



## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Education and Training

I have audited the accompanying annual financial statements of the Australian Research Council for the year ended 30 June 2015, which comprise:

- Statement by the Chief Executive and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Schedule of Commitments;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement;
- Schedule of Administered Commitments; and
- Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

### *Chief Executive's Responsibility for the Financial Statements*

The Chief Executive of the Australian Research Council is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Australian Research Council is also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial

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statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, as well as evaluating the overall presentation of the financial statements.

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

### ***Independence***

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

### ***Opinion***

In my opinion, the financial statements of the Australian Research Council:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Australian Research Council as at 30 June 2015 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Carla Jago

Executive Director

Delegate of the Auditor-General

Canberra

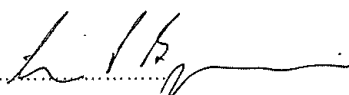
9 September 2015

**Australian Research Council**  
**Statement by the Chief Executive and Chief Financial Officer**

In our opinion, the attached financial statements for the year ended 30 June 2015 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

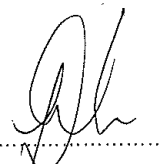
In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Research Council will be able to pay its debts as and when they fall due.

Signed.....



Aidan Byrne  
Accountable Authority  
9 September 2015

Signed.....



Julija Deleva  
Chief Financial Officer  
9 September 2015

**Statement of Comprehensive Income***for the period ended 30 June 2015*

		2015	2014
	Notes	\$'000	\$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits	4A	13,212	13,814
Suppliers	4B	4,554	4,148
Depreciation and amortisation	4C	3,487	3,364
Finance costs	4D	283	295
Write-down and impairment of assets	4E	-	3
<b>Total expenses</b>		<b>21,536</b>	<b>21,624</b>
<b>Own-Source Income</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	5A	-	105
<b>Total own-source revenue</b>		<b>-</b>	<b>105</b>
<b>Gains</b>			
Other gains	5B	131	67
<b>Total gains</b>		<b>131</b>	<b>67</b>
<b>Total own-source income</b>		<b>131</b>	<b>172</b>
<b>Net cost of services</b>		<b>21,405</b>	<b>21,452</b>
Revenue from Government	5C	19,750	19,776
<b>Surplus/(Deficit)</b>		<b>(1,655)</b>	<b>(1,676)</b>
<b>Total comprehensive income/(loss)</b>	3	<b>(1,655)</b>	<b>(1,676)</b>

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

**Statement of Financial Position**  
as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	7A	295	299
Trade and other receivables	7B	11,003	8,893
<b>Total financial assets</b>		<b>11,298</b>	<b>9,192</b>
<b>Non-financial assets</b>			
Land and buildings	8A,C	2,247	2,460
Property, plant and equipment	8B,C	197	214
Intangibles	8D,E	16,066	15,565
Other non-financial assets	8F	293	318
<b>Total non-financial assets</b>		<b>18,803</b>	<b>18,557</b>
<b>Total assets</b>		<b>30,101</b>	<b>27,749</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	9A	400	453
Other payables	9B	440	397
<b>Total payables</b>		<b>840</b>	<b>850</b>
<b>Interest bearing liabilities</b>			
Leases	10	2,452	2,575
<b>Total interest bearing liabilities</b>		<b>2,452</b>	<b>2,575</b>
<b>Provisions</b>			
Employee provisions	11A	3,523	3,197
Other provisions	11B	267	322
<b>Total provisions</b>		<b>3,790</b>	<b>3,519</b>
<b>Total liabilities</b>		<b>7,082</b>	<b>6,944</b>
<b>Net assets</b>		<b>23,019</b>	<b>20,805</b>
<b>EQUITY</b>			
Contributed equity		25,762	21,893
Reserves		43	43
Accumulated deficit		(2,786)	(1,131)
<b>Total equity</b>		<b>23,019</b>	<b>20,805</b>

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

**Statement of Changes in Equity**  
for the period ended 30 June 2015

	Accumulated Deficit		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>								
Balance carried forward from previous period	(1,131)	545	43	43	21,893	24,551	20,805	25,139
<b>Adjusted opening balance</b>	<b>(1,131)</b>	<b>545</b>	<b>43</b>	<b>43</b>	<b>21,893</b>	<b>24,551</b>	<b>20,805</b>	<b>25,139</b>
<b>Comprehensive income</b>								
Surplus/(Deficit) for the period	(1,655)	(1,676)					(1,655)	(1,676)
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>(1,655)</b>	<b>(1,676)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,655)</b>	<b>(1,676)</b>
<b>Transactions with owners</b>								
<b>Distributions to owners</b>								
Returns on capital	-	-	-	-	-	(5,467)	-	(5,467)
<b>Contributions by owners</b>								
Equity injection - Appropriation	-	-	-	-	1,264	1,861	1,264	1,861
Departmental capital budget	-	-	-	-	2,605	948	2,605	948
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,869</b>	<b>(2,658)</b>	<b>3,869</b>	<b>(2,658)</b>
<b>Closing balance as at 30 June</b>	<b>(2,786)</b>	<b>(1,131)</b>	<b>43</b>	<b>43</b>	<b>25,762</b>	<b>21,893</b>	<b>23,019</b>	<b>20,805</b>

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

**Cash Flow Statement***for the period ended 30 June 2015*

	Notes	2015 \$'000	2014 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		18,142	16,878
Sale of goods and rendering of services		-	115
Net GST received		767	574
Other		129	286
<b>Total cash received</b>		<b>19,038</b>	<b>17,853</b>
<b>Cash used</b>			
Employees		13,021	13,433
Suppliers		5,493	4,799
Section 74 receipts transferred to OPA		-	115
Other		274	286
<b>Total cash used</b>		<b>18,788</b>	<b>18,633</b>
<b>Net cash from/(used by) operating activities</b>	13	<b>250</b>	<b>(780)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of property, plant and equipment		100	49
Purchase of intangibles		3,456	2,542
<b>Total cash used</b>		<b>3,556</b>	<b>2,591</b>
<b>Net cash (used by) investing activities</b>		<b>(3,556)</b>	<b>(2,591)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		3,425	2,945
<b>Total cash received</b>		<b>3,425</b>	<b>2,945</b>
<b>Cash used</b>			
Repayment of borrowings		123	112
<b>Total cash used</b>		<b>123</b>	<b>112</b>
<b>Net cash from/(used by) financing activities</b>		<b>3,302</b>	<b>2,833</b>
<b>Net increase/(decrease) in cash held</b>		<b>(4)</b>	<b>(538)</b>
Cash and cash equivalents at the beginning of the reporting period		299	837
<b>Cash and cash equivalents at the end of the reporting period</b>	7A	<b>295</b>	<b>299</b>

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

## Schedule of Commitments

as at 30 June 2015

	2015 \$'000	2014 \$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Net GST recoverable on commitments <sup>1</sup>	(2,490)	(2,756)
<b>Total commitments receivable</b>	<b>(2,490)</b>	<b>(2,756)</b>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
Intangibles <sup>2</sup>	3,071	2,752
<b>Total capital commitments</b>	<b>3,071</b>	<b>2,752</b>
<b>Other commitments</b>		
Operating leases <sup>3</sup>	17,305	18,802
Other <sup>4</sup>	7,010	8,758
<b>Total other commitments</b>	<b>24,315</b>	<b>27,560</b>
<b>Total commitments payable</b>	<b>27,386</b>	<b>30,312</b>
<b>Net commitments by type</b>	<b>24,896</b>	<b>27,556</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Other Commitments receivable</b>		
Within 1 year	(909)	(954)
Between 1 to 5 years	(785)	(838)
More than 5 years	(796)	(964)
<b>Total other commitments receivable</b>	<b>(2,490)</b>	<b>(2,756)</b>
<b>Total commitments receivable</b>		
<b>Commitments payable</b>		
<b>Capital commitments</b>		
Within 1 year	3,025	2,752
Between 1 to 5 years	46	-
More than 5 years	-	-
<b>Total capital commitments</b>	<b>3,071</b>	<b>2,752</b>
<b>Operating lease commitments</b>		
Within 1 year	1,605	1,528
Between 1 to 5 years	6,945	6,673
More than 5 years	8,755	10,601
<b>Total operating lease commitments</b>	<b>17,305</b>	<b>18,802</b>
<b>Other commitments</b>		
Within 1 year	5,367	6,217
Between 1 to 5 years	1,643	2,541
More than 5 years	-	-
<b>Total other commitments</b>	<b>7,010</b>	<b>8,758</b>
<b>Total commitments payable</b>	<b>27,386</b>	<b>30,312</b>
<b>Net commitments by maturity</b>	<b>24,896</b>	<b>27,556</b>



**Schedule of Commitments***as at 30 June 2015*

Note: Commitments are GST inclusive where relevant.

1. GST credit on commitments receivable from the ATO.
2. Outstanding contractual payments for IT systems under development.
3. Operating leases included are effectively non-cancellable and comprise:

Leases for office accommodation	Lease payments are subject to annual increase of 4.25%. The last increase was in September 2014.
Agreements for the provision of motor vehicles to senior executive officers	No contingent rentals exist. There are no renewal or purchase options available to the ARC.

4. Other commitments primarily consist of provision of information technology products and services, office suppliers, consultants and contractors.

This schedule should be read in conjunction with the accompanying notes.

