



**WRITE A WISE SAYING AND YOUR
NAME WILL LIVE FOREVER**

ANONYMOUS

SEARCH: Laughing

**SOLDIERS LAUGHING AT A
PERFORMANCE BY JOE E. BROWN**

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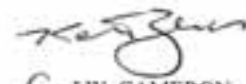
DISCLOSURE INDEX

The Annual Report of the State Library of Victoria is prepared in accordance with the Financial Management Act 1994 and the Directions of the Minister for Finance. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

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FINANCIAL STATEMENTS

Auditor-General's Report

AUDITOR GENERAL VICTORIA	
AUDITOR-GENERAL'S REPORT	
To the Members of the Parliament of Victoria, responsible Ministers and Members of the Library Board of Victoria	
Audit Scope	
<p>The accompanying financial report of the Library Board of Victoria for the financial year ended 30 June 2004, comprising a statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements, has been audited. The financial report includes the consolidated financial statements of the economic entity, comprising the Library Board of Victoria and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 1(c) to the financial statements. The Members of the Board are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, responsible Ministers and Members of the Board as required by the <i>Audit Act 1994</i>.</p>	
<p>The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, 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 report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the <i>Financial Management Act 1994</i>, so as to present a view which is consistent with my understanding of the Board's and the economic entity's financial position, and their financial performance and cash flows.</p>	
The audit opinion expressed in this report has been formed on the above basis.	
Audit Opinion	
<p>In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the <i>Financial Management Act 1994</i>, the financial position of the Library Board of Victoria and the economic entity as at 30 June 2004 and their financial performance and cash flows for the year then ended.</p>	
MELBOURNE 15 September 2004	 For I.W. CAMERON Auditor-General
<p>Victorian Auditor-General's Office Level 34, 140 William Street, Melbourne Victoria 3000 Telephone (03) 8601 7000 Facsimile (03) 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au</p>	
Auditing in the Public Interest	

Library Board of Victoria



LIBRARY BOARD OF VICTORIA

In the opinion of the members of the Library Board of Victoria, the accompanying Financial Statements comprising the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows, and the accompanying notes thereto, present fairly the result of the operations and cash flows of the Library Board of Victoria for the year ended 30 June 2004 and the financial position of the Board at that date in accordance with Australian Accounting Standards and comply with the Financial Management Act 1994.

At the date of signing the Annual Financial Statements we are not aware of any circumstances which would render any particulars included in the Statements to be misleading or inaccurate.

Sam Lipski
President

Julian Stock
Board Member
Chair Finance Committee

Paul Read
Chief Finance and
Accounting Officer

Date 1.9.2004

Date 1.9.2004

Date 1.9.2004

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Current Assets					
Cash Assets	2	1,546	1,839	1,433	989
Receivables	3	479	951	479	981
Other financial assets	4	22,094	16,690	14,000	11,500
Other	5	416	516	416	516
Total Current Assets		24,535	19,996	16,328	13,986
Non-Current Assets					
Property, Plant & Equipment	6	393,627	384,353	393,627	384,353
Library Collections	7	304,528	303,098	304,528	303,098
Deferred Expenditure	8	550	600	550	600
Total Non-Current Assets		698,705	688,051	698,705	688,051
Total Assets		723,240	708,047	715,033	702,037
Current Liabilities					
Payables	9	3,403	2,267	3,419	2,267
Interest Bearing Liabilities	10	13	45	13	45
Provisions	11	2,032	1,833	2,032	1,833
Total Current Liabilities		5,448	4,145	5,464	4,145
Non-Current Liabilities					
Provisions	11	2,634	2,323	2,634	2,323
Interest Bearing Liabilities	10	93	-	93	-
Total Non-Current Liabilities		2,727	2,323	2,727	2,323
Total Liabilities		8,175	6,468	8,191	6,468
Net Assets		715,065	701,579	706,842	695,569
Equity					
Contributed Capital	1 (b),12(a)	534,688	526,623	534,688	526,623
Asset Revaluation Reserve	12(c)	152,997	152,997	152,997	152,997
General Reserve	12 (d)	1,000	1,000	1,000	1,000
Donations and Bequests Reserve	12(e),13	9,215	7,400	1,737	1,843
Specific Purpose Grants Reserve	12(f),14	7,704	5,921	6,959	5,468
Accumulated Surplus	1 (b),12(b)	9,461	7,638	9,461	7,638
Total Equity	12(g)	715,065	701,579	706,842	695,569

Values are rounded to nearest thousand.

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004**

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Revenue from ordinary activities					
Output appropriation					
- Current Nature	15	26,823	26,355	26,823	26,355
- Depreciation Equivalent	1(b)	6,287	6,287	6,287	6,287
- Capital Asset Charge	1(k)	35,638	32,095	35,638	32,095
Trading	16	3,285	3,007	3,276	2,973
Externally Funded Projects	17	8,010	3,970	8,010	3,970
Donations and Bequests	18	2,946	3,617	1,489	2,437
Investment Revenue	19(a)	1,090	903	719	646
Realised/Unrealised Capital Gains	19(b)	761	-	-	-
Other Revenue	19(c)	15	4	15	4
		84,855	76,238	82,257	74,767
Expenses from ordinary activities					
Salaries and Related Expenses	20	22,182	20,605	21,992	20,450
Buildings and Facilities	21	4,161	3,527	4,161	3,527
Bad & Doubtful Debts	1(d)	-	8	-	8
Professional and Finance	22	1,115	1,255	1,076	1,190
Realised/Unrealised Capital Losses	19(b)	35	194	-	-
Borrowing Costs	23	2	15	2	15
Grants Distributed	24	1,912	2,198	1,912	2,198
Government Capital Assets Charge	1(k)	35,638	32,095	35,638	32,095
Other Expenses from Ordinary Activities	25	8,556	5,714	8,435	5,435
Depreciation	1(h)	5,780	4,463	5,780	4,458
Amortisation	1(f)	50	50	50	50
Revaluation Decrement	1(g)	-	2,398	-	2,398
Donations	26	-	-	-	1,064
Asset Disposals	27	3	21	3	21
		79,434	72,543	79,049	72,909
Surplus from ordinary activities		5,421	3,695	3,208	1,858
Net Increase in Asset Revaluation Reserve		-	112,952	-	112,952
Total changes in equity other than those resulting from transactions with Victorian Government in its capacity as owner		5,421	116,647	3,208	114,810

The above Statement of Financial Performance should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS FOR
THE YEAR ENDED 30 JUNE 2004**

