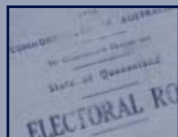


FINANCIAL STATEMENTS



FINANCIAL STATEMENTS AND SUPPORTING NOTES

FOR THE YEAR ENDED 30 JUNE 2002

Independent Audit Report	81
Statement by Acting Director-General	83
Statement of financial performance	84
Statement of financial position	85
Statement of cash flows	86
Schedule of commitments	87
Schedule of contingencies	88
Notes to and forming part of the financial statements	89–111



INDEPENDENT AUDIT REPORT

To the Minister for the Arts and Sport

Scope

I have audited the financial statements of the National Archives of Australia for the year ended 30 June 2002. The financial statements comprise:

- Statement by the Acting Director-General;
- Statements of Financial Performance, Financial Position and Cash Flows;
- 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 Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the National Archives of Australia's financial position, its financial performance and its cash flows.

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

Audit Opinion

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of the National Archives of Australia as at 30 June 2002, and its financial performance and cash flows for the year then ended.

Australian National Audit Office



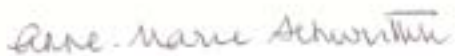
Greg Welsh
Executive Director

Delegate of the Auditor-General

Canberra
26 August 2002

Statement by the Acting Director-General

In my opinion, the attached financial statements for the year ended 30 June 2002 give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*.



Anne-Marie Schwirtlich
Acting Director-General

22 August 2002

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2002

	Notes	2002 \$'000	2001 \$'000
Revenues from ordinary activities			
Revenues from government	3A	146 745	52 004
Sales of goods and services	3B	845	1 024
Interest	3C	690	673
Other		42	290
Total revenues from ordinary activities		<u>148 322</u>	<u>53 991</u>
Expenses from ordinary activities (excluding borrowing cost expense)			
Employees	4A	19 482	18 635
Suppliers	4B	18 792	17 216
Depreciation and amortisation	4C	24 079	23 522
Net loss from sales of assets	4D	621	104
Write-down of assets	4E	8 182	155
Other		63	169
Total expenses from ordinary activities (excluding borrowing cost expense)		<u>71 219</u>	<u>59 801</u>
Borrowing costs expense	5	<u>118</u>	<u>52</u>
Net operating surplus (deficit) from ordinary activities		<u>76 985</u>	<u>(5 862)</u>
Extraordinary Items		<u>0</u>	<u>0</u>
Net surplus (deficit)		<u>76 985</u>	<u>(5 862)</u>
Net surplus (deficit) attributable to the Commonwealth		<u>76 985</u>	<u>(5 862)</u>
Net credit (debit) to asset revaluation reserve		<u>935</u>	<u>0</u>
Total revenues, expenses and valuation adjustments attributable to the Commonwealth and recognised directly in equity		<u>935</u>	<u>0</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>77 920</u>	<u>(5 862)</u>

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

STATEMENT OF FINANCIAL POSITION
as at 30 June 2002

	Notes	2002 \$'000	2001 \$'000
ASSETS			
Financial assets			
Cash	6A	23 254	7 771
Receivables	6B	1 176	1 207
Capital use charge		107	0
Total financial assets		24 537	8 978
Non-financial assets			
Collection	7A, 7D	673 961	682 924
Infrastructure, plant and equipment	7B, 7D	48 775	58 695
Intangibles	7C, 7D	6 260	4 922
Inventories	7E	406	252
Other	7F	2 447	3 868
Total non-financial assets		731 849	750 661
Total assets		756 386	759 639
LIABILITIES			
Interest bearing liabilities			
Leases	8A	1 499	610
Other	8B	113	0
Total interest bearing liabilities		1 612	610
Provisions			
Capital use charge		0	143
Employees	9A	7 481	5 942
Total provisions		7 481	6 085
Payables			
Suppliers	10A	1 415	968
Total payables		1 415	968
Total liabilities		10 508	7 663
NET ASSETS		745 878	751 976
EQUITY			
Parent entity interest			
Contributed equity	12	236	236
Reserves	12	935	0
Retained surpluses or accumulated deficits	12	744 707	751 740
Total parent entity interest		745 878	751 976
Total equity		745 878	751 976
Current liabilities		5 140	4 036
Non-current liabilities		5 368	3 627
Current assets		26 390	12 633
Non-current assets		729 996	747 006

