



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Australian Centre for Advanced Computing and Communications Pty Limited

To Members of the New South Wales Parliament

I have audited the accompanying financial report of Australian Centre for Advanced Computing and Communications Pty Limited (the Company), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Company as of 30 June 2007, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

Board's Responsibility for the Financial Report

The members of the Board are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Company,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



M P Abood CPA
Director, Financial Audit Services

18 October 2007
SYDNEY

Directors' Declaration

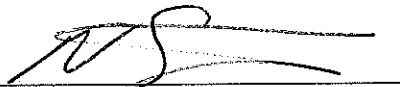
In accordance with a resolution of the directors of the Australian Centre for Advanced Computing and Communications Pty Ltd and pursuant to Section 41C(1C) of the Public Finance and Audit Act 1983, in the opinion of the directors:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the company as at 30 June 2007 and the transactions for the year ended 30 June 2007.
2. The statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and Regulation 2005.

In the directors' opinion, the company will be able to pay its debts as and when they fall due.

Further, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

This statement is made in accordance with a resolution of the directors.



Director



Director

Sydney

Dated 13/10/07

AUSTRALIAN CENTRE FOR ADVANCED COMPUTING AND COMMUNICATIONS PTY LTD**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007	2006
		\$'000	\$'000
Revenue	2	6,346	6,002
Employee benefits expense	3	(2,476)	(2,325)
Depreciation expenses		(600)	(582)
Financing expenses		(11)	(15)
Other operating expenses	3	(3,023)	(3,338)
Profit/(loss) for the year		236	(258)

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

AUSTRALIAN CENTRE FOR ADVANCED COMPUTING AND COMMUNICATIONS PTY LTD

BALANCE SHEET
AS AT 30 JUNE 2007

	Note	2007 \$'000	2006 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	4	1,507	1,818
Trade and other receivables	5	667	662
Prepayments	6	30	14
Total current assets		2,204	2,494
Non-current assets			
Plant and equipment	7	1,294	1,372
Total non-current assets		1,294	1,372
TOTAL ASSETS		3,498	3,866
LIABILITIES			
Current liabilities			
Trade and other payables	8	459	314
Short-term provisions	9	176	169
Interest bearing liabilities	10	166	287
Other current liabilities	11	520	1,382
Total current liabilities		1,321	2,152
Non-current liabilities			
Long-term provisions	9	83	28
Interest bearing liabilities	10	293	121
Other non-current liabilities	11	36	37
Total non-current liabilities		412	186
TOTAL LIABILITIES		1,733	2,338
NET ASSETS		1,765	1,528
EQUITY			
Issued capital	12	14,920	14,920
Accumulated losses		(13,155)	(13,392)
		1,765	1,528

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

AUSTRALIAN CENTRE FOR ADVANCED COMPUTING AND COMMUNICATIONS PTY LTD

STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$'000	\$'000
Net income recognised directly in equity	-	-
Net profit/(loss) for the year	236	(258)
Total Recognised Income and Expense for the year	<u>236</u>	<u>(258)</u>

The above statement of recognised income and expense should be read in conjunction with the accompanying notes.

AUSTRALIAN CENTRE FOR ADVANCED COMPUTING AND COMMUNICATIONS PTY LTD

CASH FLOW STATEMENT
AS AT 30 JUNE 2007

	Note	2007 \$'000	2006 \$'000
Cash flows from operating activities			
Receipts from customers, grants and rentals		5,342	6,166
Payments to suppliers and employees		(5,203)	(5,456)
Financing costs		(63)	(46)
Interest received		85	81
Net cash provided by operating activities	16	161	745
Cash flows from investing activities			
Payments for plant and equipment		(172)	(223)
Net cash used in investing activities		(172)	(223)
Cash flows from financing activities			
Borrowings/(net repayments of interest bearing liabilities)		(300)	(449)
Net cash used in financing activities		(300)	(449)
Net (decrease)/increase in cash and cash equivalents held		(311)	73
Cash and cash equivalents at the beginning of the financial year		1,818	1,745
Cash and cash equivalents at the end of the financial year		1,507	1,818

