

## **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

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## COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Notes	2009 \$	2008 \$
<b>Income from transactions</b>			
Grants	2	2,714,100	1,744,300
<b>Total income from transactions</b>		<b>2,714,100</b>	1,744,300
<b>Expenses from transactions</b>			
Employee benefits	3(a)	1,649,115	984,119
Depreciation and amortisation	3(b)	5,213	5,223
Finance costs	3(c)	760	1,339
Other operating expenses	3(d)	1,127,343	650,402
<b>Total expenses from transactions</b>		<b>2,782,431</b>	1,641,083
<b>Net result from transactions</b>		<b>(68,331)</b>	103,217
<b>Other economic flows included in net result</b>			
Employee benefits	4	(5,561)	519
<b>Total other economic flows included in net result</b>		<b>(5,561)</b>	519
<b>Net result</b>		<b>(73,892)</b>	103,736
<b>COMPREHENSIVE RESULT</b>		<b>(73,892)</b>	103,736

The above operating statement should be read in conjunction with the accompanying notes included in the following pages: 42 - 68

## BALANCE SHEET

AS AT 30 JUNE 2009

	Notes	2009 \$	2008 \$
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	15(a)	200	200
Receivables	5	870,223	680,151
<b>Total financial assets</b>		<b>870,423</b>	680,351
<b>Non financial assets</b>			
Plant and equipment	6	24,496	13,091
<b>Total non financial assets</b>		<b>24,496</b>	13,091
<b>Total assets</b>		<b>894,919</b>	693,442
<b>Liabilities</b>			
Payables	7	167,345	76,902
Interest bearing liabilities	8	7,326	13,101
Provisions	9	321,116	147,596
<b>Total liabilities</b>		<b>495,787</b>	237,599
<b>NET ASSETS</b>		<b>399,132</b>	455,843
<b>Equity</b>			
Accumulated surplus		355,163	429,055
Contributed capital		43,969	26,788
<b>TOTAL EQUITY</b>		<b>399,132</b>	455,843
– Commitments for expenditure	12		
– Contingent liabilities and contingent assets	13		

The above balance sheet should be read in conjunction with the accompanying notes included in the following pages: 42 - 68

## STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	<i>Equity at 1 July 2008 \$</i>	<i>Total comprehensive result \$</i>	<i>Transactions with owners in their capacity as owners \$</i>	<i>Equity at 30 June 2009 \$</i>
Accumulated surplus/(deficit)	429,055	(73,892)	-	355,163
Contributions by owners	26,788	-	17,181	43,969
<b>Total equity at end of financial year</b>	<b>455,843</b>	<b>(73,892)</b>	<b>17,181</b>	<b>399,132</b>

	<i>Equity at 1 July 2007 \$</i>	<i>Total comprehensive result \$</i>	<i>Transactions with owners in their capacity as owners \$</i>	<i>Equity at 30 June 2008 \$</i>
Accumulated surplus/(deficit)	325,319	103,736	-	429,055
Contributions by owners	26,581	-	207	26,788
<b>Total equity at end of financial year</b>	<b>351,900</b>	<b>103,736</b>	<b>207</b>	<b>455,843</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes included in the following pages: 42 - 68

## CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

Notes	2009 \$	2008 \$
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Receipts from the Department of Justice	2,420,529	1,258,867
Other receipts	103,500	296,000
<b>Total receipts</b>	<b>2,524,029</b>	1,554,867
<b>Payments</b>		
Payments to suppliers and employees	(2,518,057)	(1,548,315)
Interest and other costs of finance paid	(760)	(1,339)
<b>Total payments</b>	<b>(2,518,817)</b>	(1,549,654)
<b>Net cash flows from/(used in) operating activities</b> 15(b)	<b>5,212</b>	5,213
<b>Cash flows used in investing activities</b>		
Purchase of non-financial assets	(16,618)	-
<b>Net cash from/(used in) investing activities</b>	<b>(16,618)</b>	-
<b>Cash flows from financing activities</b>		
Owners contribution by State Government	17,181	207
Repayment of interest bearing liability	(5,775)	(5,420)
<b>Net cash from/(used in) financing activities</b>	<b>11,406</b>	(5,213)
<b>Net increase/(decrease) in cash and deposits</b>	<b>-</b>	-
Cash and deposits at the beginning of the financial year	200	200
<b>Cash and deposits at the end of the financial year</b> 15(a)	<b>200</b>	200

The above cash flow statement should be read in conjunction with the accompanying notes included in the following pages: 42 - 68

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

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# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## Note 1

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of compliance

The financial report is a general-purpose financial report which has been prepared on an accrual basis in accordance with the *Financial Management Act 1994* and applicable *Australian Accounting Standards* and Interpretations (AASs). AASs include Australian equivalents to *International Financial Reporting Standards*.

In applying AAS's, the Judicial College of Victoria (JCV) has, where relevant, applied those paragraphs applicable to not for profit entities.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2009 and the comparative information presented for the year ended 30 June 2008.

#### (b) Basis of preparation

The financial statements have been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of AASs, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods.

#### (c) Scope and presentation of financial statements

Early adoption of AASB 101 (September 2007) As a result of a state wide policy to improve consistency in public sector reporting, the JCV has revised the presentation of its complete set of financial statements to align with the AASB 1049 presentation format, used in the Financial Report for the State and the general government sector. In addition, the JCV has also early adopted the September 2007 version of AASB 101.

