

ANNUAL
REPORT



FINANCIAL STATEMENTS



FINANCIAL STATEMENTS AND SUPPORTING NOTES

for the year ended 30 June 2001

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INDEPENDENT AUDIT REPORT

To the Minister for the Arts and the Centenary of Federation

Scope

I have audited the financial statements of the National Archives of Australia for the year ended 30 June 2001. The financial statements comprise:

- Statement by the Acting Director-General;
- Statements of Financial Performance, Financial Position and Cashflows;
- Schedules of Contingencies and Commitments; and
- Notes to and forming part of the Financial Statements.

The Acting Director-General is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view of the Agency which is consistent with my understanding of its financial position, its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

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Audit Opinion

In my opinion,

- (i) the financial statements have been prepared in accordance with Schedule 1 of the Financial Management and Accountability (Financial Statements 2000-2001) Orders;
- (ii) the financial statements give a true and fair view, in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and Schedule 1 of the Financial Management and Accountability (Financial Statements 2000-2001) Orders, of the financial position of the National Archives of Australia as at 30 June 2001 and the results of its operations and its cash flows for the year then ended.

Australian National Audit Office



G F Welsh
Executive Director

Delegate of the Auditor-General

Canberra
15 August 2001

STATEMENT BY THE ACTING DIRECTOR-GENERAL

In my opinion, the attached financial statements give a true and fair view of the matters required by Schedule 1 of the Financial Management and Accountability (Financial Statements 2000–01) Orders made under section 63 of the *Financial Management and Accountability Act 1997*.



Anne-Marie Schwirtlich
Acting Director-General

14 August 2001

Statement of financial performance for the period ended 30 June 2001

	Notes	2000-01 \$'000
REVENUES FROM ORDINARY ACTIVITIES		
Revenues from government	3A	52 004
Sales of goods and services	3B	1 024
Interest	3C	673
Proceeds from disposals of assets	4	20
Other		290
Total revenues from ordinary activities		54 011
EXPENSES FROM ORDINARY ACTIVITIES		
Employees	5A	18 635
Suppliers	5B	17 216
Depreciation and amortisation	5C	23 522
Disposal of assets	4	124
Write-down of assets	6	155
Other		169
Total expenses from ordinary activities		59 821
Borrowing costs expense	7	52
Net operating surplus (deficit) from ordinary activities¹	8	(5 862)
Net surplus (deficit)		(5 862)
Equity interests		0
Net surplus or deficit attributable to the Commonwealth		(5 862)
Total revenues, expenses and valuation adjustments recognised directly in equity		0
Total changes in equity other than those resulting from transactions with owners as owners	15	(5 862)
¹ Net surplus/(deficit)		(5 862)
Less: capital use charge		(8 235)
Contributions to accumulated results		(14 097)

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

Statement of financial position as at 30 June 2001

	Notes	2000-01 \$'000
ASSETS		
<i>Financial assets</i>		
Cash	9A	7 771
Receivables	9B	1 207
Total financial assets		8 978
<i>Non-financial assets</i>		
Collections	10A, 10D	682 924
Infrastructure, plant and equipment	10B, 10D	58 695
Intangibles	10C, 10D	3 569
Work in progress	10E, 10D	1 353
Inventories	10F	252
Other	10G	3 868
Total non-financial assets		750 661
Total assets		759 639
LIABILITIES		
<i>Interest bearing liabilities</i>		
Leases	11	610
Total debt		610
<i>Provisions</i>		
Capital use charge		143
Employees	12	5 942
Total provisions		6 085
<i>Payables</i>		
Suppliers	13	968
Total payables		968
Total liabilities		7 663
EQUITY		
<i>Parent entity interest</i>		
Capital		236
Accumulated surpluses (deficits)		751 740
Total parent entity interest	15	751 976
Total equity		751 976
Current liabilities		4 036
Non-current liabilities		3 627
Current assets		12 633
Non-current assets		747 006

