

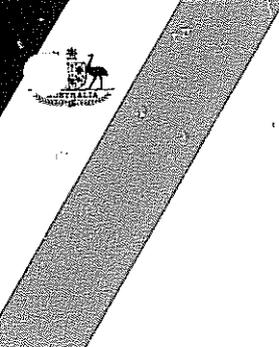


Australian Government

Royal Australian Mint

2004 – 2005

Financial Report



INDEPENDENT AUDIT REPORT

To the Parliamentary Secretary to the Treasurer

Matters relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements published in both the Department of the Treasury's annual report and on the website of the Royal Australian Mint for the year ended 30 June 2005. The Secretary to the Treasury, the Royal Australian Mint's Chief Executive Officer and Chief Financial Officer are responsible for the integrity of both the annual report and its web site.

The audit report refers only to the financial statements, schedules and notes named below. It does not provide an opinion on any other information which may have been hyperlinked to/from the audited financial statements.

If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements.

Scope

The financial statements and Chief Executive's responsibility

The financial statements comprise:

- Statement by the Secretary to the Treasury, the Royal Australian Mint's Chief Executive Officer and Chief Financial Officer;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Commitments and Contingencies; and
- Notes to and forming part of the Financial Statements,

of the Royal Australian Mint for the year ended 30 June 2005.

The Secretary to the Treasury, the Royal Australian Mint's Chief Executive Officer and Chief Financial Officer are responsible for preparing financial statements that give a true and fair presentation of the financial position and performance of the Royal Australian Mint, and that comply with accounting standards, other mandatory financial reporting requirements in Australia, and the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*. The Secretary to the Treasury, the Royal Australian Mint's Chief Executive Officer and Chief Financial Officer are also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit approach

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, accounting standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Royal Australian Mint's financial position, and of its performance as represented by the statements of financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Secretary to the Treasury, the Royal Australian Mint's Chief Executive Officer and Chief Financial Officer.

Independence

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian Accounting profession.

Audit Opinion

In my opinion, the financial statements of the Royal Australian Mint:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (b) give a true and fair view of the Royal Australian Mint's financial position as at 30 June 2005 and of its performance and cash flows for the year then ended, in accordance with:
 - (i) the matters required by the Finance Minister's Orders; and
 - (ii) applicable accounting standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office



Ian Goodwin
Group Executive Director

Delegate of the Auditor-General

Canberra
12 July 2005



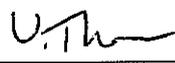
Australian Government

Royal Australian Mint

In our opinion, the attached financial statements for the year ended 30 June 2005 give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*.

Signed:  Date: 12/7/05

Dr M Parkinson (A/g Secretary to the Treasury)

Signed:  Date: 12/7/05

Dr V Thom (Chief Executive Officer)

Signed:  Date: 12/7/05

C.A. Shadbolt (Chief Financial Officer)

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

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ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

1 Summary of Significant Accounting Policies

1.1 Objectives of the Royal Australian Mint

The objective of the Royal Australian Mint is to operate successfully in producing circulating and numismatic coins for Australia.

The Mint is a division of Treasury and responsible for delivering *Output 3.1.5 – Circulating Coin and like products* on behalf of Treasury.

1.2 Basis of accounting

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general-purpose financial report.

The statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs, being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 30 June 2005)*);
- Australian Accounting Standards and Accounting Interpretations issued by Australian Accounting Standards Boards; 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 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 of the Royal Australian Mint.

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. However, assets and liabilities arising under agreements equally proportionately unperformed are 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 (other than unquantifiable or remote contingencies, which are reported at Note 14).

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.

1.3 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2003-2004 with the exception of tax effect accounting. In 2004-2005, the Mint has applied the full requirements of AASB 1020 *Accounting for Income Tax (Tax Effect Accounting)* by recognising the tax asset and tax liability associated with calculation of the income tax equivalent expense. In 2003-2004 there were changes to the Competitive Neutrality Guidelines issued by the Department of Finance and Administration. Under the Guidelines the Mint was required to determine its competitive neutrality payment on the basis of a taxation equivalent regime to allow for the calculation of its taxable income and the notional tax amount. The tax asset and liability related to this calculation was inadvertently not recognised in 2003-2004. Refer Note 1.19 for the income tax policy note applied in 2004-2005.

1.4 Seigniorage and repurchase of circulating coins

Seigniorage is collected by the Mint on behalf of the Commonwealth. Seigniorage represents the difference between the face value of coinage sold to the Reserve Bank of Australia and its cost of production to the Mint after allowing for a surplus as stipulated in the transfer price agreement between the Department of the Treasury and the Mint.

The Mint repurchases circulating coins on behalf of the Commonwealth. The costs incurred by the Mint in repurchasing circulating coins are offset to an extent by the sale of scrap metal and the balance is supplemented by the Commonwealth via a reduction in the total amount paid to the Department of the Treasury (refer Note 13).

The revenues from circulating coin sales are not directly available to be used by the Mint for its own purposes and are remitted to the Commonwealth's Official Public Account. Seigniorage for 2004-2005 is \$102.5m (2003-2004: \$58.098m).

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

1.5 Revenues

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

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to the financial assets. The interest recognised in the 2004-2005 statements is adjusted against payments made under competitive neutrality arrangements.

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.

1.6 Transactions with the Government as Owner

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any savings offered up in Portfolio Additional Estimates Statements) are recognised directly in Contributed Equity in that year.