In keeping with AASB 101 (September 2007) this complete set of financials includes the following changes:

- (a) the notion of:
- 'a complete set of financial statements' rather than using 'financial report';
  - 'changes in equity' rather than 'movements in equity'; and
  - 'transactions with owners in their capacity as owners' rather than 'transactions with owners as owners'.
- (b) references to equity holders as owner.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

Some of the changes applied to the financial statements and notes as a result of alignment to AASB 1049 that are allowable under the AASB101 (September 2007) include the following:

- extended operating statement incorporating non owner changes in equity, which is now referred to as comprehensive operating statement;
  - items being presented by liquidity order in the balance sheet;
  - the inclusion of a limited number of Government Finance Statistics (GFS) classifications, such as income or expenses from transactions, and other economic flows;
- and
- a glossary of terms included in the notes explaining certain terms, including GFS terms adopted.

### **Comprehensive operating statement**

The comprehensive operating statement includes items previously included in the statement of changes in equity.

Income and expenses in the comprehensive operating statement are separated into either 'transactions' or 'other economic flows'.

### **Balance sheet**

Items of assets and liabilities in the balance sheet are:

- ranked in liquidity order;
- aggregated into financial and non- financial assets;
- classified according to GFS terminology, but retain measurement and disclosure rules under existing accounting standards applicable to the JCV; and
- current versus non-current assets and liabilities are disclosed in the notes where relevant.

### **Statement of changes in equity**

The statement of changes in equity presents reconciliations of each owner and owner equity opening balance at the beginning of the year to the closing balance at the end of the year, showing separately movements due to amounts recognised in the comprehensive result and amounts recognised in equity related to transactions with owners in their capacity as owners.

### **Cash flow statement**

The cash flow statement classifies flows by operating, investing and financing activities in accordance with AASB 107 Cash Flow Statements. There were no significant changes due to alignment of the JCV's financial statements presentation formats to AASB 1049.

### **(d) Reporting Entity**

The financial report covers the Judicial College of Victoria (JCV) as an individual reporting entity.

The Judicial College of Victoria was created by the *Judicial College of Victoria Act 2001* (Act No.20/2001) which was assented on 29 May 2001 and came into operation on 1 February 2002. The College commenced operation in November 2002. The purpose of the Judicial College of Victoria is to provide the functions of assisting the professional development of judicial officers and providing continuing education and training for judicial officers.

### **Its principal address is:**

The Judicial College of Victoria  
4/436 Lonsdale Street  
MELBOURNE VIC 3000

The financial report includes all the controlled activities of the JCV.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

A description of the nature of the JCV's operations and principal activities is included in the Report of Operations on page 8 which does not form part of these financial statements.

### Objectives and funding

The JCV's objectives are to assist professional development and continuing education of Victorian judicial officers by: developing and conducting judicial education programs; producing relevant publications; providing (on a fee for service basis) professional development services, or continuing judicial education and training services, to others who are not covered by the Act; and liaising with persons and organisations in connection with the performance of its functions.

The JCV is funded for the provision of outputs consistent with its statutory function. Funds are from accrual-based grants derived from monies appropriated annually by Parliament through the Department of Justice (DoJ).

### (e) Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the JCV and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note: disclosure is made about events between the balance date and the date the statements are authorised for issue where the events relate to conditions which arose after the reporting date and which may have a material impact on the results of subsequent years.

### (f) Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and Payables are stated exclusive of the amount of GST receivable or payable. The Department of Justice (DoJ) manages the GST transactions on behalf of the JCV and the net amount of GST recoverable from or payable to the Australian Taxation Office is recognised in the financial statements of DoJ.

### (g) Income from transactions

Income becomes controlled by the JCV when it is appropriated from the Consolidated Fund by the Victorian Parliament and applied to the purposes defined under the relevant appropriations act.

Amounts disclosed as income are, where applicable, net of returns, allowances and duties and taxes.

Income is recognised for the JCV's major activities as follows:

#### Grants from the Department of Justice

Income from the outputs the JCV provides to Government is recognised when those outputs have been delivered and the Minister has certified delivery of those outputs in accordance with the specified performance criteria.

#### Other income

The JCV has been provided with access to trust funds from the Law Reform and Research Fund in relation to special projects. Income is recognised when it is received or becomes receivable. Inconsistencies between the timing of receipt of such funds and expenditure on the projects to which they relate may have a material impact on the result for the year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## (h) Expenses from transactions

### Employee benefits

Expenses for employee benefits are recognised when incurred, except for contributions in respect of defined benefits plans.

### Superannuation

The amount charged in the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the JCV to the superannuation plan in respect to the current services of current JCV staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

The Department of Treasury and Finance centrally recognises the defined benefit liability or surplus of most Victorian government employees in such funds.

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the accrual of benefits during the reporting period. Note 10 provides further details.

### Depreciation and amortisation

Depreciation is provided on plant, equipment and motor vehicles. Depreciation is generally calculated on a straight line basis so as to write off the net cost or other revalued amount of each item of plant and equipment over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. The following estimated useful lives are used in the calculation of depreciation:

	2009	2008
Plant and Equipment	2–15 years	2–15 years
Motor vehicles	4 years	4 years

### Interest expense

Interest expenses are recognised as expenses in the period in which they are incurred and comprise finance lease charges.

### Supplies and services

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred.