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

Statement of cash flows for the period ended 30 June 2001

	Notes	2000-01 \$'000
OPERATING ACTIVITIES		
<i>Cash received</i>		
Appropriations for outputs		51 896
Sales of goods and services		1 264
Interest		774
GST refunds		1 198
Other		110
Total cash received		55 242
<i>Cash used</i>		
Employees		18 294
Suppliers		23 603
Payments of interest on leases		52
Other		187
Total cash used		42 136
Net cash from (used by) operating activities	14	13 106
INVESTING ACTIVITIES		
<i>Cash received</i>		
Proceeds from sales of property, plant and equipment		20
Total cash received		20
<i>Cash used</i>		
Purchase of property, plant and equipment		4 091
Total cash used		4 091
Net cash from (used by) investing activities		(4 071)
FINANCING ACTIVITIES		
<i>Cash received</i>		
Total cash received		0
<i>Cash used</i>		
Repayments of debt		523
Capital use paid		8 092
Total cash used		8 615
Net cash from (used by) financing activities		(8 615)
Net increase/(decrease) in cash held		420
Cash at the beginning of the reporting period		7 351
Cash at the end of the reporting period		7 771

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

Schedule of commitments as at 30 June 2001

	Notes	2000-01 \$'000
BY TYPE		
<i>CAPITAL COMMITMENTS</i>		
Infrastructure, plant and equipment ¹		1 209
Total capital commitments		1 209
<i>OTHER COMMITMENTS</i>		
Operating leases ²		50 432
Other		362
Total other commitments		50 794
<i>COMMITMENT RECEIVABLES</i>		0
Net commitments		52 003
BY MATURITY		
<i>All net commitments</i>		
One year or less		9 407
From one to five years		20 330
Over five years		22 266
Net commitments		52 003
<i>Operating Lease commitments</i>		
One year or less		7 836
From one to five years		20 330
Over five years		22 266
Net commitments		50 432

NB: Commitments are all GST inclusive.

- Infrastructure plant and equipment commitments are primarily contracts for purchases of fit-out for new leased premises
- Operating leases included are effectively non-cancellable and comprise:

<i>Nature of lease</i>	<i>General description of leasing arrangement</i>
Leases for office accommodation	There is a mixture of both Commonwealth and private leasing arrangements. Leases are subject to annual increase in accordance with upwards movements in the Consumer Price Index or a set annual increase agreed to in the lease.
Provision of motor vehicles	Motor vehicles are leased as part of the senior executive officers' remuneration packages and also for general office use. Vehicle leases are for a period of two years.
Lease of computer equipment	Lease agreements are for an agreed period and for an agreed payment schedule. Leasing arrangements cannot be varied by the Archives. The lease periods vary between three to five years.

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

Schedule of contingencies as at 30 June 2001

NO CONTINGENT GAINS AND LOSSES AS AT 30 JUNE 2001.

Notes to and forming part of the financial statements for the year ended 30 June 2001

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Note 1 – Summary of significant accounting policies

1.1 Agency status

From 1 July 2000, the National Archives of Australia (the Archives) became a prescribed agency under the Financial Management and Accountability Amendment Regulations 2000 No. 1, Schedule 3, *Financial Management and Accountability Act 1997*. Therefore, for 2000–01 the Archives reports separately from the Department of Communications, Information Technology and the Arts.

1.2 Organisational objectives

The Archives' outcome is: to preserve valuable Commonwealth records as part of the archival resources of Australia and make them accessible to present and future generations.

The Archives has two output groups: Group 1: enable and promote best practice in the management of government records from the point of creation for as long as the evidence in them is required to support the needs of government and the people; Group 2: develop, manage and promote a visible, known and accessible national collection that engages and informs the community and fosters appreciation of the role of archives in society.

The Archives' activities contributing toward this outcome are classified as departmental, and no other activities are classified as administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Archives in its own right.