**Administered Schedule of Comprehensive Income***for the period ended 30 June 2015*

	Notes	2015 \$'000	2014 \$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Suppliers	18A	11,916	2,383
Grants	18B	835,552	914,889
<b>Total expenses</b>		<b>847,468</b>	<b>917,272</b>
<b>Income</b>			
<b>Revenue</b>			
<b>Non-taxation revenue</b>			
Other revenue	19	8,106	6,758
<b>Total non-taxation revenue</b>		<b>8,106</b>	<b>6,758</b>
<b>Total revenue</b>		<b>8,106</b>	<b>6,758</b>
<b>Net cost of services</b>		<b>839,362</b>	<b>910,514</b>
<b>Surplus/(Deficit)</b>		<b>(839,362)</b>	<b>(910,514)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Total comprehensive income/(loss)</b>		<b>(839,362)</b>	<b>(910,514)</b>

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

**Administered Schedule of Assets and Liabilities***as at 30 June 2015*

	Notes	2015 \$'000	2014 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	20A	-	-
Trade and other receivables	20B	477	1,315
<b>Total financial assets</b>		<b>477</b>	<b>1,315</b>
<b>Non-financial assets</b>			
Other non-financial assets	21	192	248
<b>Total non-financial assets</b>		<b>192</b>	<b>248</b>
<b>Total assets administered on behalf of Government</b>		<b>669</b>	<b>1,563</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Grants	22A	348,764	362,476
Other payables	22B	1,405	4
<b>Total payables</b>		<b>350,169</b>	<b>362,480</b>
<b>Total liabilities administered on behalf of Government</b>		<b>350,169</b>	<b>362,480</b>
<b>Net assets/(liabilities)</b>		<b>(349,500)</b>	<b>(360,917)</b>

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

**Administered Reconciliation Schedule**

	2015 \$'000	2014 \$'000
<b>Opening assets less liabilities as at 1 July</b>	<b>(360,917)</b>	<b>(338,806)</b>
<b>Net cost of services</b>		
Income	8,106	6,758
Expenses	(847,468)	(917,272)
<b>Transfers (to)/from the Australian Government</b>		
Appropriation transfers from Official Public Account (OPA)		
Administered assets and liabilities appropriations		
Annual appropriations	2,474	2,731
Special appropriations (limited)	859,564	893,282
Administered GST Appropriations	4,166	4,588
Appropriation transfers to OPA		
Appropriations	(8,434)	(7,944)
Special Accounts	(2,000)	-
Return of GST Appropriation to OPA	(4,991)	(4,254)
<b>Closing assets less liabilities as at 30 June</b>	<b>(349,500)</b>	<b>(360,917)</b>

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

**Australian Research Council**  
**Administered Cash Flow Statement**  
*for the period ended 30 June 2015*

	Notes	2015 \$'000	2014 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Net GST received		4,977	4,238
Other		8,106	6,759
<b>Total cash received</b>		<b>13,083</b>	<b>10,997</b>
<b>Cash used</b>			
Grants		852,792	896,354
Suppliers		11,070	3,046
<b>Total cash used</b>		<b>863,862</b>	<b>899,400</b>
<b>Net cash from/(used by) operating activities</b>		<b>(850,779)</b>	<b>(888,403)</b>
Cash and cash equivalents at the beginning of the reporting period		-	-
<b>Cash from Official Public Account:</b>			
Appropriations		862,038	896,013
Administered GST Appropriations		4,166	4,588
<b>Total cash from official public account</b>		<b>866,204</b>	<b>900,601</b>
<b>Cash to Official Public Account</b>			
Appropriations		(8,434)	(7,944)
Special Accounts		(2,000)	-
Return of GST Appropriation to OPA		(4,991)	(4,254)
<b>Total cash to official public account</b>		<b>(15,425)</b>	<b>(12,198)</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	20A	<b>-</b>	<b>-</b>

This schedule should be read in conjunction with the accompanying notes.

**Australian Research Council**  
**Schedule of Administered Commitments**  
*as at 30 June 2015*

	2015 \$'000	2014 \$'000
<b>BY TYPE</b>		
<b>Commitments receivable <sup>1</sup></b>		
Net GST recoverable on commitments <sup>1</sup>	(14,541)	(11,866)
<b>Total commitments receivable</b>	<b>(14,541)</b>	<b>(11,866)</b>
<b>Commitments payable</b>		
<b>Other commitments</b>		
Other	2,950	1,026
ARC National Competitive Grants <sup>2</sup>	1,060,310	1,207,773
<b>Total commitments payable</b>	<b>1,063,260</b>	<b>1,208,799</b>
<b>Net commitments by type</b>	<b>1,048,719</b>	<b>1,196,933</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Other commitments receivable</b>		
Within 1 year	(4,227)	(4,898)
Between 1 to 5 years	(10,023)	(6,474)
More than 5 years	(291)	(494)
<b>Total commitment receivable</b>	<b>(14,541)</b>	<b>(11,866)</b>
<b>Commitments payable</b>		
<b>Other commitments</b>		
Within 1 year	297,040	312,790
Between 1 to 5 years	744,581	832,516
More than 5 years	21,639	63,493
<b>Total commitments payable</b>	<b>1,063,260</b>	<b>1,208,799</b>
<b>Net commitments by maturity</b>	<b>1,048,719</b>	<b>1,196,933</b>

Note: Commitments are GST inclusive where relevant.

1. GST credit on commitments receivable from the ATO.

2. ARC National Competitive Grants relate to grant amounts payable under agreements in respect of which the grantee has yet to provide the services required under the agreement. It comprises mainly grants under the ARC National Competitive Grants programmes.

This schedule should be read in conjunction with the accompanying notes.

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## Note 1. Summary of Significant Accounting Policies

### 1.1 Objectives of the Australian Research Council

The Australian Research Council (ARC) is an Australian Government controlled entity. It is a not-for-profit entity. The mission of the ARC is to deliver policy and programmes that advance Australian research and innovation globally and benefit the community.

The ARC is structured to meet one outcome which is 'Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.'

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

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

The ARC conducts the following administered activities on behalf of the Government:

- advancing Australian research and innovation by providing strategic policy advice to Government;
- managing the National Competitive Grants Programme; and
- measuring research excellence at Australia's universities by conducting research evaluations.

### 1.2 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- Finance Reporting Rule (FRR) for reporting periods ending on or after 1 July 2014; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow to the ARC 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 executory contract are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments. The ARC did not have any contingencies at 30 June 2015.

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

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated in Note 1.21.

### 1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the ARC has made the following judgment that has the most significant impact on the amounts recorded in the financial statements: the fair value of leasehold improvements has been taken to be the Depreciated Replacement Cost (DRC) of similar properties as determined by an independent valuer.

The ARC has a number of material balances in the financial statements that are dependent on management assumptions for their measurement. The most significant of these relate to depreciation/amortisation and employee provisions.

The ARC recognises a liability for grant funding which is unpaid as at reporting date. Management has made a significant judgement that there are limited options not to pay out the entire remaining grant or enforce recovery until the recipient acquits the funds.

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 reporting period.

### 1.4 Change in Australian Accounting Standards

#### Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

The following new standards were issued prior to the signing of the statements by the accountable authority and chief financial officer, were applicable to the current reporting period and had a material effect on the ARC's financial statements:

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions <sup>1</sup> , and adjustment to financial statements
AASB 1055 <i>Budgetary Reporting</i>	This standard requires reporting of budgetary information and explanation of significant variance between actual and budgeted amounts by not-for-profit entities within the General Government Sector.

1. When transitional provisions apply, all changes in accounting policy are made in accordance with their respective transitional provisions.

All other new/revised/amending standards and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect, and are not expected to have a future material effect, on the ARC's financial statements.

#### Future Australian Accounting Standard requirements

The following new standard was issued by the Australian Accounting Standards Board prior to the signing of the statements by the accountable authority and the chief financial officer, which is expected to have a material impact on the ARC's financial statements for future reporting periods:

Standard/ Interpretation	Application date for the ARC <sup>1</sup>	Nature of impending change/s in accounting policy and likely impact on initial application
AASB 9 <i>Financial Instruments</i>	1 January 2017	<p>This revised Standard represents the first phase of a three phase project to replace AASB 139 Financial Instruments: Recognition and Measurement. The amendments reduce the four categories of financial asset to two - amortised cost and fair value. Under AASB 9, assets are to be measured at fair value unless they are held to collect cash flows and solely comprise the payment of interest and principal on specified dates. Gains and losses on assets carried at fair value are taken to profit and loss, unless they are equity instruments not held for trading and the entity initially elects to recognise gains/losses in other comprehensive income.</p> <p>Likely impact: May have an impact on the recognition and measurement of financial instruments. Final outcome will be considered once the project is completed.</p>

1. The ARC's expected initial application date is when the accounting standard becomes operative at the beginning of the reporting period.



All other new standards, interpretations and amending standards that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material impact on the ARC's financial statements.

## 1.5 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the ARC retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the ARC.

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 ARC.

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

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of reporting period. Allowances are made when collectability of the debt is no longer probable.

### Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the ARC gains control of the appropriation. Appropriations receivable are recognised at their nominal amounts.

## 1.6 Gains

### Resources Received Free of Charge

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

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

### Sale of Assets

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

## 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) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

## 1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits expected within twelve months of the end of the reporting period 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.

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

#### Leave

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

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

The liability for long service leave 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 2015. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

#### Separation and Redundancy

As at 30 June 2015 the ARC did not have any provisions for separation and redundancy benefit payments.

#### Superannuation

The ARC's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

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

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance's administered schedules and notes.

The ARC makes employer contributions to the employees' superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The ARC accounts for the contributions as if they were contributions to defined contribution schemes.

The liability for superannuation recognised as at 30 June 2015 represents outstanding contributions for the final fortnight of the year.

### **1.9 Leases**

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

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

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.

The ARC has only one finance lease, this is for the office fitout. This lease is non-cancellable.

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

### **1.10 Borrowing Costs**

All borrowing costs are expensed as incurred.