1.7 Employee 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), annual leave and sick leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the 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.

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.

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 Mint is estimated to be less than the annual entitlement for sick leave.

The liability for annual leave reflects the value of total annual leave entitlements of all employees at 30 June 2005 and is recognised at its nominal value.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2003. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is also made for separation and redundancy payments in cases where the Mint has formally identified positions as excess to requirements and a reliable estimate of the amount payable can be determined.

Superannuation

Eligible ongoing employees contribute to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. The liability for their superannuation benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

The Mint makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Commonwealth of the superannuation entitlements of the Mint's employees.

Employer contributions amounting to \$744,873 (2003-2004: \$731,913) for the Mint in relation to these schemes have been expensed in these financial statements.

Employer Superannuation Productivity Benefit contributions totalled \$159,295 (2003-2004: \$146,551) for the Mint.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

1.8 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets. In operating leases, 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.

The Mint entered into an operating lease arrangement for some of its IT and Office Equipment assets on 5 September 2003.

1.9 Rounding

Amounts are rounded to the nearest \$1,000.

1.10 Cash

Cash means notes and coins held and any deposit held at call with a bank or financial institution. Cash is recognised at its nominal amount.

1.11 Other Financial Instruments

Trade debtors

Trade debtors and accruals are recognised at their nominal amounts, being the amounts at which the assets will be settled. Assets are recognised to the extent that the goods or services have been provided (and irrespective of having been invoiced).

Trade Creditors

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Contingent Liabilities and Contingent Assets

Contingent Liabilities (assets) are not recognised in the Statement of Financial Position but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability (asset), or represent an existing liability (asset) in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Where settlement becomes probable, a liability (asset) is recognised. A liability (asset) is recognised when its existence is confirmed by a future event, settlement becomes probable or reliable measurement becomes possible.

1.12 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, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

1.13 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 \$2,000 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).

Revaluations

Basis

Property, plant and equipment are carried at valuation, being revalued with sufficient frequency that the carrying amount of each asset class is not materially different, at reporting date, from its fair value. Where valuations are undertaken in a year, the valuation is as at 30 June.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Fair values for each class of assets are determined as depreciated replacement costs.

Assets which are surplus to requirements are measured at their net realisable value.

Property, plant and equipment are subject to a formal revaluation every two years. Formal valuations are carried out by an independent qualified valuer. Management is satisfied the carrying value is not materially different from the fair value.

Depreciation and Amortisation

Depreciable property, plant and equipment are written off to their estimated residual values over their estimated useful lives to the Mint using the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives) and methods are reviewed at each reporting 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 asset on the following useful lives are as follows:

	2005	2004
Leasehold improvements	15 years	Not applicable
Office equipment	5 years	5 years
Factory machinery	10-20 years	10-20 years

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

1.14 Impairment of Non-Current Assets

Non-current assets carried at up to date fair value at the reporting date are not subject to impairment testing.

Non-current assets carried at cost and held to generate net cash inflows, have been tested for their recoverable amounts at the reporting date. The test compared the carrying amounts against the net present valued of future net cash inflows. No write-down to recoverable amount was required (2003-2004: nil).

The non-current assets carried at cost which are not held to generate net cash inflows, have been assessed for indications of impairment. Where indications of impairment exist, the carrying amount of the asset is compared to the higher of its net selling price and depreciated replacement cost and is written down to that value if greater. No write-down to recoverable amount was required (2003-2004: \$0.38m).

1.15 Intangible assets

The Mint's intangibles comprise externally acquired software for internal use. These assets are reported at the lower of cost or recoverable amount.

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

	2005	2004
Capitalised software costs	3 to 5 years	3 to 5 years

All software assets were assessed for indications of impairment as at 30 June 2005. No write down to recoverable amount was required (2003-2004: nil).

1.16 Inventories

Inventories held for resale are at the lower of cost and net realisable value. Work in progress and finished goods are brought to account to include direct costs and a proportion of direct labour and overhead. All precious metals are purchased and brought to account at cost and expensed as used. Indirect materials are expensed at time of purchase.

1.17 Bad and doubtful debts

Bad debts are written off to expense during the year in which they are identified, to the extent they have not been previously provided for. A provision is raised for doubtful debts based on a review of all outstanding accounts at year-end.

1.18 Foreign currency transactions

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Transactions denominated in a foreign currency are converted at the rate of exchange prevailing at the date of the transaction.

1.19 Taxation / Competitive Neutrality

Taxation

The Mint is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office and except for receivables and payables.

Competitive Neutrality

Under Competitive Neutrality arrangements, the Mint is required to make Australian Income Tax Equivalent payments to the Government. Tax effect accounting procedures are followed whereby the income tax expense in the statement of financial performance is matched with the accounting profit after allowing for permanent differences. The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax on cumulative timing differences is set aside to the deferred income tax or the future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

1.20 Insurance

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

1.21 Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements.

2 Adoption of Australian Equivalents to International Financial Reporting Standards from 2005-2006

The Australian Accounting Standards Board has issued replacement Australian Accounting Standards to apply from 2005-2006. The new standards are the Australian Equivalents to International Financial Reporting Standards (AEIFRS). The International Financial Reporting Standards are issued by the International Accounting Standards Board. The new standards cannot be adopted early. The standards being replaced are to be withdrawn with effect from 2005-2006, but continue to apply in the meantime, including reporting periods ending on 30 June 2005.

