90° sair	RECEIVED					
ORPORATION	(= 1 1 FEB 2003) =			NSOLIDATED		ORPORATION
1997	Senale Finance & Public Administration Public Administration	Note	1998 \$000	1997 \$000	1998 \$000	1997 ~ \$000
\$000	La Commission of the Commissio					
263,407	Cash		5,117	618	5,077	_
(265,478)	Receivables	6	421,299	1,394,771	402,228	950,673
) (2,071)	Investments	7	318,754	110,028	337,821	185,425
88	Other	8	_	9,695	-	2,058
) (1,983)	Total Current Assets		745,170	1,515,112	745,126	1,138,156
) (1,335)	Non-Current Assets					
	Receivables	9,10	378,411	1,542,069	378,411	2,251,079
21,069	Investments	11,12	1,842,025	524,576	1,842,025	_
	Property, Plant and Equipment	13	. –	22,050	_	
17,751	Intangibles	14	Accel	24,541	1441	4 700
.559 Till Bloss.	Other	15	~	4,709	W.C.	4,709
1) -	Total Non-Current Assets		2,220,436	2,117,945	2,220,436	2,255,788
	TOTAL ASSETS		2,965,606	3,633,057	2,965,562	3,393,944
1) 17,751	Current Liabilities					
	Creditors and Borrowings	16	643,281	1,113,081	645,685	998,833
7) (111,878) Provisions	17	2,891	122,336	1,388	66,500
	Other	18	_	19,317		1,253
8	Total Current Liabilities		646,172	1,254,734	647,073	1,066,586
9) (111,878						
	Creditors and Borrowings	19	2,220,436	2,299,656	2,220,436	2,251,079
(111,878	Provisions	20	20,605	1,117	20,605	074
	_ Office	21		1,545		274
(94,12)	Total Non-Current Liabilities		2,241,041	2,302,318	2,241,041	2,251,353
	TOTAL LIABILITIES		2,887,213	3,557,052	2,888,114	3,317,939
	NET ASSETS		78,393	76,005	77,448	76,005
-0. (0.4.12)	Equity					
50) (94,12	Share Capital	22	107,610	107,610	107,610	107,610
	Reserves	23	25,566	_	70,193	2711
05) 77,5	Accumulated Losses		(54,783)	(31,605)	(100,355)	(31,605)
55) (16,60	5) Equity Attributable to the					
- (15,00	(0) Commonwealth		78,393	76,005	77,448	76,005
		~ -				

The accompanying notes form an integral part of these accounts.

Outside Equity Interests

TOTALEQUITY

(31,605)

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77,448

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78,393

76,005

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and when at included at a future of the 15). The fit is not a unless the of realisation 1 Note 15).

(e) Cash

For the purposes of the statements of cash flows, cash includes cash on hand and in banks, net of outstanding bank overdrafts.

(f) Receivables

Bills of exchange and promissory notes which are mainly held to hedge interest exposures and for liquidity purposes are recorded at cost. Discount income is brought to account on an accrual basis. Changes in market values of these securities are not taken into account, unless there is considered to be permanent diminution in value, because of the short periods to maturity for these securities. Profits and losses on sales of these securities are included in profit or loss when realised.

Loans are recorded at cost, net of any specific provisions.

(g) Investments

Securities held for investment purposes are recorded at cost or at cost adjusted for premium or discount amortisation. Securities held for trading purposes are marked to market. Profits and losses on sales of securities held for investment hedging purposes are deferred and amortised over the life of the underlying funding. Profits and losses on sales of securities held for trading purposes are included in profit or loss when realised.

The values of non-current investments, after specific provisions for loss, do not

exceed their recoverable amounts, and having regard to the assets' values to the Corporation as a going concern, do not exceed the amounts that it would have been reasonable for the Corporation to spend to acquire the assets at the end of the financial year. For this purpose, recoverable amount is determined without using discounted cash flows.

Substitution of investment securities

The Corporation has entered into a cashflow matching arrangement that provides for substitution of assets under certain circumstances, primarily to re-balance the portfolio for structural risk management purposes or to take advantage of pricing arbitrage between securities. These securities are held for investment purposes. Profits on substitution of assets within the cashflow matching portfolio are included in profit and loss when realised.

Change in accounting policy

A change in accounting policy for investments has occurred during the financial year. Under the new accounting policy, investments in ordinary shares have been classified as current assets on the basis that the directors intend to dispose of them within the ensuing financial year. Further, these investments have been valued at fair values by the directors at 30 June 1998.

Previously, investments in ordinary shares and unit trusts were classified as current assets where disposal within the next accounting period is likely. Further,



the valuation policy dictated that unless disposal was assured beyond reasonable doubt, these assets were recorded at the lower of cost or recoverable amount, where recoverable amount was determined without using discounted cash flows. Where disposal was assured beyond reasonable doubt, these assets were revalued to net market value at balance date.

In addition, it was the Corporation's policy not to bring surpluses arising from independent valuation of non-current assets to account.

In accordance with the new accounting policy, all investments in ordinary shares have been classified as current assets in the financial statements of the Corporation and the Group, on the basis that it is the directors' intention to dispose of these assets during the 1998/99 financial year. Further, these investments have been revalued at 30 June 1998, resulting in a credit to the asset revaluation reserve of \$70.2 million for the Corporation and \$25.6 million for the Group. This revaluation would not have occurred under the prior year's accounting policy.