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

STATEMENT OF CASH FLOWS
for the year ended 30 June 2002

	Notes	2002 \$'000	2001 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		146 695	51 896
Sales of goods and services			
Government		304	430
Non-government		481	834
Interest		681	774
GST refunds		1 622	1 198
Other		42	110
Total cash received		149 825	55 242
Cash used			
Employees		17 943	18 294
Suppliers		18 437	23 603
Borrowing costs		118	52
Other		63	187
Total cash used		36 561	42 136
Net cash from / (used by) operating activities	11	113 264	13 106
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		105	20
Total cash received		105	20
Cash used			
Preservation of collection		6 445	0
Purchase of property, plant and equipment		4 676	3 692
Purchase of intangibles		2 135	399
Total cash used		13 256	4 091
Net cash from (used by) investing activities		(13 151)	(4 071)
FINANCING ACTIVITIES			
Cash received			
Total cash received		0	0
Cash used			
Repayments of debt		362	523
Capital use charge paid		84 268	8 092
Total cash used		84 630	8 615
Net cash from (used by) financing activities		(84 630)	(8 615)
Net increase / (decrease) in cash held		15 483	420
Cash at the beginning of the reporting period		7 771	7 351
Cash at the end of the reporting period		23 254	7 771

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

SCHEDULE OF COMMITMENTS

as at 30 June 2002

	2002 \$'000	2001 \$'000
BY TYPE		
CAPITAL COMMITMENTS		
Infrastructure, plant and equipment ¹	1 965	1 209
Total capital commitments	1 965	1 209
OTHER COMMITMENTS		
Operating leases ²	39 804	50 432
Other	1 219	362
Total other commitments	41 023	50 794
COMMITMENT RECEIVABLES	3 908	0
Net commitments	39 080	52 003
BY MATURITY		
All net commitments		
One year or less	7 799	9 407
From one to five years	18 372	20 330
Over five years	12 909	22 266
Net commitments	39 080	52 003
Operating Lease commitments		
One year or less	6 679	7 836
From one to five years	18 925	20 330
Over five years	14 200	22 266
Net commitments	39 804	50 432

NB: Commitments are all GST inclusive.

1. Infrastructure plant and equipment commitments are primarily contracts for purchases of fitout for leased premises and computer equipment under finance lease arrangements.

2. 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 generally for a period of two years

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

SCHEDULE OF CONTINGENCIES

as at 30 June 2002

No contingent gains and losses as at 30 June 2002.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2002

Contents

Note Description

- 1 Summary of Significant Accounting Policies
- 2 Events Occurring after Balance Date
- 3 Operating Revenues
- 4 Operating Expenses
- 5 Borrowing Cost Expenses
- 6 Financial Assets
- 7 Non-Financial Assets
- 8 Interest Bearing Liabilities
- 9 Provisions
- 10 Payables
- 11 Cash flow reconciliation
- 12 Equity
- 13 Executive Remuneration
- 14 Remuneration of auditors
- 15 Average Staffing Levels
- 16 Restructuring
- 17 Financial Instruments
- 18 Appropriations
- 19 Reporting of Outcomes

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, since 2001 the Archives has reported separately from the Department of Communications, Information Technology and the Arts.

The Archives was also established as an Executive Agency by order of the Governor-General under section 65 of the *Public Service Act 1999* with effect from 28 February 2001. The Minister for the Arts and Sport has portfolio responsibility for the Archives.

1.2 Organisational Objectives

The Archives has one outcome: In the interest of accountable government and for the benefit of the community, the Archives promotes reliable recordkeeping and maintains a visible, accessible and known archival collection.

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 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 foster 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:

- . Finance Minister's Orders (being the *Financial Management and Accountability (Financial Statements 2001-2002) Orders*);
- . Australian Accounting Standards and Accounting Interpretations issued by Australian Accounting Standards Board;
- . Other authoritative pronouncements of the Australian Accounting Standards Board; and
- . Consensus Views of the Urgent Issues Group.