### 1.11 Fair Value Measurement

The ARC deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period.

### 1.12 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include:

- cash on hand; and
- demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

### 1.13 Financial Assets

The ARC 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 through the expected life of the financial asset, or, where appropriate, a shorter period.

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

#### Financial Assets at Fair Value Through Profit or Loss

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

- have been acquired principally for the purpose of selling in the near future; or
- are parts of an identified portfolio of financial instruments that the ARC manages together and has a recent actual pattern of short-term profit-taking.

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.

#### Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

#### Impairment of Financial Assets

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

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

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

#### 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 liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

Supplier and other payables are expected to be settled within 12 months. 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 contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

At 30 June 2015 the ARC did not have any contingent liabilities and assets (2014: nil).

#### 1.16 Financial guarantee contracts

As at 30 June 2015 the ARC held no financial guarantee contracts (2014: nil).

#### 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 income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

### **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).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the ARC where there exists an obligation to restore the property to its original condition. These costs are included in the value of ARC's leasehold improvements with a corresponding provision for the 'make good' recognised.

### **Revaluations**

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

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

Any accumulated depreciation as at the revaluation date was eliminated against the gross carrying amount of the asset and the asset was 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 the ARC using, in all cases, the straight-line method of depreciation.

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

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

#### **Australian Research Council**

	2015	2014
Leasehold improvements	Lease term	Lease term
Property, plant and equipment	2 to 10 years	2 to 10 years

### **Impairment**

All assets were assessed for impairment at 30 June 2015. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

### **Derecognition**

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

The ARC's intangibles comprise internally developed and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. The ARC's internally developed software includes directly attributable overhead costs which meet the recognition criteria in AASB 138.

Software is amortised on a straight-line basis over its anticipated useful life. Amortisation rates were calculated based on the following useful lives:

	2015	2014
Software assets	2 to 10 years	2 to 10 years

All software assets were assessed for indications of impairment as at 30 June 2015.

### 1.20 Taxation

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

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

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

### 1.21 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

#### Administered Cash Transfers to and from the Official Public Account

Revenue collected by the ARC for use by the Government rather than the entity is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of the Government. These transfers to and from the OPA are adjustments to the administered cash held by the ARC on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

#### Revenue

All administered revenues are revenues relating to ordinary activities performed by the ARC on behalf of the Australian Government. As such, administered appropriations are not revenues of the ARC that oversees distribution or expenditure of the funds as directed.

Other revenues relate to the recovery of unspent grant money from previous years' grant payments. Under the *Australian Research Council Act 2001*, grant recipients are required to return unspent grant money to the ARC unless otherwise approved.

Administered revenues are recognised when unspent grant money is identified during the acquittal process. When these revenues are collected by the ARC they are then returned to the OPA.

#### Grants

The ARC administers a number of grant schemes on behalf of the Government.

Grant liabilities are recognised to the extent that the grant eligibility criteria or reporting requirements have been satisfied, but payments due have not been made (Refer to Note 1.3). A commitment is recorded to the extent that research projects have been approved by the Minister within the limits of the *Australian Research Council Act 2001* but services have not been performed or criteria satisfied.

**Note 2. Events after the Reporting Period**

No departmental events have occurred after the reporting period that have the potential to significantly affect the ongoing structure and financial activities of the ARC.

No administered events have occurred after the reporting period that have the potential to significantly affect the ongoing structure and financial activities of the ARC.

**Note 3: Net Cash Appropriation Arrangements**

	2015 \$'000	2014 \$'000
<b>Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations<sup>1</sup></b>	<b>1,832</b>	<b>1,688</b>
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	<u>(3,487)</u>	<u>(3,364)</u>
<b>Total comprehensive income/(loss) - as per the Statement of Comprehensive Income</b>	<b><u>(1,655)</u></b>	<b><u>(1,676)</u></b>

1. From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.



**Note 4: Expenses**

	2015 \$'000	2014 \$'000
<b>Note 4A: Employee Benefits</b>		
Wages and salaries	9,363	9,966
Superannuation:		
Defined contribution plans	307	352
Defined benefit plans	1,644	1,727
Leave and other entitlements	1,147	1,223
Separation and redundancies	227	11
Other employee benefits	524	535
<b>Total employee benefits</b>	<b>13,212</b>	<b>13,814</b>

**Note 4B: Suppliers****Goods and services supplied or rendered**

Consultants	1,185	897
Contractors	411	34
Travel	441	344
IT services	368	351
Other	734	955

**Total goods and services supplied or rendered**

<b>3,139</b>	<b>2,582</b>
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**Goods supplied in connection with**

Related parties	30	25
External parties	657	707

**Total goods supplied**

<b>687</b>	<b>732</b>
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**Services rendered in connection with**

Related parties	189	130
External parties	2,263	1,720

**Total services rendered**

<b>2,452</b>	<b>1,850</b>
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**Total goods and services supplied or rendered**

<b>3,139</b>	<b>2,582</b>
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**Other suppliers**

## Operating lease rentals in connection with

External parties		
Minimum lease payments	1,210	1,397
Workers compensation expenses	204	169

**Total other suppliers**

<b>1,414</b>	<b>1,566</b>
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**Total suppliers**

<b>4,554</b>	<b>4,148</b>
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**Note 4C: Depreciation and Amortisation****Depreciation:**

Property, plant and equipment	104	143
Assets held under finance leases	226	225

**Total depreciation**

<b>330</b>	<b>368</b>
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**Amortisation:**

Intangibles	3,157	2,996
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**Total amortisation**

<b>3,157</b>	<b>2,996</b>
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**Total depreciation and amortisation**

<b>3,487</b>	<b>3,364</b>
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**Note 4: Expenses (continued)**

	2015	2014
	\$'000	\$'000
<b><u>Note 4D: Finance Costs</u></b>		
Finance leases	274	286
Unwinding of discount	9	9
<b>Total finance costs</b>	<b>283</b>	<b>295</b>
<b><u>Note 4E: Write-Down and Impairment of Assets</u></b>		
Impairment of property, plant and equipment	-	3
<b>Total write-down and impairment of assets</b>	<b>-</b>	<b>3</b>

**Note 5: Own-Source Income**

	2015	2014
	\$'000	\$'000
<b>Own-Source Revenue</b>		
<b><u>Note 5A: Sale of Goods and Rendering of Services</u></b>		
<b>Rendering of services in connection with</b>		
Related parties	-	105
<b>Total sale of goods and rendering of services</b>	<b>-</b>	<b>105</b>
<b>Gains</b>		
<b><u>Note 5B: Other Gains</u></b>		
Gain from revaluation of makegood provision	64	-
Resources received free of charge - Audit fees	67	67
<b>Total other gains</b>	<b>131</b>	<b>67</b>
<b><u>Note 5C: Revenue from Government</u></b>		
Appropriations:		
Departmental appropriations	19,750	19,776
<b>Total revenue from Government</b>	<b>19,750</b>	<b>19,776</b>

**Note 6: Fair Value Measurements**

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the ARC can access at measurement date.  
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.  
Level 3: Unobservable inputs for the asset or liability.

**Note 6A : Fair Value Measurements, Valuation Techniques and Inputs Used**

	Fair value measurements at the end of the reporting period			For Levels 2 and 3 fair value measurements		
	2015 \$'000	2014 \$'000	Category (Level 1, 2 or 3) <sup>1</sup>	Valuation techniques <sup>2</sup>	Inputs used	Range (weighted average) Sensitivity of the fair value measurement to changes in unobservable inputs
<b>Non-financial assets<sup>3</sup></b>						
Leasehold improvements (Fitout)		2,204	Level 3	Depreciated Replacement Cost (DRC)	Replacement Cost New (price per square metre)	
	2,233				Consumed economic benefit / Obsolescence of asset	10.00% - 10.00% A significant increase (decrease) in this consumed economic benefit / asset obsolescence would result in a significantly lower (higher) fair value measurement.
Leasehold improvements (Makegood)	233	256	Level 3	Net Present Value	Current obligation costs (price per square metre)	\$100 - \$250
Other property, plant and equipment	197	214	Level 2	Market Approach	Adjusted market transactions	
<b>Total non-financial assets</b>	<b>2,444</b>	<b>2,674</b>				
<b>Total fair value measurements of assets in the statement of financial position</b>	<b>2,444</b>	<b>2,674</b>				

Note that:

- The ARC did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2015.
- There has been no changes to valuation techniques.
- Fair value measurements - highest and best use differs from current use for non-financial assets (NFAs).

The ARC's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all controlled assets is considered their highest and best use.

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

The ARC procured the service of the Australian Valuation Solutions to undertake a comprehensive valuation of all non-financial assets at 30 June 2013. The ARC tests the procedures of the valuation model as an internal management review at least once every 12 months. If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. The ARC has engaged Australian Valuation Solutions to provide written assurance that the models developed comply with AASB 13.

**Note 6: Fair Value Measurements(continued)****Note 6B: Level 1 and Level 2 transfers for recurring fair value measurements**

There were no transfers between levels during 2015 (2014: nil).