## (i) Other economic flows included in net result

### Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

### Impairment of financial assets

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The allowance for doubtful receivables and bad debts not written off by mutual consent are adjusted as 'other economic flows'.

### Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

### Supplies and services

Supplies and services generally represent the day-to-day running costs, including maintenance costs, incurred in the normal operations of the JCV. These items are recognised as an expense in the reporting period in which they are incurred.

## (j) Financial Assets

### Cash and deposits

Cash and deposits, including cash equivalents, comprise cash on hand.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## Receivables

Receivables consist predominantly of amounts owing from the Department of Justice.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

## Plant and equipment

Plant, equipment and motor vehicles are measured at cost less accumulated depreciation and impairment.

The cost of improvements to or on leasehold properties is amortised over the expired period of the lease or the estimated useful life of the improvement to the JCV, whichever is the shorter.

## Leases

Leases of plant, equipment and vehicles are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

## JCV as lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

Minimum lease payments are allocated between the principal component of the lease liability, and the interest expense calculated using the interest rate implicit in the lease, and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

## (k) Liabilities

### Payables

Payables represent liabilities for goods and services provided to the JCV that are unpaid at the end of the financial year. Payables are initially measured at fair value, being the cost of the goods and services, and then subsequently measured at amortised cost.

### Interest bearing liabilities

Interest bearing liabilities are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs.

Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability using the effective interest rate method.

### Provisions

Provisions are recognised when the JCV has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## Employee benefits

### (i) Wages and salaries, annual leave & sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values. Those liabilities that are not expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

### (ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

**Current liability - unconditional LSL** is disclosed in the notes to the financial statements as a current liability even where the JCV does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- present value - component that the JCV does not expect to settle within 12 months; and
- nominal value - component that the JCV expects to settle within 12 months.

**Non-current liability - conditional LSL** is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

Gain or loss following revaluation of the present value of non current LSL liability due to changes in bond interest rates is recognised as an other economic flow (refer to Note 1 (i)).

### (iii) Employee benefits on-costs

Employee benefits on-costs (payroll tax, workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

### (l) Commitments

Commitments are disclosed at their nominal value and inclusive of the GST payable.

### (m) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented exclusive of GST receivable or payable respectively.

### (n) Equity

#### Contribution by owners

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contribution by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

### (o) Functional and presentation currency

The functional currency of the JCV is the Australian dollar, which has also been identified as the presentation currency of the JCV.

### (p) Rounding of amounts

Amounts in the financial report have been rounded to the nearest dollar, unless otherwise stated.

### (q) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2009 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises departments and other entities of their applicability and early adoption where applicable.

As advised in Note 1 (c) the JCV has early adopted the September 2007 version of AASB 101.

As at 30 June 2009, the following standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2009. The JCV has not, and does not intend to, adopt these standards early.

<b>Standard / Interpretation</b>	<b>Summary</b>	<b>Applicable for annual reporting periods beginning or ending on</b>	<b>Impact on the JCV financial statements</b>
AASB 8 Operating Segments	Supersedes AASB 114 Segment Reporting	Beginning 1 Jan 2009	Not applicable
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 (AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038)	An accompanying amending standard, also introduced consequential amendments into other Standards	Beginning 1 Jan 2009	Impact expected to be insignificant.
AASB 123 Borrowing Costs	Option to expense borrowing cost related to a qualifying asset had been removed. Entities are now required to capitalise borrowing costs relevant to qualifying assets. In February 2009, the AASB decided that not-for-profit public sector entities could continue to expense borrowing costs attributable to qualifying assets pending the outcome of various IPSASB/AASB projects.	Beginning 1 Jan 2009	The JCV continues to expense borrowing costs
AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12)	An accompanying amending standard, also introduced consequential amendments in other Standards	Beginning 1 Jan 2009	Same as AASB 123 above
AASB 2008-2 Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations arising on Liquidation (AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2).	This Amending Standard introduces an exception to the definition of financial liability to classify as equity instruments certain puttable financial instruments and certain instruments that impose on an entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation of the entity.	Beginning 1 January 2009	Not applicable to not-for-profit entities.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on the JCV financial statements
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 & AASB 127 (AASB 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138, 139 and Interpretations 9 & 107)	This Standard gives effect to consequential changes arising from revised AASB 3 and amended AASB 127. The Prefaces to those Standards summarise the main requirements of those Standards.	Beginning 1 July 2009	Impact expected to be insignificant.
AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Projects (AASBs 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 140, 141, 1023, & 1038)	A suite of amendments to existing standards following issuance of IASB Standard improvements to IFRSs in May 2008. Some amendments result in accounting changes for presentation, recognition and measurement purposes.	Beginning 1 Jan 2009	Impact is being evaluated.
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Projects (AASB 1 & AASB 5)	The amendments require all the assets and liabilities of a for-sale subsidiary's to be classified as held for sale and clarify the disclosures required when the subsidiary is part of a disposal group that meets the definition of a discontinued operation.	Beginning 1 July 2009	Impact expected to be insignificant.
AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary Jointly Controlled Entity or Associate (AASB 1, AASB 118, AASB 121, AASB 127, & AASB 136)	Changes mainly relate to treatment of dividends from subsidiaries or controlled entities.	Beginning 1 Jan 2009	Impact expected to be insignificant.
AASB 2008-08 Amendments to Australian Accounting Standards - Eligible Hedged Items (AASB 139)	The amendments to AASB 139 clarify how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations.	Beginning 1 July 2009	Impact is being evaluated.
AASB 2008-09 Amendments to AASB 1049 for consistency with AASB 101	Amendments to AASB 1049 for consistency with AASB 101 (September 2007) version.	Beginning 1 Jan 2009	Not applicable to public sector entities except for certain presentation formats