The statements have been prepared having regard to the Explanatory Notes to Schedule 1 of the Finance Minister's Orders, and Finance Briefs issued by the Department of Finance and Administration.

The 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 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 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, and with its present programs, is dependent on Government policy and on continuing appropriations by Parliament for the Archives' administration and programs.

1.4 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2001, except in respect of Output appropriations (refer to Note 1.5).

1.5 Revenue

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

(a) Revenues from Government

The full amount of the appropriation for departmental outputs for the year (less any savings offered up at Additional Estimates and not subsequently released) is recognised as revenue. This is a change in accounting policy caused by the introduction of a new requirement to this effect in the Finance Minister's Orders. (In 2001, output appropriations were recognised as revenue to the extent the appropriations had been drawn down from the Official Public Account).

The change in policy has no financial effect in 2002 as the full amount of the output appropriation for 2002 had been drawn down in that year.

(b) Grants

The Archives receives a number of grants from the Commonwealth.

Grants received by the Archives are recognised as revenues in the year in which grant agreements are made (non reciprocal).

(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.

1.6 Transactions by the Government as Owner

From 1 July 2001, Appropriations designated as 'Capital - equity injections' are recognised directly in Contributed equity according to the following rules determined by the Finance Minister:

- * to the extent that the appropriation is not dependent on future events, as at 1 July; and
- * to the extent that it is dependent on specified future events requiring future performance, on drawdown.

(In 2000-01, all equity injections were recognised as contributed equity on drawdown).

The change in policy has no financial effect in 2001-02 because the full amounts of the equity injections in both 2000-01 and 2001-02 met the criteria now required by the Finance Minister.

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 relinquished are designated as distributions to owners. 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 2002 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 values of the estimated future cash flows to be made in respect of all employees at 30 June 2002.

(b) Separation and redundancy

No provision is made for separation and redundancy on which no unpaid settlement has been determined at 30 June 2002.

(b) Superannuation

Staff of the Archives contribute to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. Employer contributions amounting to \$2,402,142 (2001: \$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 \$310,313 (2001: \$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.

Lease incentives taking the form of 'free' leasehold improvements is recognised as liabilities. This liability is reduced by allocating lease payments between rental expense and reduction of the liability.

1.9 Borrowing Costs

All borrowing costs are expensed as incurred except to the extent that they are directly attributable to qualifying assets, in which case they are capitalised. The amount capitalised in a reporting period does not exceed the amounts of costs incurred in that period.

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 17.

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.

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 366,712 shelf metres of records throughout Australia stored generally in their State of Origin.

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 are revalued progressively in accordance with the 'deprival' method of valuation in successive 3-year cycles. Consequently, no asset has a value greater than three years old.

Infrastructure, plant and equipment, including assets under finance leases, are being revalued over the financial year 2002 by type of assets.

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 2002, the Archives had no assets in this situation.

All valuations are independent.

Recoverable Amount Test

Schedule 1 requires the application of the recoverable amount test to departmental non-current assets in accordance with AAS 10 *Recoverable Amount of Non-Current Assets*. The carrying amounts of these non-current assets have been reviewed to determine whether they are in excess of their recoverable amounts. In assessing recoverable amounts, the relevant cash flows have been discounted to their present values.

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:

	<u>2002</u>	<u>2001</u>
Leasehold improvements	5 years	5 years
Computer equipment	5 years	5 years
Office machines	7 years	7 years
Furniture and fittings	7 years	7 years
Plant and equipment	10 years	10 years
In-house developed software	10 years	10 years
Licensed software	3 years	3 years
Shelving	25 years	25 years
Exhibition equipment	3 years	3 years
Collection	50 years	50 years
Finance lease	3- 5 years	3- 5 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 4C.

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 Intangibles

The Archives' intangibles comprise internally-developed software and licensed software. The carrying amount of each non-current intangible asset is reviewed to determine whether it is in excess of the asset's recoverable amount. If an excess exists as at the reporting date, the asset is written down to its recoverable amount immediately. In assessing recoverable amounts, the relevant cash flows, including the expected cash inflows from future appropriations by the Parliament, have been discounted to their present value.

