

## ANGLO-AUSTRALIAN TELESCOPE BOARD

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003

#### Note 1. Summary of Significant Accounting Policies

##### 1.1 Basis of Accounting

The financial statements are required by section 19(1) of *The Anglo-Australian Telescope Board Act 1970* and are a general purpose financial report.

The statements have been prepared in accordance with:

- Finance Minister's Orders (being the *Commonwealth Authorities and Companies (Financial Statements for reporting periods ending on or after 30 June 2003) Orders*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Consensus Views of the Urgent Issues Group.

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with the 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 on the financial position.

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow and the 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 that 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 2001-2002 except in respect of:

- Measurement of certain employee benefits at nominal amounts (refer to note 1.4); and
- The initial revaluation of property, plant and equipment on a fair value basis (refer to Note 1.8);

##### 1.3 Revenue

Australian government and United Kingdom contributions are recognised at the time the Board receives the revenue.

The AAT Board also builds astronomical instrumentation for other observatories and recovers the full economic cost of so doing. Revenue from these activities is recognised at the time the Board raises the invoice.

Grants are received from the Australian Research Council (ARC) and the Particle Physics and Astronomy Research Council (PPARC) of the United Kingdom (UK) for the specific purpose of employing astronomers at the Observatory. Grants are recognised as revenue on receipt.

## ANGLO-AUSTRALIAN TELESCOPE BOARD

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#### *Resources Received Free of Charge*

Services received free of charge are recognised as revenues 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.

The following resources are received free of charge:

#### *(i) Use of Land*

At Siding Spring Observatory, the 3.9 metre Anglo-Australian Telescope (AAT) building and the 1.2 metre UK Schmidt Telescope (UKST) building are on land owned by the Australian National University (ANU). At Epping, New South Wales, the Board's buildings are on the site of the Commonwealth Scientific and Industrial Research Organisation (CSIRO). The Board has entered into a permissive occupancy agreement with CSIRO covering its establishment at Epping. The value of this land is disclosed in Note 7A. The Board has also entered into a permissive occupancy agreement with the ANU for its establishment at Siding Spring, for which a "peppercorn rental" of one dollar is charged.

#### *(ii) Use of the UK Schmidt Telescope*

The UK Schmidt Telescope is owned by PPARC and operated by the Anglo Australian Observatory (AAO).

## **1.4 Employee Benefits**

### *(a) Benefits*

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for wages and salaries (including non-monetary benefits) and annual leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of their reporting date are also measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. This is a change in accounting policy from last year required by initial application of a new Accounting Standard AASB 1028 from 1 July 2002. As the Anglo-Australian Telescope Board raises pay rates on 1 July each year, the financial effect of this change is not material.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

### *(b) Leave*

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Board is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the Anglo-Australian Telescope Board's superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

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 2003. In determining the present value of the liability, the Board has taken into account attrition rates and pay increases through promotion and inflation.

## ANGLO-AUSTRALIAN TELESCOPE BOARD

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#### *(c) Superannuation*

The small number of employees left in the Anglo-Australian Telescope Board Staff Superannuation Scheme voted to transfer to PSS. The AAT Board decided, therefore, to close the scheme with effect from 31 December 2002.

Employees are members of the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. The liability for their superannuation benefits is recognised in the financial statements of the Commonwealth and is settled by the Commonwealth in due course.

The Anglo-Australian Telescope Board makes employer contributions to the Commonwealth at rates determined by the actuary to be sufficient to meet the cost to the Commonwealth of the superannuation entitlements of the Board's employees.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

#### **1.5 Leases**

A distinction is made between finance leases, which effectively transfer from the lessors to the lessee substantially all the risk and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains all such risks and benefits. The Board has no finance leases.

Operating lease payments are charged to expense on a basis which is representative of the pattern of benefits derived from the leased assets.

#### **1.6 Insurance**

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

#### **1.7 Financial Instruments**

Accounting policies in relation to financial instruments are disclosed in note 17.

#### **1.8 Acquisition of Assets**

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

##### *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 \$3000, 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 \$3000 threshold was selected because it facilitates efficient asset management and recording without materially affecting asset values recognised.

