

A P P E N D I X 9

FINANCIAL STATEMENTS

- INDEPENDENT AUDIT REPORT
- CERTIFICATE
- STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2001
- STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2001
- STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2001
- SCHEDULE OF COMMITMENTS  
AS AT 30 JUNE 2001
- SCHEDULE OF CONTINGENCIES  
AS AT 30 JUNE 2001
- NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001



## INDEPENDENT AUDIT REPORT

To the Minister for the Arts and the Centenary of Federation

### Scope

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

- Statement by Council Members;
- Statement of Financial Performance;
- Statement of Financial Position;
- Statement of Cash Flows;
- Schedule of Commitments;
- Schedule of Contingencies, and
- Notes to and forming part of the Financial Statements.

The Council Members are 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 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 entity which is consistent with my understanding of its financial position, the results of its operations and its cash flows.

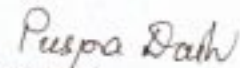
The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In my opinion,

- (i) the financial statements have been prepared in accordance with Schedule 1 of the Commonwealth Authorities and Companies (Financial Statements 2000-2001) Orders; and
- (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 Commonwealth Authorities and Companies (Financial Statements 2000-2001) Orders, of the financial position of National Library 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



Puspa Dash  
Senior Director

Delegate of the Auditor-General

Canberra

21 August 2001

STATEMENT BY COUNCIL MEMBERS

In our opinion, the attached financial statements give a true and fair view of the matters required by Schedule 1 of the Commonwealth Authorities and Companies (Financial Statements 2000-2001) Orders for the year ended 30 June 2001.

Signed in accordance with a resolution of the Council of the National Library of Australia.

Signed *Alan Robson* .....

A.D. Robson  
Deputy Chairman

21 August 2001

Signed *J. Fullerton* .....

J. Fullerton  
Director-General

21 August 2001

STATEMENT OF FINANCIAL  
PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2001

|   | NOTES | 2001<br>\$'000 | 2000<br>\$'000 |
|---|-------|----------------|----------------|
| <b>Operating revenues</b>   |       |                |                |
| Revenues from government  | 4A    | 215,573        | 214,523        |
| Sales of goods and services   | 4B    | 8,953          | 8,598          |
| Interest  | 4C    | 5,987          | 4,739          |
| Proceeds from disposal of assets  | 4D    | 9              | 12             |
| Other   | 4E    | 49,454         | 3,341          |
| Total revenues from ordinary activities   |       | <b>279,976</b> | <b>231,213</b> |
| <b>Operating expenses</b>   |       |                |                |
| Employees   | 5A    | 27,085         | 25,000         |
| Suppliers   | 5B    | 22,002         | 19,958         |
| Depreciation and amortisation   | 5C    | 6,147          | 5,761          |
| Write-down of assets  | 5D    | 181            | 79             |
| Disposal of assets  | 4D    | 43             | 46             |
| Grants  | 6     | 175            | 138            |
| Total expenses from ordinary activities   |       | <b>55,633</b>  | <b>50,982</b>  |
| <b>Net operating surplus (deficit) from ordinary activities</b>                             |       | <b>224,343</b> | <b>180,231</b> |
| Net surplus attributable to the Commonwealth  |       | 224,343        | 180,231        |
| Net credit (debit) to asset revaluation reserve   |       | 142,990        | (2,009)        |
| <b>Total revenues, expenses and valuation adjustments recognised directly in equity</b>     |       | <b>142,990</b> | <b>(2,009)</b> |
| Total changes in equity other than those resulting from transactions with owners as owners. |       | <b>367,333</b> | <b>178,222</b> |

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

STATEMENT OF FINANCIAL  
POSITION

AS AT 30 JUNE 2001

|                                     | NOTES    | 2001<br>\$'000   | 2000<br>\$'000   |
|-------------------------------------|----------|------------------|------------------|
| <b>ASSETS</b>                       |          |                  |                  |
| <b>Financial assets</b>             |          |                  |                  |
| Cash                                | 7A       | 9,370            | 7,828            |
| Receivables                         | 7B       | 2,520            | 1,676            |
| <b>Total financial assets</b>       |          | <b>11,890</b>    | <b>9,504</b>     |
| <b>Non-financial assets</b>         |          |                  |                  |
| Land and buildings                  | 8A, D, H | 133,223          | 133,551          |
| Infrastructure, plant and equipment | 8B, C, D | 1,526,977        | 1,334,424        |
| Inventories                         | 8E       | 781              | 733              |
| Intangibles                         | 8F, D    | 3,435            | 4,469            |
| Other                               | 8G       | 1,594            | 1,423            |
| <b>Total non-financial assets</b>   |          | <b>1,666,010</b> | <b>1,474,600</b> |
| <b>Total assets</b>                 |          | <b>1,677,900</b> | <b>1,484,104</b> |
| <b>LIABILITIES</b>                  |          |                  |                  |
| <b>Provisions</b>                   |          |                  |                  |
| Capital use                         |          | 26               | 25               |
| Employees                           | 9A       | 8,867            | 8,345            |
| <b>Total provisions</b>             |          | <b>8,893</b>     | <b>8,370</b>     |
| <b>Payables</b>                     |          |                  |                  |
| Suppliers                           | 9B       | 3,417            | 1,229            |
| Grants                              | 9C       | 14               | -                |
| Other                               | 9D       | 275              | 241              |
| <b>Total payables</b>               |          | <b>3,706</b>     | <b>1,470</b>     |
| <b>Total liabilities</b>            |          | <b>12,599</b>    | <b>9,840</b>     |
| <b>EQUITY</b>                       |          |                  |                  |
| <b>Parent entity interest</b>       |          |                  |                  |
| Capital                             | 10       | 2,060            | 1,030            |
| Reserves                            | 10       | 251,209          | 108,219          |
| Accumulated surpluses               | 10       | 1,412,032        | 1,365,015        |
| <b>Total parent equity interest</b> |          | <b>1,665,301</b> | <b>1,474,264</b> |
| <b>Total equity</b>                 |          | <b>1,665,301</b> | <b>1,474,264</b> |
| <b>Current liabilities</b>          |          | <b>7,118</b>     | <b>4,690</b>     |
| <b>Non-current liabilities</b>      |          | <b>5,481</b>     | <b>5,150</b>     |
| <b>Current assets</b>               |          | <b>13,933</b>    | <b>9,819</b>     |
| <b>Non-current assets</b>           |          | <b>1,663,967</b> | <b>1,474,285</b> |

