About the financial statements

> **Note:** **About the financial statements** on pages 71–72 does not form part of the audited financial statements.

Income Statement

The Income Statement compares revenues to expenses for the year.

Approximately 98 per cent of the CMC's revenue is derived from government grants. For the year ended 30 June 2009, the CMC's expenses slightly exceeded its revenue, resulting in an operating deficit.

Balance Sheet

The Balance Sheet depicts the financial health of an entity at the end of the reporting period. It shows the value of assets held, amounts owing (liabilities), and the equity of the entity.

Assets

Assets are items of value controlled by an entity, and are classed as 'current assets' (such as cash and debtors) or 'fixed assets' (such as property, plant and equipment).

Current assets are those assets that can be readily converted into cash within the next 12 months. The CMC's current assets include cash, receivables/debtors and prepayments.

Non-current assets are those assets that an entity does not expect to convert into cash within the next 12 months. At 30 June 2009, the CMC's non-current assets of $15.189m included property, plant and equipment, and leasehold improvements.

Liabilities

Liabilities are the amounts owed by the entity. They are divided into 'current' and 'non-current' liabilities, depending on how soon the debt is to be settled.

Current liabilities are amounts owing that an entity plans to pay within the next 12 months. For the CMC, current liabilities include payables (creditors), provision for current employee leave entitlements, and the current portion of the lease incentive liability (for the Green Square premises).

Non-current liabilities are those liabilities where an entity has no legal requirement to settle the debt within the next 12 months. The CMC's non-current liabilities relate to non-current employee leave provisions and the non-current portion of the lease incentive liability.

Net assets

This figure is calculated as the difference between total assets and total liabilities, and equals the equity of the entity.

Equity

Equity is the net worth of an entity and is represented by total assets less total liabilities in the Balance Sheet. An entity's equity balance is made up of initial capital (contributions), prior years' surpluses/deficits and reserves.

The CMC's capital contribution of $13.944m comprises the closing equity balances of the former Criminal Justice Commission and the former Queensland Crime Commission as at 31 December 2001 ($4.237m), and the equity injection from government for the Green Square leasehold fitout ($9.707m).

The accumulated surplus of $0.501m at 30 June 2009 is derived from the current and prior years' operating results.

Statement of Changes in Equity

The Statement of Changes in Equity details movements in the equity of the agency during the reporting period. The equity balance is affected by the operating result (surplus or deficit) for the period, equity injections or withdrawals, and asset revaluations. For 2008-09, the CMC's equity movement was due to the operating deficit.

Cash Flow Statement

This statement shows the actual movements of cash during the financial year. The cash at the end of the reporting period, as shown in the Cash Flow Statement, equals the cash figure in the Balance Sheet.

Notes to and forming part of the financial statements

The notes explain in more detail particular line items presented in the financial statements. They also disclose other matters such as accounting policies, outstanding commitments at the end of the reporting period, and other financial disclosures. The financial statements should be read in conjunction with the accompanying notes.