1.3 Basis of accounting

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

The statements have been prepared in accordance with:

- Schedule 1 of the Financial Management and Accountability (Financial Statements 2000-01) Orders made by the Finance Minister for the preparation of Financial Statements in relation to financial years ending on or after 30 June 2001;
- Australian Accounting Standards and Accounting Interpretations issued by Australian Accounting Standards Boards;
- other authoritative pronouncements of the Australian Accounting Standards Boards; and
- consensus views of the Urgent Issues Group.

The statements have been prepared having regard to:

- Statements of Accounting Concepts; and
- the Explanatory Notes to Schedule 1, and Guidance Notes issued by the Department of Finance and Administration.

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

Assets and liabilities are recognised in the Archives Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amount of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are, however, not recognised unless required by an Accounting Standard. Liabilities and assets which are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies.

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

The continued existence of the Archives in its present form is dependent on Government policy and on continuing appropriations by Parliament for the Archives' administration.

1.4 Changes in accounting policy

No changes in accounting policy have occurred since the Archives became a prescribed agency on 1 July 2000.

1.5 Revenue

The revenues described in this note are revenues relating to the core operating activities of the Archives.

(a) Revenues from Government – agency appropriations

Appropriations for departmental outputs are recognised as revenue to the extent that the Finance Minister is prepared to release appropriations for use (that is, the full amount of the appropriation passed by the Parliament less any savings offered up at Additional Estimates and not subsequently released).

(b) Grants

The Archives receives a number of grants from the Commonwealth.

Grants received by the Archives are recognised as revenue in the year in which grant agreements are made.

(c) Resources received free of charge

Services 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.

(d) Other revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

The Archives' revenue from the rendering of a service is recognised by reference to the stage of completion of contracts or other agreements to provide services to Commonwealth bodies.

The stage of completion is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

User charges, fines and fees controlled by the Archives are recognised as revenues. They are controlled by the Archives where they can be deployed for the achievement of the Archives' objectives. Such amounts are not required to be paid to the Consolidated Revenue Fund.

1.6 Transactions by the Government as owner

Net assets received under a restructuring of administrative arrangements are designated by the Finance Minister as contributions by owners and adjusted directly against equity. Net assets transferred are initially recognised at the amounts at which they were recognised by the transferring agency immediately prior to the transfer.

1.7 Employee entitlements

(a) Leave

The liability for employee entitlements 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 Archives is estimated to be less than the annual entitlement for sick leave.

The liability for annual leave reflects the value of total annual-leave entitlements of all employees at 30 June 2001 and is recognised at the nominal amount.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2001.

(b) Separation and redundancy

No provision is made for separation and redundancy on which no unpaid settlement has been determined at 30 June 2001.

(c) Superannuation

Staff of the Archives contribute to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. Employer contributions amounting to \$2 362 716 in relation to these schemes have been expended in these financial statements.

No liability for superannuation is recognised as at 30 June as the employer contributions fully extinguish the accruing liability which is assumed by the Commonwealth.

Employer Superannuation Productivity Benefit contributions totalled \$255 537.

1.8 Leases

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

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

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.

As at 30 June 2001, the Archives has finance leases on computers, printers and related equipment which have lease terms of between 36 months and 60 months.

Lease interest is calculated from the interest rate implicit in the lease agreement. The average interest rate is 11.2 per cent.

1.9 Borrowing costs

All borrowing costs relate to finance leases for computer equipment and are expensed.

1.10 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution.

1.11 Financial instruments

Accounting policies for financial instruments are stated at Note 21.

1.12 Acquisition of assets

Assets, excluding the collection which is recorded at deprival value, are recorded at cost on acquisition. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Archives. Cost is determined as the consideration plus costs incidental to the acquisition and all other costs incurred in getting the assets ready for use.