NATIONAL LIBRARY  
OF AUSTRALIA

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2001

|  | NOTES     | 2001<br>\$'000   | 2000<br>\$'000   |
|--|-----------|------------------|------------------|
| <b>OPERATING ACTIVITIES</b>                          |           |                  |                  |
| <b>Cash received</b>                                 |           |                  |                  |
| Appropriations                                       | 4A        | 215,573          | 214,523          |
| Sales of goods and services                          |           | 9,382            | 7,867            |
| Interest   |           | 5,987            | 4,739            |
| GST recovered from taxation authority                |           | 836              | -                |
| Other  |           | 368              | 617              |
| <b>Total cash received</b>                           |           | <b>232,146</b>   | <b>227,746</b>   |
| <b>Cash used</b>                                     |           |                  |                  |
| Grants   |           | (171)            | (136)            |
| Employees  |           | (26,504)         | (24,006)         |
| Suppliers  |           | (20,193)         | (17,232)         |
| <b>Total cash used</b>                               |           | <b>(46,868)</b>  | <b>(41,374)</b>  |
| <b>Net cash from operating activities</b>            | <b>12</b> | <b>185,278</b>   | <b>186,372</b>   |
| <b>INVESTING ACTIVITIES</b>                          |           |                  |                  |
| <b>Cash received</b>                                 |           |                  |                  |
| Proceeds from sales of property, plant and equipment |           | 6                | 11               |
| <b>Total cash received</b>                           |           | <b>6</b>         | <b>11</b>        |
| <b>Cash used</b>                                     |           |                  |                  |
| Purchase of property, plant and equipment            |           | (7,447)          | (6,383)          |
| <b>Total cash used</b>                               |           | <b>(7,447)</b>   | <b>(6,383)</b>   |
| <b>Net cash from investing activities</b>            |           | <b>(7,441)</b>   | <b>(6,372)</b>   |
| <b>FINANCING ACTIVITIES</b>                          |           |                  |                  |
| <b>Cash received</b>                                 |           |                  |                  |
| Equity Appropriation                                 |           | 1,030            | 1,030            |
| <b>Total cash received</b>                           |           | <b>1,030</b>     | <b>1,030</b>     |
| <b>Cash used</b>                                     |           |                  |                  |
| Capital use paid                                     |           | (177,325)        | (176,579)        |
| Repayment of debt                                    |           | -                | -                |
| <b>Total cash used</b>                               |           | <b>(177,325)</b> | <b>(176,579)</b> |
| <b>Net cash from financing activities</b>            |           | <b>(176,295)</b> | <b>(175,549)</b> |
| <b>Net increase/(decrease) in cash held</b>          |           | <b>1,542</b>     | <b>4,451</b>     |
| Cash at the beginning of the reporting period        |           | 7,828            | 3,377            |
| <b>Cash at the end of the reporting period</b>       | <b>7A</b> | <b>9,370</b>     | <b>7,828</b>     |

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

NATIONAL LIBRARY  
OF AUSTRALIA

SCHEDULE OF  
COMMITMENTS

AS AT 30 JUNE 2001

|  | 2001<br>\$'000 | 2000<br>\$'000 |
|--|----------------|----------------|
| <b>BY TYPE</b>                         |                |                |
| <b>CAPITAL COMMITMENTS</b>             |                |                |
| Buildings <sup>1</sup>                 | 302            | -              |
| Plant and equipment                    | 66             | 7              |
| Collections <sup>2</sup>               | 45             | 57             |
| <b>Total capital commitments</b>       | <b>413</b>     | <b>64</b>      |
| <b>OTHER COMMITMENTS</b>               |                |                |
| Operating leases <sup>3</sup>          | 8,378          | 8,977          |
| Other commitments <sup>4</sup>         | 7,216          | 9,248          |
| <b>Total other commitments</b>         | <b>15,594</b>  | <b>18,225</b>  |
| <b>Total commitments payable</b>       | <b>16,007</b>  | <b>18,289</b>  |
| <b>COMMITMENTS RECEIVABLE</b>          |                |                |
| <b>Net Commitments</b>                 | <b>931</b>     | <b>909</b>     |
| <b>Net Commitments</b>                 | <b>15,076</b>  | <b>17,380</b>  |
| <b>BY MATURITY</b>                     |                |                |
| <b>All net commitments</b>             |                |                |
| One year or less                       | 4,946          | 5,472          |
| From one to two years                  | 3,302          | 3,076          |
| From two to five years                 | 3,476          | 4,966          |
| Over five years                        | 3,352          | 3,866          |
| <b>Net Commitments</b>                 | <b>15,076</b>  | <b>17,380</b>  |
| <b>Operating lease commitments</b>     |                |                |
| One year or less                       | 1,235          | 1,293          |
| From one to five years                 | 3,150          | 3,035          |
| Over five years                        | 3,352          | 3,847          |
| <b>Net operating lease commitments</b> | <b>7,737</b>   | <b>8,175</b>   |

NB: Commitments are GST inclusive where relevant and the comparatives have not been adjusted.

<sup>1</sup> Outstanding contractual arrangements for building refurbishments.

<sup>2</sup> Collections commitments represent contracts for the purchases of collection items.

<sup>3</sup> Operating leases included are effectively non-cancellable and comprise:

| Nature of lease                      | General description of leasing arrangement   |
|--------------------------------------|--|
| Leases for buildings                 | <ul style="list-style-type: none"> <li>Lease payments are subject to annual review in accordance with upward movements in the Consumer Price Index.</li> <li>Leases have options for extensions to the contracted terms.</li> </ul>  |
| Motor vehicles—senior executives     | <ul style="list-style-type: none"> <li>No contingent rentals exist.</li> <li>There are no renewal or purchase options available.</li> </ul>  |
| Lease for desktop computer equipment | <ul style="list-style-type: none"> <li>Lessor provides computer equipment and software to 31 December 2003 at a fixed price with the option for extensions to the contracted terms.</li> <li>There is a technology refresh option and also a purchase option available.</li> </ul> |
| Lease for office machines            | <ul style="list-style-type: none"> <li>Lessor provides at a fixed price photocopying and fax machines.</li> <li>There is a technology refresh option.</li> </ul>   |

<sup>4</sup> Other commitments primarily consist of the provision of computer services, security, cleaning and building maintenance.

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

NATIONAL LIBRARY  
OF AUSTRALIA

## SCHEDULE OF CONTINGENCIES

AS AT 30 JUNE 2001

|                          | 2001<br>\$'000 | 2000<br>\$'000 |
|--------------------------|----------------|----------------|
| <b>CONTINGENT LOSSES</b> |                |                |
| Claims for damages       | -              | 150            |
| Total contingent losses  | -              | 150            |
| <b>Net contingencies</b> | <b>-</b>       | <b>150</b>     |

### SCHEDULE OF UNQUANTIFIABLE CONTINGENCIES

There were no unquantifiable contingencies as at 30 June 2001.

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

NATIONAL LIBRARY  
OF AUSTRALIA

NOTES TO AND FORMING  
PART OF THE FINANCIAL  
STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

| NOTE | DESCRIPTION                                 |
|------|---|
| 1    | Summary of Significant Accounting Policies  |
| 2    | Reporting by Segments and Outcomes          |
| 3    | Economic Dependency                         |
| 4    | Operating Revenues                          |
| 5    | Operating Expenses—Goods and Services       |
| 6    | Operating Expenses—Grants                   |
| 7    | Financial Assets                            |
| 8    | Non-financial Assets                        |
| 9    | Provisions and Payables                     |
| 10   | Equity                                      |
| 11   | Non-cash Financing and Investing Activities |
| 12   | Cash Flow Reconciliation                    |
| 13   | Remuneration of Council Members             |
| 14   | Related Party Disclosures                   |
| 15   | Remuneration of Officers                    |
| 16   | Remuneration of Auditors                    |
| 17   | Trust Money                                 |
| 18   | Appropriations                              |
| 19   | Financial Instruments                       |

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

## NOTE

1

SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES**1.1 BASIS OF ACCOUNTING**

The financial statements are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- Schedule 1 of the Commonwealth Authorities and Companies (Financial Statements 2000–2001) 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 the Australian Accounting Standards Boards;
- other authoritative pronouncements of the 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 to Orders issued by the Department of Finance and Administration; and
- Guidance Notes issued by that Department.

