foreign Affairs

Scope

I have audited the accompanying financial statements of the Australian Centre for International Agricultural Research for the year ended 30 June 2008, which comprise: a Statement by the Chief Executive and Chief Finance Officer; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

The Responsibility of the Chief Executive Officer for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Independence

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

Auditor's Opinion

In my opinion, the financial statements of the Australian Centre for International Agricultural Research:

- (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 Australian Centre for International Agricultural Research's financial position as at 30 June 2008 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Ron Wah
Senior Director

Delegate of the Auditor-General

Canberra
12 September 2008

Statement by Chief Executive Officer and Chief Financial Officer

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2008 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 

Peter Core
Chief Executive Officer

12 September 2008

Signed 

Paul Tyrrell
Chief Finance Officer

12 September 2008

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH INCOME STATEMENT

for the year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
INCOME			
Revenue			
Revenues from Government	3A	51,242	50,362
Sale of goods and rendering of services	3B	16	13
External funds revenue	3C	14,595	10,422
Other revenues	3C	150	64
Total Revenue		66,003	60,861
Gains			
Sale of assets	3D	-	14
Other Gains	3E	25	23
Total Gains		25	37
TOTAL INCOME		66,028	60,898
EXPENSES			
Administration			
Employee benefits	4A	5,375	5,327
Suppliers	4B	3,481	3,903
Depreciation and amortisation	4C	301	307
Losses from asset sales	4D	6	-
Program expenditure			
Grants	4E	48,414	44,924
Other program expenditure	4F	8,423	6,382
TOTAL EXPENSES		66,000	60,843
Surplus before income tax		28	55
Surplus attributable to the Australian Government		28	55

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

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

BALANCE SHEET

as at 30 June 2008

	Notes	2008 \$'000	2007 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	6A	3,937	4,932
Trade and other receivables	6B	3,194	2,389
<i>Total Financial Assets</i>		<u>7,131</u>	<u>7,321</u>
Non-Financial Assets			
Land and buildings	7A, 7C	372	425
Property, plant and equipment	7B, 7C	309	382
Intangibles	7D	168	169
Other non-financial assets	7E	205	347
<i>Total Non-Financial Assets</i>		<u>1,054</u>	<u>1,323</u>
Total Assets		<u>8,185</u>	<u>8,644</u>
LIABILITIES			
Payables			
Suppliers	8A	236	315
Grants	8B	2,419	1,820
Other payables	8C	3,458	4,399
<i>Total payables</i>		<u>6,113</u>	<u>6,534</u>
Provisions			
Employee provisions	10A	1,138	1,227
<i>Total provisions</i>		<u>1,138</u>	<u>1,227</u>
Total Liabilities		<u>7,251</u>	<u>7,761</u>
Net Assets		<u>934</u>	<u>883</u>
EQUITY			
Reserves		325	325
Retained surplus (accumulated deficit)		609	558
Total Equity		<u>934</u>	<u>883</u>
Current Assets		7,336	7,668
Non-current Assets		849	976
Current Liabilities		7,171	7,644
Non-current Liabilities		80	117

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

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH STATEMENT OF CHANGES IN EQUITY

as at 30 June 2008

	Retained Earnings		Asset Revaluation Reserves		Total Equity	
	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance						
Balance carried forward from previous period	558	503	325	325	883	828
Adjustment for errors *	23	-	-	-	23	-
Adjusted opening balance	581	503	325	325	906	828
Surplus for the period	28	55	-	-	28	55
Total income and expenses	28	55	-	-	28	55
Closing balance as at 30 June attributable to the Australian Government	609	558	325	325	934	883

* During the completion of the financial statements ACIAR uncovered an error in the 2006-07 financial statements which resulted in employee provisions and employee benefits (expense) being overstated by \$23,143. An adjustment has been made in 2007-08 against retained earnings.