##### *Revaluations*

Land, buildings, infrastructure, plant and equipment are carried at valuation. Revaluations undertaken up to 30 June 2002 were done on a deprival basis; revaluations since that date are at fair value. This change in accounting policy is required by Australian Accounting Standard AASB 1041 *Revaluations of Non-Current Assets*.

## ANGLO-AUSTRALIAN TELESCOPE BOARD

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003

*Fair and deprival values for each class of asset are determined as shown below:*

Asset class	Fair value measured at:	Deprival value measured at:
Land	Market selling price	Market selling price
Buildings	Depreciated replacement cost	Depreciated replacement cost
Telescope and ancillary equipment	Depreciated replacement cost	Depreciated replacement cost
Telescope instrumentation	Depreciated replacement cost	Depreciated replacement cost
Plant and equipment	Market selling price	Depreciated replacement cost

Under both deprival and fair value, assets that are surplus to requirements are measured at their net realisable value. At 30 June 2003, the Anglo-Australian Telescope Board held no surplus assets.

The financial effect for 2002-2003 of this change in policy related to those assets to be recognised at fair value at 30 June 2003. The financial effect of the change is given by the difference between the carrying amount at 30 June 2002 of these assets and their fair values as at 1 July 2002. The financial effect is as follows:

Asset class	Adjustment	Contra account
Land	\$3,000	Asset revaluation reserve
Buildings	\$1,376,000	Asset revaluation reserve

Total financial effect was a net credit to the asset revaluation reserve of \$1,379,000.

Accounting Standard AAS 6 Accounting Policies requires, where practicable, presentation that would have been disclosed in the 2001-2002 Statements had the new accounting policy always been applied. It is impracticable to present this information.

#### *Frequency*

Assets are revalued progressively in successive three-year cycles, so that no asset has a value greater than three years old. In order to adjust the revaluation cycle to better meet operational requirements, the revaluation of computers has been delayed by a year and will be revalued in 2003-2004.

The revaluation cycle is as follows:

- land and buildings were revalued as at 1 July 2002.
- the telescopes and instrumentation were revalued as at 1 July 2001
- personal computers were revalued as at 1 July 1999
- other computing facilities were revalued as at 1 July 1999
- plant and equipment were revalued as at 1 July 2001

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

#### *Recoverable Amount Test*

From 1 July 2002, Schedule 1 no longer requires the application of the recoverable amount test in AAS 10 *Recoverable Amount of Non-Current Assets* to the assets of authorities when the primary purpose of the asset is not the generation of net cash inflows. No property, plant or equipment assets have been written to recoverable amount per AAS 10. Accordingly the change in policy has had no financial effect.

## ANGLO-AUSTRALIAN TELESCOPE BOARD

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003

#### *Depreciation and Amortisation*

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the Board using, in all cases, the straight line method of depreciation.

Depreciation 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 rates applying to each class of depreciable assets are as follows:

	2003	2002
Buildings	50 years	50 years
Telescope and Ancillary Equipment	50 years	50 years
Telescope Instrumentation	20 years	20 years
Personal Computers	3 years	3 years
Other Computers	5 years	5 years
Other Plant and Equipment	20 years	20 years

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

#### **1.9 Taxation**

The Board is exempt from all forms of taxation except for the goods and services tax.

#### **1.10 Capital Use Charge**

The Anglo-Australian Telescope Board is not subject to the Commonwealth Government's capital use charge.

#### **1.11 Foreign Currency Transactions**

The contributions from the United Kingdom are converted to Australian dollars at the selling rate quoted by the Bank of England at the time each contribution is made. All other foreign currency transactions are converted at the ruling exchange rate at the time of the transaction. Foreign currency receivables and payables are translated at the exchange rate as at balance date. Associated currency gains or losses are brought to account in the Statement of Financial Performance.

## ANGLO-AUSTRALIAN TELESCOPE BOARD

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003

#### 1.12 Cash

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

#### 1.13 Agreements

Under an agreement between the Board and the PPARC, the Board is responsible for the management, care and maintenance, operation and development of the UK Schmidt Telescope. PPARC, the owner of the UK Schmidt Telescope, has entered into a lease with the ANU in respect of use of land for the UK Schmidt Telescope. The revenues, expenses and asset values in respect of the UK Schmidt Telescope form part of the financial statements.