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis, except for trust accounts where cash accounting is employed, 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 when and only when it is probable that future economic benefits will flow and the amounts 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.

**1.2 CHANGES IN ACCOUNTING POLICY**

The accounting policies used in the preparation of these financial statements are consistent with those used in 1999–2000.

**1.3 REPORTING BY OUTCOMES**

A comparison of Budget and Actual Figures by outcome specified in the Appropriation Acts relevant to the Library is presented in Note 2. Any material intra-government costs included in the figure ‘net cost to Budget outcomes’ are eliminated in calculating the actual budget outcome for the Government overall.

**1.4 REVENUE**

The revenues described in this Note are revenues relating to the core operating activities of the Library. Details of revenue are given in Note 4.

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

Interest revenue is recognised on a pro-rata 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.

*Revenues from Government—Output Appropriations*

Appropriations for outputs are recognised as revenue to the extent they have been received into the Library’s bank account or are entitled to be received by the Library at year end.

*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.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition.

**1.5 TRANSACTIONS BY THE GOVERNMENT AS OWNER**

Appropriations to the Library designated as ‘capital-equity injections’ are recognised directly in equity, to the extent that the appropriations have been received in the Library’s bank account or are entitled to be received by the Library at year end.

**1.6 EMPLOYEE ENTITLEMENTS***(a) Leave*

The liability for employee entitlements includes provisions 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 the future by employees of the Library 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 as at 30 June 2001 and is recognised at its nominal amount.

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

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. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

*(b) Separation and Redundancy*

Provision is also made for separation and redundancy payments in cases where positions have been formally identified as excess to requirements, the existence of an excess has been publicly communicated and a reliable estimate of the amount payable can be determined. There were no such liabilities as at 30 June 2001.

*(c) Superannuation*

Employees contribute either to the Commonwealth Superannuation Scheme or the Public Sector Superannuation Scheme. Employer contributions amounting to \$2,849,780 (1999-00: \$2,574,655) for the Library in relation to employee superannuation have been expensed in these financial statements.

No liability is shown for superannuation benefits 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 \$540,408 (1999-00: \$566,848).

**1.7 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.

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 Library has no finance leases.

**1.8 GRANTS**

The Library recognises grant liabilities as follows.

Most grant agreements require the grantee to undertake specific tasks or utilise the funding in a specific way. In these cases, liabilities are recognised only to the extent that the grantee has complied with the grant agreement and, where grant moneys are paid in advance, a prepayment is recognised.

In cases where grant agreements are made without conditions to be monitored, liabilities are recognised on signing of the agreement.

**1.9 CASH**

Cash includes notes and coin held and any deposits held at call with a bank or financial institution.

**1.10 FINANCIAL INSTRUMENTS**

Accounting policies for financial instruments are stated at Note 19.

**1.11 ACQUISITION OF ASSETS**

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

Assets acquired at no cost or for nominal consideration are initially recognised as assets and revenues at their fair value at the date of acquisition.

**1.12 PROPERTY, PLANT AND EQUIPMENT***Asset Recognition Threshold*

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$1500, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total). The threshold for the recognition of software assets is \$2000. The purchase of library material regardless of the amount, other than serials, are capitalised as part of the national collection.

*Revaluations*

Land, buildings, infrastructure, plant and equipment are revalued progressively in accordance with the 'deprival' method of valuation in successive three-year cycles, so that no asset has a valuation greater than three-years-old.

Library collections were revalued as at 30 June 2001; land and building were revalued as at 30 June 2000; and plant and equipment were revalued as at 30 June 1999.

Assets in each class acquired after the commencement of the progressive revaluation cycle are reported at cost for the duration of the progressive revaluation then in progress.

In accordance with deprival methodology land is measured at its current market buying value because disposal is restricted by legislation, zoning or Government policy. Property, plant and equipment, other than land, is recognised at its depreciated replacement cost. Where assets are held which would not be replaced or are surplus to requirements, measurement is a net realisable value. At 30 June 2001, the Library had no assets in this situation.

All valuations are independent.

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

### *Recoverable Amount Test*

Schedule 1 of the Orders requires the application of the recoverable amount test to the Library's 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 value.

### *Depreciation and Amortisation*

Depreciable property, plant and equipment is written-off to its estimated residual values over their estimated useful lives to the Library, 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/amortisation rates (useful lives) and methods are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future, reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

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

|                                       | 2001            | 2000            |
|---------------------------------------|-----------------|-----------------|
| Building and building improvements    | 10 to 250 years | 20 to 100 years |
| Plant and equipment                   | 5 to 20 years   | 5 to 20 years   |
| National collection—printed materials | 50 years        | 50 years        |

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

### **1.13 INVENTORIES**

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.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- raw materials and stores—purchase cost on a first-in-first-out basis; and
- finished goods and work in progress—cost of direct materials and labour plus attributable costs that are capable of being allocated on a reasonable basis.

### **1.14 INTANGIBLE ASSETS**

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 at the reporting date, the asset is written down to its recoverable amount immediately. In assessing recoverable amounts, the relevant cash flows have been discounted to their present value.

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

No write-down to recoverable amount has been made in 2000–2001.

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

Useful lives are:

|                   | 2001          | 2000          |
|-------------------|---------------|---------------|
| Computer software | 2 to 10 years | 2 to 10 years |

### 1.15 TAXATION

The Library is exempt from all forms of taxation except fringe benefits tax and the goods and service tax.

### 1.16 CAPITAL USE CHARGE

A capital usage charge of 12% is imposed by the Commonwealth on the net assets of the Library. The charge is adjusted to take account of asset gifts and revaluation increments during the financial year.

### 1.17 FOREIGN CURRENCY

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

### 1.18 INSURANCE

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

### 1.19 COMPARATIVE FIGURES

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

### 1.20 ROUNDING

Amounts are rounded to the nearest \$1000 except in relation to:

- remuneration of Council members;
- remuneration of officers (other than directors); and
- remuneration of auditors.

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

## NOTE 2

REPORTING BY SEGMENTS  
AND OUTCOMES*Reporting by Segments*

The Library is a not-for-profit organisation which operates predominantly in the field of library and information services within Australia, providing information and reference services to support the needs of government, education, research, business and the public and maintaining a collection of library materials of national significance.

The Library is structured to meet one outcome:

Outcome 1: Australians have access, through the National Library of Australia, to a comprehensive collection of Australian library material and to international documentary resources.

*Reporting by Outcomes for 2000–2001*

|                                 | O U T C O M E 1 |                 |
|---------------------------------|-----------------|-----------------|
|                                 | BUDGET<br>\$000 | ACTUAL<br>\$000 |
| Total net administered expenses | -               | -               |
| Net cost of entity outcome      | 38,397          | 36,763          |
| Net cost to budget outcome      | 38,397          | 36,763          |
| Outcome specific assets         | 1,486,527       | 1,677,900       |

Actual Net Cost of Budget Outcome has been adjusted to remove the effects of material valued for the first time disclosed in Note 4E.

