PART 5

Financial statements

INDEPENDENT AUDITOR'S REPORT

To the Minister for Health

Opinion

In my opinion, the financial statements of the Australian Radiation Protection and Nuclear Safety Agency for the year ended 30 June 2018:

(a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Australian Radiation Protection and Nuclear Safety Agency as at 30 June 2018 and its financial performance and cash flows for the year then ended.

The financial statements of the Australian Radiation Protection and Nuclear Safety Agency, which I have audited, comprise the following statements as at 30 June 2018 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Australian Radiation Protection and Nuclear Safety Agency in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* to the extent that they are not in conflict with the *Auditor-General Act 1997* (the Code). I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the Australian Radiation Protection and Nuclear Safety Agency the Chief Executive Officer 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 – Reduced Disclosure Requirements and the rules made under that Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the Australian Radiation Protection and Nuclear Safety Agency's ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

J Bushell

Josephine Bushell

Delegate of the Auditor-General

Canberra

10 September 2018

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Statement by the Accountable Authority and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2018 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 Radiation Protection and Nuclear Safety Agency will be able to pay it debts as and when they fall due.

Carl-Magnus Larsson
Accountable Authority
7 September 2018

George Savvides
Chief Financial Officer
7 September 2018

Statement of comprehensive income

for the period ended 30 June 2018

	Notes	2018 $	Original budget 2018 $	2017 $
Net cost of services				
Expenses				
Employee benefits	1.1A	**16,454,029**	16,498,000	16,907,750
Suppliers	1.1B	**7,171,373**	6,053,000	8,377,116
Depreciation and amortisation	2.2A	**2,907,501**	2,570,000	2,625,505
Write-down and impairment of assets	1.1C	**176,552**	-	20,601
Foreign exchange loss	1.1D	**844**	-	11
Total expenses		**26,710,299**	25,121,000	27,930,983
Own source income				
Own-source revenue				
Sale of goods and rendering of services	1.2A	**7,109,324**	5,275,000	6,909,690
Licence fees	1.2B	**4,300,519**	4,437,000	4,342,224
Other revenue	1.2C	**54,000**	-	54,000
Total own-source revenue		**11,463,843**	9,712,000	11,305,914
Gains				
Reversal of write-downs	1.2D	**-**	-	39,810
Total gains		**-**	-	39,810
Total own-source income		**11,463,843**	9,712,000	11,345,724
Net cost of services		**15,246,456**	15,409,000	16,585,259
Revenue from Government	1.2E	**12,839,000**	12,839,000	13,049,000
Deficit on continuing operations		**(2,407,456)**	(2,570,000)	(3,536,259)
Other comprehensive income				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		**2,291,410**	-	2,576,857
Total other comprehensive income		**2,291,410**	-	2,576,857
Total comprehensive income attributable to the Australian Government		**(116,046)**	(2,570,000)	(959,402)

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

Statement of comprehensive income (continued)

for the period ended 30 June 2018

Budget variances commentary

The above table provides a comparison between the *2017–18 Portfolio Budget Statements* (PBS) budget and the final financial outcome in the 2017–18 financial statements. The Budget is not audited and does not reflect additional budget estimates provided in the *2017–18 Portfolio Additional Estimates Statements* (PAES) or the revised budget provided as part of the *2018–19 Portfolio Budget Statements* (PBS). However major changes in budget have been explained as part of the variance analysis where relevant.

The actuals are prepared in accordance with Australian Accounting Standards.

Explanations have been provided where movements are greater than 10% of the line item and/or 2% of total income or expense unless the movement is clearly trivial.

Departmental major budget variances for 2018

Explanations of major variances	Affected line items (and statement)
Suppliers Increase in suppliers expense relates in part to the provision for the rectification and remediation of a legacy radiation site, and the continuation of the Australian Clinical Dosimetry Service. These were not included in the Budget estimate. The Australian Clinical Dosimetry Service expense increase is offset by the related increase in revenue.	*Suppliers expense and total own source revenue (statement of comprehensive income) operating cash used - suppliers (cash flow statement).*
Depreciation Increase in building depreciation expense is a result of an increase in building valuation, not estimated at budget.	*Depreciation expense (statement of comprehensive income), land and building (statement of financial position).*
Own source revenue **Sale of good and services and licence fees** Overall, the increase in sale of goods and rendering of services revenue relates to the Australian Clinical Dosimetry Service. This increase in revenue is offset by the related increase in suppliers expense.	*Total own source revenue and suppliers expense (statement of comprehensive income), operating cash received - sale of goods and rendering of services (cash flow statement).*
Total other comprehensive income The variance of $2,291,410 relates to the unbudgeted independent revaluation of land and buildings in 2018 and 2017, and leasehold improvements and plant and equipment in 2017.	*Total other comprehensive income (statement of comprehensive income), land and building (statement of financial position).*