No write-down to recoverable amount has been made in 2002.

Intangible assets are amortised on a straight-line basis over their anticipated useful lives.

1.17 Taxation

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

1.18 Capital Usage Charge

A capital usage charge of 11% (2001: 12%) 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.

1.19 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.

1.20 Insurance

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

1.21 Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

1.22 Rounding

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

- . remuneration of executives;
- . remuneration of auditors; and
- . appropriation note disclosures.

Note 2 - Events Occurring after Balance Date

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

	2002 \$'000	2001 \$'000
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Note 3 - Operating Revenues

Note 3A - Revenues from Government

Appropriations for outputs	146 695	51 896
Resources received free of charge		
- Comcover	0	48
- Australian National Audit Office	50	60
Total	<u>146 745</u>	<u>52 004</u>

Note 3B - Sale of Goods and Services

Goods	70	89
Services	775	935
Total	<u>845</u>	<u>1 024</u>

Goods and services were sold as follows:

Government	340	101
Non-Government	505	923
Total	<u>845</u>	<u>1 024</u>

Cost of sales of goods	<u>76</u>	<u>99</u>
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Note 3C - Interest

Interest on term deposits	659	640
Interest on operational accounts	31	25
Total	<u>690</u>	<u>673</u>

Note 4 - Operating Expenses

Note 4A - Employees Expenses

Remuneration (for services provided)	19 070	18 380
Separation and redundancy	208	155
Total remuneration	<u>19 278</u>	<u>18 535</u>
Other employee expenses	204	100
Total	<u>19 482</u>	<u>18 635</u>

Note 4B - Suppliers Expenses

Supply of goods and services	11 947	10 090
Operating lease rentals ¹	6 845	7 126
Total	<u>18 792</u>	<u>17 216</u>

¹ These comprise minimum lease payments only.

Note 4C - Depreciation and Amortisation

Depreciation of infrastructure, plant and equipment	23 410	23 080
Amortisation of leased assets	669	442
Total	<u>24 079</u>	<u>23 522</u>

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

Collection	15 408	15 273
Fitout	5 792	5 852
Plant and equipment	2 081	1 725
Intangibles	798	672
Total	<u>24 079</u>	<u>23 522</u>

	2002	2001
	\$'000	\$'000
<u>Note 4D - Net Loss From Sales of Assets</u>		
Infrastructure, Plant and Equipment:		
Proceeds from sale	105	20
Net book value at sale	(726)	(124)
Total	(621)	(104)

<u>Note 4E - Write Down of Assets</u>		
Bad and doubtful debts expense	2	12
Shelving - revaluation decrement	5 014	0
Fitout - write off on disposal	3 166	7
Plant and Equipment - write off on disposal	0	136
Total	8 182	155

Note 5 - Borrowing Cost Expenses		
Interest for leases	118	52

Note 6 - Financial Assets

<u>Note 6A - Cash</u>		
Cash at bank and on hand	(1 346)	1 571
Cash on deposit	24 600	6 200
	23 254	7 771

<u>Note 6B - Receivables</u>		
Goods and services	349	280
Less: provision for doubtful debts	0	0
	349	280

Interest	9	11
GST	818	916
	1 176	1 207

All receivables are current assets.

Receivables (gross) are aged as follows:		
Not overdue	994	686
Overdue by:		
Less than 30 days	56	243
30 to 60 days	37	152
60 to 90 days	9	34
More than 90 days	80	92
	182	521
Total receivables (gross)	1 176	1 207

Note 7 - Non-financial assets

<u>Note 7A Collection</u>		
Collection - at 2000-2002 valuation	698 263	698 197
Accumulated depreciation	(30 681)	(15 273)
	667 582	682 924
Preservation projects - in progress - at cost	6 379	0
Total Collection	673 961	682 924

