

## Financial statements

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### The Board noted:

- (a) the draft financial statements for 2004–05 that were considered by the ACIAR Audit Committee on 27 July 2005. **Decision 101/21**
- (b) the management representation letter to Ernst and Young.

28 July 2005



*Paul Tyrrell*



*Gloria Radosavljevic*



*Henry Lee*



*Frances McPherson*

*ACIAR's finance team*



**INDEPENDENT AUDIT REPORT**

To the Minister for Foreign Affairs

**Scope**

*The financial statements and Director's responsibility*

The financial statements comprise:

- Statement by the Director and Chief Financial Officer;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Commitments and Contingencies; and
- Notes to and forming part of the Financial Statements

of the Australian Centre for International Agricultural Research for the year ended 30 June 2005.

The Director is responsible for preparing financial statements that give a true and fair presentation of the financial position and performance of the Australian Centre for International Agricultural Research, and that comply with accounting standards and other mandatory financial reporting requirements in Australia, and the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*. The Director is also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

**Audit approach**

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, accounting standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Australian Centre for International Agricultural Research's financial position, and of its performance as represented by the statements of financial performance and cash flows.

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6203 7377

- The audit opinion is formed on the basis of these procedures, which included:
- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
  - assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Director.

**Independence**

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

**Audit Opinion**

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

- have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- give a true and fair view of the Australian Centre for International Agricultural Research's financial position as at 30 June 2005 and of its performance and cash flows for the year then ended, in accordance with:
  - the matters required by the Finance Minister's Orders; and
  - applicable accounting standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office

Ron Wah  
Senior Director

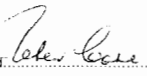
Delegate of the Auditor-General

Canberra  
1 August 2005

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

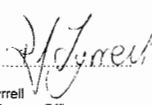
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In our opinion, the attached financial statements for the year ended 30 June 2005 have been prepared based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

Signed: 

Peter Core  
Director

/ August 2005

Signed: 

Paul Tyrrell  
Chief Finance Officer

/ August 2005

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH**  
**STATEMENT OF FINANCIAL PERFORMANCE**

for the year ended 30 June 2005

	Notes	2005 \$	2004 \$
<b>Revenues from ordinary activities</b>			
Revenues from Government	4A	47,523,000	46,832,000
Goods and services	4B	16,107	18,522
Interest	4C	2,756	1,248
Revenue from sale of assets	4D	2,204	1,890
External funds revenue	4E	3,841,142	3,183,556
Other revenues		106,387	36,528
<b>Revenues from ordinary activities</b>		<b>51,491,596</b>	<b>50,073,744</b>
<b>Expenses from ordinary activities</b>			
<i>Administration</i>			
Employees	5A	4,878,925	4,929,832
Suppliers	5B	3,329,222	3,574,385
Depreciation and amortisation	5C	341,484	324,230
Value of assets sold	4D	5,815	2,861
<i>Program expenditure</i>			
Grants	6A	38,141,689	35,696,716
Other program expenditure	6B	4,704,131	5,467,049
<b>Expenses from ordinary activities</b>		<b>51,401,266</b>	<b>49,995,073</b>
<b>Net surplus / (deficit) from ordinary activities</b>		<b>90,330</b>	<b>78,671</b>
<b>Net surplus / (deficit)</b>		<b>90,330</b>	<b>78,671</b>
<b>Total revenues, expenses and valuation adjustments recognised directly in equity</b>		<b>-</b>	<b>-</b>
<b>Total changes in equity other than those resulting from transactions with the Australian Government as owner</b>		<b>90,330</b>	<b>78,671</b>

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

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 30 June 2005*

	Notes	2005 \$	2004 \$
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash	7A	580,433	459,370
Receivables	7B	2,587,640	2,316,130
<b>Total financial assets</b>		<b>3,168,073</b>	<b>2,775,500</b>
<b>Non-financial assets</b>			
Infrastructure, plant, equipment	8A,C	547,094	663,329
Intangibles	8B,C	197,747	117,228
Prepayments	8D	195,742	413,981
<b>Total non-financial assets</b>		<b>940,583</b>	<b>1,194,538</b>
<b>TOTAL ASSETS</b>		<b>4,108,656</b>	<b>3,970,038</b>
<b>LIABILITIES</b>			
<b>Provisions</b>			
Employees	9A	1,379,223	1,523,039
<b>Total provisions</b>		<b>1,379,223</b>	<b>1,523,039</b>
<b>Payables</b>			
Suppliers	10A	140,913	130,488
Grants	10B	2,107,192	1,863,319
Other program expenditure	10C	137,552	199,747
<b>Total payables</b>		<b>2,385,657</b>	<b>2,193,553</b>
<b>TOTAL LIABILITIES</b>		<b>3,764,880</b>	<b>3,716,592</b>
<b>NET ASSETS</b>		<b>343,776</b>	<b>253,446</b>
<b>EQUITY</b>			
Contributed equity		-	-
Reserves		-	-
Retained surplus		343,776	253,446
<b>TOTAL EQUITY</b>	11	<b>343,776</b>	<b>253,446</b>
<b>Current Assets</b>		<b>3,363,815</b>	<b>3,189,480</b>
<b>Non-current Assets</b>		<b>744,841</b>	<b>780,557</b>
<b>Current Liabilities</b>		<b>2,850,520</b>	<b>2,649,633</b>
<b>Non-current Liabilities</b>		<b>914,360</b>	<b>1,066,959</b>

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

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH  
STATEMENT OF CASH FLOWS**