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

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

CASH FLOW STATEMENT

for the year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		16	16
Appropriations		50,637	48,777
Net GST received		3,338	3,398
External funds		13,489	17,204
Other cash received		201	175
Total cash received		67,681	69,570
Cash used			
Employees		5,415	5,416
Suppliers		3,042	3,749
Net GST paid		370	1,386
Grants		50,615	47,394
Other program expenditure		9,054	6,893
Total cash used		68,496	64,838
Net cash (used by) / from operating activities	12	(815)	4,732
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		2	11
Total cash received		2	11
Cash used			
Purchase of property, plant and equipment	7C	146	275
Purchase of intangibles	7D	36	6
Total cash used		182	281
Net cash (used by) investing activities		(180)	(270)
Net (decrease) or increase in cash held			
Cash at the beginning of the reporting period		4,932	470
Cash at the end of the reporting period	6A	3,937	4,932

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

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH SCHEDULE OF COMMITMENTS

as at 30 June 2008

	2008 \$'000	2007 \$'000
BY TYPE		
Commitments Receivable		
GST recoverable on commitments	(144)	(354)
Total Commitments Receivable	(144)	(354)
Other Commitments		
Operating leases ¹	1,579	2,126
Project commitments ²	61,955	53,878
Total Other Commitments	63,534	56,004
Net Commitments by Type	63,390	55,650
BY MATURITY		
Commitments Receivable		
One year or less	(144)	(354)
From one to five years	-	-
Total Commitments Receivable	(144)	(354)
Operating lease commitments		
One year or less	605	586
From one to five years	974	1,540
Total Operating Lease Commitments	1,579	2,126
Other Commitments		
One year or less	27,692	27,948
From one to five years	34,263	25,930
Total Other Commitments	61,955	53,878
Net Commitments by Maturity	63,390	55,650

NB: Commitments are GST inclusive where relevant.

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

- lease for office accommodation at ACIAR House in Canberra; and
- agreements for the provision of motor vehicles to Senior Executive Officers.

² As at 30 June 2008, project commitments comprised amounts committed under grant agreements in respect of which the recipient is yet to either perform the services required, or meet eligibility conditions.

These have not been recognised as liabilities in the Balance Sheet.

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

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH SCHEDULE OF CONTINGENCIES

for the year ended 30 June 2008

There are no contingent assets or contingent liabilities as at 30 June 2008.

There are no unquantifiable or remote contingencies.

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

Note 1	Summary of Significant Accounting Policies
Note: 2	Events after the Balance Sheet Date
Note: 3	Income
Note: 4	Expenses
Note: 5	Income Tax Expense (Competitive neutrality)
Note: 6	Financial Assets
Note: 7	Non-Financial Assets
Note: 8	Payables
Note: 9	Interest Bearing Liabilities
Note:10	Provisions
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AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies

1.1 Objectives of ACIAR

ACIAR is an Australian Public Service organisation. ACIAR's mission is to achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia through international agricultural research partnerships. Developing countries are the major beneficiaries but there are also spin-offs for Australia. To achieve this goal, ACIAR facilitates and supports bilateral and multilateral research and development activities in a broad range of agricultural areas, including crops, animals, fisheries, forestry, land and water resources management, post-harvest technology, and economic studies of agricultural and natural resource utilisation.

ACIAR is structured to meet one outcome:

Agriculture in developing countries and Australia is more productive and sustainable as a result of better technologies, practices, policies and systems.

The outcome is identified under two outputs:

- Collaborative research that addresses agricultural and natural resource management problems of developing countries and Australia.
- Trained researchers in developing countries and Australia.

Although an increasing portion of ACIAR's revenue is from external sources, the continued existence of ACIAR in its present form and with its present programs is mainly dependent on Government policy and on continuing appropriations by Parliament for ACIAR's administration and programs.

1.2 Basis of Preparation of the Financial Report

The Financial Statements and notes are required by Section 49 to the *Financial Management and Accountability Act 1997* and are a General Purpose Financial Report.

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

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2007; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless disclosure of the full amount is specifically required.

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

Unless alternative treatment is specifically required by an Accounting Standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to ACIAR 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 which are unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies.

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

1.3 Significant Accounting Judgements and Estimates

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

- Property, plant and equipment that has been revalued to estimated fair values, and
- Provisions for employee benefits estimated on the basis of the present value of expected future cash outflows in respect of services provided.