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Cash Flows from Operating Activities					
Receipts from Government					
Government Appropriation for the provision of outputs					
Current Nature		26,823	26,355	26,823	26,355
Receipts from other entities					
Donations (other than in kind) & Bequests		2,310	2,868	853	1,688
Trading Receipts		3,375	2,612	3,339	2,570
Other Revenue		-	51	-	51
Grants		8,010	3,970	8,010	3,970
Borrowing Cost Expense		(2)	(14)	(2)	(14)
Payments to suppliers and employees		(35,265)	(34,898)	(34,899)	(33,667)
Net Cash Inflow from Operating Activities	30(b)	5,251	2,741	4,124	953
Cash Flows from Investing Activities					
Capital Contribution from State Government		400	400	400	400
Proceeds from/(Payments for) Investments		(977)	522	746	575
Proceeds from the Sale of Fixed Assets		15	4	15	4
Payment for Equipment		(320)	(555)	(320)	(555)
Payment for Library Collection		(1,974)	(2,244)	(1,974)	(2,244)
Net Cash Outflow from Investing Activities		(2,856)	(1,873)	(1,133)	(1,820)
Cash Flows from Financing Activities					
Repayment of Finance Lease		(47)	(171)	(47)	(171)
Net Cash Outflow from Financing Activities		(47)	(171)	(47)	(171)
Net Increase/(Decrease) in Cash Held		2,348	697	2,944	(1,038)
Cash Held at Beginning of the Financial Year		15,632	14,935	12,489	13,527
Cash Held at End of the Financial Year	30(a)	17,980	15,632	15,433	12,489

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

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1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Accounts

The financial report of the Library Board of Victoria (reflecting consolidation of the State Library of Victoria and the State Library of Victoria Foundation) is a general purpose financial report that has been prepared in accordance with the Financial Management Act 1994, Australian Accounting Standards, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group Consensus Views. All Accounting Standards have been applied in a manner consistent with prior years unless otherwise specified.

The financial report has been prepared in accordance with the historical cost convention, except for certain assets and liabilities which, as noted, are at fair value. The accounting policies adopted, and the classification and presentation of items, are consistent with those of the previous year, except where a change is required to comply with an Australian Accounting Standard or Urgent Issues Group Consensus View, or where an alternative accounting policy permitted by an Australian Accounting Standard is adopted to improve the relevance and reliability of the financial statements. Where practicable, comparative amounts are presented and classified on a basis consistent with the current year.

Revenue has been recognised on a receipt basis with the exception of notified grants and interest on investments not received at balance date, which have been brought to account on an accrual basis.

b) Contributed Capital

Redevelopment funding provided by Government, with the exception of the component provided from Depreciation Equivalent – Asset Investment Funding, has been designated as contributed capital in accordance with the requirements of the Financial Reporting Direction 2. The component provided from Depreciation Equivalent – Asset Investment Funding has been recognised as revenue.

Capital funding provided by the State Government for a statewide network infrastructure project has been recognised as contributed capital. The accounting treatment complies with Urgent Issues Group Abstract 38 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and Accounting and Financial Reporting Bulletin No 39 *Accounting for Contributed Capital*.

c) Principles of Consolidation

The assets, liabilities, revenues and expenses of the State Library of Victoria Foundation have been included at the values shown in the audited Annual Financial Statements. Any inter-entity transactions have been eliminated on consolidation.

d) Debtors

All debtors are recognised at the amount receivable as they are due for settlement at no more than 30 days from the date of recognition. The provision for doubtful debts has been determined by fully providing for all debts older than 91 days.

e) Other Financial Assets

Board investments are valued at market value. Movement in value is recognised both as realised and unrealised gains or losses. State Library of Victoria investments are fixed capital investments such as government bonds, bank deposits or bank bills. The State Library of Victoria Foundation investments include equities listed on the Australian Stock Exchange. Interest and dividends received are accounted for as revenue.

f) Deferred Expenditure

Deferred expenditure represents the purchase of 270,000 volumes of space in a CAVAL Archival and Research Materials (CARM) Centre. Amortisation has been charged to match the deferred expenditure against its economic useful life. Amortisation is calculated using the straight-line method over 20 years.

g) Revaluation of Non-Current Assets

Subsequent to the initial recognition as assets, non-current physical assets, other than plant and equipment, are measured at fair value. Plant and equipment are measured at cost. Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at reporting date. Revaluations are assessed annually and supplemented by independent assessments, at least every three years. Revaluations are conducted in accordance with the Victorian Government Policy – Revaluation of Non-Current Physical Assets.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets.

Valuation of the Library collection as at 30 November 2002 was conducted by Barbara Hince of Kenneth Hince Old and Fine Books Pty Ltd who were responsible for the initial collection valuation in 1997. The collection has been assessed on fair market value basis as reflected by market evidence. This valuation and the cost of additions since 30 November 2002 are considered to reflect fair value at 30 June 2003.

Valuation of land and buildings as at 1 January 2003 was conducted by the Australian Valuation Office who were responsible for previous Library valuations. Land has been valued at market value and buildings valued at depreciated replacement cost of a modern equivalent.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

h) Depreciation of Property, Plant and Equipment and Library Collection

Unless otherwise stated, depreciation has been charged on non-current assets (except Land and heritage collections) at rates assessed to match the cost of the assets against their estimated economic lives to the Library. Depreciation is calculated using the straight-line method. Depreciation has been charged on the Library buildings recognised in the financial statements but no provision has been made for the depreciation of the Library Collections, which are classified as a heritage asset. Depreciation on Buildings is charged, on a straight line basis, at a rate of 1 percent per annum. Depreciation rates for Equipment range from 20 to 30 percent per annum.

Change in Accounting Policy Depreciation of the Library Non-Heritage Collection

With effect from 1 July 2003 the Library Board of Victoria differentiated library collection material as heritage and non-heritage. Useful lives for non-heritage collection material were determined based on an assessment of use and currency profiles. Useful lives applied for 2003-04 financial year are:

- 5 years for material acquired for the Trescowthick Information Centre;
- 10 years for material acquired for the Redmond Barry Reading Room;
- 50 years for material acquired for the Main Stacks.

Depreciation charged in 2003–04 comprised collection acquisitions of \$901k from 1 December 2002 to 30 June 2003 and the value of Main Stacks of \$54.1m determined in the collection valuation effective 30 November 2002. Depreciation of collection acquisitions for the current financial year will commence depreciation in the following financial year. For 2003–04, the impact of implementing this policy increased depreciation expense by \$1,180k compared with \$1,082k if applied for 2002–03.

i) Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the Library prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of month end from invoice date.

j) Employee Benefits

Provision is made for the Board's liability for employee entitlements arising from services rendered by employees to balance date. Employee benefits to be settled within one year have been measured at the amount to be paid inclusive of the Enterprise Partnership Agreement approved 1 July 2003 and the VPS EBA approved 2 June 2004.

Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long Service Leave entitlements payable later than one year have been measured after recognition of the Enterprise Partnership Agreement increments at the present value of the estimated future cash outflows to be made for those entitlements. Provision is calculated in accordance with the requirement of AASB 1028 – Accounting for Employee Benefits.

Employee benefit on-costs, including payroll tax are recognised and included in employee liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

k) Capital Assets Charge

The State Government Capital Assets Charge has been recognised as expenditure offset by a notional grant within the financial statements. The Capital Assets Charge was introduced to create an awareness of the opportunity cost of capital invested in government assets, to achieve efficiencies in the management of the government's asset base and recognise an entity's asset base in pricing decisions.

l) Donations and Bequests

Donations and Bequests for specific purposes have been brought to account as revenue upon receipt. The balance of unexpended donations is transferred to the Donations/Bequests Reserve on an annual basis. Subsequent expenditure is recorded as an expense in the Statement of Financial Performance and results in a transfer from the reserve.

m) Specific Purpose Grants

Specific Purpose Grants represent grants received by the Library for a specific project with the proceeds brought to account as revenue upon receipt. The balance of unexpended grants is transferred to the Specific Purpose Grants Reserve on an annual basis. Subsequent expenditure is recorded as an expense in the Statement of Financial Performance and results in a transfer from the reserve.

n) General Reserve

In the 2001–02 financial year, the Library Board created the General Reserve to provide for unavoidable future expenditures that cannot be met from funding.

o) Donations in Kind

Bequests and Donations revenue includes donations in kind. The in-kind contributions are goods and services provided to the Library Board of Victoria at no cost. An amount equivalent to the arm's length value of both the goods and services received and the operational or capital expenses have been included in the Financial Statements. Where the donation is an item or items to be added to the Library collections, the valuation has been performed by Library staff except where the donation has been externally valued under the Cultural Gifts program.

p) Superannuation

The Board makes contributions to the State Superannuation Board's Revised and New Schemes, the Victorian Superannuation scheme and other private schemes for eligible employees and such expenditure is shown as an operating expense in the Financial Statements (Refer Note 31).

q) Surplus/(Deficit) from Operating Activities

The surplus or deficit from ordinary activities is affected by a number of factors, including the timing of expenditures against special purpose grants and the timing of expenditures against current and prior period revenues.

r) Deferred Income

Subscriptions for internet services which relate to a future period have been treated as deferred income.

s) The Impacts of adopting AASB equivalents to IASB standards

For interim and annual reporting periods ending on or after 30 June 2004, AASB 1047 Disclosing the Impacts of Adopting AASB Equivalents to International Financial Reporting Standards requires narrative disclosures of how the transition process is being managed and an explanation of the key differences in accounting policies that are expected to arise from the transition to AASB equivalents to IASB pronouncements. Refer to Note 36 for further details.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
2 CASH ASSETS				
Cash on Hand	8	8	8	8
Cash at Bank	1,538	1,831	1,425	981
	<u>1,546</u>	<u>1,839</u>	<u>1,433</u>	<u>989</u>
3 RECEIVABLES				
Debtors	488	961	488	991
Less Provision for Doubtful Debts (Note 1{d})	(9)	(10)	(9)	(10)
	<u>479</u>	<u>951</u>	<u>479</u>	<u>981</u>
4 OTHER FINANCIAL ASSETS				
Current				
Deposits	1,000	2,000	1,000	2,000
Bank Bills	13,000	9,500	13,000	9,500
Foundation Investments				
Cash Management Account	400	1,027	-	-
Fixed Interest Securities	2,034	1,266	-	-
	<u>16,434</u>	<u>13,793</u>	<u>14,000</u>	<u>11,500</u>
Equity Investments	5,660	2,897	-	-
	<u>22,094</u>	<u>16,690</u>	<u>14,000</u>	<u>11,500</u>
5 OTHER CURRENT ASSETS				
Prepayments	369	442	369	442
Accrued Income	47	58	47	58
Accrued Interest	-	16	-	16
	<u>416</u>	<u>516</u>	<u>416</u>	<u>516</u>
6 PROPERTY, PLANT & EQUIPMENT				
Land – Independent Valuation (2003)	38,000	38,000	38,000	38,000
Buildings - Independent Valuation (2003)	1 (g) 332,000	332,000	332,000	332,000
Less Accumulated Depreciation	1 (h) (4,980)	(1,660)	(4,980)	(1,660)
	<u>327,020</u>	<u>330,340</u>	<u>327,020</u>	<u>330,340</u>
Redevelopment Capital Expenditure at Cost	20,446	11,239	20,446	11,239
Less Accumulated Depreciation	1 (h) (51)	-	(51)	-
	<u>20,395</u>	<u>11,239</u>	<u>20,395</u>	<u>11,239</u>
Equipment at Cost	11,095	6,569	11,095	6,544
Less Accumulated Depreciation	1 (h) (2,998)	(1,916)	(2,998)	(1,891)
	<u>8,097</u>	<u>4,653</u>	<u>8,097</u>	<u>4,653</u>
Equipment Under Lease	441	334	441	334
Less Accumulated Depreciation	1 (h) (326)	(213)	(326)	(213)
	<u>115</u>	<u>121</u>	<u>115</u>	<u>121</u>
Total Property Plant and Equipment	<u>393,627</u>	<u>384,353</u>	<u>393,627</u>	<u>384,353</u>

	LAND \$'000	BUILDINGS \$'000	PLANT & EQUIPMENT \$'000	ASSETS UNDER FINANCE LEASE \$'000	TOTAL \$'000
Consolidated					
2004					
Carrying amount at start of year	38,000	341,579	4,653	121	384,353
Additions	-	9,207	5,062	107	14,376
Assets Work in Progress Adjustment			(499)		(499)
Disposals	-	-	(3)	-	(3)
Depreciation	-	(3,371)	(1,116)	(113)	(4,600)
Carrying amount at end of year	<u>38,000</u>	<u>347,415</u>	<u>8,097</u>	<u>115</u>	<u>393,627</u>
State Library of Victoria					
2004					
Carrying amount at start of year	38,000	341,579	4,653	121	384,353
Additions	-	9,207	5,062	107	14,376
Assets Work in Progress Adjustment			(499)		(499)
Disposals	-	-	(3)	-	(3)
Depreciation	-	(3,371)	(1,116)	(113)	(4,600)
Carrying amount at end of year	<u>38,000</u>	<u>347,415</u>	<u>8,097</u>	<u>115</u>	<u>393,627</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

		CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
7	LIBRARY COLLECTIONS				
	At Cost – Heritage	2,348	374	2,348	374
	At Cost – Non-Heritage	901	901	901	901
	Less Accumulated Depreciation	(98)		(98)	
	Heritage At Independent Valuation (2002)	247,030	247,030	247,030	247,030
	Non-Heritage at Independent Valuation (2002)	54,100	54,100	54,100	54,100
	Less Accumulated Depreciation	(1,082)	-	(1,082)	-
	Collection Donations at Valuation (2003)	693	693	693	693
	Collection Donations at Valuation (2004)	636	-	636	-
		304,528	303,098	304,528	303,098
	Reconciliation				
	Carrying amount at start of year	303,098	163,320	303,098	163,320
	Pre-Revaluation Additions – Purchases		969		969
	Pre-Revaluation Additions – Donated		56		56
	Collection Revaluation (November 2002)		136,785		136,785
	Post-Revaluation Additions – Purchases	1,974	1,275	1,974	1,275
	Post-Revaluation Additions – Donated	636	693	636	693
	Depreciation – Non-Heritage Collection	(1,180)		(1,180)	
	Carrying amount at end of year	304,528	303,098	304,528	303,098
8	DEFERRED EXPENDITURE				
	CARM Centre, Bundoora (Note 1{f})	1,000	1,000	1,000	1,000
	Less Accumulated Amortisation	(450)	(400)	(450)	(400)
		550	600	550	600
9	PAYABLES				
	Creditors	1,015	541	1,031	541
	Accrued Expenses	2,302	1,200	2,302	1,200
	Prepaid Revenue	86	526	86	526
		3,403	2,267	3,419	2,267
10	INTEREST BEARING LIABILITIES				
	Finance Lease – Current	13	45	13	45
	Finance Lease – Non-Current	93	-	93	-
		106	45	106	45
11	PROVISIONS				
	Recreation Leave	1,702	1,483	1,702	1,483
	Long Service Leave – Current	330	350	330	350
	Total Current Provisions	2,032	1,833	2,032	1,833
	Long Service Leave – Non-Current	2,634	2,323	2,634	2,323
	Aggregate carrying amount of provisions	4,666	4,156	4,666	4,156
	MOVEMENT IN PROVISIONS		RECREATION LEAVE		LONG SERVICE LEAVE
	Carrying amount at start of year		1,483		2,673
	Additional Provisions		1,453		621
	Payments		(1,234)		(330)
	Carrying amount at end of year		1,702		2,964

		CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
12	EQUITY AND MOVEMENTS IN EQUITY				
(a)	Contributed Capital				
	Balance at beginning of the year	526,623	507,305	526,623	507,305
	Equity Contribution from Government				
	Capital Improvements	8,065	19,318	8,065	19,318
	Balance at end of the year	534,688	526,623	534,688	526,623
(b)	Accumulated Surplus				
	Accumulated surplus at beginning of the year	7,638	4,938	7,638	4,938
	Net Result for the year	5,421	3,695	3,208	1,858
	Net Transfer (to)/from Donations and Bequest Reserve	(1,815)	(1,670)	106	(59)
	Net Transfer (to)/from Specific Purpose Grants Reserve	(1,783)	675	(1,491)	901
	Accumulated surplus at end of the year	9,461	7,638	9,461	7,638
(c)	Reserves				
	Land Asset Revaluation Reserve				
	Balance at beginning of the year	15,500	12,500	15,500	12,500
	Movement	-	3,000	-	3,000
	Balance at end of the year	15,500	15,500	15,500	15,500
	Buildings Asset Revaluation Reserve				
	Balance at beginning of the year	-	26,833	-	26,833
	Movement	-	(26,833)	-	(26,833)
	Balance at end of the year	-	-	-	-
	Collection Asset Revaluation Reserve				
	Balance at beginning of the year	136,785	-	136,785	-
	Movement	-	136,785	-	136,785
	Balance at end of the year	136,785	136,785	136,785	136,785
	Equipment Asset Revaluation Reserve				
	Balance at beginning of the year	712	712	712	712
	Movement	-	-	-	-
	Balance at end of the year	712	712	712	712
	Total of the Asset Revaluation Reserve				
	Balance at beginning of the year	152,997	40,045	152,997	40,045
	Movement	-	112,952	-	112,952
	Balance at end of the year	152,997	152,997	152,997	152,997
(d)	General Reserve				
	Balance at beginning of the year	1,000	1,000	1,000	1,000
	Transfer from Accumulated Surplus	-	-	-	-
	Balance at end of the year	1,000	1,000	1,000	1,000
(e)	Donations and Bequests Reserve				
	Balance at beginning of the year	7,400	5,730	1,843	1,784
	Transfer (to)/from Accumulated Surplus	1,815	1,670	(106)	59
	Balance at end of the year (Note 13)	9,215	7,400	1,737	1,843
(f)	Specific Purpose Grants Reserve				
	Balance at beginning of the year	5,921	6,596	5,468	6,369
	Transfer (to)/from Accumulated Surplus	1,783	(675)	1,491	(901)
	Balance at end of the year (Note 14)	7,704	5,921	6,959	5,468
(g)	Total Equity at the beginning of the year	701,579	565,614	695,569	561,441
	Total Changes in Equity recognised in the Statement of Financial Performance	5,421	3,695	3,208	1,858
	Asset Revaluations	-	112,952	-	112,952
	Contributions of Equity	8,065	19,318	8,065	19,318
	Total Equity at the end of the year	715,065	701,579	706,842	695,569

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

13 DONATIONS AND BEQUESTS RESERVE

	CONSOLIDATED			
	01-Jul-2003	2004	2004	30-Jun-2004
	c-fwd Balance	Transfer from Accumulated Surplus	Transfer to Accumulated Surplus	Balance
	\$'000	\$'000	\$'000	\$'000
State Library of Victoria				
Sir Irving Benson Estate	464	21	50	435
L M Henderson Estate	247	12	-	259
T Buesst Bequest	199	9	-	208
C Sunberg Estate	131	6	-	137
V G Dobbie Bequest	156	7	45	118
Ethel Cutten Estate	210	9	28	191
V J Chalmers Estate	195	9	-	204
Potter Foundation	64	2	66	-
Margery Ramsay Estate	80	4	-	84
Frederick Bryan Bequest	22	1	-	23
Kurt Ofenberg Bequest	10	-	-	10
Constance Thomson Estate	6	-	-	6
M V Anderson Estate	3	-	-	3
K Wilson Bequest	56	3	-	59
	1,843	83	189	1,737
State Library of Victoria Foundation	5,557	2,462	541	7,478
Total Library Board of Victoria	7,400	2,545	730	9,215