*for the year ended 30 June 2005*

	Notes	2005 \$	2004 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Goods and services		20,088	12,743
Appropriations		47,648,000	44,930,000
Interest		2,756	1,248
Net GST received from ATO		3,053,062	2,762,162
External Funds		4,638,048	4,306,846
Other		59,268	13,217
<b>Total cash received</b>		<b>55,421,222</b>	52,026,216
<b>Cash used</b>			
Employees		5,026,929	5,170,271
Suppliers		3,532,175	3,303,250
Net GST paid to ATO		475,223	316,925
Grants		40,642,024	37,286,991
Other program expenditure		5,287,867	5,844,819
<b>Total cash used</b>		<b>54,964,219</b>	51,922,256
<b>Net cash from / (used by) operating activities</b>	12	<b>457,003</b>	103,960
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		2,330	1,890
<b>Total cash received</b>		<b>2,330</b>	1,890
<b>Cash used</b>			
Purchase of property, plant and equipment		193,817	101,290
Purchase of intangibles		144,452	1,650
<b>Total cash used</b>		<b>338,269</b>	102,940
<b>Net cash (used by) investing activities</b>		<b>(335,939)</b>	(101,050)
<b>Net increase / (decrease) in cash held</b>		<b>121,063</b>	2,910
Cash at the beginning of the reporting period		459,370	456,460
<b>Cash at the end of the reporting period</b>		<b>580,433</b>	459,370

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 2005*

	2005 \$	2004 \$
<b>BY TYPE</b>		
<b>Other Commitments</b>		
Operating leases <sup>1</sup>	401,859	1,001,136
Other commitments <sup>2</sup>	59,034,787	30,657,517
<b>Total Other Commitments</b>	<b>59,436,646</b>	<b>31,658,653</b>
Commitments Receivable	(862,456)	(478,171)
<b>Net Commitments by Type</b>	<b>58,574,191</b>	<b>31,180,482</b>
 <b>BY MATURITY</b>		
<b>All Net Commitments</b>		
One year or less	25,206,787	18,215,878
From one to five years	34,229,859	13,442,774
Over five years	-	-
<b>Net Commitments</b>	<b>59,436,646</b>	<b>31,658,652</b>
 <b>Operating lease commitments</b>		
One year or less	401,859	599,304
From one to five years	-	401,832
Over five years	-	-
<b>Total Operating Lease Commitments</b>	<b>401,859</b>	<b>1,001,136</b>

NB: Commitments are GST inclusive where relevant.

<sup>1</sup> Operating leases included are effectively non-cancellable and comprise:

- leases for office accommodation; and
- agreements for the provision of motor vehicles to senior executive officers.

<sup>2</sup> As at 30 June 2005, other commitments comprise 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 statement of assets and liabilities.

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

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH  
SCHEDULE OF CONTINGENCIES**

as at 30 June 2005

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**CONTINGENT LOSSES**

There are no contingent losses.

**CONTINGENT GAINS**

There are no contingent gains.

**SCHEDULE OF UNQUANTIFIABLE CONTINGENCIES**

There are no unquantifiable contingencies.

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2005*

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- Note: 1 Summary of Significant Accounting Policies
- Note: 2 Adoption of Australian Equivalents to International Financial Reporting Standards from 2005-2006
- Note: 3 Events Occurring after Reporting Date
- Note: 4 Operating Revenues
- Note: 5 Operating Expenses - Administration
- Note: 6 Operating Expenses - Grants
- Note: 7 Financial Assets
- Note: 8 Non-Financial Assets
- Note: 9 Provisions
- Note:10 Payables
- Note:11 Equity
- Note:12 Cash Flow Reconciliation
- Note:13 Remote Contingencies
- Note:14 Executive Remuneration
- Note:15 Remuneration of Auditors
- Note:16 Average Staffing Levels
- Note:17 Financial Instruments
- Note:18 Appropriations
- Note:19 Reporting of Outcomes

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

*for the year ended 30 June 2005*

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## **1. Summary of Significant Accounting Policies**

### **1.1 Objectives of ACIAR**

The Centre'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.

The Centre 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.

### **1.2 Basis of Accounting**

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

The statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs, being the *Financial Management and Accountability (Financial Statements for reporting periods ending on or after 30 June 2005)*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Consensus Views of the Urgent Issues Group.

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

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

*for the year ended 30 June 2005*

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Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets and 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 unrecognised are reported in the Schedule of Commitments.

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

The Centre is a Statutory Authority under the *Australian Centre for International Agricultural Research Act 1982*. The accounts have been prepared in accordance with that Act.

ACIAR is dependent on appropriations from the Parliament of the Commonwealth for its continued existence and ability to carry out its normal activities.

### **1.3 Revenue**

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

#### *Revenues from Government - Appropriations*

Departmental outputs appropriation for the year is recognised as revenue.

#### *Other Revenue*

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

All other revenue is recognised when it is probable that the inflow of future economic benefits has occurred and they can be measured reliably.

### **1.4 Grants**

The Centre makes grant payments under the *Australian Centre for International Agricultural Research Act 1982*.

All grant agreements require the grantee to perform services or provide facilities, or to meet eligibility criteria. In these cases, 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.)

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2005*

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**1.5 Employee Benefits**

*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 Centre is estimated to be less than the annual benefit for sick leave.

The liability for annual leave reflects the value of total annual leave benefits of all employees at 30 June 2005 and is recognised at its nominal amount.