1.13 Collection

Records are held by the Archives in a wide variety of media, from files and card records, account books and ledgers through to architectural models, photographs, films and video tapes, optical disks and computer tapes. High value records are stored in specially designed, temperature and humidity controlled (where required) environments. The Archives has approximately 366 193 shelf metres of records throughout Australia stored generally in their State of origin.

Simon Storey (MAVA) of the Rushton Group completed an independent valuation, using the deprival methodology approach, of the Archives' records as of 1 July 2000.

The Archives collection has been recognised as an asset for the first time at 1 July 2000. The total amount of the collection is \$698 197 000. Refer to Note 10A.

1.14 Infrastructure, plant and equipment

Asset recognition threshold

Purchases of infrastructure, 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.

Revaluations

Infrastructure, plant and equipment is to be revalued progressively in accordance with the 'deprival' method of valuation in a three-year cycle.

The next revaluation cycle will be in 2001–02.

Assets in each class acquired after the commencement of a progressive revaluation cycle are not captured by the progressive revaluation then in progress.

In accordance with the deprival methodology, infrastructure and plant and equipment are measured at their depreciated replacement cost. Where assets are held which would not be replaced or are surplus to requirements, measurement is at net realisable value. At 30 June 2001, the Archives had no assets in this situation.

Depreciation and amortisation

Depreciable infrastructure, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Archives using, in all cases, the straight-line method of depreciation. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation and amortisation rates (useful lives) and methods are reviewed at each balance date. No adjustments have been recognised in the current reporting period.

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

	2000-01
Leasehold improvements	5 years
Computer equipment	5 years
Office machines	7 years
Furniture and fittings	7 years
Plant and equipment	10 years
In-house developed software	10 years
Licensed software	3 years
Shelving	25 years
Exhibition equipment	3 years
Collection	50 years
Finance lease	3-5 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 5C.

1.15 Inventories

Publications are the only item of inventory for the Archives.

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

Inventories not held for resale are valued at cost, unless they are no longer required, in which case they are valued at net realisable value.

1.16 Taxation

The Archives is exempt from all forms of taxation except Fringe Benefits Tax and Goods and Services Tax.

1.17 Capital usage charge

A capital usage charge of 12 per cent is imposed by the Government on the net departmental assets of the Archives. The charge is adjusted to take account of asset gifts and revaluation increments during the financial year.

1.18 Foreign currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains and losses are not material.

1.19 Insurance

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

1.20 Comparative figures

No comparative figures are shown in the Financial Statements for 1999–2000 as the Archives became a prescribed body on 1 July 2000 (see Note 1).

1.21 Rounding

Amounts have been rounded to the nearest \$1 000 except in relation to the following:

- remuneration of executives
- remuneration of auditors
- appropriations

Note 2 – Events occurring after balance date

The Archives has no events occurring after balance day that require disclosure.

2000-01
\$'000

Note 3 – Operating revenues

NOTE 3A – REVENUES FROM GOVERNMENT

Appropriations for outputs	51 896
Resources received free of charge	
– Australian National Audit Office	60
– Comcover	48
Total	52 004

NOTE 3B – SALE OF GOODS AND SERVICES

Goods	89
Services	935
Total	1 024

Cost of sales of goods **99**

NOTE 3C – INTEREST

Deposits **673**

Note 4 – Proceeds and expenses from disposals of assets

NON-FINANCIAL ASSETS – INFRASTRUCTURE, PLANT AND EQUIPMENT:

Revenue (proceeds) from sale	20
Expenses from sale	(124)
Net loss on disposal	(104)

2000-01
\$'000

Note 5 – Operating expenses

NOTE 5A – EMPLOYEES EXPENSES

Remuneration (for services provided)	18 380
Separation and redundancy	155
Total remuneration	18 535
Other employee expenses	100
Total	18 635

NOTE 5B – SUPPLIERS EXPENSES

Supply of goods and services	10 090
Operating lease rentals	7 126
Total	17 216

NOTE 5C – DEPRECIATION AND AMORTISATION

Depreciation of infrastructure, plant and equipment	23 080
Amortisation of leased assets	442
Total	23 522