	2002 \$'000	2001 \$'000
<u>Note 7B Infrastructure, plant and equipment</u>		
Leasehold Improvements - at 2000-2002 valuation	61 020	49 487
Accumulated depreciation	<u>(23 686)</u>	<u>(5 849)</u>
	<u>37 334</u>	<u>43 638</u>
Plant and equipment - at 2000-2002 valuation	2 822	1 236
Accumulated depreciation	<u>(792)</u>	<u>(189)</u>
	<u>2 030</u>	<u>1 047</u>
Shelving - at 2000-2002 valuation	21 486	11 972
Accumulated depreciation	<u>(16 142)</u>	<u>(620)</u>
	<u>5 344</u>	<u>11 352</u>
Furniture and fittings - at 2000-2002 valuation	1 052	756
Accumulated depreciation	<u>(275)</u>	<u>(116)</u>
	<u>777</u>	<u>640</u>
Office machines - at 2000-2002 valuation	1 853	766
Accumulated depreciation	<u>(976)</u>	<u>(161)</u>
	<u>877</u>	<u>605</u>
Computers - at 2000-2002 valuation	1 044	501
Accumulated depreciation	<u>(367)</u>	<u>(128)</u>
	<u>677</u>	<u>373</u>
Exhibition equipment - at 2000-2002 valuation	526	398
Accumulated depreciation	<u>(173)</u>	<u>(50)</u>
	<u>353</u>	<u>348</u>
Exhibitions - in progress at cost	<u>40</u>	<u>0</u>
	<u>393</u>	<u>348</u>
Leased assets - at 2000-2002 valuation	2 209	2 454
Accumulated amortisation	<u>(866)</u>	<u>(1 762)</u>
	<u>1 343</u>	<u>692</u>
Total Infrastructure, Plant and Equipment	<u>48 775</u>	<u>58 695</u>

Note 7C - Intangibles

Internally developed software - at cost	6 710	3 714
Accumulated amortisation	<u>(1 049)</u>	<u>(533)</u>
	<u>5 661</u>	<u>3 181</u>
Internally developed software - in progress - at cost	<u>0</u>	<u>1 353</u>
	<u>5 661</u>	<u>4 534</u>
License software - at cost	810	527
Accumulated amortisation	<u>(211)</u>	<u>(139)</u>
	<u>599</u>	<u>388</u>
Total Intangibles	<u>6 260</u>	<u>4 922</u>

Computer equipment under finance leases is subject to revaluation. The carrying amount is included in the valuation figure above.

The revaluations were in accordance with the revaluation policy stated at Note 1 and were completed by an independent valuer Australian Valuation Office. Revaluation increments of \$33,573 for plant & equipment, \$164,288 for furniture & fitting, \$106,240 for office machine, \$22,191 for computer equipment, \$560,023 for fitout and \$49,539 for exhibition equipment were made to the asset revaluation reserve; decrements of \$5,013,599 for shelving was expensed.

Note 7D Analysis of Property, Plant, Equipment and Intangibles

TABLE A - Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

Item	Collection	Leasehold Improvements	Plant & Equipment	Computer software - Total intangibles	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross value as at 1 July 2001	698 197	49 487	18 083	5 594	771 361
Additions: Purchases of assets	6 445	2 132	3 900	2 143	14 620
Revaluations: write-ups/(write-downs)	0	13 051	11 430	0	24 481
Assets transferred in/(out)	0	0	0	0	0
Write-offs	0	(3 650)	(1 576)	(217)	(5 443)
Disposals	0	0	(804)	0	(804)
Gross value as at 30 June 2002	704 642	61 020	31 033	7 520	804 215
Accumulated Depreciation/ Amortisation as at 1 July 2001	15 273	5 849	3 026	672	24 820
Disposals	0	0	(78)	0	(78)
Depreciation/amortisation charge for the year	15 408	5 830	2 153	805	24 196
Revaluations: write-ups/(write-downs)	0	12 491	16 067	0	28 558
Assets transferred in/(out)	0	0	0	0	0
Write-offs	0	(484)	(1 576)	(217)	(2 277)
Accumulated Depreciation/ Amortisation as at 30 June 2002	30 681	23 686	19 592	1 260	75 219
Net book value as at 30 June 2002	673 961	37 334	11 441	6 260	728 996
Net book value as at 1 July 2001	682 924	43 638	15 057	4 922	746 541