The purpose of issuing AEIFRS is to enable Australian reporting entities reporting under the *Corporations Act 2001* to be able to more readily access overseas capital markets by preparing their financial reports according to accounting standards more widely used overseas.

For-profit entities complying with AEIFRS will be able to make an explicit and unreserved statement of compliance with International Financial Reporting Standards (IFRS) as well as a statement that the financial report has been prepared in accordance with Australian Accounting Standards.

The AEIFRS contain certain additional provisions which will apply to not-for-profit entities, including Australian Government agencies. Some of these provisions are in conflict with the IFRS, and therefore the Mint will only be able to assert that the financial report has been prepared in accordance with Australian Accounting Standards.

AAS29 *Financial Reporting by Government Departments* will continue to apply under AEIFRS.

Accounting Standard AASB 1047 *Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards* requires that the financial statements for 2004-2005 disclose:

- an explanation of how the transition to AEIFRS is being managed,
- narrative explanations of the key policy differences arising from the adoption of AEIFRS;
- any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRS; and
- if the impacts of the above are not known or reliably estimable, a statement to that effect.

The purpose of this Note is to make these disclosures.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Management of the transition to AEIFRS

The Mint has taken the following steps for the preparation towards the implementation of AEIFRS:

- The Mint's Financial Statements Sub-Committee is tasked with oversight of the transition to and implementation of AEIFRS. The Director, Finance and Systems is formally responsible for the project and reports regularly to the Financial Statements Sub-Committee on progress against the formal plan approved by the Committee.
- The plan requires the following key steps to be undertaken and sets deadlines for their achievement:
 - All major accounting policy differences between current AASB standards and AEIFRS were identified by 30 June 2004.
 - A transitional balance sheet as at 1 July 2004, under AEIFRS to be completed by the 30 April 2005. This deadline has been moved to 30 September 2005 due to pending advice regarding tax effect accounting from the Department of Finance and Administration.
 - Preparation of an AASB Equivalent balance sheet completed by 30 September 2005.
- The plan also addresses the risks to successful achievement of the above objectives and includes strategies to keep implementation on track to meet deadlines.
- To date, all major accounting and disclosure differences and system changes have been identified and the system changes have been tested successfully.
- Consultants have been engaged where necessary to assist with each of the above steps.

Major changes in accounting policy

Changes in accounting policies under AEIFRS are applied retrospectively i.e. as if the new policy had always applied except in relation to the exemptions available under AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. This rule means that an AEIFRS compliant balance sheet had to be prepared as at 1 July 2004. This will enable the 2005-2006 financial statements to report comparatives under AEIFRS.

Changes to major accounting policies are discussed in the following paragraphs.

Management's review of the quantitative impacts of AEIFRS represents the best estimates of the impacts of the changes as at reporting date. The actual effects of the impacts of AEIFRS may differ from these estimates due to:

- continuing review of the impacts of AEIFRS on the Mint's operations;
- potential amendments to the AEIFRS and AEIFRS Interpretations; and
- emerging interpretation as to the accepted practice in the application of AEIFRS and the AEIFRS Interpretations.

Impairment of Non-Current Assets

The Mint's policy on impairment of non-current assets is at note 1.14. Under AEIFRS these assets will be subject to assessment for impairment and, if there are indications of impairment, an assessment of the degree of impairment. (Impairment measurement must also be done, irrespective of any indications of impairment, for intangible assets not yet available for use). The impairment test is that the carrying amount of an asset must not exceed the greater of (a) its fair value less costs to sell and (b) its value in use. 'Value in use' is the net present value of net cash inflows for for-profit assets of the Mint and depreciated replacement cost for not-for-profit assets which would be replaced if the Mint were deprived of them.

The most significant changes are that, for the Mint's for-profit assets, the recoverable amount is only generally to be measured where there is an indication of impairment and that assets carried at up-to-date fair value, whether for-profit or not, may nevertheless be required to be written down if costs to sell are significant.

However, an impairment assessment of the Mint's assets indicated that no adjustments will be required.

Inventory

The Mint recognises inventory held for sale at cost, except where no longer required, in which case net realisable value is applied.

The new Australian Equivalent standard will require inventory held for distribution for no consideration or at a nominal amount to be carried at the lower of cost or current replacement cost.

An assessment was made and it was found that in all instances the current replacement cost of inventory was equal or greater than the original cost. Therefore no adjustment is required.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Employee Benefits

The provision for long service leave is measured at the present value of estimated future cash outflows using market yields as at the reporting date on national government bonds.

The 2003-2004 Financial Statements noted that the AEIFRS standards may require the market yield on corporate bonds to be used. The AASB has decided that a deep market in high quality corporate bonds does not exist and therefore national government bonds will be referenced.

AEIFRS require that annual leave that is not expected to be taken within 12 months of balance date is to be discounted. After assessing the staff leave profile, the Mint expects that \$232,050 will not be taken in the next twelve months. An adjustment will be made for non current annual leave.

Accordingly, Note 9A under AEIFRS would read:

<u>Note 9A: Employee Provisions</u>	\$'000
Leave	2,922
<i>Aggregate employee benefit liability and related on costs</i>	2,922
	<hr/>
Current	1,030
Non- Current	1,892
	<hr/>
	2,922
	<hr/> <hr/>

As at 30 June 2005 this change would have the effect of reducing Employee Provisions by \$15,000 (30 June 2004: \$11,000), reducing Annual Leave expense and increasing Retained Surpluses by \$15,000 (30 June 2004: \$11,000).