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

1.4 Statement of Compliance

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. The following new standards are applicable to the current reporting period:

Financial instrument disclosure

AASB 7 *Financial Instruments: Disclosures* is effective for reporting periods beginning on or after 1 January 2007 (the 2007–08 financial year) and amends the disclosure requirements for financial instruments. In general, AASB 7 requires greater disclosure than that previously required. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements through 2005–10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]. These changes have no financial impact but will effect the disclosure presented in future financial reports.

The following new standards, amendments to standards or interpretations for the current financial year have no material financial impact on ACIAR.

AASB 101 *Presentation of Financial Statements* (issued October 2006)

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

AASB 1048	<i>Interpretation and Application of Standards</i> (reissued September 2007)
AASB 2005-10	Amendments to Australian Accounting Standards [AASB 1, 4, 101, 114, 117, 132, 133, 139, 1023, 1038]
AASB 2007-1	Amendments to Australian Accounting Standards arising from AASB interpretation 11 [AASB 2]
AASB 2007-4	Amendments to Australian Accounting Standards arising from ED 151 and other amendments
AASB 2007-5	Amendments to Australian Accounting Standard – Inventories Held for Distribution by Not-for-Profit Entities [AASB 102]
AASB 2007-7	Amendments to Australian Accounting Standards [AASB 1, 2, 5, 107, 128]
AASB 2008-4	Amendments to Australian Accounting Standard – Key Management Personnel Disclosures by Disclosing Entities [AASB 124]
ERR Erratum	<i>Proportionate Consolidation</i> [AASB 101, AASB 121, AASB 127, Interpretation 113]
Interp 10	<i>Interim Financial Reporting and Impairment</i>

Future Australian Accounting Standard requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

AASB 3	<i>Business Combinations</i>
AASB 8	<i>Operating Segments</i>
AASB 101	<i>Presentation of Financial Statements</i> (issued September 2007)
AASB 123	<i>Borrowing Costs</i>
AASB 127	<i>Consolidation and Separate Financial Statements</i>
AASB 1004	<i>Contributions</i>
AASB 1049	<i>Whole of Government and General Government Sector Financial Reporting</i>
AASB 1052	Disaggregated Disclosures
AASB 2007-2	Amendments to Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 and AASB 139]
AASB 2007-3	Amendments to Australian Accounting Standards arising from AASB 8
AASB 2007-6	Amendments to Australian Accounting Standards arising from AASB 123
AASB 2007-8	Amendments to Australian Accounting Standards arising from AASB 101
AASB 2007-9	Amendments to Accounting Standards arising from the review of AASBs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 and AASB 137]
AASB 2008-3	Amendments to Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138, 139 and Interpretations 9 and 107]
Interp 4	<i>Determining Whether an Arrangement Contains a Lease</i>
Interp 12	<i>Service Concession Arrangements</i>
Interp 13	<i>Customer Loyalty Programmes</i>
Interp 14	<i>AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

1.5 Revenue

Revenues from Government

Amounts appropriated for departmental output appropriations for the year (adjusted for any formal additions or reductions) are recognised as revenue when the agency gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

Other Types of Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the seller retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- The amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- The probable economic benefits associated with the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Investments: Recognition and Measurement*.

1.6 Gains

Sale of Assets

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

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

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.

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 (Refer to Note 1.7).

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

1.7 Transactions with the Government as Owner

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

Restructuring of Administrative Arrangements

Net assets received from, or relinquished to, another Australian Government Agency or Authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other Distributions to Owners

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend.

ACIAR has received no equity injections or made any distributions to owners in the 2007–08 financial year.

1.8 Grants

ACIAR makes grant payments under the *Australian Centre for International Agricultural Research Act 1982*, as amended.

All grant agreements require the grantee to perform services or provide facilities, or to meet eligibility criteria. Liabilities are recognised only to the extent that the services required have been performed or the eligibility criteria have been satisfied by the grantee. (Where grants moneys are paid in advance of performance or eligibility, a prepayment is recognised.)

1.9 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled. Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

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

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

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

Leave

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

The leave liabilities are calculated on the basis of employees' remuneration, including ACIAR's employer superannuation contribution rates, to the extent that the leave is likely to be taken during service rather than paid out on termination.

All annual leave is recognised as a current liability.

The long service leave liability has been determined using a shorthand methodology.