The long service leave liability for 2004-2005 has been calculated using a shorthand methodology using the following probability weightings for each band of completed years from years one to ten:

<b>Completed Years of Service</b>	<b>Probability Weight</b>
0-1	0.5
1-2	0.6
2-4	0.7
4-6	0.8
6-8	0.9
8+	1.0

The liability reflects the future cash outflows in net present terms by applying a 5% discount factor.

For annual leave the maximum of four weeks is recognised as a current liability. The balance of annual leave is treated as non-current.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2005. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

*Separation and Redundancy*

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

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2005*

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*Superannuation*

Employees contribute to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. Employer contributions amounting to \$610,429 (2003-2004: \$642,246) in relation to these schemes have been expensed in these financial statements.

**1.6 Leases**

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

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

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

**1.7 Borrowing Costs**

All borrowing costs are expensed as incurred except to the extent that they are directly attributable to qualifying assets, in which case they are capitalised. The amount capitalised in a period does not exceed the amounts of costs incurred in that period.

**1.8 Cash**

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

**1.9 Financial Instruments**

Accounting policies for financial instruments are stated at Note 17.

**1.10 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

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2005*

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### **1.11 Property, Plant and Equipment**

#### *Asset Recognition Threshold*

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

#### *Revaluations*

##### *Basis*

Infrastructure, plant and equipment have been revalued in accordance with the 'fair value' principles.

All infrastructure, plant and equipment assets were revalued in June 2003. The revaluation process was performed by the Australian Valuation Office.

There was no significant variation between the depreciated replacement value and their fair value. Accordingly, all assets are shown separately at their gross value and related accumulated depreciation.

##### *Frequency*

Infrastructure, plant and equipment are revalued progressively in successive three-year cycles. All current cycles commenced on 30 June 2003.

##### *Conduct*

All valuations are conducted by an independent qualified valuer.

##### *Depreciation and Amortisation*

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

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

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

*for the year ended 30 June 2005*

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

	2005	2004
Plant and equipment	5-10 years	5-10 years
Computer Equipment	3 - 5 years	3 - 5 years
Intangibles	5-10 years	5-10 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 8.

**1.12 Intangibles**

Intangibles consist of proprietary software and are amortised over their useful lives, which range from 5 to 10 years.

All software assets were assessed for indications of impairment as at 30 June 2005. None were found to be impaired.

**1.13 Taxation**

The Centre is exempt from all forms of taxation except fringe benefits tax and the goods and services tax.

**1.14 Insurance**

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

**1.15 Comparative Figures**

Comparative figures have been adjusted to conform to changes in presentation in these financial statements in Note 18A.

**1.16 Rounding**

All amounts in these statements are shown in whole dollars.

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

*for the year ended 30 June 2005*

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**2. Adoption of Australian Equivalents to International Financial Reporting Standards from 2005 - 2006**

The Australian Accounting Standards Board has issued replacement Australian Accounting Standards to apply from 2005-06. The new standards are the Australian Equivalents to International Financial Reporting Standards (AEIFRS). The International Financial Reporting Standards are issued by the International Accounting Standards Board. The new standards cannot be adopted early. The standards being replaced are to be withdrawn with effect from 2005-06, but continue to apply in the meantime, including reporting periods ending on 30 June 2005.

The purpose of issuing AEIFRS is to enable Australian reporting entities reporting under the *Corporations Act 2001* to be able to more readily access overseas capital markets by preparing their financial reports according to accounting standards more widely used overseas.

AEIFRS contain certain additional provisions that will apply to not-for-profit entities, including Australian Government agencies. Some of these provisions are in conflict with IFRS, and therefore ACIAR will only be able to assert that the financial report has been prepared in accordance with Australian Accounting Standards.

AAS 29 *Financial Reporting by Government Departments* will continue to apply under AEIFRS.

Accounting Standard AASB 1047 *Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards* requires that the financial statements for 2004-05 disclose:

- an explanation of how the transition to AEIFRS is being managed;
- narrative explanations of the key policy differences arising from the adoption of AEIFRS;
- any known or reliably estimable information about the impacts on the financial report had it been prepared using AEIFRS;
- if the impacts of the above are not known or reliably estimable, a statement to that effect; and
- where an entity is not able to make a reliable estimate, or where quantitative information is not known, the entity should update the narrative disclosures of the key differences in accounting policies that are expected to arise from the adoption of AEIFRS

The purpose of this Note is to make these disclosures.

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2005*

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*Management of the transition to AEIFRS*

ACIAR has taken the following steps for the preparation towards the implementation of AEIFRS:

- The Agency's Audit Committee is tasked with oversight of the transition to and implementation of AEIFRS. The Chief Finance Officer is formally responsible for the project and reports regularly to the Audit Committee on progress against the formal plan approved by the Committee.
- The plan requires the following key steps to be undertaken and sets deadlines for their achievement.
- All major accounting policy differences between current AASB standards and AEIFRS were identified by 30 June 2004
- No system changes were necessary to be able to report under the AEIFRS, including those necessary to capture data under both sets of rules for 2004-
- A transitional balance sheet as at 1 July 2004 under AEIFRS was completed and presented to the Audit Committee on 28 April 2005.
- An AEIFRS compliant balance sheet as at 30 June 2005 was also prepared during the preparation of the 2004-05 statutory financial reports.
- The 2004-05 Balance Sheet under AEIFRS will be reported to the Department of Finance and Administration in line with their reporting deadlines.