**Note 6: Fair Value Measurements (continued)****Note 6C: Reconciliation for recurring Level 3 fair value measurements****Recurring Level 3 fair value measurements – reconciliation for assets**

	Non-financial assets			
	Leasehold improvements (Fitout)		Total	
	2015 S'000	2014 S'000	2015 S'000	2014 S'000
<b>As at 1 July</b>	<b>2,460</b>	<b>-</b>	<b>2,460</b>	<b>-</b>
Total gains/(losses) in accumulated depreciation	(226)	-	(226)	-
Purchases	13	-	13	-
Sales	-	-	-	-
Issues	-	-	-	-
Settlements	-	-	-	-
Transfers into Level 3	-	-	-	-
Transfers out of Level 3	-	-	-	-
<b>Total as at 30 June</b>	<b>2,247</b>	<b>2,460</b>	<b>2,247</b>	<b>2,460</b>
Changes in unrealised gains/(losses) recognised	-	-	-	-

The ARC's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

**Note 7: Financial Assets**

	2015 \$'000	2014 \$'000
<b><u>Note 7A: Cash and Cash Equivalents</u></b>		
Cash on hand or on deposit	295	299
<b>Total cash and cash equivalents</b>	<b>295</b>	<b>299</b>
<b><u>Note 7B: Trade and Other Receivables</u></b>		
<b>Goods and services receivables in connection with</b>		
Related parties	21	-
External parties	14	-
<b>Total goods and services receivables</b>	<b>35</b>	<b>-</b>
<b>Appropriations receivables:</b>		
Existing programmes	10,887	8,835
<b>Total appropriations receivables</b>	<b>10,887</b>	<b>8,835</b>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	81	58
<b>Total other receivables</b>	<b>81</b>	<b>58</b>
<b>Total trade and other receivables (gross)</b>	<b>11,003</b>	<b>8,893</b>
<b>Total trade and other receivables (net)</b>	<b>11,003</b>	<b>8,893</b>
<b>Trade and other receivables (net) expected to be recovered</b>		
No more than 12 months	11,003	8,893
More than 12 months	-	-
<b>Total trade and other receivables (net)</b>	<b>11,003</b>	<b>8,893</b>
<b>Trade and other receivables (gross) aged as follows</b>		
Not overdue	11,003	8,893
<b>Total trade and other receivables (gross)</b>	<b>11,003</b>	<b>8,893</b>

**Note 8: Non-Financial Assets**

	2015 \$'000	2014 \$'000
<b><u>Note 8A: Land and Buildings</u></b>		
<b>Leasehold improvements</b>		
Fair value	2,916	2,904
Accumulated depreciation	(669)	(444)
<b>Total leasehold improvements</b>	<u>2,247</u>	<u>2,460</u>
<b>Total land and buildings</b>	<u>2,247</u>	<u>2,460</u>

No leasehold improvements are expected to be sold or disposed of within the next 12 months.

No indicators of impairment were found for leasehold improvements.

**Note 8B: Property, Plant and Equipment**

<b>Other property, plant and equipment</b>		
Fair value	607	520
Accumulated depreciation	(410)	(306)
<b>Total other property, plant and equipment</b>	<u>197</u>	<u>214</u>
<b>Total property, plant and equipment</b>	<u>197</u>	<u>214</u>

No property, plant or equipment is expected to be sold or disposed of within the next 12 months.

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

**Note 8: Non-Financial Assets (continued)****Note 8C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment****Reconciliation of the opening and closing balances of property, plant and equipment for 2015**

	Buildings	Other property, plant & equipment	Total
	\$'000	\$'000	\$'000
<b>As at 1 July 2014</b>			
Gross book value	2,904	520	3,424
Accumulated depreciation and impairment	(444)	(306)	(750)
<b>Total as at 1 July 2014</b>	<b>2,460</b>	<b>214</b>	<b>2,674</b>
Additions	13	87	100
Depreciation	(226)	(104)	(330)
<b>Total as at 30 June 2015</b>	<b>2,247</b>	<b>197</b>	<b>2,444</b>
<b>Total as of 30 June 2015 represented by</b>			
Gross book value	2,917	607	3,524
Accumulated depreciation and impairment	(670)	(410)	(1,080)
<b>Total as 30 June 2015</b>	<b>2,247</b>	<b>197</b>	<b>2,444</b>

**Reconciliation of the opening and closing balances of property, plant and equipment for 2014**

	Buildings	Other property, plant & equipment	Total
	\$'000	\$'000	\$'000
<b>As at 1 July 2013</b>			
Gross book value	2,881	500	3,381
Accumulated depreciation and impairment	(219)	(166)	(385)
<b>Total as at 1 July 2013</b>	<b>2,662</b>	<b>334</b>	<b>2,996</b>
Additions	23	26	49
Depreciation expense	(225)	(143)	(368)
Disposals:			
Other (gross book value)	-	(6)	(6)
Other (accumulated depreciation)	-	3	3
<b>Total as at 30 June 2014</b>	<b>2,460</b>	<b>214</b>	<b>2,674</b>
<b>Total as at 30 June 2014 represented by:</b>			
Gross book value	2,904	520	3,424
Accumulated depreciation and impairment	(444)	(306)	(750)
<b>Total as at 30 June 2014</b>	<b>2,460</b>	<b>214</b>	<b>2,674</b>

**Note 8: Non-Financial Assets (continued)**

	2015 \$'000	2014 \$'000
<b>Note 8D: Intangibles</b>		
<b>Computer software</b>		
Internally developed – in progress	1,676	1,244
Internally developed – in use	27,897	24,672
Purchased	439	438
Accumulated amortisation	(13,946)	(10,789)
<b>Total computer software</b>	<b>16,066</b>	<b>15,565</b>
<b>Total intangibles</b>	<b>16,066</b>	<b>15,565</b>

No indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months.

**Note 8E: Reconciliation of the opening and closing balances of intangibles****Reconciliation of the opening and closing balances of intangibles for 2015**

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2014</b>			
Gross book value	25,916	438	26,354
Accumulated amortisation and impairment	(10,380)	(409)	(10,789)
<b>Total as at 1 July 2014</b>	<b>15,536</b>	<b>29</b>	<b>15,565</b>
<b>Additions</b>			
Purchase or internally developed	3,658	-	3,658
Amortisation	(3,138)	(19)	(3,157)
<b>Total as at 30 June 2015</b>	<b>16,056</b>	<b>10</b>	<b>16,066</b>
<b>Total as at 30 June 2015 represented by:</b>			
Gross book value	29,574	438	30,012
Accumulated amortisation and impairment	(13,518)	(428)	(13,946)
<b>Total as at 30 June 2015</b>	<b>16,056</b>	<b>10</b>	<b>16,066</b>



**Note 8: Non-Financial Assets (continued)****Note 8E (Cont'd): Reconciliation of the Opening and Closing Balances of Intangibles 2014**

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2013</b>			
Gross book value	23,401	411	23,812
Accumulated amortisation and impairment	(7,421)	(372)	(7,793)
<b>Total as at 1 July 2013</b>	15,980	39	16,019
Additions			
Purchase or internally developed	2,515	27	2,542
Amortisation	(2,959)	(37)	(2,996)
<b>Total as at 30 June 2014</b>	15,536	29	15,565
<b>Total as at 30 June 2014 represented by</b>			
Gross book value	25,916	438	26,354
Accumulated amortisation and impairment	(10,380)	(409)	(10,789)
<b>Total as at 30 June 2014</b>	15,536	29	15,565

	2015 \$'000	2014 \$'000
<b>Note 8F: Other Non-Financial Assets</b>		
Prepayments	293	318
<b>Total other non-financial assets</b>	293	318

All non-financial assets are expected to be recovered in no more than 12 months.

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

**Note 9: Payables**

	2015 \$'000	2014 \$'000
<b>Note 9A: Suppliers</b>		
Trade creditors and accruals	400	453
<b>Total suppliers</b>	<u>400</u>	<u>453</u>

**Suppliers expected to be settled**

No more than 12 months	400	453
<b>Total suppliers</b>	<u>400</u>	<u>453</u>

**Suppliers in connection with**

External parties	400	453
<b>Total suppliers</b>	<u>400</u>	<u>453</u>

Settlement was usually made within 30 days.

**Note 9B: Other Payables**

Wages and salaries	357	334
Superannuation	66	62
Other	17	1
<b>Total other payables</b>	<u>440</u>	<u>397</u>

**Other payables expected to be settled**

No more than 12 months	440	397
More than 12 months	-	-
<b>Total other payables</b>	<u>440</u>	<u>397</u>

The ARC received \$67,985 (2014: \$93,315) under the Paid Parental Leave Scheme.

**Note 10: Interest Bearing Liabilities**

	2015 \$'000	2014 \$'000
<b><u>Note 10: Leases</u></b>		
Finance leases	2,452	2,575
<b>Total leases</b>	<b>2,452</b>	<b>2,575</b>
<b>Leases expected to be settled</b>		
Within 1 year		
Minimum lease payments	397	397
Future finance charges	(259)	(274)
Between 1 to 5 years		
Minimum lease payments	1,590	1,590
Future finance charges	(861)	(936)
More than 5 years		
Minimum lease payments	2,087	2,484
Future finance charges	(502)	(686)
<b>Total leases</b>	<b>2,452</b>	<b>2,575</b>

In 2015, Finance leases existed in relation to the ARC's office premises fitout (since September 2010). The leases are non-cancellable and for a fixed term of 15 years. The interest rate implicit in the leases is 11% (2014: 11%). The lease assets secure the lease liabilities. The ARC guarantees the residual values of all assets leased. There were no contingent rentals.

**Note 11: Provisions**

	2015 \$'000	2014 \$'000
<b>Note 11A: Employee Provisions</b>		
Leave	3,523	3,197
<b>Total employee provisions</b>	<b>3,523</b>	<b>3,197</b>
<b>Employee provisions are expected to be settled</b>		
No more than 12 months	2,786	2,475
More than 12 months	737	722
<b>Total employee provisions</b>	<b>3,523</b>	<b>3,197</b>
<b>Note 11B: Other Provisions</b>		
Provision for restoration	267	322
<b>Total other provisions</b>	<b>267</b>	<b>322</b>

All other provisions are expected to be settled in more than 12 months.