Long service leave is disclosed as current if one of the following situations occurs. The first is when the service period is 10 years and over as there is a legal right to payment, irrespective of whether payment is expected to be settled within 12 months. The second is when the employee is 55 years or older, where employee is entitled to pro-rata payment of long service leave, irrespective of whether the service period is 10 years or less.

Separation and Redundancy

No provision is made for separation and redundancy payments as ACIAR has not formally identified any positions as excess to requirements in the foreseeable future.

Superannuation

Staff of ACIAR 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 of 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.

ACIAR makes employer contributions to the employee superannuation scheme at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of ACIAR's employees. ACIAR accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised at 30 June represents outstanding contributions for the final fortnight of the year.

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

1.10 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 non-current 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 rewards.

Where a non-current 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.

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.

1.11 Borrowing Costs

ACIAR has no borrowing costs.

1.12 Cash

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of three 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.

1.13 Financial assets

ACIAR classifies its financial assets in the following categories:

- financial assets 'at fair value through profit or loss';
- 'held-to-maturity investments';
- 'available-for-sale' financial assets; and
- '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 over the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets 'at fair value through profit or loss'.

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit and loss where the financial assets:

- have been acquired principally for the purpose of selling in the near future;
- are a part of an identified portfolio of financial instruments that the agency manages together and has a recent actual pattern of short-term profit-taking; or
- are derivatives that are not designated and effective as a hedging instrument.

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the asset within 12 months of the balance sheet date.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in the reserves (equity) with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognised directly in profit or loss. Where the asset is disposed of or is determined to be impaired, part (or all) of the cumulative gain or loss previously recognised in the reserve is included in profit for the period.

Where a reliable fair value cannot be established for unlisted investments in equity instruments, cost is used. ACIAR has no such instruments.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and receivables

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

Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

- *Financial assets held at amortised cost*—if there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

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difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the income statement.

- *Available-for-sale financial assets*—If there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the income statement.
- *Available-for-sale 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.

1.14 Financial liabilities

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial assets

Other financial assets, including borrowings, are initially measured at fair value, net of transaction costs.

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

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

Supplier and other payables

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

1.15 Contingent Liabilities and Contingent Assets

Contingent Liabilities and Assets are not recognised in the balance sheet but are reported in 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

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amount cannot be reliably measured. Remote contingencies are part of this disclosure. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.16 Financial Guarantee Contracts

Financial guarantee contracts are accounted for in accordance with AASB 139. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB 137. ACIAR has no financial guarantee contracts.

1.17 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 revenues 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 restructuring.

1.18 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 \$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

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

Asset Class	Fair Value measured as:
Leasehold Improvements	Depreciated cost
Plant and Equipment	Market Selling Price

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

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

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for the year ended 30 June 2008

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 ACIAR using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvement or the unexpired period of the lease.

Depreciation/amortisation rates (useful lives), residual values and methods are reviewed at each balance 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:

	2008	2007
Plant and equipment	5–10 years	5–10 years
Computer Equipment	3–5 years	3–5 years

The aggregate amount of depreciation and amortisation allocated for each class of asset during the reporting period is disclosed in Note 7C.

Impairment

All assets were assessed for impairment at 30 June 2008. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment is made if the asset's recoverable amount is less than its carrying amount.

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

No indicators of impairment were found for assets at fair value.

1.19 Intangibles

Intangibles consist of purchased proprietary software carried at cost less accumulated amortisation. This software is amortised on a straight-line basis over their useful lives, which range from 5 to 10 years.

All software assets were assessed for indications of impairment as at 30 June 2008. None were found to be impaired.

1.20 Taxation / Competitive Neutrality

ACIAR is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST).

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

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.

ACIAR is not required to make Australian Income Tax Equivalent payments to the Government under competitive neutrality arrangements.

Note 2: Events after the Balance Sheet Date

There are no events or transactions after the reporting date which could materially affect these financial statements.