## NOTE 3

## ECONOMIC DEPENDENCY

The National Library of Australia was established by Section 5 of the *National Library Act 1960* and is controlled by the Commonwealth of Australia.

The Library is dependent on appropriations from the Parliament of the Commonwealth to carry out its normal activities.

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

NOTE

4

OPERATING REVENUES

Revenues from independent sources arise from both core and non-core activities of the Library.

|   | 2001<br>\$'000 | 2000<br>\$'000 |
|---|----------------|----------------|
| <b>NOTE 4A Revenues from Government</b> |                |                |
| Appropriations – operating expenses     | 38,397         | 38,403         |
| Appropriations – Capital Use Charge     | 177,176        | 176,120        |
| <b>Total</b>                            | <b>215,573</b> | <b>214,523</b> |

Under the Commonwealth accrual accounting framework, agencies are funded for the Capital Use Charge. This charge is levied on an agency's net departmental assets (i.e. assets controlled by the entity). It is designed to mirror the private sector concept of a return on investment. Consequently, in 2000–2001 the Library received additional funding of \$177,176,000 (1999–00: \$176,120,000) in order to fund the Capital Use Charge paid to the Commonwealth.

**NOTE 4B Sales of goods and services**

|              |              |              |
|--------------|--------------|--------------|
| Goods        | 1,086        | 1,153        |
| Services     | 7,867        | 7,445        |
| <b>Total</b> | <b>8,953</b> | <b>8,598</b> |

**NOTE 4C Interest**

|          |       |       |
|----------|-------|-------|
| Deposits | 5,987 | 4,739 |
|----------|-------|-------|

**NOTE 4D Proceeds and expenses from sale of assets**

|                              |           |           |
|------------------------------|-----------|-----------|
| Revenue (proceeds) from sale | 9         | 12        |
| Expense from sale            | (43)      | (46)      |
| <b>Total</b>                 | <b>34</b> | <b>34</b> |

**NOTE 4E Other revenues**

|  |               |              |
|--|---------------|--------------|
| Resources received free of charge from sources other than government | 3,494         | 2,891        |
| Grants and other non-reciprocal payments by other entities           | 270           | 246          |
| Assets valued for the first time                                     | 45,533        | -            |
| Other  | 157           | 204          |
| <b>Total</b>   | <b>49,454</b> | <b>3,341</b> |

As part of the revaluation of the national collection, material that had previously been unable to be valued was valued by the Australian Valuation Office. The assessed value of this material was \$45,533,000 and as required has been brought to account as other revenue.

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

## NOTE 5

OPERATING EXPENSES —  
GOODS AND SERVICES

|                                      | 2001<br>\$'000 | 2000<br>\$'000 |
|--------------------------------------|----------------|----------------|
| <b>NOTE 5A Employee Expenses</b>     |                |                |
| Remuneration (for services provided) | 26,508         | 24,378         |
| Separation and redundancy            | 222            | 304            |
| Total remuneration                   | <b>26,730</b>  | <b>24,682</b>  |
| Other employee expenses              | 355            | 318            |
| <b>Total</b>                         | <b>27,085</b>  | <b>25,000</b>  |

The Library contributes to the Commonwealth Superannuation (CSS) and the Public Sector Superannuation schemes (PSS), which provide retirement, death and disability benefits to employees. Contributions to the scheme are at rates calculated to cover existing and emerging obligations. Current contribution rates are 18.9 per cent of salary (CSS) and 10.1 per cent of salary (PSS). An additional 3 per cent is contributed for employer productivity benefits. The average staffing level for the 2000–2001 financial year was 496.45 (1999–2000 455.2).

**NOTE 5B Suppliers expenses**

|                              |               |               |
|------------------------------|---------------|---------------|
| Supply of goods and services | 20,461        | 18,498        |
| Operating lease rentals      | 1,541         | 1,460         |
| <b>Total</b>                 | <b>22,002</b> | <b>19,958</b> |

**NOTE 5C Depreciation and amortisation**

|   |              |              |
|---|--------------|--------------|
| Depreciation of property, plant and equipment | 4,926        | 4,535        |
| Amortisation of leasehold improvements        | 31           | 31           |
| Amortisation of intangible assets             | 1,190        | 1,195        |
| <b>Total expense</b>                          | <b>6,147</b> | <b>5,761</b> |

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

|   |              |              |
|---|--------------|--------------|
| • Building                                  | 2,376        | 2,088        |
| • Leasehold improvements                    | 31           | 31           |
| • Other infrastructure, plant and equipment | 2,550        | 2,447        |
| • Intangibles                               | 1,190        | 1,195        |
| <b>Total allocated</b>                      | <b>6,147</b> | <b>5,761</b> |

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

|                                     | 2001<br>\$'000 | 2000<br>\$'000 |
|-------------------------------------|----------------|----------------|
| <b>NOTE 5D Write-down of assets</b> |                |                |
| Financial assets:                   |                |                |
| Receivables for goods and services  | 29             | 20             |
| Non-financial assets:               |                |                |
| Inventories                         | 152            | 59             |
| <b>Total</b>                        | <b>181</b>     | <b>79</b>      |

## NOTE

6

## OPERATING EXPENSES—GRANTS

The Library makes grants to Australian community organisations to preserve significant documentary heritage collections. The Harold White Fellowships are grants provided to established scholars and writers to work on materials held in the national collection.

|                                      |            |            |
|--------------------------------------|------------|------------|
| Non-profit institutions              | 120        | 107        |
| Individuals—Harold White Fellowships | 55         | 31         |
| <b>Total</b>                         | <b>175</b> | <b>138</b> |

## NOTE

7

## FINANCIAL ASSETS

**NOTE 7A Cash**

|   |              |              |
|---|--------------|--------------|
| Cash at bank  | 7,002        | 5,587        |
| Deposits at call  | 2,282        | 2,158        |
| Term deposit  | 80           | 80           |
| Cash on hand and petty cash floats  | 6            | 3            |
|   | <b>9,370</b> | <b>7,828</b> |
| <b>Balance of cash as at 30 June shown in the Statement of Cash Flows</b> | <b>9,370</b> | <b>7,828</b> |

An amount of \$80,106.50 held in a term deposit is not available for use by the Library as it represents a security deposit lodged by a supplier.