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

AUSTRALIAN CENTRE FOR ADVANCED COMPUTING AND COMMUNICATIONS PTY LTD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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AUSTRALIAN CENTRE FOR ADVANCED COMPUTING AND COMMUNICATIONS PTY LTD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

1 Summary of significant accounting policies

(a) Reporting entity

The Australian Centre for Advanced Computing and Communications Pty Ltd (ac3) was registered as a proprietary company limited by shares under the Corporations Act 2001 on 10 November 2000. Currently 57% of the shares in this company are held on behalf of the NSW Government by NSW Government Telecommunications Authority (Telco), with the remaining 43% being held by 8 NSW based Universities.

Its registered office and principal place of business is Suite G16, Bay 7, Eveleigh NSW 1430.

This financial report for the year ended 30 June 2007 has been authorised for issue by the Directors on 13th October 2007.

(b) Basis of preparation

The financial report complies with Australian Accounting Standards, which include Australian Equivalents to International financial Reporting Standards (AEIFRS).

At the reporting date, a number of Accounting Standards adopted by the AASB had been issued but are not yet operative and have not been early adopted by the company. The following is a list of these standards:

- AASB 7 & AASB 2005-10 regarding financial instrument disclosures
- AASB 8 & AASB 2007-3 regarding operation segments
- AASB 101 (Oct 2006) regarding presentation of financial statements
- AASB 123 (June 2007) and AASB 2007-6 regarding borrowing costs
- AASB 1049 regarding the general government sector and GFS/GAAP convergence
- AASB 2007-4 regarding Australian additions to and deletions from IFRSs
- AASB 2007-5 regarding inventories held for distribution by not-for-profit entities
- Interpretation 4 (Feb 2007) regarding determining whether an arrangement contains a lease
- Interpretation 10 regarding interim financial reporting
- Interpretation 11 & AASB 2007-1 regarding group and Treasury share Transactions
- Interpretation 12 & AASB 2007-2 regarding service concession arrangements
- Interpretation 129 (Feb 2007) regarding service concession disclosures

It is considered that the implementation of these Standards will not have any material impact on the company's financial results

Reporting Basis and Conventions

Due to its size of operations the company is a small proprietary company under the *Corporations Act 2001* and is not required under that Act to prepare a general purpose financial report. Because the company is controlled by a statutory authority (Telco) the company is also a statutory authority under the *Public Finance and Audit Act 1983*. This Act requires the company to prepare a general purpose financial report.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of account has been applied.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Income tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

(e) Trade receivables

Trade receivables are recognised and carried at original invoice amount less allowance for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectibility of trade receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off. An allowance for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is recognised in the income statement.

(f) Acquisition of assets

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

(g) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

Subsequent costs are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period they are incurred.

(h) Depreciation

The depreciable amount of all fixed assets including capitalised leased assets is depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Major depreciation periods are:-

Plant and equipment	4-8 years
Furniture and fittings	5 years

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(i) Impairment of assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(j) Leases

Leases of plant and equipment, where substantially all the risks and benefits incidental to ownership of the asset, but not legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(k) Financial instruments*Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligation exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(k) Financial instruments continued*Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising of original debt less principal payments and amortisation.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(l) Employee entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave. Liabilities arising in respect of wages and salaries, annual leave, long service leave and any other employee entitlements are measured at their nominal amounts using remuneration rates expected to apply at the time of settlement. As the long service leave liabilities expected to be payable in greater than one year are of small dollar value, any present value effect would be immaterial.

(m) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(n) Revenue recognition

Revenue is recognised to the extent that the economic benefits will flow to the entity and the revenue can be reliably measured:

Sale of goods

Control of the goods has passed to the buyer.

Rendering of services

Where the contract outcome can be reliably measured, control of the right to be compensated for the services and the stage of completion can be reliably measured. Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

Interest

Control of the right to receive the interest payment.