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

Note 3: Income

Revenue	2008	2007
	\$'000	\$'000
<u>Note 3A: Revenue from Government</u>		
Appropriation:		
Departmental outputs	51,242	50,362
Total revenue from Government	51,242	50,362
<u>Note 3B: Sale of goods and rendering of services</u>		
Provision of goods - external entities	16	13
Total sale of goods and rendering of services	16	13
<u>Note 3C: External funds revenue</u>		
AusAID contributions	14,223	9,906
Other government agencies	372	516
Total related entities	14,595	10,422
Project returns	135	4
Miscellaneous revenue	15	60
Total external entities	150	64
Total external funds revenue	14,745	10,486
<u>Note 3D: Sale of assets</u>		
Property, plant and equipment		
Proceeds from sale	-	331
Carrying value of assets sold	-	(317)
Net gain from sale of assets	-	14
<u>Note 3E: Other gains</u>		
Resources received free of charge	25	23
Total other revenue	25	23

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

Note 4: Expenses

	2008 \$'000	2007 \$'000
<i>Note 4A: Employee benefits</i>		
Wages and Salaries	4,406	4,377
Superannuation		
Defined contribution plans	632	634
Leave and other entitlements	189	142
Separation and redundancies	37	-
Other employee benefits	111	174
Total employee benefits	5,375	5,327
<i>Note 4B: Suppliers</i>		
Provision of goods - related entities	-	-
Provision of goods - external entities	319	299
Rendering of services - related entities	470	542
Rendering of services - external entities	2,114	2,525
Operating lease rentals*	558	511
Workers compensation premiums	20	26
Total supplier expenses	3,481	3,903
* These comprise minimum lease payments only.		
<i>Note 4C: Depreciation and amortisation</i>		
<i>Depreciation</i>		
Leasehold improvements	96	92
Plant and equipment	168	171
Total depreciation	264	263
<i>Amortisation</i>		
Intangibles - Computer software	37	44
Total amortisation	37	44
Total depreciation and amortisation	301	307
<i>Note 4D: Losses from asset sales</i>		
Property, plant and equipment		
Proceeds from sale	(299)	-
Carrying value of assets sold	305	-
Total losses from asset sales	6	-

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

for the year ended 30 June 2008

Note 4: Expenses – cont.

	2008	2007
	\$'000	\$'000
<i>Note 4E: Grants</i>		
Non-profit organisations	37,798	34,624
Overseas	10,616	10,300
Total grants	48,414	44,924
<i>Note 4F: Other program expenditure</i>		
Training	6,375	4,132
Communications research	635	657
Other research	1,413	1,593
Total other program expenditure	8,423	6,382

Note 5: Income Tax Expense (Competitive Neutrality)

ACIAR does not provide any services that fall within the Australian Government's Competitive Neutrality Policy and as indicated in Note 1.20, is therefore not required to make Australian Income Tax Equivalent payments to the Government.

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

Note 6: Financial Assets

	2008 \$'000	2007 \$'000
<i>Note 6A: Cash and cash equivalents</i>		
Special Account	3,476	4,435
Cash on hand or on deposit	461	497
Total cash and cash equivalents	3,937	4,932
<i>Note 6B: Trade and other receivables</i>		
Goods and services	38	85
Appropriations Receivable for existing outputs	2,190	1,585
GST receivable from the Australian Taxation Office	554	700
Other receivables	412	19
Total trade and other receivables	3,194	2,389

All receivables are with entities external to ACIAR.

All trade and other receivables are current assets.

Receivables are aged as follows:

Not overdue	3,106	2,304
Overdue by:		
Less than 30 days	-	-
30 to 60 days	38	85
61 to 90 days	-	-
More than 90 days	50	-
Total trade and other receivables	3,194	2,389

ACIAR has no provision for doubtful debts as all receivables are expected to be recovered.

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

Note 7: Non-Financial Assets

<u>Note 7A: Land and buildings</u>	2008 \$'000	2007 \$'000
Leasehold improvements		
– fair value	623	580
– accumulated depreciation	(251)	(155)
Total leasehold improvements	372	425
Total land and buildings (non-current)	372	425

No indicators of impairment were found for land and buildings.

Note 7B: Property, Plant and Equipment

Plant and equipment:		
– gross carrying value (at fair value)	1,065	970
– accumulated depreciation	(756)	(588)
Total plant and equipment	309	382
Total property, plant and equipment	309	382

The value reported reflects the fair value of property, plant and equipment as at 30 June 2008.