14 SPECIFIC PURPOSE GRANTS RESERVE

During the 2003–04 financial year, funds were received from external organisations to be applied for specific purposes. This 'Specific Purpose Grants Reserve' is a balance of all grant funds, which remain unexpended as at 30 June 2004. The balance of this reserve account consists of the following grants:

	CONSOLIDATED			
	01-Jul-2003	2004	2004	30-Jun-2004
	c-fwd Balance	Transfer from Accumulated Surplus	Transfer to Accumulated Surplus	Balance
	\$'000	\$'000	\$'000	\$'000
Directorate				
Arts Victoria – Corporate Training	19	-	-	19
Arts Victoria – Creative Fellowships	300	45	200	145
Council of Australian State Libraries	36	84	52	68
Experimedia	-	75	75	-
Technology Services				
ACME Broadband Link	50	-	50	-
Planning and Resources				
Arts Victoria – Human Resources System Enhancements	27	-	-	27
Marketing	-	172	103	69
Publications	16	-	16	-
VICNET				
Network Services	9	-	9	-
Multimedia Victoria – Skills.net Program	641	269	841	69
Multimedia Victoria – Library Infrastructure	3,193	2,798	3,160	2,831
Department of Human Services – Preschools Project	-	5,021	2,271	2,750
Public Libraries Unit				
Library Network and Support	462	1,432	1,560	334
Information Resources				
Murray Goulburn Rural Water	24	-	-	24
Pacific Access	19	10	-	29
Sybil Craig Bequest	21	1	-	22
W G Alma Estate	47	10	5	52
Music Digitisation	10	-	10	-
Sir Irving Benson Estate	-	50	-	50
Genealogy Collection	5	-	3	2
Public Programs				
Public Program Events	9	390	294	105
Australian Centre for Youth Literature	36	274	226	84
Federation Exhibition	13	-	13	-
School Services	102	121	174	49
Premier's Literary Awards	1	41	32	10
Exhibitions	5	237	186	56
Experimedia	-	19	15	4
<i>digiTall Stories</i>	-	15	1	14

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

14 SPECIFIC PURPOSE GRANTS RESERVE CONTINUED

	CONSOLIDATED			30-Jun-2004 Balance
	01-Jul-2003 c-fwd Balance	2004 Transfer from Accumulated Surplus	2004 Transfer to Accumulated Surplus	
Information Services				
Stegley Foundation	5	-	5	-
George Robertson Program	3	-	-	3
VISioN	31	-	31	-
The R E Ross Trust	27	-	27	-
Coles Myer Ltd	178	-	102	76
The Agnes Robertson Trust – Digitise Record Collection	150	-	128	22
Mary Owen Papers	3	-	-	3
Architecture Archives	-	71	59	12
Pacific Access	-	5	5	-
Collection, Preservation & Access				
Adopt A Book Project	4	-	-	4
Ciba Conservation	22	8	4	26
Total State Library of Victoria	5,468	11,148	9,657	6,959
SLV Development Fund (Foundation)	453	541	249	745
Total State Library of Victoria Foundation	453	541	249	745
Total Library Board of Victoria	5,921	11,689	9,906	7,704
Summary of Reserve Movements				
State Library of Victoria				
Total of Donations and Bequest Reserve	1,843	83	189	1,737
Total of Specific Purpose Grants Reserve	5,468	11,148	9,657	6,959
	7,311	11,231	9,846	8,696
State Library of Victoria Foundation				
Total of Donations and Bequest Reserve	5,557	2,462	541	7,478
Total of Specific Purpose Grants Reserve	453	541	249	745
	6,010	3,003	790	8,223
Consolidated				
Total of Donations and Bequest Reserve	7,400	2,545	730	9,215
Total of Specific Purpose Grants Reserve	5,921	11,689	9,906	7,704
	13,321	14,234	10,636	16,919

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
15 GOVERNMENT FUNDING				
Government Funding for the provision of outputs – Current Nature				
Government Appropriation	26,823	26,355	26,823	26,355
16 TRADING INCOME				
VICNET	2,090	1,878	2,090	1,878
Other	1,195	1,129	1,186	1,095
	3,285	3,007	3,276	2,973
17 EXTERNALLY FUNDED PROJECTS				
Multimedia Victoria				
E-gaps	150	555	150	555
Skills.net Program	-	352	-	352
Community Groups	1,115	1,050	1,115	1,050
VICNET Enhancement	-	200	-	200
Go Vic Project	-	280	-	280
Urban Libraries	-	30	-	30
Call Centre Support	160	80	160	80
VICNET Roadshow	300	200	300	200
Community Networks	250	-	250	-
Department of Premier & Cabinet				
Bushfire Support	-	31	-	31
Bendigo Petition	10	-	10	-
Department of Innovation, Industry & Regional Development				
Fibre optic Link	-	50	-	50
Victorian On Line Gateway	-	41	-	41
Department of Human Services				
Preschools Project	4,900	-	4,900	-
Department of Education, Employment & Training				
Schools Services	46	118	46	118
Arts Victoria				
Multimedia Sculpture	-	28	-	28
ACYL	95	90	95	90
Premier's Literary Awards	15	50	15	50
Cultural Broadband Project	6	-	6	-
National Gallery of Victoria				
System Support	20	13	20	13
Department of Communication, IT and the Arts				
Skills.net	145	203	145	203
Western Murray Mobile	-	25	-	25
Gippsland Community Training	-	122	-	122
Seniors Roadshow	10	-	10	-
Rural Libraries Online	50	-	50	-
Networking the Nation	6	-	6	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Department of Education Science & Training				
Science Week	4	-	4	-
Other Externally Funded Grants				
Pacific Access	-	10	-	10
CASL	69	33	69	33
Major Projects Victoria	415	348	415	348
National Library	-	10	-	10
Australia Council	33	51	33	51
Commonwealth Writers' Prize	147	-	147	-
ACYL Sponsors	11	-	11	-
Village Roadshow	15	-	15	-
W G Alma Estate	8	-	8	-
Monash University	10	-	10	-
CMR	3	-	3	-
Ancher Mortloch	2	-	2	-
Rider Hunt	3	-	3	-
Boulderstone Hornibrook	2	-	2	-
Sensis	10	-	10	-
	<u>8,010</u>	<u>3,970</u>	<u>8,010</u>	<u>3,970</u>