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

|  | 2001<br>\$'000 | 2000<br>\$'000 |
|--|----------------|----------------|
| <b>NOTE 7B Receivables</b>                                 |                |                |
| Goods and services   | 1,990          | 1,669          |
| Provision for doubtful debts                               | (30)           | (27)           |
|  | <b>1,960</b>   | <b>1,642</b>   |
| Other debtors  | 9              | 20             |
| GST receivable   | 551            | 14             |
| <b>Total</b>   | <b>2,520</b>   | <b>1,676</b>   |
| Receivables (gross) which are overdue are aged as follows: |                |                |
| Not overdue  | 2,465          | 1,603          |
| Overdue by   |                |                |
| —less than 30 days   | 36             | 58             |
| —30 to 60 days   | 45             | 33             |
| —more than 60 days   | 4              | 9              |
|  | <b>85</b>      | <b>100</b>     |
| <b>Total receivables (gross)</b>                           | <b>2,550</b>   | <b>1,703</b>   |

NOTE

8

NON-FINANCIAL ASSETS

**NOTE 8A Land and building**

|  |                |                |
|--|----------------|----------------|
| Land—at June 2000 valuation            | 6,500          | 6,500          |
|  | <b>6,500</b>   | <b>6,500</b>   |
| Building—at June 2000 valuation        | 171,000        | 171,000        |
| Accumulated depreciation               | (46,362)       | (44,000)       |
|  | <b>124,638</b> | <b>127,000</b> |
| Building improvements—at cost          | 694            | -              |
| Accumulated depreciation               | (15)           | -              |
|  | <b>679</b>     | <b>-</b>       |
| Building improvements—work in progress | <b>1,386</b>   | <b>-</b>       |
| Leasehold improvements—at cost         | 88             | 88             |
| Accumulated amortisation               | (68)           | (37)           |
|  | <b>20</b>      | <b>51</b>      |
| <b>Total building</b>                  | <b>126,723</b> | <b>127,051</b> |
| <b>Total land and building</b>         | <b>133,223</b> | <b>133,551</b> |

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

|  | 2001<br>\$'000   | 2000<br>\$'000   |
|--|------------------|------------------|
| <b>NOTE 8B Plant and equipment</b>         |                  |                  |
| Plant and equipment—at June 1999 valuation | 6,405            | 6,493            |
| Accumulated depreciation                   | (1,379)          | (744)            |
|  | <b>5,026</b>     | <b>5,749</b>     |
| Plant and equipment—at cost                | 2,489            | 860              |
| Accumulated depreciation                   | (210)            | (52)             |
|  | <b>2,279</b>     | <b>808</b>       |
| <b>Total plant and equipment</b>           | <b>7,305</b>     | <b>6,557</b>     |
| <b>NOTE 8C National collection</b>         |                  |                  |
| National collection—at June 1998 valuation | -                | 1,318,405        |
| National collection—at June 2001 valuation | 1,519,672        | -                |
| Accumulated depreciation                   | -                | (3,028)          |
|  | <b>1,519,672</b> | <b>1,315,377</b> |
| National collection—at cost                | -                | 12,714           |
| Accumulated depreciation                   | -                | (224)            |
|  | -                | <b>12,490</b>    |
| <b>Total National collection</b>           | <b>1,519,672</b> | <b>1,327,867</b> |

The national collection was revalued as at 30 June 2001 in accordance with the policy stated at Note 1. The Australian Valuation Office completed the valuation and the officer responsible for the valuation project was Mr G. Addicott, FAPA, MRAPI. The collection was valued at \$1,519,672,000 and a revaluation increment of \$142,990,000 was made to the asset revaluation reserve. In addition assets not previously recognised have been valued at \$45,533,000 and recognised as other revenue (refer Note 4E).

The following materials were by their nature not capable of being reliably valued on a deprival basis and have been excluded from the valuation: contents of the Strong Room (iconic, restricted and unique material) and Asian Art Books (national language).

**NOTE 8D** Analysis of property, plant and equipment and intangibles

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

| Item   | Land<br>\$'000 | Buildings<br>\$'000 | Total land<br>and buildings<br>\$'000 | Library collections,<br>plant and equipment<br>\$'000 | Computer software<br>—Total intangibles<br>\$'000 | TOTAL<br>\$'000  |
|--|----------------|---------------------|---------------------------------------|---|---|------------------|
| <b>Gross value as at 1 July 2000</b>                                 | <b>6,500</b>   | <b>171,088</b>      | <b>177,588</b>                        | <b>1,338,472</b>                                      | <b>6,204</b>                                      | <b>1,522,264</b> |
| Additions—Purchase of assets   | -              | 2,080               | 2,080                                 | 52,149  | 162   | 54,391           |
| Revaluations: write-ups/(write-downs)                                | -              | -                   | -                                     | 138,040   | -   | 138,040          |
| Write-offs   | -              | -                   | -                                     | (95)  | (13)  | (108)            |
| Disposals  | -              | -                   | -                                     | -   | -   | -                |
| <b>Gross value as at 30 June 2001</b>                                | <b>6,500</b>   | <b>173,168</b>      | <b>179,668</b>                        | <b>1,528,566</b>                                      | <b>6,353</b>                                      | <b>1,714,587</b> |
| <b>Accumulated depreciation/<br/>amortisation as at 1 July 2000</b>  | <b>n/a</b>     | <b>44,037</b>       | <b>44,037</b>                         | <b>4,048</b>  | <b>1,735</b>                                      | <b>49,820</b>    |
| Disposals  | n/a            | -                   | -                                     | (58)  | (7)   | (65)             |
| Depreciation/amortisation charge for the year                        | n/a            | 2,408               | 2,408                                 | 2,549   | 1,190   | 6,147            |
| Revaluations: (write-ups)/write-downs                                | n/a            | -                   | -                                     | (4,950)   | -   | (4,950)          |
| Write-offs   | n/a            | -                   | -                                     | -   | -   | -                |
| <b>Accumulated depreciation/<br/>amortisation as at 30 June 2001</b> | <b>n/a</b>     | <b>46,445</b>       | <b>46,445</b>                         | <b>1,589</b>  | <b>2,918</b>                                      | <b>50,952</b>    |
| <b>Net book value at 30 June 2001</b>                                | <b>6,500</b>   | <b>126,723</b>      | <b>133,223</b>                        | <b>1,526,977</b>                                      | <b>3,435</b>                                      | <b>1,663,635</b> |
| <b>Net book value at 1 July 2000</b>                                 | <b>6,500</b>   | <b>127,051</b>      | <b>133,551</b>                        | <b>1,334,424</b>                                      | <b>4,469</b>                                      | <b>1,472,444</b> |

Net revaluation increments in the above table comprises:

- For Library collections—a net increment of \$142,990,000, in addition assets valued for the first time totalling \$45,533,000 have been recognised as additions.

**TABLE B** Summary of balances of assets at valuation as at 30 June 2001

| Item                                  | Land<br>\$'000 | Buildings<br>\$'000 | Total land<br>and buildings<br>\$'000 | Library collections,<br>plant and equipment<br>\$'000 | Computer software<br>—Total intangibles<br>\$'000 | TOTAL<br>\$'000  |
|---------------------------------------|----------------|---------------------|---------------------------------------|---|---|------------------|
| <b>As at 30 June 2001</b>             |                |                     |                                       |   |   |                  |
| Gross value                           | 6,500          | 171,000             | 177,500                               | 1,526,077   | -   | 1,703,577        |
| Accumulated depreciation/amortisation | n/a            | (46,362)            | (46,362)                              | (1,379)   | -   | (47,741)         |
| <b>Net book value</b>                 | <b>6,500</b>   | <b>124,638</b>      | <b>131,138</b>                        | <b>1,524,698</b>                                      | <b>-</b>  | <b>1,655,836</b> |
| <b>As at 30 June 2000</b>             |                |                     |                                       |   |   |                  |
| Gross value                           | 6,500          | 171,000             | 177,500                               | 1,324,898   | -   | 1,502,398        |
| Accumulated depreciation/amortisation | n/a            | (44,000)            | (44,000)                              | (3,772)   | -   | (47,772)         |
| <b>Net book value</b>                 | <b>6,500</b>   | <b>127,000</b>      | <b>133,500</b>                        | <b>1,321,126</b>                                      | <b>-</b>  | <b>1,454,626</b> |