#### 1.14 External Projects

The Anglo-Australian Telescope Board has, in recent years, been invited to build telescope instrumentation for other Australian and international telescope bodies. Sometimes these non-profit contracts are on a time and materials basis, other times on a fixed price basis. The projects are costed to result in break-even results on completion. In the event of a surplus or over-run arising, it is the policy of the Board to absorb these.

#### 1.15 Accrual Budgeting Framework

The Anglo-Australian Telescope Board is not part of the Commonwealth Government's accrual budgeting framework.

#### 1.16 Comparative Figures

Where appropriate, comparative figures have been restated to conform to changes in the presentation of the financial statements.

#### 1.17 Rounding

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

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

#### Note 2. Financial Reporting by Segments

The Board operates solely in Australia and in one industry by operating and maintaining research facilities in Australia.

#### Note 3. Economic Dependency

The Anglo-Australian Telescope Board was established by the Anglo-Australian Telescope Board Agreement Act 1970. The Board is dependent upon Australian government revenue and contributions from the United Kingdom government for its continued existence and ability to carry out its normal activities.

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for the year ended 30 June 2003**

<b>Note 4. Operating revenues</b>	<b>2003</b>	<b>2002</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>4A Australian Government revenues</u>		
Australian government revenue	<b>3,929</b>	3,807
Total	<b>3,929</b>	3,807

4B United Kingdom Government contribution

The Board received the following contribution during the year from the United Kingdom government

	<b>3,700</b>	3,550
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4C Goods and services

Goods - external entities	<b>1,384</b>	1,425
Services - external entities	<b>310</b>	42
Total	<b>1,694</b>	1,467
Cost of sales of goods	<b>1,540</b>	1,202

4D Interest Revenue

Interest on deposits	<b>56</b>	42
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4E Other Revenues

Grants Revenue	<b>121</b>	94
Other Revenue	<b>190</b>	260
Total	<b>311</b>	354

**Note 5. Operating Expenses**

5A Employee Expenses

Wages and salaries	<b>3,816</b>	3,951
Superannuation	<b>710</b>	698
Leave and other benefits	<b>459</b>	621
Other employee expenses	<b>29</b>	20
<b>Total employee benefits expenses</b>	<b>5,014</b>	5,290
Workers' compensation premiums	<b>14</b>	17
<b>Total employee expenses</b>	<b>5,028</b>	5,307

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5B Suppliers' Expenses

	<b>2003</b>	2002
	<b>\$'000</b>	\$'000
Goods - external entities	<b>589</b>	532
Services - external entities	<b>1,554</b>	1,405
Motor vehicle lease costs	<b>82</b>	82
External projects, goods - external entities	<b>688</b>	330
<b>Total</b>	<b>2,913</b>	2,349

5C Depreciation

Property, plant and equipment	<b>2,739</b>	<b>4,009</b>
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The aggregate amounts of depreciation expensed during the reporting period for each class of depreciable asset are:

Buildings	<b>995</b>	939
Telescopes	<b>704</b>	701
Instruments	<b>667</b>	2,141
Plant and equipment	<b>373</b>	228
<b>Total depreciation</b>	<b>2,739</b>	4,009

5D Write-off of Assets

**Non-financial assets**

Plant and equipment - write off on disposal	-	401
<b>Total write-off of assets</b>	<b>-</b>	<b>401</b>

5E Net Foreign Exchange Loss

Non-speculative	<b>3</b>	-
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**Note 6 Financial assets**

6A Cash

Cash at bank and on hand	<b>619</b>	1,032
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Balance of cash as at 30 June shown in the Statement of Cash Flows	<b>619</b>	1,032
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6B Receivables

Goods and services	<b>25</b>	-
Other receivables	<b>239</b>	570
GST Receivable	<b>40</b>	54
<b>Total receivables net</b>	<b>304</b>	624

All receivables are current assets.