18

DONATIONS AND BEQUESTS**State Library of Victoria**

Donations in Kind (See Note 1{o})	636	749	636	749
W G Alma Estate	-	6	-	6
Coles Myer Ltd	-	108	-	108
Harold Mitchell Foundation	11	11	11	11
ACYL Sponsors	-	9	-	9
R E Ross Trust	53	-	53	-
Allom Lovell & Associates	2	-	2	-
Dame Elizabeth Murdoch	30	-	30	-
John T Reid Charitable Trust	30	-	30	-
Other Donations	3	5	3	5
State Library Of Victoria Foundation	-	-	724	383
Sala Bequest	-	1,051	-	1,051
V J Chalmers Estate	-	95	-	95
Monash University	-	20	-	20
Total State Library of Victoria	<u>765</u>	<u>2,054</u>	<u>1,489</u>	<u>2,437</u>

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
State Library Of Victoria Foundation				
Sponsorships	458	332	-	-
Sponsorships were received by the Foundation from The Herald & Weekly Times Ltd, Optus, Panasonic, AAMI, City of Melbourne, <i>The Age</i> , Ciba Speciality Chemicals Pty Ltd, Bendigo Bank and Clayton Utz.				
Donations	1,723	1,231	-	-
Sir Keith Murdoch's Children and Grandchildren, Trust Co of Australia, A & M Cowen, Alan (AGL) Shaw Charitable Trust, Robin and Suzanne Hunt, Gandel Charitable Trust, Bookplate Donors, Light the Dome Donors, Membership Subscriptions, Foundation Events and other donations from Foundation supporters				
State Library Of Victoria Foundation	2,181	1,563	-	-
Total Library Board of Victoria	<u>2,946</u>	<u>3,617</u>	<u>1,489</u>	<u>2,437</u>
19 OTHER REVENUE AND REVENUE FROM OTHER PARTIES				
19(a) Investment Revenue				
Interest Revenue – General	755	645	596	542
Interest Revenue – Bequests	123	104	123	104
Dividends	212	154	-	-
	<u>1,090</u>	<u>903</u>	<u>719</u>	<u>646</u>
19(b) Investment Capital Movements				
Realised Capital Gains/(Losses)	(35)	(110)	-	-
Unrealised Capital Gains/(Losses)	761	(84)	-	-
19(c) Other Revenue				
Proceeds – Fixed Asset Disposals	15	4	15	4
	<u>15</u>	<u>4</u>	<u>15</u>	<u>4</u>
20 SALARIES AND RELATED COSTS				
Salaries	16,538	15,244	16,382	15,122
Superannuation (See Note 31)	1,624	1,650	1,614	1,640
Other Salary Related Costs	4,020	3,711	3,996	3,688
	<u>22,182</u>	<u>20,605</u>	<u>21,992</u>	<u>20,450</u>
21 BUILDING AND FACILITIES				
Security	1,085	1,045	1,085	1,045
Repairs and Maintenance	756	262	756	262
Insurance	766	692	766	692
Cleaning	596	418	596	418
Utilities	622	476	622	476
Other	336	634	336	634
	<u>4,161</u>	<u>3,527</u>	<u>4,161</u>	<u>3,527</u>
22 PROFESSIONAL AND FINANCE				
Audit – Internal and External	132	76	128	73
Consultancy and Other Costs	983	1,179	948	1,117
	<u>1,115</u>	<u>1,255</u>	<u>1,076</u>	<u>1,190</u>
23 BORROWING COSTS				
Finance Lease Interest	2	15	2	15
	<u>2</u>	<u>15</u>	<u>2</u>	<u>15</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
24 GRANTS DISTRIBUTED				
Community Skills and Networks	1,377	2,079	1,377	2,079
Library Networks	535	119	535	119
	<u>1,912</u>	<u>2,198</u>	<u>1,912</u>	<u>2,198</u>
25 OTHER EXPENSES FROM ORDINARY ACTIVITIES				
Information Technology	4,440	1,708	4,439	1,708
EDP Operating Lease Expense	1,041	677	1,041	677
Office Administration	862	843	855	822
Storage and Conservation	313	446	313	446
Marketing and Promotion	1,110	1,052	1,039	893
Communications	315	313	307	309
Travel and Related	324	543	322	540
Publication Expenses	151	132	119	40
	<u>8,556</u>	<u>5,714</u>	<u>8,435</u>	<u>5,435</u>
26 DONATIONS				
State Library of Victoria Foundation	-	-	-	1,064
27 ASSET DISPOSALS				
Cost of Assets	13	28	13	28
Accumulated Depreciation	(10)	(7)	(10)	(7)
Written Down Value of Asset Disposals	3	21	3	21
28 CONTINGENT LIABILITIES				
The Library Board of Victoria is not aware of any contingent liability as at 30 June 2004 (2002–03 Nil).				
29 COMMITMENTS				
Operating Leases				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Not later than one year	1,247	822	1,247	822
Later than one year and not later than five years	1,453	976	1,453	976
Later than five years	-	-	-	-
	<u>2,700</u>	<u>1,798</u>	<u>2,700</u>	<u>1,798</u>
Other Commitments:				
Not later than one year	1,735	2,695	1,735	2,695
Later than one year and not later than five years	550	1,555	550	1,555
Later than five years	-	-	-	-
	<u>2,285</u>	<u>4,250</u>	<u>2,285</u>	<u>4,250</u>
Finance Leases				
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities				
Not later than one year	-	46	-	46
Later than one year and not later than five years	-	-	-	-
Less Future Finance Charges	-	(1)	-	(1)
	<u>-</u>	<u>45</u>	<u>-</u>	<u>45</u>
	<u>4,985</u>	<u>6,093</u>	<u>4,985</u>	<u>6,093</u>

30 NOTES TO THE STATEMENT OF CASH FLOWS

a) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, the Library Board of Victoria considers cash to include cash on hand and in banks, cash management accounts and investments in bank bills and fixed interest securities, net of bank overdrafts. Cash at end of the reporting period, as shown in the Statement of Cash Flows, is reconciled to the related items in the Statement of Financial Position as follows:

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Cash on Hand - (Note 2)	8	8	8	8
Cash at Bank - (Note 2)	1,538	1,831	1,425	981
Investments - (Note 4)	16,434	13,793	14,000	11,500
	<u>17,980</u>	<u>15,632</u>	<u>15,433</u>	<u>12,489</u>

b) Reconciliation of Result From Ordinary Activities To Net Cash Inflow From Operating Activities