**TABLE C** Summary of assets under construction as at 30 June 2001

| Item                                  | Land<br>\$'000 | Buildings<br>\$'000 | Total land<br>and buildings<br>\$'000 | Library collections,<br>plant and equipment<br>\$'000 | Computer software<br>—Total intangibles<br>\$'000 | TOTAL<br>\$'000 |
|---------------------------------------|----------------|---------------------|---------------------------------------|---|---|-----------------|
| <b>As at 30 June 2001</b>             |                |                     |                                       |   |   |                 |
| Gross value                           | -              | 1,386               | 1,386                                 | -   | -   | 1,386           |
| Accumulated depreciation/amortisation | -              | -                   | -                                     | -   | -   | -               |
| <b>Net book value</b>                 | <b>-</b>       | <b>1,386</b>        | <b>1,386</b>                          | <b>-</b>  | <b>-</b>  | <b>1,386</b>    |
| <b>As at 30 June 2000</b>             |                |                     |                                       |   |   |                 |
| Gross value                           | -              | -                   | -                                     | -   | -   | -               |
| Accumulated depreciation/amortisation | -              | -                   | -                                     | -   | -   | -               |
| <b>Net book value</b>                 | <b>-</b>       | <b>-</b>            | <b>-</b>                              | <b>-</b>  | <b>-</b>  | <b>-</b>        |

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

|   | 2001<br>\$'000 | 2000<br>\$'000 |
|---|----------------|----------------|
| <b>NOTE 8E Inventories</b>                          |                |                |
| Inventories held for sale (at cost)                 | 437            | 438            |
| Inventories held for sale (at net realisable value) | 182            | 127            |
| Work in progress (at cost)                          | 110            | 131            |
| Inventories held for sale                           | <b>729</b>     | <b>696</b>     |
| Inventories not held for sale (at cost)             | 52             | 37             |
| <b>Total</b>  | <b>781</b>     | <b>733</b>     |

The value of inventories that are non-current assets is \$332,112.

**NOTE 8F Intangible assets**

|                          |              |              |
|--------------------------|--------------|--------------|
| Computer software        | 6,353        | 6,204        |
| Accumulated amortisation | (2,918)      | (1,735)      |
| <b>Total</b>             | <b>3,435</b> | <b>4,469</b> |

**NOTE 8G Other non-financial assets**

|                    |              |              |
|--------------------|--------------|--------------|
| <b>Prepayments</b> | <b>1,594</b> | <b>1,423</b> |
|--------------------|--------------|--------------|

**NOTE 8H Special categories of assets**

The National Library building and land are categorised as restricted assets under Schedule 1 of the Commonwealth Authorities and Companies (Financial Statements 2000–2001) Orders. Restricted assets include those assets, which cannot be redeployed or disposed because of legal or government policy constraints. Specifically, the Library does not have the power to dispose of either the Library building or land upon which it stands. The value of the building and land is fully disclosed in Note 8A.

**NOTE****9****PROVISIONS AND PAYABLES****NOTE 9A Liabilities to employees**

|   |              |              |
|---|--------------|--------------|
| Salaries and wages                              | 692          | 645          |
| Leave   | 8,076        | 7,627        |
| Superannuation                                  | 99           | 73           |
| <b>Aggregate employee entitlement liability</b> | <b>8,867</b> | <b>8,345</b> |

**NOTE 9B Suppliers**

|                         |              |              |
|-------------------------|--------------|--------------|
| Trade creditors         | 3,275        | 1,065        |
| Operating lease rentals | 142          | 164          |
|                         | <b>3,417</b> | <b>1,229</b> |

**NOTE 9C Grants liabilities**

|                                  |           |          |
|----------------------------------|-----------|----------|
| Individuals—Harold White Fellows | 14        | -        |
|                                  | <b>14</b> | <b>-</b> |

**NOTE 9D Other**

|                     |            |            |
|---------------------|------------|------------|
| Non-trade creditors | 260        | 198        |
| Prepaid income      | 15         | 43         |
|                     | <b>275</b> | <b>241</b> |

## NOTE 10

## EQUITY

| Item                                   | Capital<br>\$'000 |                | Accumulated results<br>\$'000 |                  | Asset revaluation<br>reserve \$'000 |                | TOTAL EQUITY<br>\$'000 |                  |
|--|-------------------|----------------|-------------------------------|------------------|-------------------------------------|----------------|------------------------|------------------|
|  | 2001<br>\$'000    | 2000<br>\$'000 | 2001<br>\$'000                | 2000<br>\$'000   | 2001<br>\$'000                      | 2000<br>\$'000 | 2001<br>\$'000         | 2000<br>\$'000   |
| <b>Balance as at 1 July 2000</b>       | <b>1,030</b>      | <b>-</b>       | <b>1,365,015</b>              | <b>1,361,388</b> | <b>108,219</b>                      | <b>110,228</b> | <b>1,474,264</b>       | <b>1,471,616</b> |
| Operating result                       | -                 | -              | 224,343                       | 180,231          | -                                   | -              | 224,343                | 180,231          |
| Net revaluations increases/(Decreases) | -                 | -              | -                             | -                | 142,990                             | (2,009)        | 142,990                | (2,009)          |
| Transfers to/(from) Reserves           | -                 | -              | -                             | -                | -                                   | -              | -                      | -                |
| Equity appropriation capital           | 1,030             | 1,030          | -                             | -                | -                                   | -              | 1,030                  | 1,030            |
| Capital Use Charge                     | -                 | -              | (177,326)                     | (176,604)        | -                                   | -              | (177,326)              | (176,604)        |
| Changes in accounting policies         | -                 | -              | -                             | -                | -                                   | -              | -                      | -                |
| <b>Balance as at 30 June 2001</b>      | <b>2,060</b>      | <b>1,030</b>   | <b>1,412,032</b>              | <b>1,365,015</b> | <b>251,209</b>                      | <b>108,219</b> | <b>1,665,301</b>       | <b>1,474,264</b> |

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

## NOTE 11

NON-CASH FINANCING AND  
INVESTING ACTIVITIES

|  | 2001<br>\$'000 | 2000<br>\$'000 |
|--|----------------|----------------|
| National collection material received free of charge | 46,944         | 1,110          |

## NOTE 12

## CASH FLOW RECONCILIATION

*Reconciliation of Operating Surplus to Net Cash Provided by Operating Activities:*

|  |                |                |
|--|----------------|----------------|
| Operating surplus (deficit) before extraordinary items | 224,343        | 180,231        |
| Extraordinary items                                    | -              | -              |
| <b>Operating surplus/(deficit)</b>                     | <b>224,343</b> | <b>180,231</b> |
| Bad and doubtful debts                                 | 3              | 12             |
| Depreciation and amortisation                          | 6,147          | 5,761          |
| Loss/(Gain) on disposal of fixed assets                | 34             | 34             |
| Resources received free of charge: non-government      | (49,027)       | (2,891)        |
| Notional expenditure library materials                 | 1,933          | 1,577          |
| Write-off of non-current assets                        | 152            | 59             |
| <b>Changes in assets and liabilities</b>               |                |                |
| (Increase)/decrease in receivables                     | (847)          | (717)          |
| (Increase)/decrease in other assets                    | (219)          | 270            |
| Increase/(decrease) in grant liabilities               | 14             | -              |
| Increase/(decrease) in other liabilities               | 34             | 151            |
| Increase/(decrease) in capital use charge              | 1              | 25             |
| Increase/(decrease) in liability to suppliers          | 2,188          | 733            |
| Increase/(decrease) in accrued salaries and wages      | 73             | 130            |
| Increase/(decrease) in employee provisions             | 449            | 997            |
| <b>Net cash provided by operating activities</b>       | <b>185,278</b> | <b>186,372</b> |