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	<b>2003</b>	2002
	<b>\$'000</b>	\$'000
Receivables (gross) are aged as follows:		
Not Overdue	<b>293</b>	74
Overdue by:		
-Less than 30 days	-	507
-30-60 days	<b>8</b>	42
-more than 60 days	<b>3</b>	1
Total receivables (gross)	<b>304</b>	624

**Note 7: Non-Financial assets**

7A Land and buildings

Land - at 30 June 2001 valuation (deprival)	-	15
Land - at 1 July 2002 valuation (fair value)	<b>18</b>	-
Land (the use of which is free of charge)		
at 30 June 2001 valuation (deprival)	-	2,350
at 1 July 2002 valuation (fair value)	<b>2,350</b>	-
	<b>2,368</b>	2,365
Buildings - at cost	-	29
Buildings - at 30 June 2001 valuation (deprival)	-	41,778
Buildings - at 1 July 2002 valuation (fair value)	<b>44,910</b>	-
Less accumulated depreciation	<b>(26,248)</b>	(23,799)
	<b>18,662</b>	18,008
Buildings (the use of which is free of charge)		
At 30 June 2001 valuation (deprival)	-	4,549
At 1 July 2002 valuation (fair value)	<b>5,340</b>	-
Less accumulated depreciation	<b>(3,206)</b>	(2,640)
	<b>2,134</b>	1,909
Total land and buildings	<b>23,164</b>	22,282

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	<b>2003</b>	2002
	<b>\$'000</b>	\$'000
<b>7B Plant and equipment</b>		
Telescope & ancillary equipment at 1 July 2001 valuation (deprival)	<b>35,137</b>	35,137
Less accumulated depreciation	<b>(20,504)</b>	(19,801)
	<b>14,633</b>	15,336
Telescope and ancillary equipment at cost	<b>26</b>	25
Less accumulated depreciation	<b>(2)</b>	(1)
	<b>24</b>	24
Telescope instrumentation at 1 July 2001 valuation (deprival)	<b>13,251</b>	13,251
Less accumulated depreciation	<b>(7,786)</b>	(7,145)
	<b>5,465</b>	6,106
Telescope instrumentation at cost	<b>2,380</b>	946
Less accumulated depreciation	<b>(29)</b>	(3)
	<b>2,351</b>	943
Other plant and equipment at 1 July 2001 valuation (deprival)	<b>3,587</b>	3,587
Less accumulated depreciation	<b>(2,265)</b>	(1,941)
	<b>1,322</b>	1,646
Other plant and equipment at cost	<b>546</b>	339
Less accumulated depreciation	<b>(69)</b>	(20)
	<b>477</b>	319
Total plant and equipment	<b>24,272</b>	24,374
Total property, plant and equipment	<b>47,436</b>	46,656

**ANGLO-AUSTRALIAN TELESCOPE BOARD**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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7C. Analysis of Property, Plant and Equipment

**TABLE A**

**Reconciliation of opening and closing balances of property, plant and equipment**

<b>Item</b>	<b>Land \$'000</b>	<b>Buildings \$'000</b>	<b>Total land and buildings \$'000</b>	<b>Plant and equipment \$'000</b>	<b>Total \$'000</b>
Gross value as at 1 July 2002	2,365	46,356	48,721	53,285	102,006
• Additions-purchase of assets	-	498	498	1,642	2,140
• Revaluations: write-ups (write downs) <sup>1</sup>	3	3,396	3,399	-	3,399
<b>Gross value as at 30 June 2003</b>	<b>2,368</b>	<b>50,250</b>	<b>52,618</b>	<b>54,927</b>	<b>107,545</b>
<b>Accumulated depreciation as at 1 July 2002</b>	-	26,439	26,439	28,911	55,350
• Depreciation charge for year	-	995	995	1,744	2,739
• Revaluation: write-ups (write downs) <sup>1</sup>	-	2,020	2,020	-	2,020
<b>Accumulated depreciation as at 30 June 2003</b>	<b>-</b>	<b>29,454</b>	<b>29,454</b>	<b>30,655</b>	<b>60,109</b>
<b>Net book value as at 30 June 2003</b>	<b>2,368</b>	<b>20,796</b>	<b>23,164</b>	<b>24,272</b>	<b>47,436</b>
Net book value as at 1 July 2002	2,365	19,917	22,282	24,374	46,656