Income tax equivalents

Under AASB 112 *Income Taxes*, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the Statement of Financial Position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

Management have determined that, pending final decision by the Department of Finance and Administration, the full requirements of AASB 112 will be applied in determination of tax under the Competitive Neutrality Guidelines.

This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.

An assessment was made as if the policy required by AASB 112 had been applied during the year ended 30 June 2005 and no adjustment was required to be made.

Financial Instruments

AEIFRS include an option for entities not to restate comparative information in respect of financial instruments in the first AEIFRS report. Therefore, the amounts for financial instruments presented in the Mint's 2004-2005 financial statements are not expected to change as a result of the adoption of AEIFRS.

The Mint is required by AEIFRS to review the carrying amounts of financial instruments at 1 July 2005 to ensure they align with the accounting policies required by AEIFRS. It is expected that the carrying amounts of financial instruments held by the Mint will not materially change as a result of this process.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Reconciliation of Equity

	30 June 2005 Opening balance sheet \$000	30 June 2004 Opening balance sheet \$000
Total Equity under AGAAP 30 June 2004	-	32,825
Total Equity under AEIFRS 1 July 2004	32,836	-
Adjustments to accumulated results	15	11
Total Equity under AEIFRS	32,851	32,836

Reconciliation of Operating Surplus

	30 June 2005 Opening balance sheet \$000	30 June 2004 Opening balance sheet adjustments \$000
Total surplus under AGAAP 30 June 2004	-	21,109
Total surplus under AEIFRS 1 July 2004	21,020	-
Adjustment for annual leave	15	11
Total surplus under AEIFRS	21,035	21,120

3 ECONOMIC DEPENDENCY

The Mint is economically dependent on the Reserve Bank of Australia for the purchase of circulating coin.

ROYAL AUSTRALIAN MINT
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2005

	Notes	2005 \$'000	2004 \$'000
Revenues from ordinary activities			
Revenues from Government	4A	138	110
Goods and services	4B	54,512	39,657
Interest	4C,6	479	236
Revenue from sales of assets	4D	-	7
Other revenues	4E	164	410
Revenues from ordinary activities		<u>55,293</u>	<u>40,420</u>
Expenses from ordinary activities (excluding borrowing costs expense)			
Employees	5A,6	7,766	7,360
Suppliers	5B	44,220	27,721
Depreciation and amortisation	5C	990	616
Royalty on numismatic sales	5B	1,355	1,383
Value of assets sold	4D	-	7
Write-down and impairment of assets	5D	1	381
Expenses from ordinary activities (excluding borrowing costs expense)		<u>54,332</u>	<u>37,468</u>
Operating surplus or (deficit) from Ordinary Activities before income tax		<u>961</u>	<u>2,952</u>
Income tax equivalent expense	6	186	990
Net surplus / (deficit) from ordinary activities after income tax		<u>775</u>	<u>1,962</u>
Net credit (debit) to asset revaluation reserve	12	-	535
Total revenues, expenses and valuation adjustments attributable to the Australian Government and recognised directly in equity		<u>-</u>	<u>535</u>
Total changes in equity other than those resulting from transactions with the Australian Government as owner	12	<u>775</u>	<u>2,497</u>

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

ROYAL AUSTRALIAN MINT
STATEMENT OF FINANCIAL POSITION
as at 30 June 2005

	Notes	2005 \$'000	2004 \$'000
ASSETS			
Financial assets			
Cash	7A	7,901	11,391
Future income tax benefit		353	-
Receivables	7B	1,474	2,467
Total financial assets		9,728	13,858
Non-financial assets			
Property, plant and equipment	8A, 8B	6,619	2,992
Intangibles	8C	649	459
Inventories	8D	21,224	15,532
Other non-financial assets	8E	6,375	7,430
Total non-financial assets		34,867	26,413
Total Assets		44,595	40,271
LIABILITIES			
Provisions			
Employees	9A	2,937	2,849
Other provisions	9B	152	117
Total provisions		3,089	2,966
Payables			
Suppliers	10A	243	3,113
Other payables	10B	155	3
Seigniorage payable	10C	4,384	-
Total payables		4,782	3,116
Tax liabilities			
Provision for deferred income tax		136	-
Tax liabilities equivalent	10D	823	1,364
Total tax liabilities		959	1,364
Total Liabilities		8,830	7,446
NET ASSETS		35,765	32,825
EQUITY			
Contributed equity	12	8,578	6,413
Reserves	12	5,393	5,393
Retained surpluses	12	21,794	21,019
TOTAL EQUITY		35,765	32,825
Current assets		31,931	31,424
Non-current assets		12,664	8,847
Current liabilities		7,155	5,928
Non-current liabilities		1,675	1,518