*Major changes in accounting policy*

ACIAR believes that the first financial report prepared under AEIFRS ie at 30 June 2006, will be prepared on the basis that ACIAR will be a first time adopter under AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. Changes in accounting policies under AEIFRS are applied retrospectively i.e. as if the new policy had always applied except in relation to the exemptions available and prohibitions under AASB 1. This means that an AEIFRS compliant balance sheet has to be prepared as at 1 July 2004. This will enable the 2005-06 financial statements to report comparatives under AEIFRS.

A first time adopter of AEIFRS may elect to use exemptions under paragraphs 13 to 25E. When developing the accounting policies applicable to the preparation of the 1 July opening balance sheet, no exemptions were applied by ACIAR.

Changes to major accounting policies are discussed in the following paragraphs.

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2005*

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Management's review of the quantitative impacts of AEIFRS represents the best estimates of the impacts of the changes as at reporting date. The actual effects of

- continuing review of the impacts of AEIFRS on ACIAR operations;
- potential amendments to the AEIFRS and AEIFRS Interpretations; and
- emerging interpretation as to the accepted practice in the application of AEIFRS and the AEIFRS Interpretations.

the impacts of AEIFRS may differ from these estimates due to:

*Property plant and equipment*

It is expected that the 2005-06 *Finance Minister's Orders* will continue to require property plant and equipment assets to be valued at fair value in 2005-06.

Borrowing costs related to qualifying assets are currently capitalised. It is expected that the FMOs for 2005-06 will elect to expense all borrowing costs under AEIFRS. Accordingly, borrowing costs incurred during 2002-03 have been capitalised at 30 June 2003 with the associated qualifying asset.

The impact of this change on these financial statements is nil. No borrowing costs were capitalised during 2004-05.

*Intangible Assets*

ACIAR currently recognises software assets on the basis of cost. The carrying amounts include amounts that were originally measured at deprival valuation and subsequently deemed to be cost under transitional provisions available on the introduction of AAS 38 *Revaluation of Non-current Assets* in 2000-01 and AASB 1041 of the same title in 2001-02.

The Australian Equivalent on Intangibles does not permit intangibles to be measured at valuation unless there is an active market for the intangible. ACIAR has reviewed all intangibles and identified those assets where the cost could be verified. The remaining assets were based on a valuation. Accordingly, ACIAR will derecognise the revaluation component of the carrying amount of these assets on adoption of the Australian Equivalent.

The impact of the changes would have the effect of reducing the gross value of Intangible Assets by \$118,915 and reducing Accumulated Amortisation by the same amount. Amortisation of intangibles is not expected to change on an annual basis and new acquisitions will replace those older assets.

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

*for the year ended 30 June 2005*

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*Impairment of Intangibles and Property, Plant and Equipment*

Under AEIFRS these assets will be subject to assessment for impairment and, if there are indications of impairment, an assessment of the degree of impairment. (Impairment measurement must also be done, irrespective of any indications of impairment, for intangible assets not yet available for use). The impairment test is that the carrying amount of an asset must not exceed the greater of (a) its fair value less costs to sell and (b) its value in use. 'Value in use' is the net present value of net cash inflows for cash generating units of the Agency and depreciated replacement cost for other assets which would be replaced if ACIAR were deprived of them.

The most significant changes are that, for the Agency's cash generating units, the recoverable amount is only generally to be measured where there is an indication of impairment. Previously all assets' recoverable amount was tested.

However, an impairment assessment of ACIAR's assets indicated that no adjustments will be required.

*Decommissioning, Restoration and Make-good*

When assessing accommodation leases for the preparation of the opening balance sheet, no obligations under the leases for make-good were determined.

*Inventory*

The new Australian Equivalent standard will require inventory held for distribution for no consideration or at a nominal amount to be carried at the lower of cost or current replacement cost.

ACIAR does not hold any inventory.

*Employee Benefits*

See Note 1.5

The provision for long service leave is measured at the present value of estimated future cash outflows using market yields as at the reporting date on national government bonds.

The 2003-04 Financial Report noted that the AEIFRS standards may require the market yield on corporate bonds to be used. The AASB has decided that a deep market in high quality corporate bonds does not exist and therefore national government bonds will be referenced.

AEIFRS require that annual leave that is not expected to be taken within 12 months of balance date is to be discounted. After assessing the staff leave profile, ACIAR does not expect that any material amounts of the annual leave balance will not be taken in the next 12 months. Consequently, there are no adjustments for non-current annual leave.

*Administered Items*

ACIAR does not have any administered items.

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH**  
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*Financial Instruments*

AEIFRS include an option for entities not to restate comparative information in respect of financial instruments in the first AEIFRS report. It is expected that Finance Minister's Orders will require entities to use this option. Therefore, the amounts for financial instruments presented in the ACIAR's 2004-05 primary financial statements are not expected to change as a result of the adoption of AEIFRS.

ACIAR will be required by AEFIRS to review the carrying amounts of financial instruments at 1 July 2005 to ensure they align with the accounting policies required by AEIFRS. It is expected that the carrying amounts of financial instruments held by ACIAR will not materially change as a result of this process.