<sup>1</sup> The net effect is an increase in the asset revaluation reserve of \$1,379,000

**ANGLO-AUSTRALIAN TELESCOPE BOARD**

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**TABLE B**

**Assets at valuation**

Item	Land \$'000	Buildings \$'000	Telescope \$'000	Instruments \$'000	Plant & equipment \$'000	Total \$'000
<b>As at 30 June 2003</b>						
Gross value	<b>2,368</b>	<b>50,250</b>	<b>35,137</b>	<b>13,251</b>	<b>3,587</b>	<b>104,593</b>
Accumulated depreciation	-	<b>29,454</b>	<b>20,504</b>	<b>7,786</b>	<b>2,265</b>	<b>60,009</b>
<b>Net book value</b>	<b>2,368</b>	<b>20,796</b>	<b>14,633</b>	<b>5,465</b>	<b>1,322</b>	<b>44,584</b>
<b>As at 30 June 2002</b>						
Gross value	2,365	46,327	35,137	13,251	3,587	100,667
Accumulated depreciation	-	26,439	19,801	7,145	1,941	55,326
<b>Net book value</b>	<b>2,365</b>	<b>19,888</b>	<b>15,336</b>	<b>6,106</b>	<b>1,646</b>	<b>45,341</b>

	<b>2003</b> <b>\$'000</b>	2002 \$'000
<u>7D</u> Other non-financial assets		
Prepayments for goods and services - includes insurance premiums, rentals in advance and subscriptions All pre-payments are current	<b>80</b>	82

**Note 8. Provisions**

	<b>2003</b> <b>\$'000</b>	2002 \$'000
<u>8A</u> Employees		
Salaries and wages	<b>159</b>	117
Leave	<b>1,305</b>	1,333
Superannuation	<b>220</b>	203
Aggregate employee benefits liability and related costs	<b>1,684</b>	1,653
Current	<b>801</b>	693
Non-current	<b>883</b>	960
	<b>1,684</b>	1,653

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**Note 9. Payables**

9A Supplier Payables

	<b>2003</b>	2002
	<b>\$'000</b>	\$'000
Trade creditors	<b>138</b>	100
All suppliers' payables are current		

9B Other Payables

Non Trade creditors	<b>55</b>	48
Institute of Astronomy (note 16D)	<b>13</b>	192
ECHIDNA (note 16B)	<b>488</b>	726
<b>Total Other Payables</b>	<b>556</b>	966
All other payables are current		

**Note 10. Equity**

	<b>Asset Revaluation Reserve \$'000</b>	<b>Accumulated Result \$'000</b>	<b>Total Equity \$'000</b>
Balance at 1 July 2002	<b>34,596</b>	<b>11,079</b>	<b>45,675</b>
Operating result	-	<b>(993)</b>	<b>(993)</b>
Net revaluation increase	<b>1,379</b>	-	<b>1,379</b>
<b>Balance at 30 June 2003</b>	<b>35,975</b>	<b>10,086</b>	<b>46,061</b>
Balance at 1 July 2001	32,846	13,925	46,771
Operating result	-	(2,846)	(2,846)
Net revaluation increase	1,750	-	1,750
Balance at 30 June 2002	34,596	11,079	45,675

**ANGLO-AUSTRALIAN TELESCOPE BOARD**

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**Note 11. Cash Flow Reconciliation**

Reconciliation of operating deficit to net cash from operating activities.

	<b>2003</b>	2002
	<b>\$'000</b>	\$'000
<b>Operating (deficit)</b>	<b>(993)</b>	(2,846)
Depreciation/amortisation	<b>2,739</b>	4,009
Property plant & equipment written off	-	401
Changes in assets and liabilities:		
Increase/(decrease) in liabilities to employees	<b>31</b>	117
Decrease/(increase) in receivables	<b>320</b>	(513)
(Increase)/decrease in other current assets	<b>2</b>	29
Increase/(decrease) in creditors	<b>38</b>	48
Increase/(decrease) in other current liabilities	<b>(410)</b>	707
<b>Net cash from operating activities</b>	<b>1,727</b>	1,952

**Note 12. Related Party Disclosures and Remuneration of Directors**

Members of the Board during the year were:

Professor M Barlow (to 30 December 2002), Professor M Birkinshaw, Mr G Brooks, Professor L Cram  
Professor R D Ekers, Professor K Freeman, Dr P Roche (from 1 January 2003).