Statement of financial position

as at 30 June 2018

	Notes	2018 $	Original budget 2018 $	2017 $
Assets				
Financial assets				
Cash and cash equivalents	2.1A	**1,100,443**	1,210,000	1,142,627
Trade and other receivables	2.1B	**6,639,882**	933,000	1,924,699
Other financial assets	2.1C	**130,686**	83,000	82,593
Total financial assets		**7,871,011**	2,226,000	3,149,919
Non-financial assets				
Land and buildings	2.2A	**28,294,740**	24,223,000	26,760,433
Leasehold improvements	2.2A	**152,936**	-	233,675
Plant and equipment	2.2A	**6,870,375**	10,894,000	6,489,230
Intangibles	2.2A	**1,011,347**	1,483,000	1,351,980
Inventories	2.2B	**1,389,190**	1,533,000	1,480,107
Other non-financial assets	2.2C	**586,169**	436,000	578,328
Total non-financial assets		**38,304,757**	38,569,000	36,893,753
Total assets		**46,175,768**	40,795,000	40,043,672
Liabilities				
Payables				
Suppliers	2.3A	**878,827**	-	1,306,761
Other payables	2.3B	**1,577,193**	1,159,000	1,670,398
Total payables		**2,456,020**	1,159,000	2,977,159
Provisions				
Employee provisions	4.1	**4,564,755**	4,545,000	4,750,474
Total provisions		**4,564,755**	4,545,000	4,750,474
Total liabilities		**7,020,775**	5,704,000	7,727,633
Net assets		**39,154,993**	35,091,000	32,316,039
Equity				
Contributed equity		**28,561,000**	28,561,000	21,606,000
Reserves		**19,477,693**	14,609,000	17,186,283
Retained surplus/(accumulated deficit)		**(8,883,700)**	(8,079,000)	(6,476,244)
Total equity		**39,154,993**	35,091,000	32,316,039

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

Statement of financial position (continued)

as at 30 June 2018

Budget variances commentary

The above table provides a comparison between the *2017–18 Portfolio Budget Statements* (PBS) budget and the final financial outcome in the 2017–18 financial statements. The Budget is not audited and does not reflect additional budget estimates provided in the *2017–18 Portfolio Additional Estimates Statements* (PAES) or the revised budget provided as part of the *2018–19 Portfolio Budget Statements* (PBS). However major changes in budget have been explained as part of the variance analysis where relevant.

The actuals are prepared in accordance with Australian Accounting Standards.

Explanations have been provided where movements are greater than 10% of the line item and/or 2% of total assets or liabilities unless the movement is clearly trivial.

Departmental major budget variances for 2018

Explanations of major variances	Affected line items (and statement)
Trade and other receivables The variance relates to the difference in actual and budgeted appropriation receivable, resulting from lower than budgeted fixed asset expenditure.	*Trade and other receivables (statement of financial position), operating cash received - appropriations (cash flow statement), investing cash used - purchase of property plant and equipment and financing cash received - contributed equity (cash flow statement).*
Land and buildings The variance relates to the independent revaluation of land and buildings in 2018 and 2017, since the budget was prepared.	*Land and buildings and reserves (statement of financial position).*
Leasehold improvements Leasehold improvement are not separately identified in the budget, and were subject to independent revaluation at 30 June 2017.	*Leasehold improvements and reserves (statement of financial position).*
Plant and equipment The variance relates to lower than budgeted fixed asset expenditure, primarily relating to the medical linear accelerator project. Project completion is now expected in 2018/19.	*Plant and equipment and trade and other receivables (statement of financial position) and investing cash used - purchase of property plant and equipment and financing cash received - contributed equity (cash flow statement).*
Intangibles The variance relates to a reprioritisation of digital investment away from software toward refreshing the core infrastructure.	*Intangibles and trade and other receivables (statement of financial position) and investing cash used - purchase of property plant and equipment (cash flow statement).*
Other non-financial assets Actual prepaid expenses were higher than budgeted, and relate primarily to the Integrated Regulatory Review Service (IRRS) mission.	*Non-financial assets (statement of financial position).*
Payables **Suppliers and other payables** The increase in payables relates in part to the rectification and remediation of a legacy radiation site, and to unearned revenue associated with the Australian Clinical Dosimetry Service.	*Payables (statement of financial position). suppliers expense and total own source revenue (statement of comprehensive income).*