Result from ordinary activities	5,421	3,695	3,208	1,858
Depreciation of Equipment	1,229	1,251	1,229	1,246
Depreciation of Buildings	3,371	3,212	3,371	3,212
Depreciation of Collection	1,180	-	1,180	-
Assets Work in Progress adjustment	499	-	499	-
(Profit)/Loss on sale of Assets	(12)	17	(12)	17
Donations in Kind	(636)	(749)	(636)	(749)
Non-cash appropriation (Depreciation)	(6,287)	(6,287)	(6,287)	(6,287)
Amortisation of Deferred Expenditure	50	50	50	50
Investments – State Library of Victoria	(746)	(575)	(746)	(575)
Repayment of Finance Lease	47	171	47	171
Revaluation of Non-current Assets	-	2,398	-	2,398
Changes in Operating Assets and Liabilities				
Provisions	511	155	511	155
Debtors	472	(406)	502	(415)
Investments – State Library of Victoria Foundation				
Investment Income Reinvested	(313)	(257)	-	-
Realised/Unrealised Capital (Gains)/Losses	(726)	194	-	-
Creditors	474	(156)	491	(156)
Prepayments	73	(12)	73	(12)
Accrued Income	58	(51)	58	(51)
Accrued Interest	(30)	30	(30)	30
Accrued Expenses	1,102	220	1,102	220
Finance Lease Liability	(47)	(171)	(47)	(171)
Prepaid Revenue	(439)	12	(439)	12
Net Cash Inflow from Operating Activities	<u>5,251</u>	<u>2,741</u>	<u>4,124</u>	<u>953</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

31 SUPERANNUATION

The Board made superannuation contributions for employees as follows:

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
State Superannuation Fund	649	705	649	705
Victorian Superannuation Fund	831	758	831	755
Private Superannuation Funds	144	188	134	180
	1,624	1,651	1,614	1,640

There are no superannuation contributions outstanding as at 30 June 2004. The Library Board of Victoria has no responsibility for unfunded liabilities associated with any of the above mentioned superannuation schemes. Employer contributions vary from 8% to 15.5% depending on employee fund membership.

32 RESPONSIBLE PERSONS

The Minister for the Library Board of Victoria is Mary Delahunty, MP, Minister for the Arts. The names of Board members who have held office during the year are:

Mr Sam Lipski, AM—President
 Dr Terry Cutler—resigned October 2003
 Ms Catherine Dale
 Ms Susan Halliday
 Mr Greg Hywood
 Ms Hilary McPhee, AO
 Mr Glenn Mescher
 Ms Patricia O'Donnell
 Mr Kevin Quigley
 Mr Julian Stock
 Dr Vicki Williamson

The Chief Executive Officer of the Library is Ms Anne-Marie Schwirtlich.

a) Remuneration of Responsible Persons

	TOTAL REMUNERATION		BASE REMUNERATION	
	2004 \$000	2003 \$000	2004 \$000	2003 \$000
Total remuneration received by Responsible Persons from the reporting entity in connection with the management of the reporting entity. The remuneration includes performance bonuses paid during the year.	185	185	185	152

The number of Responsible Persons whose remuneration fell within the following bands

NILS	11	12	11	12
\$60,000 - \$69,999	-	1	-	1
\$90,000 - \$99,999	-	-	-	1
\$120,000 - \$129,999	-	1	-	-
\$140,000 - \$149,999	-	-	-	-
\$150,000 - \$159,999	-	-	-	-
\$160,000 - \$169,999	-	-	-	-
\$170,000 - \$179,999	-	-	-	-
\$180,000 - \$189,999	1	-	1	-

No member of the Board has received remuneration or retirement benefits during 2003–04.

The Minister for the Arts is remunerated by the State Government of Victoria.

b)

	STATE LIBRARY OF VICTORIA	
	2004 \$'000	2003 \$'000
Contributions made to Superannuation funds on behalf of responsible persons were:	10	70

c) Other Transactions of Responsible Persons and their Related Entities

None

33 EXECUTIVE OFFICER REMUNERATION

	STATE LIBRARY OF VICTORIA	
	2004 \$'000	2003 \$'000
Total remuneration received by Executive Officers, other than the Chief Executive Officer, from the reporting entity in connection with the management of the reporting entity.	381	357

BAND	TOTAL REMUNERATION		BASE REMUNERATION	
	2004	2003	2004	2003
Less than \$99,999	-	1	-	1
\$100,000 - \$109,999	-	-	-	-
\$110,000 - \$119,999	-	-	3	-
\$120,000 - \$129,999	2	1	-	2
\$130,000 - \$139,999	1	1	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

34 AUDITOR REMUNERATION

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2004 \$	2003 \$	2004 \$	2003 \$
Fees paid and payable to the Auditor-General for auditing the Financial Statements	23,000	20,750	19,550	17,850

The Auditor-General provided no other services.

35 FINANCIAL INSTRUMENTS

a) Terms, Conditions and Accounting Policies

The Board's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

Recognised Financial Instruments	Notes	Accounting Policies	Terms and Conditions
(i) Financial Assets			
Cash Assets	2	Cash is stated at cost	The effective interest rate earned on cash holdings ranged from 0% to 4.95% paid for amounts over \$100,000.
Other Financial Assets	4	Short term deposits are stated at the lower of cost and net realisable value.	An effective interest rate of 4.95% was earned.
Receivables	3	Receivables are carried at nominal amounts due less any provision for doubtful debts.	Settlement terms are 30 days.
(ii) Financial Liabilities			
Payables	9	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Board.	Trade liabilities are normally settled on 30 day terms.

The Board's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date, are as follows:

b) Interest Rate Exposures

(i) 30 June 2004

Financial Instruments	CONSOLIDATED					
	Floating Interest Rate \$'000	Fixed Int. Maturity 1 Yr or Less \$'000	Fixed Int. Maturity 1 Yr to 5 Yrs \$'000	Equities \$'000	Non-Interest Bearing \$'000	Total Carrying Amount as Per Statement of Financial Position \$'000
Financial Assets						
Cash Assets	-	-	-	-	1,546	1,546
Other Financial Assets	16,435	-	-	5,660	-	22,095
Receivables	-	-	-	-	479	479
Total Financial Assets	16,435	-	-	5,660	2,025	24,120
Weighted Average Interest rate	4.95%					
Financial Liabilities						
Payables	-	-	-	-	1,015	1,015
Lease Liabilities	-	13	93	-	-	106
Total Financial Liabilities	-	13	93	-	1,015	1,121
Weighted Average Interest rate	-	6.5%	6.5%			