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
<b>Note 2</b>		
<b>INCOME FROM TRANSACTIONS</b>		
<b>Grants and other transfers (other than contributions by owners)</b>		
Department of Justice	2,610,600	1,448,300
Other grants	103,500	296,000
<b>Total grants</b>	<b>2,714,100</b>	<b>1,744,300</b>
<b>Total income</b>	<b>2,714,100</b>	<b>1,744,300</b>

### **Note 3** **EXPENSES FROM TRANSACTIONS**

#### **(a) Employee benefits**

Post employment benefits:		
Defined benefit plan contributions	27,163	19,882
Defined contribution superannuation plans	90,762	49,187
Salaries, wages and long service leave	1,402,548	839,083
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	87,502	54,586
Staff Training	41,140	21,381
<b>Total employee benefits</b>	<b>1,649,115</b>	<b>984,119</b>

#### **(b) Depreciation and amortisation**

Depreciation of non-current assets	-	-
Amortisation of non-current physical and intangible assets	5,213	5,223
<b>Total depreciation and amortisation</b>	<b>5,213</b>	<b>5,223</b>

#### **(c) Finance costs**

Finance lease interest	668	1,023
Other finance costs	92	316
<b>Total finance costs</b>	<b>760</b>	<b>1,339</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
<b>Note 3</b>		
<b>EXPENSES FROM TRANSACTIONS (continued...)</b>		
<b>(d) Other operating expenses</b>		
Supplies and services		
Purchase of supplies and consumables	136,634	75,622
Purchase of services	566,563	409,492
Maintenance	65,447	6,138
Judicial Training	263,605	98,330
Other (rent and associated costs)	63,469	53,984
Total supplies and services	<u>1,095,718</u>	<u>643,566</u>
Operating lease rental expenses		
Minimum lease payments	31,625	6,836
Total operating lease rental expenses	<u>31,625</u>	<u>6,836</u>
<b>Total other operating expenses</b>	<b><u>1,127,343</u></b>	<b><u>650,402</u></b>

### **Note 4** **OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT**

Long service leave expense	(5,561)	519
<b>Total other economic flows</b>	<b><u>(5,561)</u></b>	<b><u>519</u></b>

### **Note 5** **RECEIVABLES**

#### **Current receivables**

##### **Statutory**

Amount owing from Victorian Government (i)	817,260	643,017
<b>Total current receivables</b>	<b><u>817,260</u></b>	<b><u>643,017</u></b>

#### **Non-current receivables**

##### **Statutory**

Amount owing from Victorian Government (i)	52,963	37,134
<b>Total non-current receivables</b>	<b><u>52,963</u></b>	<b><u>37,134</u></b>

<b>Total receivables</b>	<b><u>870,223</u></b>	<b><u>680,151</u></b>
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(i) The amounts owing from the Department of Justice/Victorian Government represent funding for all commitments incurred through the appropriations and are drawn from the Consolidated Fund as the commitments fall due.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$

### Note 6

#### PLANT AND EQUIPMENT

#### Classification by 'Public Safety and Environment' Purpose Group

##### Table 6.1 Carrying amounts

#### Plant and equipment

Plant and equipment at fair value	16,618	-
less: accumulated depreciation	-	-
	<u>16,618</u>	<u>-</u>

#### Motor vehicle under finance lease

Motor vehicle under finance lease at fair value	24,830	24,830
less: accumulated depreciation	(16,952)	(11,739)
	<u>7,878</u>	<u>13,091</u>

#### Net carrying amount of plant and equipment

<u><b>24,496</b></u>	<u><b>13,091</b></u>
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#### Classification by 'Public Safety and Environment' Purpose Group

##### Table 6.2 Movements in carrying amount

	<i>Plant &amp; equipment at cost</i> \$	<i>Motor vehicle under finance lease at cost</i> \$	<i>Total</i> \$
<b>Balance at 1 July 2007</b>	-	18,314	18,314
Additions	-	-	-
Disposals	-	-	-
Depreciation expense	-	-	-
Amortisation expense	-	(5,223)	(5,223)
<b>Balance at 1 July 2008</b>	-	<b>13,091</b>	<b>13,091</b>
Additions	16,618	-	16,618
Disposals	-	-	-
Depreciation expense	-	-	-
Amortisation expense	-	(5,213)	(5,213)
<b>Balance at 30 June 2009</b>	<b>16,618</b>	<b>7,878</b>	<b>24,496</b>

The following useful lives are used in the calculation of depreciation:

Plant and equipment	2 to 15 years
Motor vehicle	4 years

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$

## Note 6

### PLANT AND EQUIPMENT (continued...)

#### Table 6.3 Aggregate depreciation recognised as an expense during the year

Plant and equipment	-	-
Motor vehicle	5,213	5,223

## Note 7

### PAYABLES

#### Current payables

##### Contractual

Amounts payable to trade creditors	93,017	52,329
Accrued salaries	72,013	21,665

<b>Total contractual payables</b>	<b>165,030</b>	<b>73,994</b>
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##### Statutory

Taxes payable	2,315	2,908
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<b>Total statutory payables</b>	<b>2,315</b>	<b>2,908</b>
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<b>Total payables</b>	<b>167,345</b>	<b>76,902</b>
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#### (a) Maturity analysis of payables

Refer to table 14.2 in note 14.