Statement of changes in equity

for the period ended 30 June 2018

	2018 $	Original budget 2018 $	2017 $
Contributed equity			
Opening balance			
Balance carried forward from previous period	**21,606,000**	21,606,000	19,482,000
Adjusted opening balance	**21,606,000**	21,606,000	19,482,000
Transactions with owners			
Contributions by owners			
Departmental capital budget	**1,955,000**	1,955,000	2,124,000
Equity injection - appropriation	**5,000,000**	5,000,000	-
Total transactions with owners	**6,955,000**	6,955,000	2,124,000
Closing balance as at 30 June	**28,561,000**	28,561,000	21,606,000
Retained earnings			
Opening balance			
Balance carried forward from previous period	**(6,476,244)**	(5,509,000)	(2,939,985)
Adjusted opening balance	**(6,476,244)**	(5,509,000)	(2,939,985)
Comprehensive income			
Deficit for the period	**(2,407,456)**	(2,570,000)	(3,536,259)
Total comprehensive income	**(2,407,456)**	(2,570,000)	(3,536,259)
Closing balance as at 30 June	**(8,883,700)**	(8,079,000)	(6,476,244)
Asset revaluation reserve			
Opening balance			
Balance carried forward from previous period	**17,186,283**	14,609,000	14,609,426
Adjusted opening balance	**17,186,283**	14,609,000	14,609,426
Comprehensive income			
Other comprehensive income	**2,291,410**	-	2,576,857
Total comprehensive income	**2,291,410**	-	2,576,857
Closing balance as at 30 June	**19,477,693**	14,609,000	17,186,283

Statement of changes in equity (continued)

for the period ended 30 June 2018

	2018 $	Original budget 2018 $	2017 $
Total equity			
Opening balance			
Balance carried forward from previous period	**32,316,039**	30,706,000	31,151,441
Adjusted opening balance	**32,316,039**	30,706,000	31,151,441
Comprehensive income			
Other comprehensive income	**2,291,410**	-	2,576,857
Deficit for the period	**(2,407,456)**	(2,570,000)	(3,536,259)
Total comprehensive income	**(116,046)**	(2,570,000)	(959,402)
Transactions with owners			
Contributions by owners			
Departmental capital budget	**1,955,000**	1,955,000	2,124,000
Equity injection - appropriation	**5,000,000**	5,000,000	-
Total transactions with owners	**6,955,000**	6,955,000	2,124,000
Closing balance as at 30 June	**39,154,993**	35,091,000	32,316,039

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

Accounting policy

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.

Restructuring of administrative arrangements

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

Statement of changes in equity (continued)

for the period ended 30 June 2018

Budget variances commentary

The above table provides a comparison between the *2017–18 Portfolio Budget Statements* (PBS) budget and the final financial outcome in the 2017–18 financial statements. The Budget is not audited and does not reflect additional budget estimates provided in the *2017–18 Portfolio Additional Estimates Statements* (PAES) or the revised budget provided as part of the *2018–19 Portfolio Budget Statements* (PBS). However major changes in budget have been explained as part of the variance analysis where relevant.

The actuals are prepared in accordance with Australian Accounting Standards.

Departmental major budget variances for 2018

Explanations of major variances	Affected line items (and statement)
Asset revaluation reserves Increase relates to the actual independent revaluation of land and buildings in 2018 and 2017, and leasehold improvements and plant and equipment in 2017, since the budget was prepared.	*Land and buildings, leasehold improvements and plant and equipment and reserves (statement of financial position).*

Cash flow statement

for the period ended 30 June 2018

	Notes	2018 $	Original budget 2018 $	2017 $
Operating activities				
Cash received				
Appropriations		**12,420,000**	12,839,000	13,049,000
Sales of goods and rendering of services		**7,901,916**	4,790,000	7,398,691
Other cash received		**4,300,519**	4,437,000	4,342,224
Net GST received		**191,132**	485,000	100,988
Total cash received		**24,813,567**	22,551,000	24,890,903
Cash used				
Employees		**(17,049,713)**	(16,498,000)	(16,127,761)
Suppliers		**(8,403,685)**	(5,370,000)	(8,213,497)
Net GST paid		**-**	(683,000)	-
Total cash used		**(25,453,398)**	(22,551,000)	(24,341,258)
Net cash (used by)/from operating activities		**(639,831)**	-	549,645
Investing activities				
Cash used				
Purchase of property, plant, equipment and intangibles		**(2,253,353)**	(6,955,000)	(1,990,320)
Total cash used		**(2,253,353)**	(6,955,000)	(1,990,320)
Net cash (used by) investing activities		**(2,253,353)**	(6,955,000)	(1,990,320)
Financing activities				
Cash received				
Contributed equity - Departmental capital budget		**1,651,000**	1,955,000	1,373,000
Contributed equity - Equity injection		**1,200,000**	5,000,000	-
Total cash received		**2,851,000**	6,955,000	1,373,000
Net cash from financing activities		**2,851,000**	6,955,000	1,373,000
Net (decrease)/increase in cash held		**(42,184)**	-	(67,675)
Cash and cash equivalents at the beginning of the reporting period		**1,142,627**	1,210,300	1,210,302
Cash and cash equivalents at the end of the reporting period	2.1A	**1,100,443**	1,210,300	1,142,627

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

Cash flow statement (continued)

for the period ended 30 June 2018

Budget variances commentary

The above table provides a comparison between the *2017–18 Portfolio Budget Statements* (PBS) budget and the final financial outcome in the 2017–18 financial statements. The Budget is not audited and does not reflect additional budget estimates provided in the *2017–18 Portfolio Additional Estimates Statements* (PAES) or the revised budget provided as part of the *2018–19 Portfolio Budget Statements (PBS)*. However major changes in budget have been explained as part of the variance analysis where relevant.