The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable asset are as follows:

Collection	15 273
Leasehold improvements	5 852
Plant and equipment	1 725
Intangibles	672
Total	23 522

Note 6 – Write-down of assets

FINANCIAL ASSETS

Receivables	12
<i>Non-financial assets</i>	
Leasehold improvements – write off	7
Plant and equipment – write off	136
Total	155

Note 7 – Borrowing cost expenses

Interest for leases **52**

Note 8 – Net operating surplus (deficit) from ordinary activities

Net operating surplus (deficit) from ordinary activities **(5 862)**

The net operating deficit included a depreciation expense for the collection of \$15 273 455.
The depreciation expense was not funded by the Commonwealth Government.

Note 9 – Financial assets

NOTE 9A – CASH

Cash at bank	1 567
Cash on hand	4
Term deposits	6 200
	7 771

NOTE 9B – RECEIVABLES

Goods and services	177
Accrued revenue	103
Interest	11
GST	916
	1 207

Less: provision for doubtful debts **0**

1 207

RECEIVABLES (GROSS) WHICH ARE AGED AS FOLLOWS:

Not overdue	686
<i>Overdue by:</i>	
Less than 30 days	243
30 to 60 days	152
60 to 90 days	34
More than 90 days	92
	1 207

Note 10 – Non-financial assets

10A COLLECTION

Collection – at 1 July 2000 valuation	698 197
Accumulated depreciation	(15 273)
	682 924

(Refer to Note 1.13)

10B INFRASTRUCTURE, PLANT AND EQUIPMENT

Leasehold Improvements – at cost	49 487
Accumulated depreciation	(5 849)
Total leasehold improvement	43 638
Plant and equipment – at cost	1 236
Accumulated depreciation	(189)
Total plant and equipment	1 047
Shelving – at cost	11 972
Accumulated depreciation	(620)
Total shelving	11 352
Furniture and fittings – at cost	756
Accumulated depreciation	(116)
Total Furniture & Fittings	640
Office machines – at cost	766
Accumulated depreciation	(161)
Total office machines	605
Computers – at cost	501
Accumulated depreciation	(128)
Total Computers	373
Exhibition equipment – at cost	398
Accumulated depreciation	(50)
Total exhibition equipment	348
Leased assets – at cost	2 454
Accumulated amortisation	(1 762)
Total leased assets	692
Total infrastructure, plant and equipment	58 695
NOTE 10C – INTANGIBLES	
Internally developed software – at cost	3 714
Accumulated amortisation	(533)
Total internally developed software	3 181
License software – at cost	527
Accumulated amortisation	(139)
Total license software	388
Total intangibles	3 569

NOTE 10D – ANALYSIS OF PROPERTY, PLANT, EQUIPMENT AND INTANGIBLES

Table A – Movement summary 2000–01 for all assets irrespective of valuation basis

Item	Collection	Leasehold improvements	Plant & equipment	Total intangibles (computer software)	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross value as at 1 July 2000	698 197	48 076	17 515	3 842	767 630
Additions: purchases of assets	0	1 420	1 406	1 713	4 539
Revaluations: write-ups/(write-downs)	0	0	0	0	0
Assets transferred in/(out)	0	0	(39)	39	0
Write-offs	0	(9)	(139)	0	(148)
Disposals	0	0	(660)	0	(660)
Gross value as at 30 June 2001	698 197	49 487	18 083	5 594	771 361
Accumulated depreciation/amortisation as at 1 July 2000	0	0	1 840	0	1 840
Disposals	0	0	(537)	0	(537)
Depreciation/amortisation charge for the year	15 273	5 852	1 728	669	23 522
Revaluations: write-ups/(write-downs)	0	0	0	0	0
Assets transferred in/(out)	0	0	(3)	3	0
Write-offs	0	(3)	(2)	0	(5)
Accumulated depreciation/amortisation as at 30 June 2001	15 273	5 849	3 026	672	24 820
Net book value as at 30 June 2001	682 924	43 638	15 057	4 922	746 541
Net book value as at 1 July 2000	698 197	48 076	15 675	3 842	765 790