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

ROYAL AUSTRALIAN MINT
STATEMENT OF CASHFLOWS
for the year ended 30 June 2005

	Notes	2005 \$'000	2004 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		20,255	23,408
Face value received on circulating coin for Commonwealth		137,696	76,740
Net GST received from ATO		2,676	1,806
Total cash received		<u>160,627</u>	<u>101,954</u>
Cash used			
Employees		(7,678)	(6,870)
Suppliers		(52,188)	(30,354)
Payments to the Commonwealth	13	(98,927)	(59,889)
Net GST paid to the ATO		(2,682)	(2,628)
Total cash used		<u>(161,475)</u>	<u>(99,741)</u>
Net cash from or (used by) operating activities	11	<u>(848)</u>	<u>2,213</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of property, plant and equipment		-	7
Total cash received		<u>-</u>	<u>7</u>
Cash used			
Purchase of property, plant and equipment		(4,358)	(2,140)
Purchase of intangibles		(449)	(246)
Total cash used		<u>(4,807)</u>	<u>(2,386)</u>
Net cash from or (used by) investing activities		<u>(4,807)</u>	<u>(2,379)</u>
FINANCING ACTIVITIES			
Cash received			
Capital injection		2,165	6,100
Total cash received		<u>2,165</u>	<u>6,100</u>
Net cash from or (used by) financing activities		<u>2,165</u>	<u>6,100</u>
Net increase / (decrease) in cash held		(3,490)	5,934
Cash at the beginning of the reporting period		11,391	5,457
Cash at the end of the reporting period	11	<u>7,901</u>	<u>11,391</u>

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

ROYAL AUSTRALIAN MINT
SCHEDULE OF COMMITMENTS
as at 30 June 2005

	2005	2004
BY TYPE	\$'000	\$'000
Capital commitments		
Infrastructure, Plant and Equipment ¹	1,163	3,821
Total capital commitments	1,163	3,821
Other commitments		
Operating leases ²	2,649	2,924
Other ³	14,022	10,277
Total other commitments by type	16,671	13,201
Commitments receivable		
Total commitments receivable	-	-
Net commitments	17,834	17,022
BY MATURITY		
Capital commitments		
One year or less	1,163	3,821
Total capital commitments	1,163	3,821
Operating lease commitments		
One year or less	643	493
From one to five years	2,006	1,945
Over five years	-	486
Total operating lease commitments	2,649	2,924
Other commitments		
One year or less	2,594	2,428
From one to five years	11,428	7,849
Over five years	-	-
Total other commitments by type	14,022	10,277
Net commitments by maturity	17,834	17,022

Note: Commitments are GST inclusive where relevant

1 Plant and equipment commitments are contracts for purchases of furniture and fittings and coin presses

2 Operating leases included are effectively non-cancellable and comprise of :

Nature of lease	General description of leasing arrangement
Leases for office accommodation	The initial period of office accommodation lease is still current and may be renewed for a further four years at the Mint's option, following a once off adjustment to current market values
Agreements for the provision of motor vehicles	<ul style="list-style-type: none"> No contingent rentals exist. No renewal or purchase options are available to the Department.
Leases for computer equipment and office equipment	<ul style="list-style-type: none"> The lessor provides all computer equipment designated as necessary in the supply contract for 3 years with an option to extend the term for a fixed period as agreed by both parties. The lessor provides all photocopier equipment designated as necessary in the supply contract for 4 years with an option to extend the term for a fixed period as agreed by both parties.

3 As at 30 June 2005, other commitments comprise amounts payable under agreements in respect of which the recipient is yet to perform the requirements required. These commitments are mainly for the supply of blanks for the production of circulating coins and packaging materials for numismatic products.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

	2005 \$'000	2004 \$'000
Note 4: Operating Revenue		
<u>Note 4A: Revenues from Government</u>		
Resources received free of charge	<u>138</u>	<u>110</u>
Total revenues from Government	<u>138</u>	<u>110</u>
<u>Note 4B: Goods and Services</u>		
Goods		
Australian Circulating Coin Sales	32,849	17,571
Australian Numismatic Coin Sales	19,313	20,506
Other Sales non coin product	<u>2,350</u>	<u>1,580</u>
Total sales of goods	<u>54,512</u>	<u>39,657</u>
Provision of goods to:		
Related entities	37,388	17,885
External entities	<u>17,124</u>	<u>21,772</u>
Total sales of goods	<u>54,512</u>	<u>39,657</u>
Costs of sales of goods	<u>43,841</u>	<u>28,831</u>
<u>Note 4C: Interest Revenue</u>		
Competitive Neutrality interest equivalent	<u>479</u>	<u>236</u>
Total interest	<u>479</u>	<u>236</u>
<u>Note 4D: Net gains from Sale of Assets</u>		
Plant and equipment:		
Proceeds from disposal	-	7
Net book value of assets disposed	-	(7)
Net gain / (loss) from disposal of plant and equipment	<u>-</u>	<u>-</u>
<u>Note 4E: Other Revenues</u>		
Rent of premises	164	156
Assets previously not recorded	<u>-</u>	<u>254</u>
Total other revenues	<u>164</u>	<u>410</u>

Plant & equipment stocktake undertaken by the Mint during the prior financial year revealed some items of a non current asset nature had been expensed in prior years. These items were recognised at their value as determined by an independent valuer and shall be depreciated over their remaining effective life.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Note 5: Operating Expenses	2005 \$'000	2004 \$'000
<u>Note 5A: Employee Expenses</u>		
Wages and salaries	6,075	5,678
Superannuation	904	857
Leave and other entitlements	246	220
Separation and Redundancy	24	106
Competitive Neutrality - Payroll tax equivalent	416	374
Total employee benefits expense	7,665	7,235
Worker compensation premiums	101	125
Total employee expenses	7,766	7,360

The Mint contributes to the Commonwealth Superannuation (CSS) and the Public Sector Superannuation schemes which provide retirement, death and disability benefits to employees. Contributions to the schemes are at rates calculated to cover existing and emerging obligations. Current contribution rates are 23% (CSS) and 10.9% (PSS). An additional 3% is contributed for employer productivity benefits.