#### (b) Nature and extent of risk arising from payables

Refer to table 14.3 in note 14.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
<b>Note 8</b>		
<b>INTEREST BEARING LIABILITIES</b>		
<b>Current</b>		
Secured:		
Finance lease liabilities (i) (note 11)	7,326	13,101
<b>Total current interest bearing liabilities</b>	<b>7,326</b>	<b>13,101</b>
<b>Non-current</b>		
Secured:		
Finance lease liabilities (i) (note 11)	-	-
<b>Total non-current interest bearing liabilities</b>	<b>-</b>	<b>-</b>
<b>Total interest bearing liabilities</b>	<b>7,326</b>	<b>13,101</b>

Note: (i) secured by assets leased

### (a) Maturity analysis of interest bearing liabilities

Refer to table 14.2 in Note 14.

### (b) Nature and extent of risk arising from interest bearing liabilities

Refer to note 14.

## Note 9

### PROVISIONS

#### Current

Employee benefits(i) (note 9(a))		
Unconditional and expected to be settled within 12 months (ii)	207,822	89,498
Unconditional and expected to be settled after 12 months (iii)	18,628	4,087
	226,450	93,585
Provisions related to employee benefit on-costs (note 9(a))		
Unconditional and expected to be settled within 12 months (ii)	38,345	16,855
Unconditional and expected to be settled after 12 months (iii)	3,358	22
	41,703	16,877
<b>Total current provisions</b>	<b>268,153</b>	<b>110,462</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
<b>Note 9</b>		
<b>PROVISIONS (continued...)</b>		
<b>Non-current</b>		
Employee benefits (i) (note 9(a))	45,710	32,151
Provisions related to employee benefit on-costs (note 9(a))	7,253	4,983
<b>Total non-current provisions</b>	<b>52,963</b>	<b>37,134</b>
<b>Total provisions</b>	<b>321,116</b>	<b>147,596</b>

### (a) EMPLOYEE BENEFITS(i) AND RELATED ONCOSTS

#### Current employee benefits

Annual leave entitlements	57,481	38,627
Unconditional long service leave entitlements	168,969	54,958

#### Non-current employee benefits

Conditional long service leave entitlements	45,710	32,151
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<b>Total employee benefits</b>	<b>272,160</b>	<b>125,736</b>
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Current on-costs	41,703	16,877
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Non-current on-costs	7,253	4,983
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<b>Total on-costs</b>	<b>48,956</b>	<b>21,860</b>
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<b>Total employee benefits and related on-costs</b>	<b>321,116</b>	<b>147,596</b>
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Note:

(i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.

(ii) The amounts disclosed are nominal amounts.

(iii) The amounts disclosed are discounted to present values.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	<i>On-costs</i> <i>Annual leave</i> 2009 \$	<i>On-costs</i> <i>LSL</i> 2009 \$	<i>Total</i> 2009 \$
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### Note 9

#### PROVISIONS (continued...)

##### (b) MOVEMENTS IN PROVISIONS

<b>Opening balance</b>	8,591	13,269	21,860
Additional provisions recognised	31,498	21,299	52,797
Reduction arising from payments/other sacrifices of future economic benefits	(25,196)	(505)	(25,701)
<b>Closing balance</b>	<b>14,893</b>	<b>34,063</b>	<b>48,956</b>
Current	14,893	26,810	41,703
Non-current	-	7,253	7,253
	<b>14,893</b>	<b>34,063</b>	<b>48,956</b>

### Note 10

#### SUPERANNUATION

Employees of the JCV are entitled to receive superannuation benefits and the JCV contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary.

The JCV does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its financial statements.

However, superannuation contributions paid and payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the JCV.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### Note 10

#### SUPERANNUATION (continued...)

The name and details of the major superannuation funds and contributions made by the JCV are as follows:

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2009 \$	2008 \$	2009 \$	2008 \$
State Superannuation Fund - Revised and New	27,163	19,882	-	-
VicSuper	65,284	41,929	-	-
Various other funds	25,477	7,258	-	-
<b>Total</b>	<b>117,924</b>	<b>69,069</b>	<b>-</b>	<b>-</b>

Notes:

(a) The basis for contributions are determined by the various schemes.

(b) The above amounts were measured as at 30 June of each year, or in the case of employer contributions relate to the years ended 30 June.

#### (a) SUPERANNUATION EXPENSE RECOGNISED IN THE COMPREHENSIVE OPERATING STATEMENT

	2009 \$	2008 \$
<b>Defined benefit plans</b>		
Current service cost	27,163	19,882
Total expense recognised in respect of defined benefit plans	27,163	19,882
<b>Defined contribution plans</b>		
Employer contributions to defined contributions plans	90,761	49,187
	90,761	49,187
Total superannuation expense recognised in comprehensive operating statement	<b>117,924</b>	<b>69,069</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### Note 11

#### LEASES

##### Disclosure for lessees - finance leases

###### Leasing arrangements

Finance leases relate to equipment with lease terms of 27 months. The JCV has options to purchase the equipment for a nominal amount at the conclusion of the lease agreements.