Table B – Summary of balances of assets at valuation as at 30 June 2001

Item	Collection	Leasehold improvements	Plant & equipment	Total intangibles (computer software)	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
AS AT 30 JUNE 2001					
Gross value	698 197	0	0	0	698 197
Accumulated depreciation/amortisation	(15 273)	0	0	0	(15 273)
Net book value	682 924	0	0	0	682 924
AS AT 30 JUNE 2000					
Gross value	0	0	0	0	0
Accumulated depreciation/amortisation	0	0	0	0	0
Net book value	0	0	0	0	0

Table C – Summary of balances of assets held under finance lease as at 30 June 2001

Item	Collection	Leasehold improvements	Plant & equipment	Total intangibles (computer software)	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
AS AT 30 JUNE 2001					
Gross value	0	0	2 454	0	2 454
Accumulated amortisation	0	0	(1 762)	0	(1 762)
Net book value	0	0	692	0	692
AS AT 30 JUNE 2000					
Gross value	0	0	2 548	0	2 548
Accumulated amortisation	0	0	(1 840)	0	(1 840)
Net book value	0	0	708	0	708

Table D – Summary of assets under construction as at 30 June 2001

Item	Collection	Leasehold improvements	Plant & equipment	Total intangibles (computer software)	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
AS AT 30 JUNE 2001					
Gross value	0	0	0	1 353	1 353
Accumulated depreciation/amortisation	0	0	0	0	0
Net book value	0	0	0	1 353	1 353
AS AT 30 JUNE 2000					
Gross value	0	0	0	0	0
Accumulated depreciation/amortisation	0	0	0	0	0
Net book value	0	0	0	0	0

NOTE 10E – WORK IN PROGRESS

Internally developed software – in progress	1 353
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NOTE 10F – INVENTORIES

All Archives' inventories are current assets.

Inventories held for sale	252
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NOTE 10G – OTHER

Prepayments	3 868
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Note 11 – Leases

<i>Finance lease commitments</i>	
Not later than one year	405
Later than one year and not later than five years	289
<i>Later than five years</i>	
Minimum lease payments	694
Deduct: future finance charges	(84)
Lease liability	610
<hr/>	
<i>Lease liability is represented by:</i>	
Current	346
Non-current	264
	610

Finance leases exist in relation to computer equipment. The leases are non-cancellable and for fixed terms of 3 to 5 years.

Note 12 – Provisions

Salaries and wages	440
Leave	5 443
Superannuation	59
Aggregate employee entitlement liability	5 942
<hr/>	
Current	2 579
Non-current	3 363

Note 13 – Payables

Trade creditors	740
Accrued expenses	228
	968

Note 14 – Cash flow reconciliation

	2000–01
	\$'000
RECONCILIATION OF CASH PER STATEMENT OF FINANCIAL POSITION TO STATEMENT OF CASH FLOWS	
Cash at year end per Statement of Cash Flows	7 771
<i>Statement of Financial Position items comprising above cash:</i>	
'Financial asset – cash'	7 771
<i>Reconciliation of operating surplus to net cash provided by operation activities:</i>	
Net surplus (deficit)	(5 862)
Depreciation/amortisation	23 522
Net loss on asset sale	104
Write-down of assets	155
CHANGE IN OPERATING ASSETS AND LIABILITIES	
Decrease/(Increase) in receivables	(652)
Decrease/(Increase) in inventory	(63)
Decrease/(Increase) in other non-financial assets	(3 862)
Increase /(decrease) in provision and payables for employees	233
Increase /(decrease) in provision and payables for suppliers	(469)
Net cash provided by operating activities	13 106