The actuals are prepared in accordance with Australian Accounting Standards.

Explanations have been provided where movements are greater than 10% of the line item and/or 2% of total cash received or used unless the movement is clearly trivial.

Departmental major budget variances for 2018

Explanations of major variances	Affected line items (and statement)
Variances relating to cash flows occur because of the factors detailed under expenses, own source income, assets or liabilities.	*Operating, investing, financing activities (cash flow statement)*
Contributed equity	
Variance of $4,104,000 for the current year relates to the undrawn Appropriations. These funds remain available to ARPANSA to utilise in future years.	*Financing activities (cash flow statement), trade and other receivables (statement of financial position)*

Overview

Objectives of the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)

ARPANSA is an Australian Government-controlled not-for-profit entity. It is a non-corporate Commonwealth entity under the *Public Governance Performance and Accountability Act 2013*. The objectives of ARPANSA are to: *protect people and the environment from the harmful effects of radiation.*

The entity is structured to meet one outcome:

"Protection of people and the environment through radiation protection and nuclear safety research, policy, advice, codes, standards, services and regulation."

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

ARPANSA's activities contributing toward the outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the entity in its own right.

Basis of preparation of the financial report

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 and notes have been prepared in accordance with:

a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and

b) Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements 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 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.

Accounting judgements and estimates

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

- the fair value of land and buildings is taken to be the market value and depreciated replacement cost respectively as determined by an independent valuer
- the long service leave liability is calculated using the shorthand method developed by the Australian Government Actuary. This method is impacted by fluctuations in the Commonwealth Government 10 year Treasury Bond rate and the Entity's estimated salary growth rates.

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

Future Australian Accounting Standard requirements

The following new standards, revised or amending standards and interpretations that were issued prior to the signing of the statement by the Accountable Authority and Chief Financial Officer and are applicable to the future reporting period are expected to have an effect on the Entity's financial statements.

Standard/ interpretation	Application date for entity	Nature of impending changes in accounting policy and likely impact on initial application
AASB 9 *Financial Instruments*	1 July 2018	Incorporates the final requirements for all three phases of the financial instruments project: classification and measurement , impairments and hedge accounting. Likely impact - the classification of financial assets.
AASB 15 *Revenue from contracts with customers*	1 July 2019	Specifies the accounting treatment for all revenue arising from contracts with customers. Likely impact - the timing of revenue recognition
AASB 16 *Leases*	1 July 2019	Requires lessees to recognise almost all leases as assets and liabilities. Likely impact - recognition of lease on the statement of financial position

Taxation

The entity 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:

a) where the amount of GST incurred is not recoverable from the Australian Taxation Office

b) for receivables and payables.

Events after the reporting period

There have been no significant subsequent events after the reporting period that impact on the financial statement for the year ended 30 June 2018.

Notes to and forming part of the financial statements

for the period ended 30 June 2018

Financial performance

This section analyses the financial performance of ARPANSA for the year ended 2018

	2018 $	2017 $
NOTE 1.1: EXPENSES		
Note 1.1A: Employee benefits		
Wages and salaries	**11,788,021**	12,019,559
Superannuation - defined contribution	**1,809,559**	1,890,724
Superannuation - defined benefit	**484,235**	464,577
Leave and other entitlements	**2,207,378**	2,303,767
Separation and redundancies	**164,836**	229,123
Total employee benefits	**16,454,029**	16,907,750

Accounting policy

Accounting policies for employee-related expenses are contained in the people and relationships section.

Notes to and forming part of the financial statements

for the period ended 30 June 2018

Note 1.1B: Suppliers

	2018 $	2017 $
Goods and services supplied or rendered		
Audit fees - ANAO	**54,000**	54,000
Audit fees - outsourced	**93,196**	116,426
Advisory council and committees	**118,960**	101,789
Communications	**320,964**	450,991
Construction and maintenance - Comprehensive nuclear test ban treaty	**655,133**	601,719
Contractors/consultants	**591,938**	1,081,764
Demolition and remediation	**153,433**	698,105
Information technology	**861,259**	806,620
Postage and freight	**212,277**	189,808
Reference material & subscriptions	**353,875**	320,454
Repair and maintenance	**578,315**	599,530
Training and conferences	**219,188**	332,105
Travel	**1,070,486**	1,163,179
Utilities	**544,539**	436,541
Other goods and services	**1,051,650**	1,145,000
Total goods and services supplied or rendered	**6,879,213**	8,098,031
Goods supplied	**1,394,857**	1,821,560
Services rendered	**5,484,356**	6,276,471
Total goods and services supplied or rendered	**6,879,213**	8,098,031
Other supplier expenses		
Operating lease rentals	**250,721**	246,161
Workers compensation premiums	**41,439**	32,924
Total other supplier expenses	**292,160**	279,085
Total supplier expenses	**7,171,373**	8,377,116

Notes to and forming part of the financial statements

for the period ended 30 June 2018

	2018 $	2017 $

Leasing commitments

ARPANSA in its capacity as lessee:

Lease for office accommodation

- Four year office accommodation lease with two further extension options of two years each. Lease payments are subject to an annual CPI increase.