	<i>Minimum future lease payments</i>		<i>Present value of minimum future lease payments</i>	
	<b>2009</b>	2008	<b>2009</b>	2008
	\$	\$	\$	\$
<b>Finance lease liabilities payable</b>				
Within 1 year	7,326	13,101	7,326	13,101
Later than 1 year and not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
Minimum lease payments*	7,326	13,101	7,326	13,101
Less: Future finance charges	-	-	-	-
<b>Present value of minimum lease payments</b>	<b>7,326</b>	13,101	<b>7,326</b>	13,101
Included in the financial statements as:				
Current interest bearing liabilities (note 8)			7,326	13,101
Non-current interest bearing liabilities (note 8)			-	-
			<b>7,326</b>	13,101

##### Disclosure for lessees - operating leases

There were no commitments for operating leases as at 30 June 2009 (\$Nil - 2008).

### Note 12

#### COMMITMENTS FOR EXPENDITURE

##### (a) Capital expenditure commitments

There were no commitments for capital expenditure as at 30 June 2009 (\$Nil - 2008).

##### (b) Lease commitments

Finance lease liabilities and non-cancellable operating lease commitments are disclosed in note 11 to the financial statements.

\* Minimum future lease payments includes the aggregate of all lease payments and any guaranteed residual.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### Note 13

#### CONTINGENT ASSETS AND CONTINGENT LIABILITIES

At balance date there were no contingent assets or liabilities not provided for in the balance sheet as at 30 June 2009 (\$Nil - 2008)

### Note 14

#### FINANCIAL INSTRUMENTS

##### (a) Financial risk management objectives and policies

The JCV's principal financial instruments comprise of:

- cash assets
- receivables
- payables (excluding statutory payables); and
- finance lease payables

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudently manage the JCV's financial risks within the Government policy parameters.

The carrying amount of the JCV's financial assets and financial liabilities by category are in the following table:

**Table 14.1: Categorisation of financial instruments**

	2009	2008
	\$	\$
<b>Financial assets</b>		
Cash and deposits	200	200
<b>Total financial assets (i)</b>	<b>200</b>	<b>200</b>
<b>Financial liabilities</b>		
At amortised cost	172,356	87,095
<b>Total financial liabilities (ii)</b>	<b>172,356</b>	<b>87,095</b>

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. Amounts owing from Victorian Government and GST input tax credit recoverable).

(ii) The amount of financial liabilities disclosed here exclude statutory payables (i.e.: Taxes payable).



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## Note 14

### FINANCIAL INSTRUMENTS (continued...)

#### (b) Credit risk

Credit risk arises from the financial assets of the JCV, which comprise cash and deposits, trade and other receivables.

The JCV's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the JCV. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the JCV's financial assets is minimal because the main debtor is the Department of Justice.

Provision of impairment for financial assets is calculated based on past experience, and current and expected changes in client credit ratings.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the JCV's maximum exposure to credit risk without taking account of the value of collateral obtained.

#### **Financial assets that are either past due or impaired**

Currently the JCV does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

At the reporting date, there is no event to indicate that any of the financial assets were past due or impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

#### (c) Liquidity risk

Liquidity risk arises when the JCV is unable to meet its financial obligations as they fall due.

The JCV operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, makes payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows and maturities.

The JCV's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### Note 14

#### FINANCIAL INSTRUMENTS (continued...)

The following table discloses the contractual maturity analysis for the JCV's financial liabilities:

**Table 14.2: Maturity analysis of financial liabilities**

	Carrying amount	Nominal amount	Maturity dates (i)			
			Less than 1 month	1 – 3 months	3 months to 1 year	1 – 5 years
<b>2009</b>						
<b>Financial liabilities</b>						
Payables	165,030	165,030	165,030	-	-	-
Interest bearing liabilities	7,326	7,326	7,326	-	-	-
	<b>172,356</b>	<b>172,356</b>	<b>172,356</b>	-	-	-
<b>2008</b>						
<b>Financial liabilities</b>						
Payables	73,994	73,994	73,994	-	-	-
Interest bearing liabilities	13,101	13,101	13,101	-	-	-
	<b>87,095</b>	<b>87,095</b>	<b>87,095</b>	-	-	-

Note : (i) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### Note 14

#### FINANCIAL INSTRUMENTS (continued...)

##### (d) Market risk

The JCV's exposure to market risk is primarily through interest rate risk. The exposure to interest rate risk is insignificant and arises through the JCV's interest bearing liabilities.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in the following table:

**Table 14.3: Interest rate exposure of financial instruments**

	<i>Weighted average effective interest rate</i> %	<i>Carrying amount</i> \$	<i>Fixed interest rate</i> \$	<i>Variable interest rate</i> %	<i>Non-interest bearing</i> \$
<b>2009</b>					
Cash and deposits	-	200	-	-	200
		<b>200</b>	<b>-</b>	<b>-</b>	<b>200</b>
Other payables	-	165,030	-	-	165,030
Interest bearing liabilities	6.94	7,326	7,326	-	-
		<b>172,356</b>	<b>7,326</b>	<b>-</b>	<b>165,030</b>
<b>2008</b>					
Cash and deposits	-	200	-	-	200
		<b>200</b>	<b>-</b>	<b>-</b>	<b>200</b>
Other payables	-	73,994	-	-	73,994
Interest bearing liabilities	6.94	13,101	13,101	-	-
		<b>87,095</b>	<b>13,101</b>	<b>-</b>	<b>73,994</b>