Note 5B: Suppliers Expenses

Goods from related entities	282	677
Goods from external entities	38,426	25,930
Services from related entities	1,759	-
Services from external entities	3,180	609
	43,647	27,216
Operating lease rental*	573	505
Total suppliers expenses	44,220	27,721

* These comprise minimum lease payments only.

Royalties - Other	436	293
Royalties - Treasury	919	1,090
Total royalties	1,355	1,383

Note 5C: Depreciation and Amortisation

(I) Depreciation

Buildings	11	-
Plant and equipment	720	493
Total depreciation	731	493

(II) Amortisation

Intangibles - computer software	259	123
Total depreciation and amortisation	990	616

Note 5D: Write Down of Assets

Financial assets

Bad and doubtful debts expense	1	1
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Non-financial assets

Plant and equipment	-	380
Total write-down of assets	1	381

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

	2005 \$'000	2004 \$'000
<u>Note 6: Competitive Neutrality Expense</u>		
Competitive Neutrality		
Payroll tax equivalent	416	374
Australian Income Tax Equivalent	186	990
Less: Bank deposit interest equivalent	<u>(479)</u>	<u>(236)</u>
Net competitive neutrality expense	<u>123</u>	<u>1,128</u>

Reconciliation to Australian Income Tax Equivalent

The income tax expense for the financial year differs from the amount calculated on the surplus. The differences are reconciled as follows:

Operating surplus or (deficit) from ordinary activities before income tax expense	961
Income tax calculated @30%	288
Tax effect of permanent differences:	
Non-deductible entertainment costs	<u>2</u>
Income tax adjusted for permanent differences	286
Adjustment to income tax on first time recognition of tax asset and liability	<u>(100)</u>
Aggregate income tax expense	<u>186</u>

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Note 7: Financial Assets

<u>Note 7A: Cash</u>	2005 \$'000	2004 \$'000
Special Accounts	7,894	11,384
Departmental (other than special accounts)	7	7
Total cash	7,901	11,391

Note 7B: Receivables

Goods and services	964	1,731
Less: Provision for Doubtful Debts	(5)	(5)
	959	1,726
Seigniorage receivable	-	425
GST Receivable from the ATO	36	30
Interest Equivalent - Competitive Neutrality	479	286
Total receivables (net)	1,474	2,467

Receivables are represented by:

Current	1,474	2,467
Non-Current	-	-
Total receivables (net)	1,474	2,467

Receivables (gross) are aged as follows:

Current	862	1,656
Overdue by:		
less than 30 days	602	780
30 to 60 days	4	17
60 to 90 days	6	19
more than 90 days	5	-
	617	816
Total receivables (gross)	1,479	2,472

Provision for doubtful debts is aged as follows:

Not Overdue		(5)
Overdue by:		
less than 30 days	-	-
30 to 60 days	-	-
60 to 90 days	-	-
more than 90 days	(5)	-
Total provision for doubtful debts	(5)	(5)

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Note 8: Non-Financial Assets

<u>Note 8A: Property, Plant and Equipment</u>	2005 \$'000	2004 \$'000
- Property - Leasehold improvements at cost	185	-
- Accumulated depreciation	<u>(11)</u>	<u>-</u>
	<u>174</u>	<u>-</u>
- Plant and equipment at cost	4,100	89
- Accumulated depreciation	<u>(192)</u>	<u>(2)</u>
	<u>3,908</u>	<u>87</u>
- Plant and equipment at 2003-04 valuation (fair value)	2,900	2,905
- Accumulated depreciation	<u>(530)</u>	<u>-</u>
	<u>2,370</u>	<u>2,905</u>
- Plant and equipment - Mint refurbishment at cost	<u>167</u>	<u>-</u>
<i>Total property, plant and equipment</i>	<u><u>6,619</u></u>	<u><u>2,992</u></u>

In the prior year, master tooling was considered during the process of revaluing assets at fair value, and it was decided that the items included under master tooling did not satisfy the definition of an asset, consequently these assets have been written off in the prior financial year.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Note 8B: Analysis of Property, Plant and Equipment

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

Item	Plant and equipment \$'000	Buildings - leasehold improvements \$'000
As at 1 July 2004		
Gross book value	2,994	-
Accumulated depreciation/amortisation	(2)	-
Opening Net Book value	2,992	-
Additions:		
by purchase	4,173	185
from acquisition of operations	-	-
Net Revaluation increment/(decrement)	-	-
Depreciation / Amortisation expense	(720)	(11)
Recoverable amount write-downs	-	-
Disposals:		
From disposal of operations	-	-
Other disposals	-	-
As at 30 June 2005		
Gross book value	7,167	185
Accumulated depreciation/amortisation	(722)	(11)
Closing Net Book value	6,445	174

TABLE B - Assets at valuation

Item	Plant and equipment \$'000
As at 30 June 2005	
Gross book value	2,900
Accumulated depreciation/amortisation	(530)
Net Book value	2,370
As at 30 June 2004	
Gross book value	2,905
Accumulated depreciation/amortisation	-
Net Book value	2,905