	Provision for restoration \$'000	Total \$'000
<b>As at 1 July 2014</b>	<b>322</b>	<b>322</b>
Unwinding of discount	9	9
Revaluation	(64)	-
<b>Total as at 30 June 2015</b>	<b>267</b>	<b>322</b>

As at 30 June 2015 the ARC had one agreement for the leasing of premises which has a provision requiring the ARC to restore the premises to their original condition at the conclusion of the lease. The ARC has made a provision to reflect the present value of this obligation.

**Note 12: Restructuring****Note 12A: Departmental Restructuring**

There were no Departmental restructures in 2014-15 and 2013-14 for the ARC.

**Note 12B: Administered Restructuring**

There were no Administered restructures in 2014-15 and 2013-14 for the ARC.

**Note 13: Cash Flow Reconciliation**

	2015 \$'000	2014 \$'000
<b>Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement</b>		
<b>Cash and cash equivalents as per</b>		
Cash flow statement	295	299
Statement of Financial Position	295	299
<b>Discrepancy</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of net cost of services to net cash from/(used by) operating activities</b>		
Net cost of services	(21,405)	(21,452)
Revenue from Government	19,750	19,776
<b>Adjustments for non-cash items</b>		
Depreciation/amortisation	3,487	3,364
Net write down of non-financial assets	-	3
Return on Capital & Capital Adjustment	242	(5,603)
<b>Movements in assets and liabilities</b>		
<b>Assets</b>		
(Increase)/Decrease in net receivables	(2,110)	2,631
Decrease/(Increase) in prepayments	26	(33)
<b>Liabilities</b>		
Increase in employee provisions	326	536
(Decrease)/Increase in supplier payables	(53)	316
Increase/(Decrease) in other payables	42	(327)
(Decrease)/Increase in other provisions	(55)	9
<b>Net cash from/(used by) operating activities</b>	<u>250</u>	<u>(780)</u>

**Note 14: Contingent Assets and Liabilities**

There were no Departmental contingent assets and liabilities in 2014-15 and 2013-14 for the ARC.

**Note 15: Senior Management Personnel Remuneration**

	2015	2014
	\$	\$
<b>Short-term employee benefits</b>		
Salary	1,250,342	1,269,974
Motor vehicle and other allowances	131,381	157,017
<b>Total short-term employee benefits</b>	<b>1,381,723</b>	<b>1,426,991</b>
<b>Post-employment benefits</b>		
Superannuation	229,025	227,613
<b>Total post-employment benefits</b>	<b>229,025</b>	<b>227,613</b>
<b>Other long-term employee benefits</b>		
Annual leave	101,462	105,910
Long-service leave	33,051	21,478
<b>Total other long-term employee benefits</b>	<b>134,513</b>	<b>127,388</b>
<b>Total senior executive remuneration expenses</b>	<b>1,745,261</b>	<b>1,627,862</b>

The total number of senior management personnel that are included in the above table are 7 individuals (2014: 7 individuals).

**Note 16: Financial Instruments**

	2015	2014
	\$'000	\$'000
<b><u>Note 16A: Categories of Financial Instruments</u></b>		
<b>Financial Assets</b>		
<b>Loans and receivables</b>		
Cash and cash equivalents	295	299
Trade and other receivables	35	-
<b>Total loans and receivables</b>	<b>330</b>	<b>299</b>
<b>Total financial assets</b>	<b>330</b>	<b>299</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	400	453
Other payables	17	1
Finance leases	2,452	2,575
<b>Total financial liabilities measured at amortised cost</b>	<b>2,869</b>	<b>3,029</b>
<b>Total financial liabilities</b>	<b>2,869</b>	<b>3,029</b>
<b><u>Note 16B: Net Gains or Losses on Financial Liabilities</u></b>		
<b>Financial liabilities measured at amortised cost</b>		
Interest expense	283	295
<b>Net gains/(losses) on financial liabilities measured at amortised cost</b>	<b>283</b>	<b>295</b>

The total interest expense from financial liabilities not at fair value through profit or loss was \$283,000 (2014: \$295,000).

**Note 16: Financial Instruments (continued)****Note 16C: Fair Value of Financial Instruments**

	Carrying amount 2015 \$'000	Fair value 2015 \$'000	Carrying amount 2014 \$'000	Fair value 2014 \$'000
<b>Financial Assets</b>				
Cash at bank	295	295	299	299
Trade and other receivables	35	35	-	-
<b>Total financial assets</b>	<b>330</b>	<b>330</b>	<b>299</b>	<b>299</b>
<b>Financial Liabilities</b>				
Trade creditors	400	400	453	453
Other payables	17	17	1	1
Leases	2,452	2,452	2,575	2,575
<b>Total financial liabilities</b>	<b>2,869</b>	<b>2,869</b>	<b>3,029</b>	<b>3,029</b>

**Note 16D: Credit Risk**

The ARC'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 Position.

The ARC has no significant exposures to any concentrations of credit risk. The ARC manages its credit risk by undertaking background checks as required prior to allowing a debtor relationship. In addition, the ARC has policies and procedures that guide employees' debt recovery techniques that are to be applied.

The figures for credit risk do not take into account the value of any collateral or other security.

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

	Not past due nor impaired 2015 \$'000	Not past due nor impaired 2014 \$'000	Past due or impaired 2015 \$'000	Past due or impaired 2014 \$'000
Cash at bank	295	299	-	-
Trade and other receivables	35	-	-	-
<b>Total</b>	<b>330</b>	<b>299</b>	<b>-</b>	<b>-</b>

**Note 16: Financial Instruments (continued)****Note 16E: Liquidity Risk**

The ARC's financial liabilities were payables and finance lease. The exposure to liquidity risk was based on the notion that the ARC will encounter difficulty in meeting its obligations associated with financial liabilities. This was highly unlikely as the ARC is appropriated funding from the Australian Government and the ARC manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the ARC has policies in place to ensure timely payments were made when due and has no past experience of default.

**Maturities for non-derivative financial liabilities in 2015**

	On demand	within 1 year	between 1 to 5 years	more than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Trade creditors	-	400	-	-	400
Other payables	-	17	-	-	17
Finance leases	-	397	1,590	2,087	4,074
<b>Total</b>	-	<b>814</b>	<b>1,590</b>	<b>2,087</b>	<b>4,491</b>

**Maturities for non-derivative financial liabilities in 2014**

	On demand	within 1 year	between 1 to 5 years	more than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Trade creditors	-	453	-	-	453
Other payables	-	1	-	-	1
Finance leases	-	397	1,590	2,484	4,471
<b>Total</b>	-	<b>851</b>	<b>1,590</b>	<b>2,484</b>	<b>4,925</b>

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

**Note 16F: Market Risk**

The ARC held basic financial instruments that did not expose the ARC to certain market risks. The ARC was not exposed to 'Currency risk' or 'Other price risk'.

**Interest rate risk**

The only interest-bearing item on the Statement of Financial Position was the 'Finance lease'. It bears interest at a fixed interest and did not fluctuate due to changes in the market interest rate.

**Note 17: Financial Assets Reconciliation**

		2015 \$'000	2014 \$'000
	Notes		
<b>Total financial assets as per statement of financial position</b>		<b>11,298</b>	<b>9,192</b>
<b>Less: Non-financial instrument components</b>			
Appropriations receivable	7B	10,887	8,835
Other receivables	7B	81	58
<b>Total non-financial instrument components</b>		<b>330</b>	<b>299</b>
<b>Total financial assets as per financial instruments note</b>		<b>330</b>	<b>299</b>



**Note 18: Administered - Expenses**

	2015	2014
	\$'000	\$'000
<b>Note 18A: Suppliers</b>		
<b>Goods and services supplied or rendered</b>		
Consultants	1,529	826
Contractors	1,543	926
Travel	347	338
IT Services	5	7
Other	8,492	286
<b>Total goods and services supplied or rendered</b>	<b>11,916</b>	<b>2,383</b>
<b>Goods supplied in connection with</b>		
External parties	281	80
<b>Total goods supplied</b>	<b>281</b>	<b>80</b>
<b>Services rendered in connection with</b>		
Related parties	8,000	-
External parties	3,635	2,303
<b>Total services rendered</b>	<b>11,635</b>	<b>2,303</b>
<b>Total goods and services supplied or rendered</b>	<b>11,916</b>	<b>2,383</b>
<b>Note 18B: Grants</b>		
Public sector		
Australian Government entities (related entities)	2,686	3,359
State and Territory Governments	730,936	786,298
Commonwealth educational institutions (related entities)	69,245	80,984
Private sector		
Other research organisations	32,685	44,248
<b>Total grants</b>	<b>835,552</b>	<b>914,889</b>

**Note 19: Administered - Income**

	2015	2014
	\$'000	\$'000
<b>Revenue</b>		
<b>Non-Taxation Revenue</b>		
<b>Note 19: Other Revenue</b>		
Recovery of unspent grant money	8,106	6,758
<b>Total other revenue</b>	<b>8,106</b>	<b>6,758</b>

**Note 20: Administered - Financial Assets**

	2015 \$'000	2014 \$'000
<b>Note 20A: Cash and Cash Equivalents</b>		
Cash on hand or on deposit	-	-
<b>Total cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Note 20B: Trade and Other Receivables</b>		
<b>Other receivables</b>		
GST receivable from Australian Taxation Office	477	1,315
<b>Total other receivables</b>	<b>477</b>	<b>1,315</b>
<b>Total trade and other receivables (net)</b>	<b>477</b>	<b>1,315</b>

All receivables are current assets and not overdue. Credit terms are net 30 days (2014: 30 days).