##### (e) Fair value

Management considers that the carrying amount of financial assets and liabilities of the JCV approximates their fair values because of the short term nature of the financial instrument and the expectation they will be paid in full.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$

### Note 15

#### CASH FLOW INFORMATION

##### (a) Reconciliation of cash and cash equivalents

Total cash and cash equivalents disclosed in the balance sheet	200	200
<b>Balance as per cash flow statement</b>	<b>200</b>	<b>200</b>

##### (b) Reconciliation of net result for the period to net cash flows from operating activities

<b>Net result for the period</b>	<b>(73,892)</b>	103,736
<b>Non cash movements</b>		
Depreciation and amortisation of non-current assets	5,213	5,223
<b>Movements in assets and liabilities</b>		
(Increase)/decrease in current receivables	(174,242)	(173,585)
(Increase)/decrease in non-current receivables	(15,829)	(15,847)
Increase/(decrease) in current payables	90,442	55,907
Increase/(decrease) in current provisions	157,691	13,932
Increase/(decrease) in non-current provisions	15,829	15,847
<b>Net cash flows from operating activities</b>	<b>5,212</b>	<b>5,213</b>

### Note 16

#### REMUNERATION OF AUDITORS

##### Victorian Auditor-General's Office

Audit of the financial report	11,000	10,000
	<b>11,000</b>	<b>10,000</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## Note 17

### RESPONSIBLE PERSONS

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

The persons who held the positions of Ministers and Secretary of the Department are as follows:

<b>Attorney-General</b>	The Hon. Rob Hulls, MP	1 July 2008 to 30 June 2009
<b>Acting Attorney-General</b>	The Hon. John Lenders, MLC	22 August 2008 to 6 September 2008
	The Hon. Bob Cameron, MP	16 October 2008 to 26 October 2008
	The Hon. John Lenders, MLC	20 December 2008 to 4 January 2009
	The Hon. Peter Batchelor, MP	5 January 2009 to 7 January 2009
	The Hon. Bob Cameron, MP	3 April 2009 to 9 April 2009
	The Hon. Bob Cameron, MP	23 April 2009 to 26 April 2009
	The Hon. Tony Robinson, MP	26 June 2009 to 30 June 2009
<b>Secretary to the Department of Justice</b>	Ms. Penny Armytage	1 July 2008 to 30 June 2009
<b>Acting Secretary to the Department of Justice</b>	Dr. Claire Noone	5 June 2009 to 12 June 2009

### Judicial College of Victoria

The persons who were Responsible Persons of the JCV for the reporting period are as follows:

<b>Chief Executive Officer</b>	Ms. Lyn Slade	1 July 2008 to 30 June 2009
<b>Acting Chief Executive Officer</b>	Ms Samantha Burchell	7 July 2008 to 25 July 2008
	Ms Samantha Burchell	27 October 2008 to 7 November 2008
<b>Chairperson</b>	The Hon. Justice Marilyn Warren AC	1 July 2008 to 30 June 2009
<b>Other Board Members</b>	The Hon. Justice Kevin Bell	1 July 2008 to 30 June 2009
	His Honour Judge Michael Rozenes	1 July 2008 to 30 June 2009
	Mr Ian Gray	1 July 2008 to 30 June 2009
	Prof. Susan Campbell AM	1 July 2008 to 30 June 2009
	Assoc. Prof. Pamela O'Connor	1 July 2008 to 30 June 2009

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### Note 17

#### RESPONSIBLE PERSONS (continued...)

##### Remuneration

###### Ministers and the Department

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet. Remuneration received or receivable by the Secretary in connection with the management of the Department during the period is reported by the Department of Justice.

###### Judicial College of Victoria

Remuneration received or receivable by the Accountable Officer (Chief Executive Officer) in connection with the management of the JCV during the period was in the range:

	Total Remuneration		Base Remuneration	
	2009 No.	2008 No.	2009 No.	2008 No.
\$140,000 - \$149,999	-	-	-	1
\$150,000 - \$159,999	-	1	1	-
\$160,000 - \$169,999	1	-	-	-
<b>Total numbers</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

There are no executive officers other than the above.

##### Related party transactions

A number of the Board Members are employed by the Department of Justice. During the financial year, the JCV and the Department conducted business transactions at arms length and at normal commercial terms.

A responsible person, Ms L Slade, is a director of Telefront Pty Ltd. The JCV entered into a contract with Telefront during the previous year for the production of the Sexual Offences Training Package DVD. The contract was based on normal commercial terms and conditions.

The production of the DVD was completed during the financial year for a total cost of \$23,000.

##### Other transactions

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

### Note 18

#### SUBSEQUENT EVENTS

There were no significant events occurring after reporting date to be reported as at 30 June 2009. (\$Nil - 2008)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## Note 19

### GLOSSARY OF TERMS

#### Comprehensive result

Total comprehensive result is the change in equity for the period other than changes arising from transactions with owners. It is the aggregate of net result and other non-owner changes in equity.

#### Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non cancellable contractual or statutory sources.

#### Employee benefits expense

Employee benefits expense include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions.

#### Financial asset

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
  - a non derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

#### Financial statements

Depending on the context of the sentence where the term ' financial statements ' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statements, and statement of changes in equity); or it may also be used to replace the old term ' financial report ' under the revised AASB 101 (Sept 2007), which means it may include the main financial statements and the notes.