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Note 8C: Intangibles	2005 \$'000	2004 \$'000
Computer software:		
Externally acquired - in progress	209	209
Externally acquired - transferred	(209)	-
	<u>-</u>	<u>209</u>
Externally acquired - in use (non-current)		
Computer Software at cost	2,133	1,475
Computer Software - Accumulated Amortisation	(1,484)	(1,225)
Total Intangibles	<u>649</u>	<u>459</u>

TABLE A - Reconciliation of the opening and closing balances of intangibles

Item	Computer software \$'000
As at 1 July 2004	
Gross book value	1,684
Accumulated depreciation/amortisation	(1,225)
Opening Net Book value	459
Additions:	
by purchase	449
by transfer	
from acquisition of operations	
Depreciation / Amortisation expense	(259)
Recoverable amount write-downs	-
As at 30 June 2005	
Gross book value	2,133
Accumulated depreciation/amortisation	(1,484)
Closing Net Book value	649

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

<u>Note 8D: Inventories</u>	2005	2004
	\$'000	\$'000
Raw materials		
Australian circulating coin	6,346	3,615
Australian numismatic coin	4,043	3,342
Other	614	620
	<u>11,003</u>	<u>7,577</u>
Work in progress		
Australian circulating coin	942	483
Australian numismatic coin	694	986
Other	44	686
	<u>1,680</u>	<u>2,155</u>
Finished goods		
Australian circulating coin	5,911	4,788
Australian numismatic coin	1,517	944
Other	1,113	68
	<u>8,541</u>	<u>5,800</u>
Total inventories	<u><u>21,224</u></u>	<u><u>15,532</u></u>

All departmental inventories are held for sale and are current assets.

ROYAL AUSTRALIAN MINT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2005

<u>Note 8E: Other Non Financial Assets</u>	2005 \$'000	2004 \$'000
Prepayments	979	2,034
Coin collection at valuation	5,396	5,396
<i>Total other non financial assets</i>	<u>6,375</u>	<u>7,430</u>
Current	979	2,034
Non-Current	<u>5,396</u>	<u>5,396</u>
	<u>6,375</u>	<u>7,430</u>

The coin collection includes donated coins free of cost. The collection was valued by an independent appraiser at 30 June 2003 at market value. Although the coin collection is under the control of the Mint, it is classed as a restricted asset because it is not available to be sold or made available to a third party. Depreciation on the coin collection is not material. Items have been added to the coin collection free of charge since 30 June 2003. These items will be included in the valuation planned for 30 June 2006.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2005

Note 9: Provisions

	2005 \$'000	2004 \$'000
<u>Note 9A: Employee Provisions</u>		
Leave	2,937	2,849
Aggregate employee benefit liability and related oncosts	2,937	2,849
Current	1,262	1,331
Non-Current	1,675	1,518
	2,937	2,849
<u>Note 9B: Other Provisions</u>		
Fees and sales in advance	152	117
Total other provisions	152	117
Current	152	117
Non-Current	-	-
	152	117

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Note 10: Payables	2005	2004
	\$'000	\$'000
<u>Note 10A: Suppliers Payable</u>		
Trade creditors	243	3,113
Total suppliers payables	243	3,113
Settlement is usually made net 30 days		
<u>Note 10B: Other Payables</u>		
Other	155	3
Total other payables	155	3
All other payables are current liabilities		
<u>Note 10C: Seigniorage Payable</u>		
Seigniorage payable	4,384	-
Total seigniorage payable	4,384	-
All seigniorage payable is a current liability.		
Total Payables	4,782	3,116
<u>Note 10D: Tax liabilities</u>		
Payroll tax equivalent	420	374
Income tax equivalent	403	990
Competitive neutrality tax liabilities equivalent	823	1,364
Current	5,605	4,480
Non-Current	-	-
	5,605	4,480

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Note 11: Cash Flow Reconciliation	2005	2004
	\$'000	\$'000
Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows		
Cash at year end per statement of cash flows	7,901	11,391
Statement of Financial Position items comprising above cash: 'Financial Asset - Cash'	7,901	11,391
Reconciliation of net surplus to net cash from operating activities:		
Net surplus / (deficit)	775	1,962
Loss/gain on disposal of non current assets	-	381
Non current assets not previously recorded	-	(254)
Depreciation / Amortisation	990	616
(Increase) / decrease in net receivables	993	(610)
(Increase) / decrease in inventories	(5,692)	(114)
(Increase) / decrease in other current assets	702	18
Increase / (Decrease) in suppliers liabilities	(2,870)	1,455
Increase / (Decrease) in employees provision	88	16
Increase / (Decrease) in other liabilities	4,166	(1,257)
Net cash from / (used by) operating activities	(848)	2,213

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Note 12: Analysis of Equity

Item	Accumulated results		Asset revaluation reserve		Contributed equity		TOTAL EQUITY	
	2005 \$,000	2004 \$,000	2005 \$,000	2004 \$,000	2005 \$,000	2004 \$,000	2005 \$,000	2004 \$,000
Opening balance as at 1 July	21,019	19,057	5,393	4,858	6,413	313	32,825	24,228
Net Surplus / (deficit)	775	1,962	-	-	-	-	775	1,962
Net revaluation increment/(decrement)	-	-	-	535	-	-	-	535
Transaction with owner								
Distributions to owner:								
Returns on Capital :								
Dividends	-	-	-	-	-	-	-	-
Capital Use Charge	-	-	-	-	-	-	-	-
Returns of Capital :								
Restructuring	-	-	-	-	-	-	-	-
Returns of Contributed equity	-	-	-	-	-	-	-	-
Contributions by owner:								
Equity injections	-	-	-	-	2,165	6,100	2,165	6,100
Closing balance as at 30 June 2005	21,794	21,019	5,393	5,393	8,578	6,413	35,765	32,825