**Note 21: Administered - Non-Financial Assets**

	2015 \$'000	2014 \$'000
<b>Other Non-Financial Assets</b>		
Prepayments	192	248
<b>Total other non-financial assets</b>	<b>192</b>	<b>248</b>
<b>Other non-financial assets expected to be recovered</b>		
No more than 12 months	192	248
<b>Total other non-financial assets</b>	<b>192</b>	<b>248</b>

**Note 22: Administered - Payables**

	2015	2014
	\$'000	\$'000
<b>Note 22A: Grants</b>		
Public sector		
Australian Government entities (related entities)	1,270	1,441
State and Territory Governments	311,777	312,684
Commonwealth educational institutions (related entities)	32,153	35,269
Private sector		
Other research organisations	3,564	13,082
<b>Total grants</b>	<b>348,764</b>	<b>362,476</b>

Settlement is in accordance with the terms and conditions of each grant which is consistent with the payment schedule determined by the Minister under the *Australian Research Council Act 2001*.

**Note 22B: Other Payables**

Other	1,405	4
<b>Total other payables</b>	<b>1,405</b>	<b>4</b>

All liabilities are expected to be settled within 12 months.

Settlement is usually made in 30 days.

**Note 23: Administered - Cash Flow Reconciliation**

	2015 \$'000	2014 \$'000
<b>Reconciliation of cash and cash equivalents as per administered schedule of assets and liabilities to administered cash flow statement</b>		
<b>Cash and cash equivalents as per</b>		
Schedule of administered cash flows	-	-
Schedule of administered assets and liabilities	-	-
<b>Discrepancy</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of net cost of services to net cash used by operating activities</b>		
Net cost of services	(839,362)	(910,513)
<b>Movements in assets and liabilities</b>		
<b>Assets</b>		
Decrease/(Increase) in net receivables	838	(336)
Increase/(Decrease) in prepayments	56	(248)
<b>Liabilities</b>		
(Decrease)/Increase in grants payable	(13,712)	22,821
Increase/(Decrease) in other payable	1,401	(127)
<b>Net cash (used by) operating activities</b>	<u>(850,779)</u>	<u>(888,403)</u>

**Note 24: Administered - Contingent Assets and Liabilities**

As at 31 June 2015, the ARC did not have any administered contingent liabilities and assets (2014: Nil).

**Note 25: Administered – Financial Instruments**

	2015 \$'000	2014 \$'000
<b>Note 25A: Categories of Financial Instruments</b>		
<b>Financial Assets</b>		
<b>Loans and receivables</b>		
Cash and cash equivalents	-	-
<b>Total loans and receivables</b>	<u>-</u>	<u>-</u>
<b>Total financial assets</b>	<u>-</u>	<u>-</u>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Grants payables	348,764	362,476
Trade creditors	1,405	4
<b>Total financial liabilities measured at amortised cost</b>	<u>350,169</u>	<u>362,480</u>
<b>Total financial liabilities</b>	<u>350,169</u>	<u>362,480</u>

**Note 25: Administered – Financial Instruments (continued)****Note 25B: Fair Value of Financial Instruments**

	Carrying amount 2015 \$'000	Fair value 2015 \$'000	Carrying amount 2014 \$'000	Fair value 2014 \$'000
<b>Financial Liabilities</b>				
Grants payable	348,764	348,764	362,476	362,476
Payables/Trade creditors	1,405	1,405	4	4
<b>Total financial liabilities</b>	<b>350,169</b>	<b>350,169</b>	<b>362,480</b>	<b>362,480</b>

**Financial Liabilities**

The net fair value for grants payables and trade creditors payables are short-term in nature and are approximated by their carrying amounts.

**Note 25C: Credit Risk**

The ARC's administered activities maximum exposures to credit risk at reporting date in relation to each class of recognised administered financial assets is the carrying amount of those assets as indicated in the Schedule of Administered Items.

The administered activities of the ARC have no significant exposures to any concentration of credit risk. The ARC manages its risk by undertaking background checks as required prior to allowing a debtor relationship. In addition, the ARC has policies and procedures that guide the employees debt recovery techniques that are to be applied.

The figures for credit risk do not take into account the value of any collateral or other security.

**Note 25D: Liquidity Risk**

The ARC's administered financial liabilities are grants payable and trade creditors. The ARC has a low liquidity risk due to appropriation funding from Government. In addition, the ARC has internal policies and procedures in place to ensure that there are appropriate resources to meet its financial obligations and timely payments are made when due.

The ARC's administered financial liabilities, which are only grants payable and trade creditor payables, will mature within 1 year.

**Note 25E: Market Risk**

The ARC holds basic financial instruments that do not expose the ARC to 'Currency risk', 'Interest rate risk' and 'Other price risk'.

**Note 26: Administered - Financial Assets Reconciliation**

	Notes	2015 \$'000	2014 \$'000
<b>Total financial assets as per administered schedule of assets and liabilities</b>		<b>477</b>	<b>1,315</b>
<b>Less: non-financial instrument components</b>			
Other receivables	20B	477	1,315
<b>Total non-financial instrument components</b>		<b>477</b>	<b>1,315</b>
<b>Total financial assets as per administered financial instruments note</b>	25A	<b>-</b>	<b>-</b>

**Note 27: Appropriations****Note 27A: Annual Appropriations (Recoverable GST exclusive)****Annual Appropriations for 2015**

	<i>Appropriation Act</i>		<i>PGPA Act</i>		Appropriation applied in 2015 (current and prior years) \$'000	Variance <sup>3</sup> \$'000	Section 51 determinations \$'000
	Annual Appropriation <sup>1</sup> \$'000	AFM \$'000	Section 74 \$'000	Section 75 \$'000	Total appropriation <sup>2</sup> \$'000		
<b>Departmental</b>							
Ordinary annual services	21,025	-	-	-	21,025	1,615	(11)
Other services							
Equity	2,605	-	-	-	2,605	657	-
<b>Total departmental</b>	<b>23,630</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,630</b>	<b>2,272</b>	<b>(11)</b>
<b>Administered</b>							
Ordinary annual services							
Administered items	5,397	-	-	-	5,397	2,249	-
<b>Total administered</b>	<b>5,397</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,397</b>	<b>2,249</b>	<b>-</b>

1. In 2014-15, \$0.011 million of annual appropriations 2014-15 have been quarantined.

2. In 2014-15, there was no adjustment that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FRR Part 6 Div 3) but at law the appropriations had not been amended before the end of the reporting period.

3. In 2014-15, appropriations reduced under Appropriation Acts, do not lapse at year-end for both Departmental and Administered.

**Note 27: Appropriations (continued)****Table A: Annual Appropriations ('Recoverable GST exclusive')**

Annual Appropriations for 2014	<i>Appropriation Act</i>		<i>PGPA Act</i>		Total appropriation <sup>2</sup> \$'000	Appropriation applied in 2014 (current and prior years) \$'000	Variance <sup>3</sup> \$'000	Section 51 determinations \$'000
	Annual Appropriation <sup>1</sup> \$'000	AFM \$'000	Section 74 \$'000	Section 75 \$'000				
Departmental								
Ordinary annual services	20,724	-	115	-	20,839	18,385	2,454	-
Other services								
Equity	1,861	-	-	-	1,861	2,033	(172)	-
Total departmental	22,585	-	115	-	22,700	20,418	2,282	-
Administered								
Ordinary annual services								
Administered items	3,111	-	-	-	3,111	2,528	583	-
Total administered	3,111	-	-	-	3,111	2,528	583	-

1. In 2013-14, there were no appropriations that have been quarantined.

2. In 2013-14, there was no adjustment that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FRR Part 6 Div 3) but at law the appropriations had not been amended before the end of the reporting period.

3. In 2013-14, appropriations reduced under Appropriation Acts do not lapse at year-end for Departmental only. Of the \$583 variance, \$482 relates to Administered appropriation reduced under Appropriation Act 1.



**Note 27: Appropriations (continued)****Note 27B: Departmental and Administered Capital Budgets ('Recoverable GST exclusive')**

2015 Capital Budget Appropriations				Capital Budget Appropriations applied in 2015 (current and prior years)		
<i>Appropriation Act</i>	<i>PGPA Act</i>	Total Capital Budget		Payments for non-financial		
Annual Capital Budget \$'000	Section 75 \$'000	Appropriations \$'000		assets <sup>2</sup> \$'000	Total payments \$'000	Variance \$'000
<b>Departmental</b>						
Ordinary annual services - Departmental Capital Budget <sup>1</sup>	1,264	-	1,264	1,165	1,165	99
<b>Administered</b>						
Ordinary annual services - Administered Capital Budget <sup>1</sup>	-	-	-	-	-	-

1. Departmental and Administered Capital Budgets are appropriated through *Appropriation Acts (No. 1,3,5)*. They form part of ordinary annual services, and are not separately identified in the *Appropriation Acts*. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.

2. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

2014 Capital Budget Appropriations				Capital Budget Appropriations applied in 2014 (current and prior years)		
<i>Appropriation Act</i>	<i>PGPA Act</i>	Total Capital Budget		Payments for non-financial		
Annual Capital Budget \$'000	Section 75 \$'000	Appropriations \$'000		assets <sup>2</sup> \$'000	Total payments \$'000	Variance \$'000
<b>Departmental</b>						
Ordinary annual services - Departmental Capital Budget <sup>1</sup>	948	-	948	644	644	304
<b>Administered</b>						
Ordinary annual services - Administered Capital Budget <sup>1</sup>	-	-	-	-	-	-

1. Departmental and Administered Capital Budgets are appropriated through *Appropriation Acts (No. 1,3,5)*. They form part of ordinary annual services, and are not separately identified in the *Appropriation Acts*. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.

2. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

**Note 27: Appropriations (continued)****Note 27C: Unspent Annual Appropriations ('Recoverable GST exclusive')**

	2015	2014
Authority	\$'000	\$'000
<b>Departmental</b>		
Appropriation Act 1 (2012/13)	-	346
Appropriation Act 2 (2012/13)	-	225
Appropriation Act 1 (2013/14)	12	8,211
Appropriation Act 2 (2013/14)	-	53
Appropriation Act 1 (2014/15)	10,135	-
Appropriation Act 2 (2014/15)	740	-
<b>Total departmental</b>	<b>10,887</b>	<b>8,835</b>
<b>Administered</b>		
Appropriation Act 1 (2013/14)	-	583
Appropriation Act 1 (2014/15)	3,025	-
<b>Total administered</b>	<b>3,025</b>	<b>583</b>

**Note 27D: Special Appropriations ('Recoverable GST exclusive')**

Authority	Type	Purpose	Appropriation applied	
			2015	2014
			\$'000	\$'000
Australian Research Council Act 2001 s.49, Administered, limit \$853,110,000 for the current reporting period, appropriation lapsed on 30 June 2015.	Limited Amount	To provide appropriation for the National Competitive Grants Programme	852,898	883,284
<b>Total special appropriations applied</b>			<b>852,898</b>	<b>883,284</b>

**Note 28: Special Accounts**

	2015	2014
ARC Research Endowment Account (Administered) <sup>1</sup>	\$'000	\$'000
Balance brought forward from previous period	6,667	16,664
<b>Increases</b>		
Appropriation credited to special account	10,000	-
<b>Available for payments</b>	16,667	16,664
<b>Decrease</b>		
Payments made to research institutions	(14,667)	(9,997)
<b>Total balance carried to the next period</b>	2,000	6,667

1. Appropriation: *Public Governance, Performance and Accountability Act 2013 section 78*; or *Public Governance, Performance and Accountability Act 2013 section 80*.

Establishing Instrument: *Australian Research Council Act 2001 section 62*.

Purpose: To provide financial assistance to organisations for eligible research programmes.

**Note 29: Reporting of Outcomes**

The ARC contributes to only one outcome as described in Note 1.1. All costs are attributed to this outcome.

**Note 29A: Net Cost of Outcome Delivery**

	Outcome 1		Total	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Departmental</b>				
Expenses	(21,536)	(21,624)	(21,536)	(21,624)
Own-source Income	131	172	131	172
<b>Administered</b>				
Expenses	(847,468)	(917,272)	(847,468)	(917,272)
Income	8,106	6,758	8,106	6,758
<b>Net cost/(contribution) of outcome delivery</b>	<b>(860,766)</b>	<b>(931,966)</b>	<b>(860,766)</b>	<b>(931,966)</b>

**Note 29: Reporting of Outcomes (continued)****Note 29B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcome**

	Outcome 1		Total	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>				
Employees	(13,212)	(13,814)	(13,212)	(13,814)
Suppliers	(4,554)	(4,148)	(4,554)	(4,148)
Depreciation and amortisation	(3,487)	(3,364)	(3,487)	(3,364)
Finance costs	(283)	(295)	(283)	(295)
Write-down and impairment of assets	-	(3)	-	(3)
<b>Total expenses</b>	<b>(21,536)</b>	<b>(21,624)</b>	<b>(21,536)</b>	<b>(21,624)</b>
<b>Own-source income</b>				
Revenue from government	19,750	19,776	19,750	19,776
Other non-taxation revenues	131	172	131	172
<b>Total own-source income</b>	<b>19,881</b>	<b>19,948</b>	<b>19,881</b>	<b>19,948</b>
<b>Assets</b>				
Cash and cash equivalents	295	299	295	299
Trade and other receivables	11,003	8,893	11,003	8,893
Land and buildings	2,247	2,460	2,247	2,460
Property, plant and equipment	197	214	197	214
Intangibles	16,066	15,565	16,066	15,565
Other non-financial assets	293	318	293	318
<b>Total assets</b>	<b>30,101</b>	<b>27,749</b>	<b>30,101</b>	<b>27,749</b>
<b>Liabilities</b>				
Suppliers	(400)	(453)	(400)	(453)
Other payables	(440)	(397)	(440)	(397)
Employee provisions	(3,523)	(3,197)	(3,523)	(3,197)
Other provisions	(267)	(322)	(267)	(322)
Finance leases	(2,452)	(2,575)	(2,452)	(2,575)
<b>Total liabilities</b>	<b>(7,082)</b>	<b>(6,944)</b>	<b>(7,082)</b>	<b>(6,944)</b>

Outcome 1 is described in Note 1.1.

**Note 29: Reporting of Outcomes (continued)****Note 29C: Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcome**

	Outcome 1		Total	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>				
Grants	(835,552)	(914,889)	(835,552)	(914,889)
Suppliers	(11,916)	(2,383)	(11,916)	(2,383)
<b>Total expenses</b>	<b>(847,468)</b>	<b>(917,272)</b>	<b>(847,468)</b>	<b>(917,272)</b>
<b>Income</b>				
Other revenue	8,106	6,758	8,106	6,758
<b>Total income</b>	<b>8,106</b>	<b>6,758</b>	<b>8,106</b>	<b>6,758</b>
<b>Assets</b>				
Cash and cash equivalents	-	-	-	-
Receivables	477	1,315	477	1,315
<b>Total assets</b>	<b>477</b>	<b>1,315</b>	<b>477</b>	<b>1,315</b>
<b>Liabilities</b>				
Grant payables	(348,764)	(362,476)	(348,764)	(362,476)
Other payables	(1,405)	(4)	(1,405)	(4)
<b>Total liabilities</b>	<b>(350,169)</b>	<b>(362,480)</b>	<b>(350,169)</b>	<b>(362,480)</b>

Outcome 1 is described in Note 1.1.

### Note 30: Budgetary Reports and Explanations of Major Variances

The following tables provide a comparison of the original budget as presented in the 2014-15 Portfolio Budget Statements (PBS) to the 2014-15 final outcome as presented in accordance with Australian Accounting Standards for the ARC. The Budget is not audited.

Variances are considered to be 'major' based on the following criteria:

- the variance between Budget and actual is greater than 1 million dollars; and
- the variance between Budget and actual is greater than 1 million dollars of the relevant category (Income, Expenses and Equity totals); or
- an item below this threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of the Australian Research Council.

#### Note 30A: Departmental Budgetary Reports

##### Statement of Comprehensive Income

for the period ended 30 June 2015

	Actual	Budget estimate	Reference
	Original <sup>1</sup>	Variance <sup>2</sup>	
	2015	2015	2015
	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits	13,212	13,955	(743)
Suppliers	4,554	5,620	(1,066)
Depreciation and amortisation	3,487	3,470	17
Finance costs	283	274	9
Other expenses	-	-	-
<b>Total expenses</b>	<b>21,536</b>	<b>23,319</b>	<b>(1,783)</b>
<b>Own-Source Income</b>			
<b>Gains</b>			
Other gains	131	88	43
<b>Total gains</b>	<b>131</b>	<b>88</b>	<b>43</b>
<b>Total own-source income</b>	<b>131</b>	<b>88</b>	<b>43</b>
<b>Net (cost of)/contribution by services</b>	<b>21,405</b>	<b>23,231</b>	<b>(1,826)</b>
Revenue from Government	19,750	19,761	(11)
<b>Surplus/(Deficit)</b>	<b>(1,655)</b>	<b>(3,470)</b>	<b>1,815</b>
<b>Total comprehensive income/(loss)</b>	<b>(1,655)</b>	<b>(3,470)</b>	<b>1,815</b>

1. The ARC's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the ARC's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

**Statement of Financial Position**  
as at 30 June 2015

	Actual	Budget estimate	Reference
	Original <sup>1</sup>	Variance <sup>2</sup>	
	2015	2015	2015
	\$'000	\$'000	\$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	295	300	(5)
Trade and other receivables	11,003	12,061	(1,058)
<b>Total financial assets</b>	<b>11,298</b>	<b>12,361</b>	<b>(1,063)</b> IV
<b>Non-financial assets</b>			
Land and buildings	2,247	2,034	213
Property, plant and equipment	197	304	(107)
Intangibles	16,066	16,787	(721)
Other non-financial assets	293	285	8
<b>Total non-financial assets</b>	<b>18,803</b>	<b>19,410</b>	<b>(607)</b>
<b>Total assets</b>	<b>30,101</b>	<b>31,771</b>	<b>(1,670)</b> V
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	400	862	(462)
Other payables	440	-	440
<b>Total payables</b>	<b>840</b>	<b>862</b>	<b>(22)</b>
<b>Interest bearing liabilities</b>			
Leases	2,452	2,687	(235)
<b>Total interest bearing liabilities</b>	<b>2,452</b>	<b>2,687</b>	<b>(235)</b> VI
<b>Provisions</b>			
Employee provisions	3,523	2,660	863
Other provisions	267	313	(46)
<b>Total provisions</b>	<b>3,790</b>	<b>2,973</b>	<b>817</b>
<b>Total liabilities</b>	<b>7,082</b>	<b>6,522</b>	<b>560</b>
<b>Net assets</b>	<b>23,019</b>	<b>25,249</b>	<b>(2,230)</b>
<b>EQUITY</b>			
Contributed equity	25,762	31,229	(5,467)
Reserves	43	43	-
Accumulated deficit	(2,786)	(6,023)	3,237
<b>Total equity</b>	<b>23,019</b>	<b>25,249</b>	<b>(2,230)</b>

1. The ARC's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the ARC's 2014-15 Portfolio Budget Statements (PBS)).
2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