#### Interest expense

Costs incurred in connection with the borrowing of funds. Interest expenses include interest on bank overdrafts and short term and long term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance lease repayments, and the increase in financial liabilities and non employee provisions due to the unwinding of discounts to reflect the passage of time.

#### Net result

Net result is a measure of financial performance of the operations for the period. It is the result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non owner changes in equity'.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## Note 19

### GLOSSARY OF TERMS (continued...)

#### **Net result from transactions/net operating balance**

Net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

#### **Other economic flows**

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of non current physical assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non produced) from their use or removal. In simple terms, other economic flows are changes arising from market re measurements.

#### **Payables**

Includes short and long term trade and accounts payable, grants and interest payable.

#### **Receivables**

Includes short and long term trade credit and accounts receivable, grants, taxes and interest receivable.

#### **Supplies and services**

Supplies and services generally represent cost of goods sold and day to day running costs, including maintenance costs, incurred in the normal operations of the JCV.

#### **Transactions**

Transactions are those economic flows that are considered to arise as a result of policy decisions usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.



## ACCOUNTABLE OFFICER'S AND CHIEF FINANCE AND ACCOUNTING OFFICER'S DECLARATION

We certify that the attached financial report for the Judicial College of Victoria has been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act* 1994, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 30 June 2009 and financial position of the College as at 30 June 2009.

We are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.

We authorise the attached financial report for issue on 16 September 2009

**Ms. Lyn Slade**



*Chief Executive Officer  
Accountable Officer  
Judicial College of Victoria*

Melbourne  
16 September 2009

**Mr. Anthony Phillips**



*Chief Finance and  
Accounting Officer  
Judicial College of Victoria*

Melbourne  
16 September 2009

**Chief Justice Marilyn Warren AC**



*Board Member  
Judicial College of Victoria*

Melbourne  
16 September 2009

# VAGO

Victorian Auditor-General's Office

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, Judicial College of Victoria

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2009 of the Judicial College of Victoria which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the Accountable Officer's and Chief Finance and Accounting Officer's declaration has been audited.

#### *The Board Members' Responsibility for the Financial Report*

The Board Members of the Judicial College of Victoria are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 Board Members, as well as evaluating the overall presentation of the financial report.

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

# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

### *Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial report published in both the annual report and on the website of the Judicial College of Victoria for the year ended 30 June 2009. The Board Members of the Judicial College of Victoria are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Judicial College of Victoria website.

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Auditor's Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Judicial College of Victoria as at 30 June 2009 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of *Financial Management Act 1994*.

MELBOURNE  
18 September 2009

  
D D R Pearson  
Auditor-General

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*Auditing in the Public Interest*

## DISCLOSURE INDEX

The Annual Report of the Judicial College of Victoria is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the College's compliance with statutory disclosure requirements.

### Legislation Requirement

#### Report of Operations - FRD Guidance

##### *Charter & purpose*

FRD 22B	Manner of establishment and the relevant Ministers
FRD 22B	Objectives, functions, powers and duties
FRD 22B	Nature of range of services provided

##### *Management & structure*

FRD 22B	Organisational structure
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##### *Financial and other information*

FRD 8A	Budget portfolio outcomes
FRD 10	Disclosure index
FRD 12A	Disclosure of major contracts
FRD 15B	Executive officer disclosures
FRD 22B	Operational and budgetary objectives and performance against objectives
FRD 22B	Employment and conduct principles
FRD 22B	Occupational Health and Safety
FRD 22B	Summary of the financial results for the year
FRD 22B	Significant changes in financial position during the year
FRD 22B	Major changes or factors affecting performance
FRD 22B	Subsequent events
FRD 22B	Application and operation of Freedom of Information Act 1982
FRD 22B	Compliance with building and maintenance provisions of Building Act 1993
FRD 25	Statement on National Competition Policy
FRD 22B	Application and operation of the Whistleblowers Protection Act 2001
FRD 22B	Details of consultancies over \$100,000
FRD 22B	Details of consultancies under \$100,000
FRD 22B	Statement of availability of other information
FRD 24B	Reporting of office-based environmental impacts
FRD 25	Victorian Industry Participation Policy Disclosures
FRD 29	Workforce Data disclosures

## DISCLOSURE INDEX

CONTINUED

### Legislation Requirement

#### Financial Report

*Financial statements required under Part 7 of the FMA*

SD 4.2(a)	Statement of Changes in Equity
SD 4.2(b)	Operating Statement
SD 4.2(b)	Balance Sheet
SD 4.2(c)	Cash flow Statement

*Other requirements under Standing Directions 4.2*

SD 4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements
SD 4.2(c)	Compliance with Ministerial Directions
SD 4.2(d)	Rounding of amounts
SD 4.2(b)	Accountable officer's declaration
	Compliance with Model Financial Report

*Other disclosures as required by FRDs in notes to the financial statements*

FRD 9A	Departmental disclosure of administered assets and liabilities
FRD 11	Disclosure of ex-gratia payments
FRD 13	Disclosure of parliamentary appropriations
FRD 21A	Responsible person and executive officer disclosures

<b>Legislation</b>	Freedom of Information Act 1982
	Building Act 1983
	Whistleblowers Protection Act 2001
	Victorian Industry Participation Policy Act 2003
	Financial Management Act 1994
	Multicultural Victoria Act 2004



**Judicial  
College of  
Victoria**

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