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

Note 7C: Analysis of Property, Plant and Equipment

Table A - Reconciliation of the opening and closing balances of property, plant and equipment (2007-08)

ITEM	Leasehold Improvements	Plant and Equipment	Total Property, Plant & Equipment
	\$'000	\$'000	\$'000
As at 1 July 2007			
Gross book value	580	970	1,550
Accumulated depreciation	(155)	(588)	(743)
Net book value 1 July 2007	425	382	807
Additions:			
by purchase	49	97	146
Depreciation expense	(96)	(168)	(264)
Disposals	(6)	(2)	(8)
Net book value 30 June 2008	372	309	681
Net book value as of 30 June 2008 represented by:			
Gross book value	623	1,065	1,688
Accumulated depreciation	(251)	(756)	(1,007)
Net book value 30 June 2008	372	309	681

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

Note 7: Non-Financial Assets – cont.

Table B - Reconciliation of the opening and closing balances of property, plant and equipment (2006-07)

ITEM	Leasehold Improvements	Plant and Equipment	Total Property, Plant & Equipment
	\$'000	\$'000	\$'000
As at 1 July 2006			
Gross book value	546	1,026	1,572
Accumulated depreciation	(63)	(710)	(773)
Net book value 1 July 2006	483	316	799
Additions:			
by purchase	34	241	275
Depreciation expense	(92)	(171)	(263)
Disposals	-	-	-
Net book value 30 June 2007	425	382	807
Net book value as of 30 June 2007 represented by:			
Gross book value	580	970	1,550
Accumulated depreciation	(155)	(588)	(743)
Net book value 30 June 2007	425	382	807
<i>Note 7D: Intangibles</i>	2008		2007
Computer software at cost	\$'000		\$'000
Purchased computer software	465		580
Accumulated amortisation	(297)		(411)
Total Intangibles (non-current)	168		169

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

TABLE A
Reconciliation of the opening and closing balances of intangibles (2007-08)

ITEM	Computer Software Purchased \$'000
As at 1 July 2007	
Gross book value	580
Accumulated amortisation	(411)
Net book value 1 July 2007	169
Additions:	
by purchase	36
Amortisation	(37)
Disposals	-
Net book value 30 June 2008	168
Net book value as of 30 June 2008 represented by:	
Gross book value	465
Accumulated amortisation	(297)
Net book value 30 June 2008	168

TABLE B
Reconciliation of the opening and closing balances of intangibles (2006-07)

ITEM	Computer Software Purchased \$'000
As at 1 July 2006	
Gross book value	594
Accumulated amortisation	(387)
Net book value 1 July 2006	207
Additions:	
by purchase	6
Amortisation	(44)
Disposals	-
Net book value 30 June 2007	169
Net book value as of 30 June 2007 represented by:	
Gross book value	580
Accumulated amortisation	(411)
Net book value 30 June 2007	169

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

<u>Note 7E: Other non-financial assets</u>	2008 \$'000	2007 \$'000
Prepayments	-	3
Employees	97	88
Suppliers	108	256
Grants	205	347
Total other non-financial assets	205	347

All other non-financial assets are current assets.

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

Note 8: Payables

<u>8A - Suppliers</u>		
Trade creditors	236	315
Total supplier payables	236	315

Settlement is usually made net 30 days.

<u>8B - Grants</u>		
Non-profit organisations		
ACIAR Projects	2,377	1,584
Project withholdings	42	236
Total grants payables	2,419	1,820

<u>8C - Other payables</u>		
Unearned Revenue	3,231	4,211
Research Publications	56	60
Other Research Activities	171	128
Total other program payables	3,458	4,399

All payables are current liabilities.

Note 9: Interest Bearing Liabilities

ACIAR does not have any interest bearing liabilities.

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

Note 10: Provisions

	2008	2007
	\$'000	\$'000
<i>10A - Employee provisions</i>		
Salaries and wages	136	115
Leave	997	1,107
Superannuation	5	5
Total employee provisions	1,138	1,227

Employee provisions are represented by:

Current	1,058	1,110
Non-current	80	117
Total employee provisions	1,138	1,227

The classification of current employee provisions includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of the reporting date.

Note 11: Restructuring

ACIAR has not been part of any administrative restructuring arrangements.