**Statement of Changes in Equity**  
for the period ended 30 June 2015

	Accumulated Deficit				Asset revaluation surplus				Contributed equity/capital				Total equity			
	Actual		Budget estimate		Actual		Budget estimate		Actual		Budget estimate		Actual		Budget estimate	
	Original <sup>1</sup>	Variance <sup>2</sup>	Original <sup>1</sup>	Variance <sup>2</sup>	Original <sup>1</sup>	Variance <sup>2</sup>	Original <sup>1</sup>	Variance <sup>2</sup>	Original <sup>1</sup>	Variance <sup>2</sup>	Original <sup>1</sup>	Variance <sup>2</sup>	Original <sup>1</sup>	Variance <sup>2</sup>	Original <sup>1</sup>	Variance <sup>2</sup>
	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>																
Balance carried forward from previous period	(1,131)	(2,553)	1,422	43	43	0	21,893	27,360	20,805	(5,467)	20,805	24,850	(4,045)			
<b>Adjusted opening balance</b>	(1,131)	(2,553)	1,422	43	43	0	21,893	27,360	20,805	(5,467)	20,805	24,850	(4,045)			
<b>Comprehensive income</b>																
Surplus/(Deficit) for the period	(1,655)	(3,470)	1,815	-	-	-	-	-	(1,655)	(3,470)	-	-	1,815			
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-			
<b>Total comprehensive income</b>	(1,655)	(3,470)	1,815	-	-	-	-	-	(1,655)	(3,470)	-	-	1,815			
<b>Transactions with owners</b>																
<b>Distributions to owners</b>																
Returns on capital	-	-	-	-	-	-	-	-	-	-	-	-	-			
<b>Contributions by owners</b>																
Equity injection - Appropriations	-	-	-	-	-	-	1,264	2,605	1,264	(1,341)	1,264	2,605	(1,341)			
Departmental capital budget	-	-	-	-	-	-	2,605	1,264	2,605	1,341	2,605	1,264	1,341			
<b>Total transactions with owners</b>	-	-	-	-	-	-	3,869	3,869	3,869	-	3,869	3,869	-			
<b>Closing balance as at 30 June</b>	(2,786)	(6,023)	3,237	43	43	0	25,762	31,229	23,019	(5,467)	23,019	25,249	(2,230)			

1. The ARC's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the ARC's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.



**Cash Flow Statement***for the period ended 30 June 2015*

	Actual	Budget estimate	Reference
	Original <sup>1</sup>	Variance <sup>2</sup>	
	2015	2015	2015
	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations	18,142	19,761	(1,619)
Sale of goods and rendering of services	-	-	-
Net GST received	767	550	217
Other	129	-	129
<b>Total cash received</b>	<b>19,038</b>	<b>20,311</b>	<b>(1,273)</b> VIII
<b>Cash used</b>			
Employees	13,021	13,955	(934)
Suppliers	5,493	5,532	(39)
Section 74 receipts transferred to OPA	-	-	-
Other	274	824	(550)
<b>Total cash used</b>	<b>18,788</b>	<b>20,311</b>	<b>(1,523)</b> IX
<b>Net cash from/(used by) operating activities</b>	<b>250</b>	<b>-</b>	<b>250</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of property, plant and equipment	100	-	100
Purchase of intangibles	3,456	3,869	(413)
<b>Total cash used</b>	<b>3,556</b>	<b>3,869</b>	<b>(313)</b>
<b>Net cash from/(used by) investing activities</b>	<b>(3,556)</b>	<b>(3,869)</b>	<b>313</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity	3,425	3,869	(444)
<b>Total cash received</b>	<b>3,425</b>	<b>3,869</b>	<b>(444)</b>
<b>Cash used</b>			
Repayment of borrowings	123	-	123
<b>Total cash used</b>	<b>123</b>	<b>-</b>	<b>123</b>
<b>Net cash from/(used by) financing activities</b>	<b>3,302</b>	<b>3,869</b>	<b>(567)</b>
<b>Net increase (decrease) in cash held</b>	<b>(4)</b>	<b>-</b>	<b>(4)</b>
Cash and cash equivalents at the beginning of the reporting period	299	300	(1)
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>295</b>	<b>300</b>	<b>(5)</b>

1. The ARC's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the ARC's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

**Note 30: Budgetary Reports and Explanations of Major Variances (continued)****Note 30B: Departmental Major Budget Variances for 2015**

Reference	Explanations of major variances	Affected line items (and statement)
	<u>Suppliers</u>	
I,II,III,IV,VIII ,IX	Unforeseen delays in the implementation of the web redevelopment, reviews and committee meetings.	<i>Suppliers (Statement of Comprehensive Income), Total expenses ((Statement of Comprehensive Income), Total Financial Assets - Appropriation Receivable (Statement of Financial Position), Total assets ( (Statement of Financial Position), Total cash received (Cash Flow Statement), Total cash used (Cash Flow Statement), Total comprehensive income (Statement of Changes in Equity), Total cash received (Cash Flow Statement)</i>
	<u>Total interest bearing liabilities</u>	
VI	Arises from recognition principles adopted in the budget being different from the recognition adopted in financial statements.	<i>Total interest bearing liabilities (Statement of Financial Position)</i>
	<u>Employee provisions</u>	
VII	Unforeseen decrease in staff taking leave.	<i>Employee provisions (Statement of Financial Position)</i>
	<u>Total cash received</u>	
IX	Due to changes in recognition of intangible assets - overheads.	<i>Total cash received (Cash Flow Statement)</i>

**Note 30: Budgetary Reports and Explanations of Major Variances (continued)****Note 30C : Administered Budgetary Reports****Administered Schedule of Comprehensive Income***for the period ended 30 June 2015*

	Actual	Budget estimate		Reference
		Original <sup>1</sup>	Variance <sup>2</sup>	
	2015	2015	2015	
	\$'000	\$'000	\$'000	
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Suppliers	11,916	5,397	6,519	I
Grants	835,552	875,642	(40,090)	II
<b>Total expenses</b>	<b>847,468</b>	<b>881,039</b>	<b>(33,571)</b>	
<b>Income</b>				
<b>Revenue</b>				
<b>Non-taxation revenue</b>				
Other revenue	8,106	-	8,106	III
<b>Total non-taxation revenue</b>	<b>8,106</b>	<b>-</b>	<b>8,106</b>	
<b>Total revenue</b>	<b>8,106</b>	<b>-</b>	<b>8,106</b>	
<b>Net (cost of)/contribution by services</b>	<b>839,362</b>	<b>881,039</b>	<b>(41,677)</b>	
<b>Surplus/(Deficit)</b>	<b>(839,362)</b>	<b>(881,039)</b>	<b>41,677</b>	
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Total comprehensive income/(loss)</b>	<b>(839,362)</b>	<b>(881,039)</b>	<b>41,677</b>	

1. The ARC's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the ARC's 2014-15 Portfolio Budget Statements

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

**Administered Schedule of Assets and Liabilities***as at 30 June 2015*

	Actual	Budget estimate		Reference
		Original <sup>1</sup>	Variance <sup>2</sup>	
	2015	2015	2015	
	\$'000	\$'000	\$'000	
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	-	-	-	
Trade and other receivables	477	979	(502)	
<b>Total financial assets</b>	<b>477</b>	<b>979</b>	<b>(502)</b>	
<b>Non-financial assets</b>				
Other non-financial assets	192	-	192	
<b>Total non-financial assets</b>	<b>192</b>	<b>-</b>	<b>192</b>	
<b>Total assets administered on behalf of Government</b>	<b>669</b>	<b>979</b>	<b>(310)</b>	
<b>LIABILITIES</b>				
<b>Payables</b>				
Grants	348,764	339,655	9,109	IV
Other payables	1,405	131	1,274	V
<b>Total payables</b>	<b>350,169</b>	<b>339,786</b>	<b>10,383</b>	
<b>Total liabilities administered on behalf of Government</b>	<b>350,169</b>	<b>339,786</b>	<b>10,383</b>	
<b>Net assets/(liabilities)</b>	<b>(349,500)</b>	<b>(338,807)</b>	<b>(10,693)</b>	

1. The ARC's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the ARC's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

**Note 30: Budgetary Reports and Explanations of Major Variances (continued)****Note 30D: Administered Major Budget Variances for 2015**

Reference	Explanations of major variances	Affected line items (and schedule)
	<u>Grants</u>	
II, IV	The funding limit in <i>s.49 of the ARC Act 2001</i> was not increased by approximately \$22.5 million due to the <i>Higher Education and Research Reform Amendment Bill 2014</i> and associated <i>ARC Amendment Bill 2014</i> not passing through Parliament.	<i>Grants expense (Administered Schedule of Comprehensive Income), Grants payable (Administered Schedule of Assets and Liabilities)</i>
	<u>Suppliers</u>	
I, V	A supplier payment was paid for research funding to a non-corporate Commonwealth entity and therefore this was not treated as a grant payment.  This was partially offset by an accrual for committee member expenditure.	<i>Suppliers expense (Administered Schedule of Comprehensive Income), Other Payable (Administered Schedule of Assets and Liabilities)</i>
	<u>Other revenue</u>	
III	This arises from the recovery of the prior year grant payments which are returned by the research sector.	<i>Other revenues (Administered Schedule of Comprehensive Income)</i>

**Note 31: Compliance with Statutory Conditions for Payments from the CRF**

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund (CRF) except under an appropriation made by law.

The Department of Finance provided information to all agencies in 2013 regarding the need for risk assessments in relation to compliance with statutory conditions on payments from special appropriations, including special accounts.

During 2014-15 there were no known instances of non-compliance with section 83 of the Constitution.