TABLE B - Assets at valuation

Item	Collection	Leasehold Improvements	Plant & Equipment	Computer software - Total intangibles	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2002					
Gross value	704 642	61 020	31 033	7 520	804 215
Accumulated Depreciation/amortisation	(30 681)	(23 686)	(19 592)	(1 260)	(75 219)
Net Book Value	673 961	37 334	11 441	6 260	728 996
As at 30 June 2001					
Gross value	698 197	49 487	18 083	5 594	771 361
Accumulated Depreciation/amortisation	(15 273)	(5 849)	(3 026)	(672)	(24 820)
Net Book Value	682 924	43 638	15 057	4 922	746 541

TABLE C - Assets held under finance lease

Item	Collection	Leasehold Improvements	Plant & Equipment	Computer software - Total intangibles	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2002					
Gross value	0	0	2 209	0	2 209
Accumulated Amortisation	0	0	(866)	0	(866)
Net Book Value	0	0	1 343	0	1 343
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

NB All finance leases were revalued in 2002. Amounts shown are revalued amounts and are also included in Table B above

TABLE D - Assets under construction

Item	Collection	Leasehold Improvements	Plant & Equipment	Computer software - Total intangibles	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2002					
Gross value	6 379	0	40	0	6 419
Accumulated Depreciation/amortisation	0	0	0	0	0
Net Book Value	6 379	0	40	0	6 419
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

	2002 \$'000	2001 \$'000
<u>Note 7E - Inventories</u>		
Inventories held for sale	356	252
Inventories not held for sale (cost)	50	0
	<u>406</u>	<u>252</u>

All Archives' inventories are current assets.

<u>Note 7F - Other Non-Financial Asset</u>		
Prepayments	<u>2 447</u>	<u>3 868</u>

\$ 1 447k of Archives' prepayments are current assets.

Note 8 - Interest Bearing Liabilities

<u>Note 8A - Lease</u>		
Finance lease commitments:		
Payable:		
Within one year	813	405
In one to five years	998	289
In more than five years	0	0
Minimum lease payments	<u>1 811</u>	<u>694</u>
Deduct: future finance charges	<u>(312)</u>	<u>(84)</u>
Lease liability	<u>1 499</u>	<u>610</u>

Lease liability is represented by:

Current	617	346
Non-current	882	264
	<u>1 499</u>	<u>610</u>

Finance leases exist in relation to computer equipment. The leases are non-cancellable and for fixed terms averaging three

<u>Note 8B - Other</u>		
Lease incentives	<u>113</u>	<u>0</u>

Lease incentives are represented by:

Current	30	0
Non-current	83	0
	<u>113</u>	<u>0</u>

Note 9- Provisions

<u>Note 9A - Employee Provisions</u>		
Salaries and wages	452	440
Leave	6 962	5 443
Superannuation	67	59
Aggregate employee entitlement liability	<u>7 481</u>	<u>5 942</u>
Current	3 130	2 579
Non-current	4 351	3 363
	<u>7 481</u>	<u>5 942</u>

Note 10 - Payables

<u>Note 10A - Supplier Payable</u>		
Trade creditors	861	740
Accrued expenses	554	228
	<u>1 415</u>	<u>968</u>
Current	1 415	968
Non-current	0	0
	<u>1 415</u>	<u>968</u>

Note 11 - Cash Flow Reconciliation	2002	2001
	\$'000	\$'000
Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows		
. Cash at year end per Statement of Cash Flows	23 254	7 771
. Statement of Financial Position items comprising above cash: ' Financial Asset - Cash'	23 254	7 771
Reconciliation of net surplus to net cash from operating activities:		
Net surplus (deficit)	76 985	(5 862)
Net loss on sale of assets	2 170	104
Write down of assets	6 633	155
Depreciation / amortisation	24 079	23 522
Change in operating assets and liabilities		
(Increase) / Decease in net receivables	31	(652)
(Increase) / Decease in net inventories	(154)	(63)
(Increase) / Decease in prepayments	1 421	(3 862)
Increase / (decrease) in employee provisions	1 539	233
Increase / (decrease) in supplier payables	447	(469)
Increase / (decrease) in lease incentive	113	0
Net cash provided by operating activities	<u>113 264</u>	<u>13 106</u>