Note 15 – Equity

Equity table

Item	Accumulated results	Capital	Total equity
	2000–01	2000–01	2000–01
	\$'000	\$'000	\$'000
Balance 1 July 2000	765 837	236	766 073
<i>Net surplus/(deficit) after extraordinary items</i>	(5 862)	0	(5 862)
Equity injection: appropriation			
Restructuring transfers			
Dividends			
Capital use charge	(8 235)	0	(8 235)
<i>Net revaluation increments/decrements</i>			
Balance 30 June 2001	751 740	236	751 976

Note 16 – Executive remuneration

THE NUMBER OF EXECUTIVES WHO RECEIVED OR WERE DUE TO RECEIVE TOTAL REMUNERATION OF \$100,000 OR MORE:

	2000–01 Number
\$100 000 to \$110 000	2
\$110 001 to \$120 000	0
\$120 001 to \$130 000	0
\$130 001 to \$140 000	2
\$140 001 to \$150 000	0
\$150 001 to \$160 000	0
\$160 001 to \$170 000	1
\$170 001 to \$180 000	1
The aggregate amount of total remuneration of executives shown above	\$813 370
The aggregate amount of separation and redundancy payments during the year to Executives shown above	\$90 083

Note 17 – Remuneration of auditors

Financial statement audit services are provided free of charge to the Archives. The fair value of audit services provided **\$60 000**

No other services were provided by the Auditor-General.

Note 18 – Average staffing levels

Average staffing levels for the Archives during the year were **368**

Note 19 – Restructuring

As a result of the Archives becoming a prescribed agency under the *Financial Management and Accountability Act 1997*, the Archives gained financial autonomy from the Department of Communications, Information Technology and the Arts (the Department) on 1 July 2000. Net book values of assets and liabilities (including the collection) were transferred from the Department to the Archives at 1 July 2000 for no consideration and recognised as at the date of transfer:

	\$'000
Total assets recognised	773 910
Total liabilities recognised	7 837
Net assets assumed	766 073

Note 20 – Appropriations

Annual appropriation for departmental items (outputs)

	2000-01
	\$
<hr/>	
APPROPRIATION ACTS NO. 1 & 3 CREDITS:	
Section 7 – Act 1 – basic appropriations (budget)	50 204 000
Section 7 – Act 3 – basic appropriations	1 692 000
Section 10 – adjustments	0
Section 11 – Advance to the Finance Minister	0
Total current appropriation Acts	51 896 000
<hr/>	
ADD: FMA ACT APPROPRIATIONS	
s30 appropriation	0
s30A appropriation	2 209 722
s31 appropriation	2 006 994
Total appropriated in the year	56 112 716
Balance brought forward from previous period	0
Total appropriation available for payments	56 112 716
Payments during the year	54 842 000
Balance of appropriation (unspent) at 30 June carried to next period	1 270 716
<hr/>	

Note 21 – Financial instruments

a) Terms, conditions and accounting policies

Financial instrument	Notes	Accounting policies and methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial assets		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	9A	Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.	The Archives invests funds with the Reserve Bank at call. Monies in the Archives' bank accounts are swept into the Official Public Account nightly and interest is earned on the daily balance at rates based on money market call rates. Rates have averaged 2 per cent for the year. Interest is paid at quarter end. The Archives also invests funds with the Reserve Bank in term deposits. Rates have averaged 5.75 per cent for the year. Interest is paid at maturity.
Receivables for goods and services	9B	These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely.	Majority of receivables are with Commonwealth bodies. Credit terms are net 30 days.
Financial liabilities		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	

a) Terms, conditions and accounting policies (continued)

Finance lease liabilities	11	Liabilities are recognised at the present value of the minimum lease payments at the beginning of the lease. The discount rates used are estimates of the interest rates implicit in the leases.	At the reporting date, the Archives had finance leases with terms of 36 months and 60 months. The interest rate implicit in the leases averaged 11.2 per cent. The lease assets secure the lease liabilities.
Trade creditors	13	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods and services have been received (and irrespective of having been invoiced).	All creditors are entities that are not part of the Commonwealth legal entity. Settlement is usually made net 30 days.