Agreement for the provision of motor vehicle to senior executive officers.

- No contingent rentals exist.
  There are no renewal or purchase options available to the agency

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	**249,374**	243,622
Between 1 to 5 years	**168,898**	390,542
Total operating lease commitments	**418,272**	634,164

Accounting policy

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.

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

Note 1.1C: Write-down and impairment of assets

	2018 $	2017 $
Impairment on financial assets	**10,429**	1,173
Property, plant and equipment - write-off	**30,710**	18,468
Computer software - write-off	**112,472**	-
Inventories - write-off	**22,941**	960
Total write-down and impairment of assets	**176,552**	20,601

Note 1.1D: Foreign exchange losses

	2018 $	2017 $
Non-speculative	**844**	11
Total foreign exchange losses	**844**	11

Accounting policy

Gains and losses from foreign currency are recognised when incurred.

Notes to and forming part of the financial statements

for the period ended 30 June 2018

NOTE 1.2: OWN-SOURCE REVENUE AND GAINS

Own-source revenue

Note 1.2A: Sale of goods and rendering of services

	2018 $	2017 $
Scientific services - Personal Radiation Monitoring Service	**2,428,366**	2,284,252
Construction and maintenance - Comprehensive Nuclear-Test-Ban Treaty	**1,848,859**	1,769,831
Australian Clinical Dosimetry Service	**1,290,003**	1,468,514
Other scientific services	**1,542,096**	1,387,093
Total sale of goods and rendering of services	**7,109,324**	6,909,690

Accounting policy

Revenue from the sale of goods is recognised when:

a) the risks and rewards of ownership have been transferred to the buyer

b) the entity retains no managerial involvement nor effective control over the goods

c) the revenue and transaction costs incurred can be reliably measured

d) it is probable that the economic benefits associated with the transaction will flow to the entity.

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

a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured

b) the probable economic benefits associated with the transaction will flow to the entity.

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

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

Note 1.2B: Licence fees

	2018 $	2017 $
Application fees	**12,677**	150,704
Annual charges	**4,287,842**	4,191,520
Total licence fees	**4,300,519**	4,342,224

Accounting policy

Under paragraph 34(b) of the *Australian Radiation Protection and Nuclear Safety Act 1998*, an application for a licence must be accompanied by a fee prescribed in the regulations. Revenue for licence applications is recognised when an application for a licence is received.

Notes to and forming part of the financial statements

for the period ended 30 June 2018

Note 1.2C: Other revenue

	2018 $	2017 $
Resources received free of charge - ANAO	**54,000**	54,000
Total other revenue	**54,000**	54,000

Accounting policy

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

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

Gains

Note 1.2D: Reversal of write-downs

	2018 $	2017 $
Revaluation increments	**-**	39,810
Total gains	**-**	39,810

Accounting policy

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class (note 2.2 refers).

Revenue from Government

Note 1.2E: Revenue from government

Appropriation:

	2018 $	2017 $
Departmental appropriation	**12,839,000**	13,049,000
Total revenue from government	**12,839,000**	13,049,000

Accounting policy

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

Section 56 (3) of the *Australian Radiation Protection and Nuclear Safety Act 1998*, requires that money appropriated by the Parliament be transferred to the special account (notes 2.1A and 3.2 refer).

Appropriations receivable are recognised at their nominal amounts.

Notes to and forming part of the financial statements

for the period ended 30 June 2018

Financial position

This section analyses ARPANSA's assets used to conduct its operations and the operating liabilities incurred as a result for the year ended 2018. Employee related information is disclosed in the people and relationships section.

	2018 $	2017 $
NOTE 2.1: FINANCIAL ASSETS		
Note 2.1A: Cash and cash equivalents		
Cash in special accounts	**1,094,061**	1,132,041
Cash on hand or on deposit	**6,382**	10,586
Total cash and cash equivalents	**1,100,443**	1,142,627

Accounting policy

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

a) cash on hand

b) cash at bank

c) cash in special accounts.