2002

2001

Note 13 - Executive Remuneration

The number of Executives who received or were due to receive total remuneration of \$100,000 or more:

	Number	Number
\$100,000 to \$110,000	0	2
\$110,001 to \$120,000	1	0
\$120,001 to \$130,000	1	0
\$130,001 to \$140,000	1	2
\$140,001 to \$150,000	1	0
\$150,001 to \$160,000	0	0
\$160,001 to \$170,000	0	1
\$170,001 to \$180,000	1	1

The aggregate amount of total remuneration of executives shown above.

\$693 848**\$813 370**

The aggregate amount of separation and redundancy payments during the year to Executives shown above.

\$0**\$90,083****Note 14 - Remuneration of Auditors**

Financial statement audit services are provided free of charge to the Archives. The fair value of audit services provided was:

\$50 000**\$60 000**

No other services were provided by the Auditor-General.

Note 15 – Average Staffing Levels

Average staffing levels for the Archives during the year were:

389**368****Note 16 - Restructuring**

As a result of the Archives becoming a prescribed agency under the *Financial Management and Accountability Act*

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	\$'000
Total assets recognised	0	773 910
Total liabilities recognised	0	7 837
Net assets assumed	0	766 073

Note 17 - 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 & 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	6A	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 4.23% (2001: 2%) for the year. Interest is paid at quarter end. The Archives also invests funds with the Reserve Bank in term deposits. Rates have averaged 4.60% for the year. Interest is paid at maturity.
Receivables for goods and services	6B	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 (2001: 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.	
Finance lease liabilities	8A	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 11.95% (2001: 11.20%). The lease assets secure the lease liabilities.
Trade creditors	10A	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).	Settlement is usually made net 30 days.

Note 17 Financial Instruments (cont.)

(b) Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate	
				1 year or less		1 to 5 years		> 5 years						2002	2001
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 %	2001 %
Financial Assets															
Cash at Bank	6A	(1 364)	1 571							15	0	(1 349)	1 571	4.23%	2.00%
Receivables for goods and services	6B									1 176	1 207	1 176	1 207	n/a	n/a
Less: provision for doubtful debts															
Term deposits				24 600	6 200							24 600	6 200	4.60%	5.75%
Total		(1 364)	1 571	24 600	6 200					1 191	1 207	24 427	8 978	n/a	n/a
Total assets												756 386	759 639	n/a	n/a
Financial Liabilities															
Finance lease liabilities	8A					1 499	610					1 499	610	11.95%	11.20%
Trade creditors	10A									1 415	968	1 415	968	n/a	n/a
Total						1 499	610			1 415	968	2 914	1 578	n/a	n/a
Total liabilities												10 508	7 663	n/a	n/a

Note 17 - Financial Instruments (cont.)

(c) Net Fair Values of Financial Assets and Liabilities

		2002		2001	
	Note	Total carrying amount \$'000	Aggregate net fair value \$'000	Total carrying amount \$'000	Aggregate net fair value \$'000
Departmental Financial Assets					
Cash	6A	23 254	23 254	7 771	7 771
Receivables for Goods and Services	6B	1 176	1 176	1 207	1 207
Capital use charge		107	107	0	0
Total Financial Assets		24 537	24 537	8 978	8 978
Financial Liabilities (Recognised)					
Finance lease liabilities	8A	1 499	1 499	610	610
Capital use charge		0	0	143	143
Trade creditors	10A	1 415	1 415	968	968
Total Financial Liabilities (Recognised)		2 914	2 914	1 721	1 721