(b) Interest rate risk: agency

Financial instrument	Notes	Floating interest rate 2000-01 \$'000	Fixed interest rate				Non-interest bearing 2000-01 \$'000	Total 2000-01 \$'000	Weighted average effective interest rate 2000-01 %
			1 year or less 2000-01 \$'000	1 to 2 years 2000-01 \$'000	2 to 5 years 2000-01 \$'000	> 5 years 2000-01 \$'000			
FINANCIAL ASSETS									
Cash at bank	9A	1 571	6 200	0	0	0	0	7 771	4.35%
Receivables for goods & services	9B	0	0	0	0	0	1 207	1 207	n/a
Total financial assets (recognised)		1 571	6 200	0	0	0	1 207	8 978	n/a
Total assets								759 639	n/a
FINANCIAL LIABILITIES									
Finance lease liabilities	11	0	0	0	610	0	0	610	11.20%
Trade creditors	13	0	0	0	0	0	968	968	n/a
Total financial liabilities (recognised)		0	0	0	610	0	968	1 578	n/a
Total liabilities								7 663	n/a

Note 21 – Financial instruments (cont.)

(c) Net fair values of financial assets and liabilities

		Total carrying amount	Aggregate net fair value
	Note	2000–01 \$'000	2000–01 \$'000
DEPARTMENTAL FINANCIAL ASSETS			
Cash	9A	7 771	7 771
Receivables for goods and services	9B	1 207	1 207
Total financial assets		8 978	8 978
FINANCIAL LIABILITIES (RECOGNISED)			
Finance lease liabilities	11	610	610
Capital use charge			
Trade creditors	13	968	968
Total financial liabilities (recognised)		1 578	1 578

FINANCIAL LIABILITIES (UNRECOGNISED)

Financial assets

The net fair values of cash and non-interest-bearing monetary financial assets approximate their carrying amounts.

Financial liabilities

The net fair values for the finance leases are based on discounted cash flows using current interest rates for liabilities with similar risk profiles. (Where the liability is on a floating rate of interest, the method returns the principal amount.)

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

(d) Credit risk exposures

The Archives' maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

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

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

Note 22 – Reporting of outcomes

	Outcome 1		Total	
	Budget \$'000	Actual \$'000	Budget \$'000	Actual \$'000
Net subsidies, benefits and grants expenses	0	0	0	0
Other administered expenses	0	0	0	0
Total net administered expenses	0	0	0	0
Add: Net cost of departmental outputs	41 911	57 814	41 911	57 814
Outcome before extraordinary items	0	0	0	0
Extraordinary items	0	0	0	0
Net cost to budget outcome	41 911	57 814	41 911	57 814
Outcome-specific assets deployed as at 30/6/01	75 081	759 639	75 081	759 639
Assets that are not outcome-specific deployed as at 30/6/01	0	0	0	0

Major agency revenues & expenses by outcome

	Outcome 1			Total	
	Output/ Output Group 1 Actual \$'000	Output/ Output Group 2 Actual \$'000	Total Outcome 1 Actual \$'000	Budget \$'000	Actual \$'000
OPERATING REVENUES					
Revenues from government	15 081	36 923	52 004	50 204	52 004
Sale of goods and services	297	727	1 024	1 602	1 024
Interest	195	478	673	23	673
Other non-taxation revenues	84	226	310	211	310
Total operating revenues	15 657	38 354	54 011	52 040	54 011
OPERATING EXPENSES					
Employees	5 404	13 231	18 635	17 062	18 635
Suppliers	4 993	12 223	17 216	17 955	17 216
Depreciation and amortisation	6 821	16 701	23 522	8 810	23 522
Other	145	355	500	0	500
Total operating expenses	17 363	42 510	59 873	43 827	59 873