Note 2.1B: Trade and other receivables

	2018 $	2017 $
Goods and services receivables		
Goods and services	**1,332,951**	1,039,796
Total goods and services receivables	**1,332,951**	1,039,796
Appropriations receivable:		
For existing program	**419,000**	-
Undrawn equity injection	**3,800,000**	-
Departmental capital budget	**1,055,000**	751,000
Total appropriations receivable	**5,274,000**	751,000
Other receivables		
Statutory receivables - GST	**52,925**	148,363
Total other receivables	**52,925**	148,363
Total trade and other receivables (gross)	**6,659,876**	1,939,159

Notes to and forming part of the financial statements

for the period ended 30 June 2018

	2018 $	2017 $
Less impairment allowance account		
Goods and services	**(19,994)**	(14,460)
Total trade and other receivables (net)	**6,639,882**	1,924,699

Goods and services receivable was with entities external to the Australian Government. Credit terms are net 30 days (2017: 30 days)

Accounting policy

Receivables

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

	2018 $	2017 $
Reconciliation of impairment allowance		
Goods and services		
Opening balance	**14,460**	15,576
Amounts recovered and reversed	**974**	-
Amounts written off	**(5,869)**	(2,289)
Increase/decrease recognised in net cost of services	**10,429**	1,173
Closing balance	**19,994**	14,460

Note 2.1C: Other financial assets

	2018 $	2017 $
Accrued revenue	**130,686**	82,593
Total other financial assets	**130,686**	82,593

Total other financial assets are expected to be recovered in no more than 12 months.

Accounting policy

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

Notes to and forming part of the financial statements

for the period ended 30 June 2018

NOTE 2.2: NON-FINANCIAL ASSETS

Note 2.2A: 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 2018

	Land $	Buildings $	Leasehold improvements $	PP & E $	Computer software[1] $	Other intangibles - trademarks $	Total $
As at 1 July 2017							
Gross book value	9,000,000	17,760,433	233,675	6,489,230	3,899,186	4,620	37,387,144
Accumulated depreciation and impairment	-	-	-	-	(2,547,206)	(4,620)	(2,551,826)
Net book value 1 July 2017	9,000,000	17,760,433	233,675	6,489,230	1,351,980	-	34,835,318
Additions:							
By purchase	-	232,280	6,780	1,939,943	74,350	-	2,253,353
Revaluations and impairments recognised in other comprehensive income	1,500,000	791,410			-	-	2,291,410
Depreciation and amortisation	-	(989,383)	(87,519)	(1,528,088)	(302,511)	-	(2,907,501)
Disposals:							-
Write-offs	-	-	-	(30,710)	(112,472)	-	(143,182)
Net book value 30 June 2018	10,500,000	17,794,740	152,936	6,870,375	1,011,347	-	36,329,398
Net book value as of 30 June 2018 represented by:							
Gross book value	10,500,000	17,794,740	240,455	8,383,573	3,804,154	4,620	40,727,542
Accumulated depreciation and impairment	-	-	(87,519)	(1,513,198)	(2,792,807)	(4,620)	(4,398,144)
Net book value 30 June 2018	10,500,000	17,794,740	152,936	6,870,375	1,011,347	-	36,329,398

1 The carrying amount of computer software included $483,225 purchased software and $528,121 internally developed software.

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

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

Revaluations of non-financial assets

All revaluation were conducted in accordance with the revaluation policy as stated in this note. On 30 June 2018, an independent valuer conducted revaluations of land and buildings.

Notes to and forming part of the financial statements

for the period ended 30 June 2018

Accounting policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and 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).

Revaluations

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

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

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

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

Asset class	Fair value measures at:
Land	Market value
Buildings exc. leasehold improvement	Depreciated replacement cost
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Market value

Independent valuers from the Jones Lang LaSalle Advisory Services Pty Ltd conducted a valuation of land and buildings on 30 June 2018 and of land and buildings, leasehold improvements and plant and equipment on 30 June 2017.

Revaluation increments of $1,500,000 for land (2017: 1,500,000), $791,410 for buildings on freehold land (2017: $738,133), nil for leasehold improvements (2017: 29,411) and nil for plant and equipment (2017: $309,313) were transferred to the asset revaluation reserve surplus by asset class and included in the equity section of the statement of financial position.

A revaluation increment of $39,810 in 2017 for plant and equipment reversed a revaluation decrement of $39,810 previously recognised in the surplus/deficit.

Notes to and forming part of the financial statements

for the period ended 30 June 2018

Depreciation

Depreciable property plant and equipment assets, are written-off to their estimated residual values over their estimated useful lives to ARPANSA, using the straight-line method of depreciation. Leasehold improvements are depreciated using the straight line method over the lesser of the estimated useful life of the leasehold improvements or the unexpired period of the lease.

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:

	2018	2017
Buildings on freehold land	**17 years**	18 years
Leasehold improvements	**Lease term - 4 years**	Lease term - 4 years
Plant and equipment	**1 to 45 years**	1 to 45 years

Impairment

All assets were assessed for impairment at 30 June 2018. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

Intangibles

ARPANSA's intangibles comprise purchased software, internally developed software for internal use and trade marks. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangibles are amortised on a straight-line basis over their anticipated useful life. The useful lives of ARPANSA's intangibles are 5 to 15.5 years (2017: 5 to 15.5 years).

All intangibles assets were assessed for indications of impairment as at 30 June 2018.