Vested investments

A number of investments previously held by AIDC Ltd or its subsidiaries were vested in the Corporation for nominal amounts prior to the sale of AIDC Ltd. These investments are held for sale and have been recorded at their fair values at the date of vesting. The difference between fair values and nominal amounts of \$56.7 million has been credited to the profit and loss of the Corporation and \$0.4 million to the Group. Subsequent revaluations have been credited to the asset revaluation reserve.

(h) Provisions for Loss

The current performance and future expectations of all loans and other investments are reviewed regularly. At balance date, where the existing book value of a loan or investment exceeded its recoverable value or market value a specific provision for loss, to reduce the book value to the recoverable amount, has been included in the profit and loss account.

The Corporation does not carry a General Provision for Loss. This is consistent with contemporary accounting concepts and with the specific provisioning policy of the Corporation whereby all loans and investments in the Corporation's portfolio are regularly reviewed and a specific provision is recognised immediately as is necessary.

(i) Other Non-Current assets

Expenditure carried forward

Significant items of carry forward expenditure having a benefit or relationship to more than one period are written off over the periods to which such expenditure relates.

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NOTES TO AND FORMING PART OF THE ACCOUNTS

NOTES TO PART OF

	CC	DNSOLIDATED	CORPORAT	
	1998 \$000	1997 \$000	1998 \$ 000	1997 \$000
8 OTHER CURRENT ASSETS				
Prepaid, Commission, Discount and other				
Borrowing Expenses		2,058	-	2,058
Prepayments and Other Assets	_	2,833		
Base Metal Stocks	_	4,804	_	_
	_	9,695		2,058
9 RECEIVABLES (NON-CURRE	ENT)	50,620	_	
Less Provisions for Loss (Note 10)	_	- (21,832) -		
		28,788		
Loans to Customers	2 00	973,069	AAAA	_
Loans to Controlled Entity		474	_	2,251,079
Promissory Notes	<u></u>	540,212		
Swap Receivable	330,372	_	330,372	
Receivable for Retail Deposits	48,039		48,039	
	378,411	1,542,069	378,411	2,251,079

Consolidated

Loans to Ast Companies

Consolidatec

Loans to Cu Loans to As Companie

	. co	NSOLIDATED	CORPORATION	
	1998 \$000	1997 \$000	1998 \$000	1997 - \$000
11 INVESTMENTS (NON-CURR	ENT)			
Associated Companies – at cost (Note 26)				
Unlisted Ordinary Shares	*****	20,914	-	91/9ss
Less Provision for Loss (Note 12)	<u> </u>	(7,396)		
•	<u></u>	13,518	Ama	
Unlisted Preference Shares		2,000		
Less Provision for Loss (Note 12)	****	(2,000)	_	9900
			***	_
Total Associated Companies		13,518		_
Unlisted Ordinary Shares - at cost	AMAA	10,732	-a.	
Less Provision for Loss (Note 12)	erma	(6,365)	Fishe	
		4,367		
Unit Trusts – at <u>cos</u> t		7,483		_
Less Provision for Loss (Note 12)		(5,512)		
		1,971		
Government and Semi-Government	# 		***************************************	
Bonds (Note (g))	1,842,025	456,251	1,842,025	
Corporate Bonds – at cost		42,000	300°F	
Other Investments	_	6,469	_	
	1,842,025	524,576	1,842,025	

12 PR

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		CC	NSOLIDATED	CORPORATIO	
		1998 \$000	1997 \$000	1998 \$000	1997
hing swap			\$000	2000	- \$000
sets and	34 SCHEDULE OF MATURIT TO AND BY THE CORPORAT	Y OF ESTIMAT	ED AMO	UNTS PA	YABLE
valance date	Due to the Group and Corporation				
1998	Within 1 year	421,299	1,394,771	402,228	950,673
Net fair	After 1 and up to 2 years	38,636	72,863	38,636	473,600
value \$1000	After 2 and up to 5 years	218,507	478,944	218,507	531,101
3 000	Later than 5 years	121,268	1,012,094	121,268	1,246,378
		799,710	2,958,672	780,639	3,201,752
5,117	Due by the Group and Corporation				
799,710	Within I year	643,281	1,113,081	645,685	998,833
2,315,955	After 1 and up to 2 years	321,457	473,600	321,457	473,600
- \$17,754	After 2 and up to 5 years	478,581	531,300	478,581	531,101

A significant portion of the difference between amounts payable to and by the Group and Corporation is represented by Government and Semi-Government Bonds, which are disclosed as Investments (Note 1(g), Note 7 and Note 11). At 30 June 1998 Government and Semi-Government Bonds amounted to \$2,083,025,000 for both the Corporation and the Group (1997: Nil for the Corporation and \$500,053,000 for the Group)

1,420,398 1,294,756

3,412,737

2,863,717

35 DIRECTORS' REMUNERATION

Later than 5 years

3,198,536

585,239

91,872

23,496

3,113,024

634,534

492,771

on-balance

ided upon

2,412,417

Remuneration of Directors	1,250		1,003	1,250	1,003
The number of directors whose remuneration fell within the following bands was:					
	\$000	_	- \$000	1998 Number	1997 Number
	0		10	3	4
	10	-	20	2	-
	40		50	**	***
	50		60	1	-
	950	***	960	**	1
	1 140		1.370	4	



3,249,932

1,420,398 1,246,398

2,866,121