Financial Instruments	STATE LIBRARY OF VICTORIA					
	Floating Interest Rate \$'000	Fixed Int. Maturity 1 Yr or Less \$'000	Fixed Int. Maturity 1 Yr to 5 Yrs \$'000	Equities \$'000	Non-Interest Bearing \$'000	Total Carrying Amount as Per Statement of Financial Position \$'000
Financial Assets						
Cash Assets	-	-	-	-	1,433	1,433
Other Financial Assets	14,000	-	-	-	-	14,000
Receivables	-	-	-	-	479	479
Total Financial Assets	14,000	-	-	-	1,912	15,912
Weighted Average Interest rate	4.95%					
Financial Liabilities						
Payables	-	-	-	-	1,031	1,031
Lease Liabilities	-	13	93	-	-	106
Total Financial Liabilities	-	13	93	-	1,031	1,137
Weighted Average Interest rate	-	6.5%	6.5%			

(ii) 30 June 2003

Financial Instruments	CONSOLIDATED					
	Floating Interest Rate \$'000	Fixed Int. Maturity 1 Yr or Less \$'000	Fixed Int. Maturity 1 Yr to 5 Yrs \$'000	Equities \$'000	Non-Interest Bearing \$'000	Total Carrying Amount as Per Statement of Financial Position \$'000
Financial Assets						
Cash Assets	-	-	-	-	1,839	1,839
Other Financial Assets	13,793	-	-	2,897	-	16,690
Receivables	-	-	-	-	951	951
Total Financial Assets	13,793	-	-	2,897	2,790	19,480
Weighted Average Interest rate	4.83%					
Financial Liabilities						
Payables	-	-	-	-	541	541
Interest Bearing Liabilities	-	45	-	-	-	45
Total Financial Liabilities	-	45	-	-	541	586
Weighted Average Interest rate	-	9.5%				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

Financial Instruments	STATE LIBRARY OF VICTORIA					
	Floating Interest Rate \$'000	Fixed Int. Maturity 1 Yr or Less \$'000	Fixed Int. Maturity 1 Yr to 5 Yrs \$'000	Equities \$'000	Non-Interest Bearing \$'000	Total Carrying Amount as Per Statement of Financial Position \$'000
Financial Assets						
Cash Assets	-	-	-	-	989	989
Other Financial Assets	11,500	-	-	-	-	11,500
Receivables	-	-	-	-	981	981
Total Financial Assets	11,500	-	-	-	1,970	13,470
Weighted Average Interest rate	4.83%					
Financial Liabilities						
Payables	-	-	-	-	541	541
Interest Bearing Liabilities	-	45	-	-	-	45
Total Financial Liabilities	-	45	-	-	541	586
Weighted Average Interest rate	-	9.5%				

c) Net Fair Values

The aggregate net fair value of financial assets and financial liabilities, both recognised and unrecognised, at balance date, are as follows:

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
(i) Financial Assets				
Cash Assets	1,546	1,839	1,433	989
Other Financial Assets	22,094	16,690	14,000	11,500
Receivables	479	951	479	981
Total Financial Assets	24,119	19,480	15,912	13,470
(ii) Financial Liabilities				
Payables	1,015	541	1,031	541
Lease Liabilities	13	45	13	45
Total Financial Liabilities	1,028	586	1,044	586

The following methods and assumptions are used to determine the net fair values of financial assets and financial liabilities:

Recognised financial instruments

Cash and Investments: The carrying amount approximates fair value because of their short-term maturity

Receivables and Payables: The carrying amount approximates fair value

d) Credit Risk Exposures

The Board's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

Credit risk in trade receivables is managed in the following ways:

- payment terms are 30 days.
- debt collection policies and procedures.

36 IMPACT OF ADOPTING AASB EQUIVALENTS TO IASB STANDARDS

For reporting periods beginning on or after 1 January 2005, all Australian reporting entities are required to adopt the financial reporting requirements of the Australian equivalents to International Financial Reporting Standards (IFRS). This requirement also extends to any comparative financial information included within the report. The first day of the comparative period, 1 July 2004, effectively becomes the transition date for the State Library of Victoria. Any adjustments arising from changes in the recognition or measurement of assets and liabilities at the transition date arising from the adoption of IFRS will be made against accumulated funds at the transition date.

The State Library of Victoria has taken the following steps in managing the transition to Australian equivalents to IFRS:

- participated in training provided by professional bodies and the Department of Treasury and Finance
- commenced formal reporting to the Library's Finance Committee on the changes in reporting requirements
- commenced activities to identify key issues and the likely impacts resulting from the adoption of Australian equivalents to IFRS

A number of changes to existing accounting policies have been identified that will have a material impact on the State Library of Victoria future financial position and performance following adoption of the requirements of Australian equivalents to IFRS (the new standards). These include:

Valuation of assets

In accordance with the Victorian Government Policy – Revaluation of Non-Current Physical Assets, the State Library of Victoria currently measures its non-current physical assets, other than plant, equipment and vehicles, at fair value subsequent to initial recognition. Plant, equipment and vehicles are measured on a cost basis. Revaluations are assessed annually and supplemented by independent assessments at least every three years. The new standard continues to offer a choice for measuring each class of non-current physical assets either at cost or at fair value. However, non-current assets measured at fair value will only be required to be revalued at least every three to five years and all assets in a class must be revalued at the same time. The Victorian government has not yet concluded whether it will make any changes to the valuation basis of any class of asset or the methodology or frequency at which revaluations are performed. The financial effects of any such changes are unknown.

Impairment of assets

Under the new standards, an asset will be required to be assessed for impairment each year. If indicators of impairment exist, the carrying value of an asset will need to be assessed to ensure that the carrying value does not exceed its recoverable amount, which is the higher of its value-in-use and fair value less costs to sell. For the State Library of Victoria, value-in-use of an asset is its depreciated replacement cost. Other than inventories, financial assets and assets arising from construction contracts, impairment testing will apply to all assets regardless of whether they are measured on a cost or fair value basis. Where the carrying value of an asset exceeds its recoverable amount, the difference will be written-off as an impairment loss to the statement of financial performance, except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that asset. Any impairment losses at transition date will be adjusted against the accumulated funds.

Finance Leases

Existing Australian accounting standards require a lessee of a finance lease to recognise a lease asset and a lease liability equal to the present value of minimum lease payments at the beginning of the lease term. Under the new standard on leases, the asset and liability recognised would be equal to the lower of the present value of minimum lease payments and fair value of the leased asset. This may result in a write-down of the Library's lease assets and liabilities at the date of transition if the present value of minimum lease payments exceeds the fair value of the leased asset with the resulting adjustment made against accumulated funds. In addition, the guidance on whether a lease is a finance or operating lease is less prescriptive and there is a greater emphasis on the substance of the transaction when making a judgement.

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