

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 \$000	ACTUAL \$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 \$'000	2000 \$'000
NOTE 4A Revenues from Government		
Appropriations – operating expenses	38,397	38,403
Appropriations – Capital Use Charge	177,176	176,120
Total	215,573	214,523

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
Total	8,953	8,598

NOTE 4C Interest

Deposits	5,987	4,739
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NOTE 4D Proceeds and expenses from sale of assets

Revenue (proceeds) from sale	9	12
Expense from sale	(43)	(46)
Total	34	34

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
Total	49,454	3,341

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

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
Total	22,002	19,958

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
Total expense	6,147	5,761

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
Total allocated	6,147	5,761

NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

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

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
Total	175	138

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
	9,370	7,828
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Balance of cash as at 30 June shown in the Statement of Cash Flows	9,370	7,828

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 \$'000	2000 \$'000
NOTE 7B Receivables		
Goods and services	1,990	1,669
Provision for doubtful debts	(30)	(27)
	1,960	1,642
Other debtors	9	20
GST receivable	551	14
Total	2,520	1,676
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
	85	100
Total receivables (gross)	2,550	1,703

NOTE

8

NON-FINANCIAL ASSETS

NOTE 8A Land and building

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

NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

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

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 \$'000	Buildings \$'000	Total land and buildings \$'000	Library collections, plant and equipment \$'000	Computer software —Total intangibles \$'000	TOTAL \$'000
Gross value as at 1 July 2000	6,500	171,088	177,588	1,338,472	6,204	1,522,264
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	-	-	-	-	-	-
Gross value as at 30 June 2001	6,500	173,168	179,668	1,528,566	6,353	1,714,587
Accumulated depreciation/ amortisation as at 1 July 2000	n/a	44,037	44,037	4,048	1,735	49,820
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	-	-	-	-	-
Accumulated depreciation/ amortisation as at 30 June 2001	n/a	46,445	46,445	1,589	2,918	50,952
Net book value at 30 June 2001	6,500	126,723	133,223	1,526,977	3,435	1,663,635
Net book value at 1 July 2000	6,500	127,051	133,551	1,334,424	4,469	1,472,444

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 \$'000	Buildings \$'000	Total land and buildings \$'000	Library collections, plant and equipment \$'000	Computer software —Total intangibles \$'000	TOTAL \$'000
As at 30 June 2001						
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)
Net book value	6,500	124,638	131,138	1,524,698	-	1,655,836
As at 30 June 2000						
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)
Net book value	6,500	127,000	133,500	1,321,126	-	1,454,626

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

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

NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

	2001 \$'000	2000 \$'000
NOTE 8E Inventories		
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	729	696
Inventories not held for sale (at cost)	52	37
Total	781	733

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)
Total	3,435	4,469

NOTE 8G Other non-financial assets

Prepayments	1,594	1,423
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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
Aggregate employee entitlement liability	8,867	8,345

NOTE 9B Suppliers

Trade creditors	3,275	1,065
Operating lease rentals	142	164
	3,417	1,229

NOTE 9C Grants liabilities

Individuals—Harold White Fellows	14	-
	14	-

NOTE 9D Other

Non-trade creditors	260	198
Prepaid income	15	43
	275	241

NOTE 10

EQUITY

Item	Capital \$'000		Accumulated results \$'000		Asset revaluation reserve \$'000		TOTAL EQUITY \$'000	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Balance as at 1 July 2000	1,030	-	1,365,015	1,361,388	108,219	110,228	1,474,264	1,471,616
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	-	-	-	-	-	-	-	-
Balance as at 30 June 2001	2,060	1,030	1,412,032	1,365,015	251,209	108,219	1,665,301	1,474,264

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 \$'000	2000 \$'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	-	-
Operating surplus/(deficit)	224,343	180,231
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
Changes in assets and liabilities		
(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
Net cash provided by operating activities	185,278	186,372

NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

NOTE 13

REMUNERATION OF
COUNCIL MEMBERS

	2001 \$	2000 \$
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 \$	2000 \$
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
	9	8

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
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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 \$'000	2000 \$'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
	565	498
Interest received	27	32
	592	530
Expenditure during the year	(123)	-
Balance at 30 June	469	530
(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
	561	445
Interest received	25	26
	586	471
Expenditure during the year	(110)	(18)
Balance at 30 June	476	453
(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	-
	98	101
Interest received	4	6
	102	107
Expenditure during the year	(11)	(10)
Balance at 30 June	91	97

NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

	2001 \$'000	2000 \$'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	-	-
	164	155
Interest received	8	9
	172	164
Expenditure during the year	-	-
Balance at 30 June	172	164
(e) The Acquisition Trust Fund comprises donations received specifically for the acquisition of library material.		
Balance 1 July	53	51
Deposits during the year	-	-
	53	51
Interest received	2	2
	55	53
Expenditure during the year	(9)	-
Balance at 30 June	46	53
(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	-	-
	23	25
Interest received	1	1
	24	26
Expenditure during the year	-	(3)
Balance at 30 June	24	23
(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	-	-
	9	8
Interest received	-	1
	9	9
Expenditure during the year	-	-
Balance at 30 June	9	9

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 \$'000	2000 \$'000
Annual Appropriation Act No 1, 3—basic appropriations	215,573	214,523
Annual Appropriation Acts No. 2—equity injection	1,030	1,030
Total	216,603	215,553

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 (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial assets		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
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	99-00	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%	
Financial Assets (Recognised)		00-01	99-00	00-01	99-00	00-01	99-00	00-01	99-00	00-01	99-00
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%
Cash at bank	7A	7,002	5,587	-	-	-	-	7,002	5,587	4.88	4.41
Cash on hand	7A	-	-	-	-	-	6	6	3	n/a	n/a
Deposits at call	7A	2,282	2,158	-	-	-	2,282	2,158	2,158	5.63	4.87
Receivables for goods and services	7B	-	-	-	-	-	1,960	1,960	1,642	n/a	n/a
Other debtors	7B	-	-	-	-	-	9	9	20	n/a	n/a
Term deposit	7A	-	-	80	80	-	80	80	80	6.40	5.58
Total Financial Assets (Recognised)		9,294	7,745	80	80	-	1,975	11,339	9,490		
Total assets								1,677,900	1,484,104		
Financial Liabilities (Recognised)											
Trade creditors	9B	-	-	-	-	-	3,275	3,275	1,065	n/a	n/a
Total Financial Liabilities (Recognised)		-	-	-	-	-	3,275	3,275	1,065		
Total Liabilities								12,599	9,840		

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
Financial Assets					
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
Total Financial Assets		11,339	11,339	9,490	9,490
Financial Liabilities (Recognised)					
Trade creditors	9B	3,275	3,275	1,065	1,065
Total Financial Liabilities (Recognised)		3,275	3,275	1,065	1,065

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.