Note 12: Cash Flow Reconciliation

	2008	2007
	\$'000	\$'000
Reconciliation of cash and cash equivalent per Balance Sheet to Cash Flow Statement		
Report cash and cash equivalents as per:		
Cash Flow Statement	3,937	4,932
Balance Sheet	3,937	4,932
Reconciliation of surplus before income tax to net cash (used by) / from operating activities:		
Surplus before income tax	28	55
Depreciation/amortisation	301	307
Resources received free of charge	(25)	(23)
Loss on disposal of assets	6	(14)
(Increase)/decrease in net receivables	(755)	4,111
(Increase)/decrease in prepayments	142	51
Increase/(decrease) in employee provisions	(89)	(128)
Increase/(decrease) in supplier payables	(79)	(256)
Increase/(decrease) in grants and other payable	(344)	630
Net cash (used by) / from operating activities	(815)	4,732

Note 13: Contingent Liabilities and Assets

There are no unquantifiable or remote contingencies.

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

Note 14: Senior Executive Remuneration

The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:

	<u>2008</u>	<u>2007</u>
\$205,000 - \$219,999	-	-
\$220,000 - \$234,999	-	-
\$235,000 - \$249,999	1	1
\$250,000 - \$264,999	-	-
\$265,000 - \$279,999	-	1
\$280,000 - \$294,999	1	-
	<u>2</u>	<u>2</u>

The aggregate amount of total remuneration of executives shown above.

\$533,985	\$518,421
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The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.

-	-
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The senior executive remuneration includes all officers concerned with or taking part in the management of the economic entity during 2007-08 including the CEO.

Note 15: Remuneration of Auditors

Financial statement audit services are provided free of charge to ACIAR.

<u>2008</u>	<u>2007</u>
<u>\$'000</u>	<u>\$'000</u>

The fair value of the services provided was:

<u>25</u>	<u>23</u>
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No other services were provided by the Auditor-General.

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

Note 16: Financial Instruments

	2008	2007
	\$'000	\$'000
<u>Note 16A Categories of financial instruments</u>		
Loans and receivables		
Cash and cash equivalents	461	497
Trade receivables	450	103
Carrying amount of financial assets	911	600
Financial Liabilities		
Other Liabilities		
Payables - suppliers	236	315
Grants	2,419	1,820
Other payables	227	188
Carrying amount of financial liabilities	2,882	2,323

16B Credit risk

ACIAR is exposed to minimal credit risk as 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 (2008: \$38,000 and 2007: \$85,000). ACIAR has assessed the risk of the default on payment and believes all amounts will be paid in full. No amounts have been allocated to an impairment allowance account.

ACIAR manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship. In addition, ACIAR has policies and procedures that guide employees in the debt recovery techniques that are to be applied.

ACIAR holds no collateral to mitigate against credit risk.

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

	Not past due nor impaired 2008 \$'000	Not past due nor impaired 2007 \$'000	Past due or impaired 2008 \$'000	Past due or impaired 2007 \$'000
Loans and receivables				
Cash and cash equivalents	461	497	-	-
Trade receivables	450	103	38	85
Total	911	600	38	85

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

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

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables					
Trade receivables	-	38	-	-	38
Total	-	38	-	-	38

Ageing of financial assets that are past due but not impaired for 2007

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables					
Trade receivables	-	85	-	-	85
Total	-	85	-	-	85

Note 16C Liquidity risk

ACIAR's financial liabilities are payables. The exposure to liquidity risk is based on the notion that ACIAR will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the entity (e.g. Advance to the Finance Minister) and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

The following tables illustrates the maturities for financial liabilities

	On demand 2008 \$'000	within 1 year 2008 \$'000	1 to 5 years 2008 \$'000	> 5 years 2008 \$'000	Total 2008 \$'000
Other Liabilities					
Payables - Suppliers	-	236	-	-	236
Other payables	-	2,646	-	-	2,646
Total	-	2,882	-	-	2,882

	On demand 2007 \$'000	within 1 year 2007 \$'000	1 to 5 years 2007 \$'000	> 5 years 2007 \$'000	Total 2007 \$'000
Other Liabilities					
Payables - Suppliers	-	315	-	-	315
Other payables	-	2,008	-	-	2,008
Total	-	2,323	-	-	2,323

ACIAR is appropriated funding from the Australian Government. ACIAR manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, ACIAR has policies in place to ensure timely payments are made when due and has no past experience of default.