Notes to and forming part of the financial statements

for the period ended 30 June 2018

	2018 $	2017 $
Note 2.2B: Inventories		
Inventories held for sale		
Finished goods	**4,358**	16,439
Total inventories held for sale	**4,358**	16,439
Inventories held for distribution	**1,384,832**	1,463,668
Total inventories	**1,389,190**	1,480,107

During 2017–18, $16,439 of inventory held for sale was recognised as an expense (2016–17: $45,729).

During 2017–18, $55,743 of inventory held for distribution was recognised as an expense (2016–17: $65,679).

All inventory is expected to be sold or distributed in the next 12 months.

Accounting policy

Inventories held for sale are valued at the lower of cost and net realisable value.

Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

Note 2.2C: Other non-financial assets

	2018 $	2017 $
Prepayments	**586,169**	578,328
Total other non-financial assets	**586,169**	578,328

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

Notes to and forming part of the financial statements

for the period ended 30 June 2018

	2018 $	2017 $

NOTE 2.3: PAYABLES

Note 2.3A: Suppliers

	2018 $	2017 $
Trade creditors and accruals	**878,827**	1,306,761
Total suppliers	**878,827**	1,306,761

Settlement is usually made within 30 days.

Note 2.3B: Other payables

	2018 $	2017 $
Salaries and wages	**147,329**	418,127
Superannuation	**17,819**	31,986
Separation and redundancies	**-**	125,000
Unearned income	**788,763**	319,783
Demolition and remediation	**618,461**	767,916
Other	**4,821**	7,586
Total other payables	**1,577,193**	1,670,398

Notes to and forming part of the financial statements

for the period ended 30 June 2018

Funding

This section identifies ARPANSA's funding structure.

NOTE 3.1: APPROPRIATIONS

In accordance with section 56 of the *Australian Radiation Protection and Nuclear Safety Act 1998*, all monies received by ARPANSA are to be paid into the ARPANSA Special Account. Pursuant to this section, all monies paid into this Account are automatically appropriated for the use of ARPANSA.

Note 3.1A: Annual appropriations ('recoverable GST exclusive')

Annual appropriations for 2018

	Annual appropriation[1] $	Adjustments to appropriation[2] $	Total appropriation $	Appropriation applied in 2018 (current and prior years) $	Variance[3] $
Departmental					
Ordinary annual services	**12,839,000**	**-**	**12,839,000**	**12,420,000**	**419,000**
Capital budget[4]	**1,955,000**		**1,955,000**	**1,651,000**	**304,000**
Other services					
Equity	**5,000,000**	**-**	**5,000,000**	**1,200,000**	**3,800,000**
Total departmental	**19,794,000**	**-**	**19,794,000**	**15,271,000**	**4,523,000**

Notes

1 No funds have been withheld (Section 51 of the PGPA Act) or quarantined for administrative purposes.

2 No adjustments have been applied to appropriations.

3 The variance of $4,523,000 reflects the appropriation receivable amount at 30 June 2018 for ordinary annual and other services, and the movement in appropriation receivable for capital budget.

4. Departmental 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.

Notes to and forming part of the financial statements

for the period ended 30 June 2018

Annual appropriations for 2017

	Annual appropriation[1] $	Adjustments to appropriation[2] $	Total appropriation $	Appropriation applied in 2017 (current and prior years) $	Variance[3] $
Departmental					
Ordinary annual services	**13,049,000**	**-**	**13,049,000**	**13,049,000**	**-**
Capital budget[4]	**2,124,000**		**2,124,000**	**1,373,000**	**751,000**
Other services					
Equity	-	-	-	-	-
Total departmental	**15,173,000**	**-**	**15,173,000**	**14,422,000**	**751,000**

Notes

1 No funds have been withheld (Section 51 of the PGPA Act) or quarantined for administrative purposes.

2 No adjustments have been applied to appropriations.

3 The variance of $751,000 reflects the appropriation receivable amount at 30 June 2017.

4 Departmental 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.

Note 3.1B: Unspent departmental annual appropriations ('recoverable GST exclusive')

	2018 $	2017 $
Authority		
Departmental		
Appropriation Act (No. 1) 2017–18	**1,474,000**	-
Appropriation Act (No. 1) 2017–18 - cash at bank	**6,382**	-
Appropriation Act (No. 2) 2017–18	**3,800,000**	-
Appropriation Act (No. 1) 2016–17	**-**	751,000
Appropriation Act (No. 1) 2016–17 - cash at bank	**-**	10,586
Total departmental	**5,280,382**	761,586

Notes to and forming part of the financial statements

for the period ended 30 June 2018

NOTE 3.2: SPECIAL ACCOUNTS

ARPANSA Special Account (departmental)

Establishing Instrument: *Australian Radiation Protection and Nuclear Safety Act 1998*; s56(4)

Appropriation: *Public Governance, Performance and Accountability Act 2013*; s80

Purpose: The purpose of the Special Account is set out in the *Australian Radiation Protection and Nuclear Safety Act 1998* at section 56(4):

“The purposes of the Special Account are to make payments

(a) to further the object of this act (as set out in section 3); and

(b) otherwise in connection with the performance of the CEO's functions under this Act or the Regulations."