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**Notes to and forming part of the Financial Statements**

*Reconciliation of Impacts – AGAAP to AEIFRS*

	<b>30 June 2005*</b>	<b>30 June 2004</b>
	\$'000	\$'000
	\$	\$
<b>Reconciliation of Departmental Equity</b>		
Total Departmental Equity under AGAAP	344	253
Adjustments to accumulated results	-	-
Adjustments to other reserves	-	-
<b>Total Equity under AEIFRS</b>	<b>344</b>	<b>253</b>
<b>Reconciliation of Departmental Accumulated Results</b>		
Total Departmental Accumulated Results under AGAAP	344	253
Adjustments:		
Work in progress	-	-
Assets – Carrying Value	-	-
Asset Revaluation Reserves	-	-
Depreciation	-	-
<b>Total Accumulated Results under AEIFRS</b>	<b>344</b>	<b>253</b>
<b>Reconciliation of Departmental Reserves</b>		
Total Departmental Reserves under AGAAP	-	-
Adjustment:		
Asset Revaluation Reserve	-	-
<b>Total Departmental Reserves under AEIFRS</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of Departmental Contributed Equity</b>		
Total Departmental Contributed Equity under AGAAP	-	-
Adjustments	-	-
<b>Total Contributed Equity under AEIFRS</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of Net surplus / (deficit) from ordinary activities for year ending 30 June 2005</b>		
Total Departmental Reserves under AGAAP	-	
Adjustments:		
Depreciation and amortisation	-	
Write-down of assets	-	
<b>Net surplus / deficit from ordinary activities under AEIFRS</b>	<b>-</b>	

\* 30 June 2005 total represents the accumulated impacts of AEIFRS from the date of transition.

### 3. Events Occurring After Reporting Date

There are no foreseeable financial effects of events or transactions after the reporting date which could materially affect Centre's financial position or operating performance for the next financial period.

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH**  
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**4 . Operating Revenues**

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
<b><u>4A - Revenues from Government</u></b>		
Appropriations for outputs	<b>47,523,000</b>	46,832,000
<b>Total revenues from government</b>	<b><u>47,523,000</u></b>	<b><u>46,832,000</u></b>
<b><u>4B - Goods and Services</u></b>		
Goods	<b>16,107</b>	18,522
<b>Total sales of goods and services</b>	<b><u>16,107</u></b>	<b><u>18,522</u></b>
Provision of goods to:		
External entities	<b>16,107</b>	18,522
<b>Total sales of goods</b>	<b><u>16,107</u></b>	<b><u>18,522</u></b>
Costs of sales of goods	<b><u>3,174</u></b>	<b><u>8,800</u></b>
<b><u>4C - Interest Revenue</u></b>		
Interest on GST refunds	<b>2,756</b>	1,248
<b>Total interest revenue</b>	<b><u>2,756</u></b>	<b><u>1,248</u></b>
<b><u>4D - Net Gain / (Loss) from Sale of Assets</u></b>		
Infrastructure, plant & equipment:		
Proceeds from disposal	<b>2,204</b>	1,890
Net book value of assets disposed	<b>5,815</b>	2,861
<b>Net gain / (loss) from disposal of infrastructure, plant and equipment</b>	<b><u>(3,611)</u></b>	<b><u>(971)</u></b>
<b><u>4E - Revenues from External Sources</u></b>		
AusAID contributions	<b>3,646,438</b>	3,168,780
Industry contributions	<b>194,704</b>	14,776
<b>Total revenues from external sources</b>	<b><u>3,841,142</u></b>	<b><u>3,183,556</u></b>

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

for the year ended 30 June 2005

**5. Operating Expenses - Administration**

	2005 \$	2004 \$
<i><u>5A - Employee Expenses</u></i>		
Wages and Salary	3,948,537	3,946,525
Superannuation	610,429	642,246
Leave and other entitlements	90,769	211,484
Separation and redundancies	99,601	5,072
Other employee expenses	103,040	99,377
<b>Total employee benefits expense</b>	<b>4,852,376</b>	<b>4,904,704</b>
Worker compensation premiums	26,549	25,128
<b>Total employee expenses</b>	<b>4,878,925</b>	<b>4,929,832</b>
 <i><u>5B - Supplier Expenses</u></i>		
Goods from related entities	9,534	4,738
Goods from external entities	204,639	155,060
Services from related entities	462,396	482,699
Services from external entities	2,059,184	2,369,676
Operating lease rentals*	593,469	562,212
<b>Total supplier expenses</b>	<b>3,329,222</b>	<b>3,574,385</b>
 * These comprise minimum lease payments only.		
 <i><u>5C - Depreciation and Amortisation</u></i>		
<i>Depreciation</i>		
Other infrastructure, plant and equipment	290,683	263,527
<i>Amortisation</i>		
Intangibles - Computer Software	50,801	60,703
<b>Total depreciation and amortisation</b>	<b>341,484</b>	<b>324,230</b>
Leasehold improvements	43,718	43,387
Plant and equipment	246,965	220,140
Intangibles	50,801	60,703
<b>Total depreciation and amortisation</b>	<b>341,484</b>	<b>324,230</b>

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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**6. Operating Expenses - Grants**

	2005 \$	2004 \$
<i>6A - Grants</i>		
Non-profit institutions	28,167,492	25,586,156
Overseas entities	9,974,197	10,110,560
<b>Total grants</b>	<b>38,141,689</b>	<b>35,696,716</b>
<i>6B - Other Program Expenditure</i>		
Training	2,565,098	2,464,094
Communications research	778,481	753,677
Other research	1,360,552	2,249,278
<b>Total other program expenditure</b>	<b>4,704,131</b>	<b>5,467,049</b>

**7. Financial Assets**

<i>7A - Cash</i>		
Special Account	580,433	459,370
<i>7B - Receivables</i>		
Goods and services	340,281	26,967
Other Debtors	7,577	39,110
	347,858	66,077
GST receivable from the Australian Taxation Office	462,782	348,053
Undrawn appropriations	1,777,000	1,902,000
<b>Total receivables</b>	<b>2,587,640</b>	<b>2,316,130</b>

All receivables are current assets.