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 18 - Appropriations

Appropriation Acts (No.1/3) 2001-2002

Particulars	Agency Outputs
Year ended 30 June 2002	\$
Balance carried from previous year	1 270 716
Appropriation for reporting period Acts 1	146 695 000
Appropriation for reporting period Acts 3	0
Adjustments determined by the Finance Minister	0
Amounts from advance to the Finance Minister	0
Amounts from Comcover receipts	0
Refund credited (FMA s30)	0
GST credits (FMA s30)	1 622 000
Annotations to 'net appropriations' (FMA s31)	1 571 000
Other annotations	42 000
Transfer to/from other agencies (FMA s32)	6 500 284
Administered expenses lapsed (expended)	0
Available for payments	157 701 000
Payments made	134 447 000
Balance carried to next year	23 254 000
Year ended 30 June 2001	157 701 000
Available for payments 2001	56 112 716
Payments during 2001	54 842 000
Balance carried forward to 1 July 2001	1 270 716

FMA = Financial Management and Accountability Act 1997

Act 1= Appropriations Act (No. 1) 2001-2002

Act 3= Appropriations Act (No. 3) 2001-2002

There were no savings offered up during the year and there have been no savings offered up in previous years that are still ongoing.
 Prior year 'available' figures have been adjusted where the final determinations of amounts lapsed differed to that reported in 2001.

Note 19 - Reporting of Outcomes

Note 19A - Total Cost/Contribution of Outcomes (Whole of Government)

	Outcome 1		Total	
	Actual \$'000	Budget \$'000	Actual \$'000	Budget \$'000
Net taxation, fees and fines revenues				
Other administered revenues				
Net subsidies, benefits and grants expenses				
Other administered expenses				
Net cost of departmental outputs	69 760	62 427	69 760	62 427
Cost of outcome before extraordinary items	69 760	62 427	69 760	62 427
Extraordinary items	0	0	0	0
Net Cost to Budget Outcome	69 760	62 427	69 760	62 427

Note 19B - Major Agency Revenues and Expenses by Output Group

	Output Group 1		Output Group 2		Total	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Operating revenues						
Revenues from government	110 059	15 081	36 686	36 923	146 745	52 004
Sale of goods and services	634	297	211	727	845	1 024
Other non-taxation revenues	549	279	183	684	732	963
Total operating revenues	111 242	15 657	37 080	38 334	148 322	53 991
Operating expenses						
Employees	14 611	5 404	4 871	13 231	19 482	18 635
Suppliers	14 094	4 993	4 698	12 223	18 792	17 216
Depreciation and amortisation	18 059	6 821	6 020	16 701	24 079	23 522
Other	6 738	139	2 246	341	8 984	480
Total operating expenses	53 502	17 357	17 835	42 496	71 337	59 853

Note 19 - Reporting of Outcomes

Note 19C - Major Classes of Agency Assets and Liabilities by Output Group

	Output Group 1		Output Group 2		Non-Attributable		Total	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Output specific agency assets								
Goods and services receivable	262	81	87	199			349	280
Interest receivable	7	3	2	8			9	11
Net GST receivable	613	266	205	650			818	916
Less: provision for doubtful debts	0	0	0	0			0	0
Collection	505 471	198 048	168 490	484 876			673 961	682 924
Leasehold improvements	28 000	12 655	9 334	30 983			37 334	43 638
Plant and equipment	8 581	4 367	2 860	10 690			11 441	15 057
Intangibles	4 695	1 427	1 565	3 495			6 260	4 922
Inventories held for sale	267	73	89	179			356	252
Total output specific agency assets	547 896	216 920	182 632	531 080			730 528	748 000
Other agency assets								
Cash at bank and on hand					(1 346)	1 571	(1 346)	1 571
Term deposits					24 600	6 200	24 600	6 200
Capital use charge					107	0	107	0
Other					2 447	3 868	2 447	3 868
Inventories not held for sale					50	0	50	0
Total other agency assets					25 858	11 639	25 858	11 639

Output specific agency liabilities								
Leases	1 124	177	375	433			1 499	610
Employees	5 611	1 723	1 870	4 219			7 481	5 942
Suppliers	1 061	281	354	687			1 415	968
Other	85	0	28	0			113	0
Total output specific agency liabilities	7 881	2 181	2 627	5 339			10 508	7 520
Other agency liabilities								
Capital use charge					0	143	0	143
Total other agency liabilities					0	143	0	143