	2018 $	2017 $
Balance brought forward from previous period	**1,142,627**	1,210,302
Increases		
Departmental	**27,664,567**	26,263,903
Total increase	**27,664,567**	26,263,903
Available for payments	**28,807,194**	27,474,205
Decreases		
Departmental	**(27,706,751)**	(26,331,578)
Total decrease	**(27,706,751)**	(26,331,578)
Total balance carried to next period	**1,100,443**	1,142,627
Balance represented by:		
Cash held in entity bank accounts	**1,100,443**	1,142,627
Total balance carried to next period	**1,100,443**	1,142,627

Notes to and forming part of the financial statements

for the period ended 30 June 2018

People and relationships

This section identifies a range of employment and post-employment benefits provided to our people and our relationships with other key people.

	2018 $	2017 $
NOTE 4.1: PROVISIONS		
Employee provisions		
Leave	**4,564,755**	4,750,474
Total employee provisions	**4,564,755**	4,750,474

Accounting policy

Liabilities for 'short-term employee benefits' and termination benefits expected to be settled 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 benefit liabilities are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the entity 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 entity'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 employees as at 30 June 2018. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The entity recognises a provision for termination when is has developed a detailed plan for terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

The majority of staff of ARPANSA are members of the *Commonwealth Superannuation Scheme* (CSS), the *Public Sector Superannuation Scheme* (PSS) or the PSS accumulation plan (PSSap), and the Australian Government Employee Superannuation Trust (AGEST). There are a small number of staff covered under various other superannuation schemes.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme. The AGEST Superannuation Trust is an industry fund which was previously the Australian Government Default Superannuation fund for non-ongoing employees.

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 in the Department of Finance's administered schedules and notes.

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

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

Notes to and forming part of the financial statements

for the period ended 30 June 2018

NOTE 4.2: KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. ARPANSA has determined the key management personnel to be the Chief Executive and five branch and office heads. Key management personnel remuneration is reported in the table below:

	2018 $	2017 $
Short-term employee benefits	**1,231,006**	964,503
Post-employment benefits	**186,158**	140,596
Other long-term employee benefits	**126,369**	97,895
Total key management personnel remuneration expenses[1]	**1,543,533**	1,202,994

The total number of key management personnel that are included in the above table are 6 individuals (2017: 5).

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

NOTE 4.3: RELATED PARTY DISCLOSURES

Related party relationships:

The entity is an Australian Government controlled entity. Related parties to this entity are Key Management Personnel including the Portfolio Minister and Executive, and other Australian Government entities.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity, it has been determined that there are no related party transactions to be separately disclosed.

Notes to and forming part of the financial statements

for the period ended 30 June 2018

Managing uncertainties

This section analyses how ARPANSA manages financial risks within its operating environment.

NOTE 5.1: CONTINGENT LIABILITIES AND ASSETS

As at 30 June 2018 ARPANSA had no quantifiable or unquantifiable contingencies. (2017: Nil)

Accounting policy

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the 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.

Notes to and forming part of the financial statements

for the period ended 30 June 2018

NOTE 5.2: FINANCIAL INSTRUMENTS

Note 5.2A: Categories of financial instruments

	2018 $	2017 $
Financial assets		
Receivables		
Cash and cash equivalents	**1,100,443**	1,142,627
Trade and other receivables	**1,312,957**	1,025,336
Other financials assets	**130,686**	82,593
Total receivables	**2,544,086**	2,250,556
Total financial assets	**2,544,086**	2,250,556
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	**878,827**	1,306,761
Total financial liabilities measured at amortised cost	**878,827**	1,306,761
Total financial liabilities	**878,827**	1,306,761

There was no interest income from financial assets nor interest expense from financial liabilities in the year ending 30 June 2018 (2017: Nil)

Accounting policy

Financial assets

ARPANSA only holds financial assets that are classified as "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.

Impairment of financial assets

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

Financial liabilities

Financial liabilities are classified as either financial liabilities or other liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Other financial liabilities

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

Notes to and forming part of the financial statements

for the period ended 30 June 2018

NOTE 5.3: FAIR VALUE MEASUREMENTS

The following tables provide an analysis of assets and liabilities that are measured at fair value.

Accounting policy

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

	Fair value measurements at the end of the reporting period	
	2018 **$**	2017 $
Non-financial assets		
Land	**10,500,000**	9,000,000
Buildings on freehold land	**17,794,740**	17,760,433
Leasehold improvements	**152,936**	233,675
Plant and equipment	**6,870,375**	6,489,230
Total non-financial assets	**35,318,051**	33,483,338

1. No change in valuation technique occurred during the period.