Receivables (gross) are aged as follows:

Not overdue	2,530,640	2,316,130
Overdue by:		
Less than 30 days	57,000	-
30 to 60 days	-	-
60 to 90 days	-	-
More than 90 days	-	-
<b>Total Receivables (gross)</b>	<b>2,587,640</b>	<b>2,316,130</b>

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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**8. Non-Financial Assets**

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
<i>8A - Infrastructure, Plant and Equipment</i>		
Plant and equipment - at 2002-2003 valuation	<b>1,786,424</b>	1,644,048
Accumulated depreciation	<b>(1,239,330)</b>	(980,719)
<b>Total Infrastructure, Plant and Equipment (non-current)</b>	<b>547,094</b>	<b>663,329</b>
 <i>8B - Intangibles</i>		
Computer software		
Purchased computer software	<b>536,167</b>	404,847
Accumulated amortisation	<b>(338,420)</b>	(287,619)
<b>Total Intangibles</b>	<b>197,747</b>	<b>117,228</b>

*8C - Analysis of Property, Plant, Equipment and Intangibles*

**TABLE A**

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

<b>ITEM</b>	<b>Infrastructure, Plant and Equipment \$</b>	<b>Computer Software \$</b>	<b>TOTAL \$</b>
As at 1 July 2004			
Gross book value	1,644,047	404,847	<b>2,048,894</b>
Accumulated depreciation / amortisation	(980,718)	(287,619)	<b>(1,268,337)</b>
<b>Opening Net book value</b>	<b>663,329</b>	<b>117,228</b>	<b>780,557</b>
Additions:			
by purchase	180,263	131,320	<b>311,583</b>
Net revaluation increment / (decrement)	-	-	-
Depreciation / amortisation expense	(290,683)	(50,801)	<b>(341,484)</b>
Recoverable amount write-downs	-	-	-
Disposals	(37,886)	-	<b>(37,886)</b>
Write-off	-	-	-
<b>As at 30 June 2005</b>			
Gross book value	<b>1,786,424</b>	<b>536,167</b>	<b>2,322,591</b>
Accumulated depreciation / amortisation	<b>(1,239,330)</b>	<b>(338,420)</b>	<b>(1,577,750)</b>
<b>Closing Net book value</b>	<b>547,094</b>	<b>197,747</b>	<b>744,841</b>

## 8. Non-Financial Assets – cont

**TABLE B**  
**Assets at valuation**

ITEM	Infrastructure, Plant and Equipment \$	Computer Software \$	TOTAL \$
<b>As at 30 June 2005</b>			
Gross book value	1,786,424	536,167	<b>2,322,591</b>
Accumulated depreciation/amortisation	(1,239,330)	(338,420)	<b>(1,577,750)</b>
<b>Net book value</b>	<b>547,094</b>	<b>197,747</b>	<b>744,841</b>
<b>As at 30 June 2004</b>			
Gross value	1,644,048	404,847	<b>2,048,895</b>
Accumulated depreciation/amortisation	(980,719)	(287,619)	<b>(1,268,338)</b>
Net book value	<b>663,329</b>	<b>117,228</b>	<b>780,557</b>

<u>8D - Prepayments</u>	2005 \$	2004 \$
Employees	<b>14,895</b>	16,191
Suppliers	<b>179,727</b>	50,102
Grants	-	344,600
Other program expenditure	<b>1,120</b>	3,088
Total	<b>195,742</b>	<b>413,981</b>

All other non-financial assets are current assets.

## 9. Provisions

<u>9A - Employee Provisions</u>		
Salaries and wages	<b>127,754</b>	66,896
Superannuation	<b>2,252</b>	-
Leave	<b>1,249,217</b>	1,456,143
<b>Aggregate employee entitlement liability</b>	<b>1,379,223</b>	<b>1,523,039</b>
Workers' compensation	-	-
<b>Aggregate employee entitlement liability and related on-costs</b>	<b>1,379,223</b>	<b>1,523,039</b>
Current	<b>614,862</b>	456,080
Non-current	<b>764,361</b>	1,066,959

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH**  
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for the year ended 30 June 2005

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**10. Payables**

10A - Supplier Payables

Trade creditors	<b>140,913</b>	130,488
<b>Total supplier payables</b>	<b><u>140,913</u></b>	<u>130,488</u>

Supplier payables are represented by:

Current	<b>140,913</b>	130,488
Non-current	-	-
<b>Total supplier payables</b>	<b><u>140,913</u></b>	<u>130,488</u>

Settlement is usually made net 30 days.

10B - Grants Payables

Non-profit institutions		
ACIAR Projects	<b>343,691</b>	765,941
External Funded Projects	<b>1,763,501</b>	1,097,378
	<b><u>2,107,192</u></b>	<u>1,863,319</u>

10C - Other Program Payables

Research Activities	<b>39,099</b>	131,377
Research Publications	<b>98,453</b>	68,371
<b>Total other program payables</b>	<b><u>137,552</u></b>	<u>199,748</u>

All payables are current liabilities.