The Directors do not receive remuneration.

Professor K Freeman is also an employee of the ANU Research School of Astronomy and Astrophysics (RSAA). RSAA provides site services to the AAO at Siding Spring. Professor R D Ekers is the Director of the Australian Telescope National Facility, a Division of CSIRO; CSIRO provides site services to the AAO at Epping.

**Note 13. Remuneration of Officers**

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

	<b>2003</b>	2002
	<b>Number</b>	Number
\$100 000 - \$109 999	-	-
\$110 000 - \$119,999	<b>1</b>	1
\$120 000 - \$129 999	<b>1</b>	1
\$130 000 - \$139 999	<b>1</b>	1
\$140 000 - \$149 999	-	1
\$150 000 - \$159 999	-	-
\$160 000 - \$169 999	<b>1</b>	1
	<b>\$</b>	<b>\$</b>
Aggregate amount of total remuneration of officers shown above	<b>552,539</b>	670,124

## ANGLO-AUSTRALIAN TELESCOPE BOARD

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#### Note 14. Remuneration of Auditors

	2003	2002
	\$	\$
Remuneration to the Auditor-General for auditing the financial statements for the reporting period	<u>26,550</u>	25,000

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

#### Note 15. Average Staffing Levels

	2003	2002
The average staffing levels for the AAO during the year were:	70	70

#### Note 16. External Projects

A. In May 1999, the Observatory entered into an agreement with the European Southern Observatory (ESO) to build a positioner for the Very Large Telescope in Chile. This was a natural extension of the work the AAO had done on its own instruments and provided an opportunity for the AAO to enhance its instrumentation building skills. The instrument was delivered to Chile in February 2002 and fully commissioned by April 2003.

ESO has made a series of staged payments. The position at 30 June 2003 was as follows:

	2003	2002
	\$'000	\$'000
Instalments received	<u>285</u>	<u>100</u>
Suppliers expenses	(32)	(142)
Employee expenses	(216)	(388)
Balance from prior year	(285)	(49)
Project loss absorbed by AAO	<u>152</u>	<u>194</u>
Instalments receivable	<u>(96)</u>	<u>(285)</u>

B. The Japanese Telescope Subaru contracted the AAO to design and evaluate a prototype positioner, the Echidna. The contract began just before the end of the 1998-99 year and will be completed in 2004. The position at 30 June 2003 was as follows:

Instalments received	<u>1,050</u>	<u>1,476</u>
Suppliers' expenses	(546)	(150)
Employee expenses	(450)	(364)
Balance from prior year	726	-
On cost credited to other revenue	<u>(292)</u>	<u>(236)</u>
Instalments unexpended- included in Other Liabilities	<u>488</u>	<u>726</u>

## ANGLO-AUSTRALIAN TELESCOPE BOARD

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003

#### C. Institute of Astronomy

The AAT Board is contracted to provide a preliminary design for an instrument for the Institute of Astronomy, University of Cambridge. The project will finish in July 2003.

	<b>2003</b>	2002
	<b>\$'000</b>	\$'000
Instalments received	<b><u>255</u></b>	<u>180</u>
Suppliers expenses	<b>(8)</b>	(10)
Employee expenses	<b>(161)</b>	(119)
On cost credited to other revenue	<b>(85)</b>	(39)
Balance from prior year	<b>12</b>	-
Instalment unexpended - included in Other Liabilities	<b><u>13</u></b>	<u>12</u>

#### D. MOMFOS

The AAT Board is contracted to provide a concept design study for AURA. The project began in late 2002-2003 and will finish in mid 2003-2004.

Instalment received	-	-
Suppliers expenses	<b>(1)</b>	-
Employee expenses	<b>(13)</b>	-
On cost credited to other revenue	<b>(11)</b>	-
Instalments receivable, included in debtors	<b><u>25</u></b>	<u>-</u>

#### E. WiFES

The AAT Board contracted to provide ANU with a concept design for an instrument called WiFES. The contract was started and finished within the financial year.