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

NOTE 13

REMUNERATION OF  
COUNCIL MEMBERS

|   | 2001<br>\$ | 2000<br>\$ |
|---|------------|------------|
| Total remuneration received or due and receivable by the Council members of the Library               | 84,635     | 85,885     |
| The number of Council members whose total remuneration was within the following bands are as follows: |            |            |
| \$Nil-\$10,000  | 8          | 9          |
| \$10,001-\$20,000   | 6          | 2          |
|   | 14         | 11         |

The above disclosure excludes the Director-General, who is an executive member of the Council and the remuneration is disclosed in Note 15. These payments are determined by the Remuneration Tribunal and paid in accordance with Sections 13 and 17A of the *National Library Act 1960*.

NOTE 14

RELATED PARTY DISCLOSURES

NATIONAL LIBRARY COUNCIL

Members of the Council during the year were:

J.K. Bain (Chairman) to 26 June 2001  
 J. Gobbo (Chairman) from 27 June 2001  
 A. D. Robson (Deputy Chair)  
 S. Bambrick  
 D. Bourke  
 V. Fanning to 25 November 2000  
 M. Ferguson  
 N. McCann  
 M. Paul to 25 November 2000  
 W. Pelz  
 C. Rubenstein from 27 February 2001  
 N.R. Stevens to 25 November 2000  
 J. Tierney  
 I. Watt from 30 May 2001  
 J. Fullerton (Director-General and Executive member of Council)

The aggregate remuneration of Council members is disclosed in Note 13.

TRANSACTIONS WITH COUNCIL MEMBERS  
OR COUNCIL MEMBER RELATED ENTITIES

No members of the Council have, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Council members shown in the financial statements) by reason of a contract made by the National Library with the Council member or an entity in which she/he has a substantial financial interest.

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

## NOTE 15

## REMUNERATION OF OFFICERS

|  | 2001<br>\$ | 2000<br>\$ |
|--|------------|------------|
| Income received or due and receivable by officers  | 1,372,427  | 1,106,103  |
| The number of officers included in these figures are shown below in the relevant income bands: |            |            |
| \$100,000-\$110,000  | -          | -          |
| \$110,001-\$120,000  | 1          | -          |
| \$120,001-\$130,000  | 1          | 4          |
| \$130,001-\$140,000  | 2          | 1          |
| \$140,001-\$150,000  | 1          | 2          |
| \$150,001-\$160,000  | 2          | -          |
| \$190,001-\$200,000  | 1          | -          |
| \$210,001-\$220,000  | 1          | 1          |
|  | <b>9</b>   | <b>8</b>   |

The officer remuneration includes all officers concerned with or taking part in the management of the Library during 2000-01 provided that their remuneration equals or exceeds \$100,000 and includes the Director-General.

## NOTE 16

## REMUNERATION OF AUDITORS

|   |        |        |
|---|--------|--------|
| Remuneration to the Auditor-General for auditing the financial statements for the reporting period. | 43,000 | 40,500 |
|---|--------|--------|

No other services were provided by the Auditor-General during the reporting period.

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

NOTE 17

TRUST MONEY

The Library operates a number of trust funds to account for donations and income from the application of donated funds. These funds operate under formal trust arrangements and funds are only expended in accordance with the terms of trusts, accordingly these moneys are not recognised in the financial statements. The following is a brief comment on each fund currently in operation:

|  | 2001<br>\$'000 | 2000<br>\$'000 |
|--|----------------|----------------|
| (a) The Morris West Trust Fund was funded by the author Morris West. The fund is used for the publication of material owned by the Library.  |                |                |
| Balance 1 July   | 530            | 493            |
| Deposits during the year   | 35             | 5              |
|  | <b>565</b>     | <b>498</b>     |
| Interest received  | 27             | 32             |
|  | <b>592</b>     | <b>530</b>     |
| Expenditure during the year  | (123)          | -              |
| <b>Balance at 30 June</b>  | <b>469</b>     | <b>530</b>     |
| (b) The General Trust Fund comprises donations received for general purposes or where no purpose is specified by the donor.  |                |                |
| Balance 1 July   | 453            | 431            |
| Deposits during the year   | 108            | 14             |
|  | <b>561</b>     | <b>445</b>     |
| Interest received  | 25             | 26             |
|  | <b>586</b>     | <b>471</b>     |
| Expenditure during the year  | (110)          | (18)           |
| <b>Balance at 30 June</b>  | <b>476</b>     | <b>453</b>     |
| (c) The Kenneth Baillieu Myer Trust is a bequest from the late Kenneth Baillieu Myer for the purposes of the Kenneth Myer Annual Oration as held by the Library and for such other purpose as may be considered appropriate by the Director-General. |                |                |
| Balance 1 July   | 97             | 101            |
| Deposits during the year   | 1              | -              |
|  | <b>98</b>      | <b>101</b>     |
| Interest received  | 4              | 6              |
|  | <b>102</b>     | <b>107</b>     |
| Expenditure during the year  | (11)           | (10)           |
| <b>Balance at 30 June</b>  | <b>91</b>      | <b>97</b>      |

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

|   | 2001<br>\$'000 | 2000<br>\$'000 |
|---|----------------|----------------|
| (d) The E.A. & V.I. Crome Trust is a bequest by the late E.A. Crome for the maintenance and addition to the E.A. & V.I. Crome Collection.   |                |                |
| Balance 1 July  | 164            | 155            |
| Deposits during the year  | -              | -              |
|   | <b>164</b>     | <b>155</b>     |
| Interest received   | 8              | 9              |
|   | <b>172</b>     | <b>164</b>     |
| Expenditure during the year   | -              | -              |
| <b>Balance at 30 June</b>   | <b>172</b>     | <b>164</b>     |
| (e) The Acquisition Trust Fund comprises donations received specifically for the acquisition of library material.                           |                |                |
| Balance 1 July  | 53             | 51             |
| Deposits during the year  | -              | -              |
|   | <b>53</b>      | <b>51</b>      |
| Interest received   | 2              | 2              |
|   | <b>55</b>      | <b>53</b>      |
| Expenditure during the year   | (9)            | -              |
| <b>Balance at 30 June</b>   | <b>46</b>      | <b>53</b>      |
| (f) The H.S. Williams Trust is a bequest from the late Harold S. Williams for the maintenance and addition to the H.S. Williams Collection. |                |                |
| Balance 1 July  | 23             | 25             |
| Deposits during the year  | -              | -              |
|   | <b>23</b>      | <b>25</b>      |
| Interest received   | 1              | 1              |
|   | <b>24</b>      | <b>26</b>      |
| Expenditure during the year   | -              | (3)            |
| <b>Balance at 30 June</b>   | <b>24</b>      | <b>23</b>      |
| (g) The Dame Mary Gilmore Trust Account is a specific bequest from the late Dame Mary Gilmore.  |                |                |
| Balance 1 July  | 9              | 8              |
| Deposits during the year  | -              | -              |
|   | <b>9</b>       | <b>8</b>       |
| Interest received   | -              | 1              |
|   | <b>9</b>       | <b>9</b>       |
| Expenditure during the year   | -              | -              |
| <b>Balance at 30 June</b>   | <b>9</b>       | <b>9</b>       |