Note 16D Market risk

ACIAR holds basic financial instruments that do not expose ACIAR to certain market risks. ACIAR is not exposed 'Currency risk' or 'Other price risk'.

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

Intrest Rate Risk

There are no interest-bearing items on the balance sheet.

Note 17: Appropriation

Note 17A - Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Ordinary Annual Services Appropriations

Particulars	Departmental Outputs	
	2008 \$'000	2007 \$'000
Balance carried from previous period	2,082	1,792
Appropriation Act (No. 1)	51,242	50,362
FMA Act:		
Appropriations to take account of recoverable GST (FMAA s30A)	3,338	3,397
Total Appropriations available for payments	56,662	55,551
Cash payments made during the year (GST inclusive)	(54,011)	(53,469)
Balance of Authority to Draw Cash from the CRF for Ordinary Annual Services Appropriations	2,651	2,082
Represented by:		
Cash at bank and on hand	461	497
Departmental appropriations receivable	2,190	1,585
Total	2,651	2,082

Note 18: Special Accounts

18A - Special Account

Australian Centre for International Agricultural Research	Departmental Outputs	
	2008 \$'000	2007 \$'000
<i>Legal authority: Financial Management and Accountability Act, 1997; s21</i>		
<i>Appropriation: Financial Management and Accountability Act 1997; s21</i>		
<i>Purpose: for crediting amounts received from time to time by the Centre to cover the discharge of costs.</i>		
This account is non-interest bearing		
Balance carried from previous period	4,435	3,329
Amount credited to Special Account	14,496	13,875
Available for payments	18,931	17,204
Payments made to suppliers	(15,455)	(12,769)
Balance carried to next period	3,476	4,435
Represented by:		
Cash - held by ACIAR	-	-
Cash- transferred to the Official Public Account	3,476	4,435
Total balance carried to the next period	3,476	4,435

ACIAR has an *Other Trust Monies Special Account* and a *Services for other Governments and Non-Agency Bodies Special Account* which had nil balances and there were no transactions debited or credited to them.

The purpose of the *Other Trust Monies Special Account* is for expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.

The purpose of the *Services for other Government and Non-Agency Bodies Special Account* is for expenditure in connection with services performed on behalf of other Governments and bodies that are not under the *Financial Management and Accountability Act 1997*.

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH
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for the year ended 30 June 2008

Note 19: Assets Held in Trust

There are no assets held in trust at year-end.

Note 20: Reporting by Outcome

20A - Net Cost of Outcome Delivery

	Outcome 1	
	2008 \$'000	2007 \$'000
Departmental expenses	66,000	60,843
Total expenses	66,000	60,843
<i>Cost recovered from provision of goods and services to the non-government sector</i>		
Total cost recovered	16	13
<i>Other external revenues</i>		
Departmental revenues		
Revenue from disposal of assets	-	14
Other	191	88
Goods and Services Revenue from Related Entities	14,595	10,422
Total other external revenues	14,786	10,524
Net cost/(contribution) of outcome	51,198	50,306

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

Note 20: Reporting by Outcomes – cont.

Note 20B - Major Classes of Departmental Revenues and Expenses by Output Group

Outcome 1	Output 1.1		Output 1.2		Total	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Departmental expenses						
Employees	5,256	5,206	119	121	5,375	5,327
Suppliers	3,403	3,815	78	88	3,481	3,903
Depreciation & amortisation	294	300	7	7	301	307
Grants	45,483	41,802	2,931	3,122	48,414	44,924
Other program expenditure	4,979	5,372	3,444	1,010	8,423	6,382
Other	6	-	-	-	6	-
Total departmental expenses	59,421	56,495	6,579	4,348	66,000	60,843
Funded By:						
Revenues from Government	48,672	47,098	2,570	3,264	51,242	50,362
Sale of goods and services	16	27	-	-	16	27
Other non-taxation revenue	10,780	9,499	3,990	1,010	14,770	10,509
Total departmental revenues	59,468	56,624	6,560	4,274	66,028	60,898

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

This is the end of the audited financial statements