Instalment Received	-	-
Suppliers Expenses	<b>(1)</b>	-
Employee Expenses	<b>(12)</b>	-
On cost credited to other revenue	<b>(12)</b>	-
Surplus transferred to AAO budget	<b>5</b>	-
Instalments receivable, included in debtors	<b><u>30</u></b>	<u>-</u>

**ANGLO-AUSTRALIAN TELESCOPE BOARD**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2003**

**Note 17. Financial Instruments.**

**a) Terms, conditions and accounting policies.**

Financial Instruments	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis.)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows.)
Financial Assets		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash at Bank	6A	Cash at Bank is recognised at the nominal amount. Interest is credited to revenue as it accrues.	Temporarily surplus funds on deposit with RBA have interest credited monthly.
Receivables	6B	These receivables are recognised at the nominal amount due less any provision for bad and doubtful debts. Provisions are made when collection of the debt is judged to be less rather than more likely.	Credit terms are net 30 days.
Financial Liabilities		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Suppliers	9A	Creditors and accruals are recognised at their nominal amounts, being amounts at which the 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 30 days.
Other	9B	Amounts owing to external contracts, representing unspent contributions, are recognised at their nominal amounts.	Funds will be expended in the year ending 30 June 2004.

**ANGLO-AUSTRALIAN TELESCOPE BOARD**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2003

**b) Interest rate risk**

Financial Instrument	Note	Floating Interest Rate <b>2003</b> \$'000	Floating Interest Rate 2002 \$'000	Non Interest Bearing <b>2003</b> \$'000	Non Interest Bearing 2002 \$'000	<b>Total</b> <b>2003</b> \$'000	Total 2002 \$'000
<b>Financial Assets</b>							
Cash at Bank	6A	<b>588</b>	998	-	-	<b>588</b>	998
Cash on Hand	6A	-	-	<b>31</b>	34	<b>31</b>	34
Receivables	6B	-	-	<b>304</b>	624	<b>304</b>	624
<b>Total Financial Assets</b>		<b>588</b>	998	<b>335</b>	658	<b>923</b>	1,656
<b>Total Assets</b>						<b>48,439</b>	48,394
<b>Financial Liabilities</b>							
Suppliers	9A	-	-	<b>138</b>	100	<b>138</b>	100
Other	9B	-	-	<b>556</b>	966	<b>556</b>	966
<b>Total Financial Liabilities</b>		-	-	<b>694</b>	1,066	<b>694</b>	1,066
<b>Total Liabilities</b>						<b>2,379</b>	2,719

The weighted average effective interest rate for Cash at Bank is 3.65% (2001-2002 3.4%)

**c) Net fair value of Financial Assets and Liabilities**

	Note	<b>Total Carrying Amount 2003</b> \$'000	<b>Aggregate Net Fair Value 2003</b> \$'000	Total Carrying Amount 2002 \$'000	Aggregate Net Fair Value 2002 \$'000
<b>Financial Assets</b>					
Cash at Bank	6A	<b>588</b>	<b>588</b>	998	998
Cash on Hand	6A	<b>31</b>	<b>31</b>	34	34
Receivables	6B	<b>304</b>	<b>304</b>	624	624
<b>Total Financial Assets</b>		<b>923</b>	<b>923</b>	1,656	1,656
<b>Financial Liabilities (recognised)</b>					
Suppliers	9A	<b>138</b>	<b>138</b>	100	100
Other	9B	<b>556</b>	<b>556</b>	966	966
<b>Total Financial Liabilities (recognised)</b>		<b>694</b>	<b>694</b>	1,066	1,066

**ANGLO-AUSTRALIAN TELESCOPE BOARD**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2003**

Financial Assets

The net fair value of cash assets is their carrying value as shown.

Financial Liabilities

The net fair values of suppliers and other payables, all of which are short term in nature, are their carrying values as shown.

**d) Credit risk exposures**

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

The Anglo-Australian Telescope Board has no significant exposures to any concentration of credit risk.