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

## NOTE 18

## APPROPRIATIONS

The Library received the following appropriations during the year out of the Consolidated Revenue Fund.

|   | 2001<br>\$'000 | 2000<br>\$'000 |
|---|----------------|----------------|
| Annual Appropriation Act No 1, 3—basic appropriations | 215,573        | 214,523        |
| Annual Appropriation Acts No. 2—equity injection      | 1,030          | 1,030          |
| <b>Total</b>  | <b>216,603</b> | <b>215,553</b> |

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

## NOTE 19

## FINANCIAL INSTRUMENTS

## NOTE 19A Terms, conditions and accounting policies

| Financial Instrument               | Notes | Accounting Policies and Methods<br>(including recognition criteria and measurement basis)  | Nature of underlying instrument<br>(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.  |  |
| Deposits at call                   | 7A    | Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.   | Temporary surplus funds, mainly from revenue and monthly drawdowns of appropriations, are placed on deposit at call with the Library's bankers. Interest is earned on the daily balance at the prevailing daily rate for money on call and is paid at month end. |
| Receivables for goods and services | 7B    | These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Provisions are made when collection of debt is judged to be less rather than more likely.   | Credit terms are net 30 days (1999-00: 30 days).   |
| Other debtors                      | 7B    | As for receivables for goods and services.   | As for receivables for goods and services.   |
| Term deposit                       | 7A    | Term deposits are recognised at cost. Interest is credited as it accrues.  | Term deposits are with the Library's bank and interest is paid annually. The effective rate of interest is 4.15 per cent.  |
| 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.  |  |
| Trade creditors                    | 9B    | Creditors and accruals are recognised at their nominal amounts, being the amounts at which liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). | Settlement is usually made net of 30 days.   |

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

**NOTE 19B 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 2 years    | 2 to 5 years    | > 5 years       |                      |                  |  |      |
|   |       | 00-01<br>\$'000        | 99-00<br>\$'000     | 00-01<br>\$'000 | 99-00<br>\$'000 | 00-01<br>\$'000 | 99-00<br>\$'000      | 00-01<br>%       | 99-00<br>%                               |      |
| <b>Financial Assets (Recognised)</b>            |       |                        |                     |                 |                 |                 |                      |                  |  |      |
| Cash at bank                                    | 7A    | 7,002                  | 5,587               | -               | -               | -               | 7,002                | 5,587            | 4.88                                     | 4.41 |
| Cash on hand                                    | 7A    | -                      | -                   | -               | -               | 6               | 3                    | n/a              | n/a                                      | n/a  |
| Deposits at call                                | 7A    | 2,282                  | 2,158               | -               | -               | -               | 2,282                | 2,158            | 5.63                                     | 4.87 |
| Receivables for goods and services              | 7B    | -                      | -                   | -               | -               | 1,960           | 1,642                | 1,960            | n/a                                      | n/a  |
| Other debtors                                   | 7B    | -                      | -                   | -               | -               | 9               | 20                   | 9                | n/a                                      | n/a  |
| Term deposit                                    | 7A    | -                      | -                   | 80              | 80              | -               | 80                   | 80               | 6.40                                     | 5.58 |
| <b>Total Financial Assets (Recognised)</b>      |       | <b>9,294</b>           | <b>7,745</b>        | <b>80</b>       | <b>80</b>       | <b>1,975</b>    | <b>1,665</b>         | <b>11,339</b>    | <b>9,490</b>                             |      |
| <b>Total assets</b>                             |       |                        |                     |                 |                 |                 |                      | <b>1,677,900</b> | <b>1,484,104</b>                         |      |
| <b>Financial Liabilities (Recognised)</b>       |       |                        |                     |                 |                 |                 |                      |                  |  |      |
| Trade creditors                                 | 9B    | -                      | -                   | -               | -               | 3,275           | 1,065                | 3,275            | 1,065                                    | n/a  |
| <b>Total Financial Liabilities (Recognised)</b> |       | <b>-</b>               | <b>-</b>            | <b>-</b>        | <b>-</b>        | <b>3,275</b>    | <b>1,065</b>         | <b>3,275</b>     | <b>1,065</b>                             |      |
| <b>Total Liabilities</b>                        |       |                        |                     |                 |                 |                 |                      | <b>12,599</b>    | <b>9,840</b>                             |      |

NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

**NOTE 19C Net Fair Value of Financial Assets and Liabilities**

|   | Note | 2000-01                      |                                 | 1999-00                      |                                 |
|---|------|------------------------------|---------------------------------|------------------------------|---------------------------------|
|   |      | Total carrying amount \$'000 | Aggregate net fair value \$'000 | Total carrying amount \$'000 | Aggregate net fair value \$'000 |
| <b>Financial Assets</b>                         |      |                              |                                 |                              |                                 |
| Cash at bank                                    | 7A   | 7,002                        | 7,002                           | 5,587                        | 5,587                           |
| Cash on hand                                    | 7A   | 6                            | 6                               | 3                            | 3                               |
| Deposits at call                                | 7A   | 2,282                        | 2,282                           | 2,158                        | 2,158                           |
| Receivables for goods and services              | 7B   | 1,960                        | 1,960                           | 1,642                        | 1,642                           |
| Other debtors                                   | 7B   | 9                            | 9                               | 20                           | 20                              |
| Term deposit                                    | 7A   | 80                           | 80                              | 80                           | 80                              |
| <b>Total Financial Assets</b>                   |      | <b>11,339</b>                | <b>11,339</b>                   | <b>9,490</b>                 | <b>9,490</b>                    |
| <b>Financial Liabilities (Recognised)</b>       |      |                              |                                 |                              |                                 |
| Trade creditors                                 | 9B   | 3,275                        | 3,275                           | 1,065                        | 1,065                           |
| <b>Total Financial Liabilities (Recognised)</b> |      | <b>3,275</b>                 | <b>3,275</b>                    | <b>1,065</b>                 | <b>1,065</b>                    |

*Financial Assets*

The net fair values of cash, deposits on call and non-interest-bearing monetary financial assets approximate their carrying amounts. None of the classes of financial assets are readily traded on organised markets in standardised form.

*Financial Liabilities*

The net fair values for trade creditors, which are short term in nature, are approximated by their carrying amounts. None of the classes of financial liabilities are readily traded on organised markets in standardised form.

**NOTE 19D Credit Risk Exposures**

The Library's maximum exposures 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 Statements of Assets and Liabilities. The Library has no significant exposures to any concentrations of credit risk. The Library does not hold collateral or other security and therefore the figures for credit risk represent the maximum credit risk exposure.