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**11. Equity**

ITEM	Accumulated Results		Asset Revaluation Reserves		TOTAL EQUITY	
	2005	2004	2005	2004	2005	2004
	\$	\$	\$	\$	\$	\$
Opening balance as at 1 July	253,446	174,775	-	-	253,446	174,775
Net surplus/deficit	90,330	78,671	-	-	90,330	78,671
Net revaluation increment/(decrement)	-	-	-	-	-	-
<b>Transactions with owner:</b>						
Distributions to owner:						
Returns on Capital						
Dividends	-	-	-	-	-	-
Returns of Capital						
Restructuring	-	-	-	-	-	-
Returns of contributed equity	-	-	-	-	-	-
Contributions by owner:						
Appropriations (equity injections)	-	-	-	-	-	-
Restructuring	-	-	-	-	-	-
Transfers to/(from)/between reserves	-	-	-	-	-	-
<b>Closing balance as at 30 June</b>	<b>343,776</b>	253,446	-	-	<b>343,776</b>	253,446

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH**  
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**12. Cash Flow Reconciliation**

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows</b>		
Cash at year end per Statement of Cash Flows	<b>580,433</b>	459,370
Statement of Financial Position items comprising above cash: 'Financial Asset - Cash'	<b>580,433</b>	459,370
<b>Reconciliation of net surplus to net cash from operating activities:</b>		
Net surplus/(deficit)	<b>90,330</b>	78,671
Depreciation/amortisation	<b>341,484</b>	324,230
Loss on sale of assets	<b>3,611</b>	971
(Increase)/decrease in net receivables	<b>(271,510)</b>	(1,216,853)
(Increase)/decrease in prepayments	<b>218,239</b>	(296,706)
Increase/(decrease) in supplier payables	<b>(51,769)</b>	124,828
Increase/(decrease) in employee provisions	<b>(143,816)</b>	(170,691)
Increase/(decrease) in grants payable	<b>243,873</b>	1,252,501
GST cash refund from financing and investing activities	<b>26,560</b>	7,009
<b>Net cash from / (used by) operating activities</b>	<b>457,003</b>	103,960

**13. Contingent Liabilities and Assets**

There are no remote contingencies.

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH**  
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**14. Executive Remuneration**

The number of executives who received or were due to receive total remuneration of \$100,000 or more:

	<u>2005</u>	<u>2004</u>
\$180,001 - \$190,000	-	1
\$190,001 - \$200,000	-	-
\$200,001 - \$210,000	1	1
\$210,001 - \$220,000	1	-
\$220,001 - \$230,000	-	-
\$230,001 - \$240,000	-	1
\$240,001 - \$250,000	1	-
\$250,001 - \$260,000	-	-
\$260,001 - \$270,000	-	-
	<u>3</u>	<u>3</u>

The aggregate amount of total remuneration of executives shown above.

<u>\$672,097</u>	<u>\$625,432</u>
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The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.

<u>99,601</u>	<u>Nil</u>
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The executive remuneration includes all officers concerned with or taking part in the management of the economic entity during 2004-05 including the Director.

**15. Remuneration of Auditors**

	<u>2005</u>	<u>2004</u>
Financial statement audit services are provided free of charge to ACIAR.	<u>\$</u>	<u>\$</u>
The fair value of the services provided was:	<u>24,000</u>	<u>20,000</u>

No other services were provided by the Auditor-General.

**16. Average Staffing Levels**

The average staffing levels for the Centre in 2004-2005 were 45 (FTE 42.04) (2003-2004: 46.8 (44.87 FTE)).

A number of contract and locally engaged staff are engaged in Australian overseas missions. In 2004-2005 the number was 21 (FTE 20.5) (2003-2004: 19.8 (18.55FTE)).

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**17. Financial Instruments**

*17A - Interest Rate Risk*

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In			
				1 year or less		1 to 2 years	
		2005	2004	2005	2004	2005	2004
		\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>							
Cash at bank	7A	-	-	-	-	-	-
Receivables	7B	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	-

Financial Liabilities					
Suppliers	10A	-	-	-	-
Grants	10B	-	-	-	-
Other program expenditure	10C	-	-	-	-
<b>Total</b>		-	-	-	-

Financial Instrument		Non-Interest Bearing		Total		Weighted Average Effective Interest Rate	
		2005	2004	2005	2004	2005	2004
		\$	\$	\$	\$	%	%
<b>Financial Assets</b>							
Cash at bank	7A	580,433	459,370	580,433	459,370	n/a	n/a
Receivables	7B	2,587,640	2,316,130	2,587,640	2,316,130	n/a	n/a
<b>Total</b>		3,168,073	2,775,500	3,168,073	2,775,500	n/a	n/a
<b>Total Assets</b>				4,108,656	3,970,038		

Financial Liabilities							
Suppliers	10A	140,913	130,488	140,913	130,488	n/a	n/a
Grants	10B	2,107,192	1,863,319	2,107,192	1,863,319	n/a	n/a
Other program expenditure	10C	137,552	199,747	137,552	199,747	n/a	n/a
<b>Total</b>		2,385,657	2,193,554	2,385,657	2,193,554	n/a	n/a
<b>Total Liabilities</b>				3,764,880	3,716,592		

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**17. Financial Instruments - cont.**

17B - Net Fair Values of Financial Assets and Liabilities

The net fair values of each class of financial assets and liabilities equals the carrying amounts in both 2004 and 2005. Values are shown in the Statement of Financial Position

17C - Credit Risk Exposures

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

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

**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH**  
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**18. Appropriation**

*18A - Acquittal of Authority to Draw Cash from the  
Consolidated Revenue Fund (CRF) for Ordinary Annual Services Appropriations*