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

<u>Note 13: Details of Payments to Commonwealth</u>	2005	2004
	\$'000	\$'000
Seigniorage	102,500	58,098
Royalty on Numismatic Coin Sales	1,011	1,199
Company Tax Equivalents	990	568
Payroll Tax Equivalents	374	286
Loss from Withdrawn Circulating Coin	(853)	(652)
Competitive Neutrality Interest	(286)	-
Trust Fund Surplus to be paid to the Commonwealth	-	318
Seigniorage and royalties withheld	(4,809)	72
Net payment to Commonwealth	<u>98,927</u>	<u>59,889</u>

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Note 14: Contingent Liabilities and Assets

Quantifiable Contingencies

During the prior financial year a supplier of the Mint was audited by the Australian Taxation Office, and advised that they had incorrectly failed to remit GST on supplies to the Mint and others between 2000 and 2002. The supplier is seeking to claim back \$1.153m in GST from the Mint. The Mint has received legal and accounting advice that the supplier's claim is unfounded and the risk that this will become a liability is considered very low. On this basis no liability has been recorded in the 2004-05 financial statements.

This contingent liability is carried forward from last year.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Note 15: Remuneration of Auditors

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

	2005 \$'000	2004 \$'000
Royal Australian Mint	138	110
Total fair value of audit services	138	110

No other services were provided by the Auditor General

Note 16: Average staffing levels

The average staffing levels for the Mint during the year were:

115	110
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Note 17: Executive Remuneration

The number of executive officers who received or were due to receive income of \$100,000 or more:

\$200,000-\$209,999	-	1
\$230,000-\$239,999	1	-

The aggregate amount of total remuneration of officers shown above	\$234,187	\$206,562
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The 2005 amount includes backpay for the Mint's Executive relating to 2004.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Note 18: Financial Instruments

Note 18A: Interest rate risk

Financial Instrument	Notes	Floating interest rate		Fixed interest rate maturing in:						Non-interest bearing		Total		Weighted average effective	
				1 year or less		1 to 5 years		> 5 years							
		2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000
Financial assets															
Cash at bank	7A	-	-	7,901	11,391	-	-	-	-	-	-	7,901	11,391	2.00	2.00
Receivables for goods and services	7B	-	-	-	-	-	-	-	-	964	1,731	964	1,731	n/a	n/a
Seigniorage receivables	7B	-	-	-	-	-	-	-	-	-	425	-	425	n/a	n/a
Interest receivable	7B	-	-	-	-	-	-	-	-	479	286	479	286	n/a	n/a
Other receivable	7B	-	-	-	-	-	-	-	-	36	30	36	30	n/a	n/a
Total		-	-	7,901	11,391	-	-	-	-	1,479	2,472	9,380	13,863		
Total Assets												44,595	40,271		
Financial liabilities															
Trade creditors	10A	-	-	-	-	-	-	-	-	243	3,113	243	3,113	n/a	n/a
Sales in advance	9B	-	-	-	-	-	-	-	-	152	117	152	117	n/a	n/a
Seigniorage Payable	10C	-	-	-	-	-	-	-	-	4,384	-	4,384	-	n/a	n/a
Total		-	-	-	-	-	-	-	-	4,779	3,230	4,779	3,230		
Total Liabilities												8,830	7,446		

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Note 18B: Net fair values of financial assets and liabilities

	Notes	2005		2004	
		Total carrying amount	Aggregate net fair value	Total carrying amount	Aggregate net fair value
		\$'000	\$'000	\$'000	\$'000
Departmental financial assets					
Cash at bank	7A	7,901	7,901	11,391	11,391
Receivables for goods and services	7B	959	959	1,726	1,726
Seigniorage receivables	7B	-	-	425	425
Interest receivable	7B	479	479	286	286
Other receivable	7B	36	36	30	30
Total financial assets		9,375	9,375	13,857	13,857
Financial liabilities					
Trade creditors	10A	243	243	3,113	3,113
Seigniorage Payable	10C	4,384	4,384	-	-
Other liabilities	9B	152	152	117	117
Total financial liabilities		4,779	4,779	3,230	3,230

The net fair values of cash and non-interest-bearing monetary financial assets approximate their carrying amounts.

The net fair values for trade creditors are approximated by their carrying amounts.

Note 18C: Credit risk exposures

The Mint'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 Statement of Financial Performance.

The Mint has no significant exposures to any concentrations of credit risk.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
<u>Note 19: Specific Payment Disclosures</u>		
No act of grace payments were made pursuant to subsection 33(1) of the <i>Financial Management and Accountability Act 1997</i> . (2004: No payments made).	-	-
No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2004: No payments made)	-	-
No payments were made under the 'Defective Administration Scheme' during the reporting period. (2004: No payments made).	-	-
No ex-gratia payments were made during the reporting period. (2004: No payments made)	-	-
No payments were made under s73 of the Public Service Act 1999 during the reporting period. (2004: No payments made)	-	-
	<u><u>Nil</u></u>	<u><u>Nil</u></u>