Particulars	Departmental	
	Outputs	
	2005	2004
	\$	\$
<b>Year ended 30 June 2005</b>		
Balance carried from previous year	2,709,423	1,511,711
Appropriation Act (No.1) 2004-2005	47,523,000	46,832,000
Appropriation Act (No.3) 2004-2005	-	-
Departmental Adjustments by the Finance Minister (Appropriation Act)	-	-
Comcover receipts (Appropriation Act s13)	-	-
Advance to the Finance Minister	-	-
Refunds credited (FMAA s30)	-	-
Sub total 2004-05 Annual Appropriation	50,232,423	48,343,711
Appropriations to take account of recoverable GST (FMAA s30A)	3,167,791	1,738,039
Annotations - revenue credited to Special Account	4,722,489	4,335,944
Total Appropriations available for payments	58,122,703	54,417,694
Cash payments made during the year (GST inclusive)	55,302,488	51,708,271
Appropriations credited to Special Accounts (excluding GST)	-	-
<b>Balance of Authority to Draw Cash from the CRF for Ordinary Annual Services Appropriations</b>	<b>2,820,215</b>	<b>2,709,423</b>
<i>Represented by:</i>		
Cash at bank and on hand	580,433	459,370
Receivable - departmental appropriations	1,777,000	1,902,000
Receivables - GST receivable from customers	-	-
Receivables - GST receivable from ATO	514,601	424,147
Payables - GST payable	51,819	76,094
<b>Total</b>	<b>2,820,215</b>	<b>2,709,423</b>

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**18B - Special Account**

*Legal authority: Financial Management and Accountability Act, 1997; s21*

*Purpose: for the receipt of all moneys and payment of all expenditure related to the operations of ACIAR.*

This account is non-interest bearing

Particulars	Departmental	
	Outputs	
	2005	2004
	\$	\$
Balance carried from previous year	459,370	456,460
Appropriation Act (No. 1) 2003-2004	-	44,930,000
Appropriation Act (No. 1) 2004-2005	47,648,000	
Other receipts		
Goods - Provision of goods to related entities	22,418	14,633
Services - Rendering of services to related entities	4,700,071	4,321,311
GST credits (FMAA s30A)	2,577,839	2,445,237
Available for payments	55,407,698	52,167,641
Payments made to employees	(5,026,929)	(5,170,271)
Payments made to suppliers	(49,800,336)	(46,538,001)
Balance carried to next year	580,433	459,370
<i>Represented by:</i>		
Cash - held by ACIAR	580,433	459,370
Receivables - GST receivable from customers		
Receivables - Net GST receivable from the ATO		
Other Payables - Net GST payable to the ATO		
Payable - Suppliers - GST portion		
<b>Total balance carried to the next period</b>	<b>580,433</b>	<b>459,370</b>

ACIAR has an *Other Trust Monies Special Account* and a *Services for other Governments and Non-Agency Bodies Account*. For the years ended 30 June 2002-2005 both special accounts 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*.

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**19. Reporting by Outcome**

ACIAR costs have been attributed between the outputs on the basis of direct program expenditure and salary costs plus a proportion of other running costs based on staff numbers. The basis of attribution in this table is consistent with the basis used for the 2004-05 Budget.

*19A - Net Cost of Outcome Delivery*

	Outcome 1	
	2005 \$	2004 \$
Departmental expenses	51,401,266	49,995,073
<b>Total expenses</b>	<b>51,401,266</b>	<b>49,995,073</b>
<i>Cost recovered from provision of goods and services to the non-government sector</i>		
Departmental	16,107	18,522
<b>Total cost recovered</b>	<b>16,107</b>	<b>18,522</b>
<i>Other external revenues</i>		
Departmental revenues		
Interest	2,756	1,248
Revenue from disposal of assets	2,204	1,890
Other	106,387	36,528
Goods and Services Revenue from Related Entities	3,841,142	3,183,556
<b>Total other external revenues</b>	<b>3,952,489</b>	<b>3,223,222</b>
<b>Net cost/(contribution) of outcome</b>	<b>47,432,671</b>	<b>46,753,329</b>

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*19B - Major Classes of Departmental Revenues and Expenses by Output Group*

	Output 1.1		Output 1.2		Total	
	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$
<b>Outcome 1</b>						
<b>Departmental expenses</b>						
Employees	4,635,385	4,700,981	243,540	228,851	4,878,925	4,929,832
Suppliers	3,163,038	3,408,457	166,184	165,929	3,329,222	3,574,386
Depreciation & Amortisation	324,438	309,179	17,046	15,051	341,484	324,230
Grants	38,141,689	35,696,716	-	-	38,141,689	35,696,716
Other Program Expenditure	2,139,033	3,002,955	2,565,098	2,464,094	4,704,131	5,467,049
Other	5,815	2,861	-	-	5,815	2,861
<b>Total departmental expenses</b>	<b>48,409,398</b>	<b>47,121,149</b>	<b>2,991,868</b>	<b>2,873,925</b>	<b>51,401,266</b>	<b>49,995,074</b>
<b>Funded By:</b>						
Revenues from government	44,987,000	44,353,000	2,536,000	2,499,000	47,523,000	46,852,000
Sale of goods and services	16,107	18,522	-	-	16,107	18,522
Other non-taxation revenue	3,952,489	3,203,222	-	-	3,952,489	3,203,222
<b>Total departmental revenues</b>	<b>48,955,596</b>	<b>47,574,744</b>	<b>2,536,000</b>	<b>2,499,000</b>	<b>51,491,596</b>	<b>50,073,744</b>