(o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(p) Valuation of plant and equipment

Physical plant and equipment is valued in accordance with the "Guidelines for the Valuation of Physical Non-Current Assets at Fair Value" (TPP 07-01). ac3's non current assets are non-specialised assets with short useful lives. They are measured at depreciated historical cost, as a surrogate for fair value.

(q) Dividends

Dividends are recorded when paid or declared.

	2007	2006
	\$'0/0	\$'000
2 Revenue		
Revenue from continuing operations		
Sales of goods and services	5,642	4,924
	<u>5,642</u>	<u>4,924</u>
Other revenue		
Grants received:		
Australian Partnership for Advanced Computing	619	981
Interest received	85	81
Sundry income	-	16
	<u>704</u>	<u>1,078</u>
Total revenue	<u><u>6,346</u></u>	<u><u>6,002</u></u>

3 Expenses

The profit/(loss) from continuing operations before income tax expense includes the following specific expenses:

<i>Employee benefits expense</i>		
Annual and long service leave provided	58	84
Payroll tax	112	108
Salaries and wages	2,107	1,947
Staff recruitment	5	1
Superannuation	194	185
Total employee benefits expense	<u><u>2,476</u></u>	<u><u>2,325</u></u>

	2007	2006
	\$'0/0	\$'000
3 Expenses continued		
The profit/(loss) from continuing operations before income tax		
Expense includes the following specific expenses:		
<i>Other expenses</i>		
APAC payments	473	690
Audit fees	25	24
Cost of goods sold	421	604
Directors' consulting fees	-	-
Directors' remuneration	104	110
Information management and technology	-	42
Membership fees (including Australian Partnership for Advanced Computing subscription)	167	333
Operating lease rental – minimum lease payments	53	30
Other expenses	1,013	839
Rent	248	228
Repairs and maintenance	212	140
Telecommunications	307	298
Total other expenses	<u>3,023</u>	<u>3,338</u>

4 Cash and cash equivalents

Cash at bank and on hand	<u>1,507</u>	<u>1,818</u>
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(a) Reconciliation to cash and cash equivalents at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

Balance per cash flow statement	<u>1,507</u>	<u>1,818</u>
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(b) Cash at bank and on hand

The deposits are bearing floating interest rate of 4.59% (2006 – 4.56%). These funds are at call.

	2007	2006
	\$'000	\$'000
5 Trade and other receivables		
Current		
Trade debtors	667	662
	<u>667</u>	<u>662</u>
6 Prepayments		
Current		
Prepayments - general	30	14
	<u>30</u>	<u>14</u>

	2007	2006
	\$'000	\$'000
<i>7 Plant and equipment</i>		
At fair value	6,075	5,553
Accumulated depreciation	(4,781)	(4,181)
Total written down value plant and equipment	<u>1,294</u>	<u>1,372</u>

Reconciliation - 2007	Plant & Equipment	Furniture & Fittings	Leased Assets	Total
Carrying amount at the beginning of year	618	90	664	1,372
Additions	167	3	352	522
Disposals	-	-	-	-
Depreciation expense	(344)	(35)	(221)	(600)
Carrying amount at the end of year	<u>441</u>	<u>58</u>	<u>795</u>	<u>1,294</u>
Reconciliation - 2006				
Carrying amount at the beginning of year	715	102	871	1,688
Additions	201	22	43	266
Disposals	-	-	-	-
Depreciation expense	(298)	(34)	(250)	(582)
Carrying amount at the end of year	<u>618</u>	<u>90</u>	<u>664</u>	<u>1,372</u>

	2007	2006
	\$'000	\$'000
8 Trade and other payables		
Current		
Net GST payable	33	96
Sundry creditors and accruals	287	206
Trade creditors	139	12
	<u>459</u>	<u>314</u>
9 Provisions		
Short-term		
Liability for annual leave	156	150
Liability for long service leave	20	-
Provision for premises relocation	-	19
	<u>176</u>	<u>169</u>
Long-term		
Liability for long service leave	60	28
Provision for premises relocation	23	-
	<u>83</u>	<u>28</u>
Employee numbers		
Average number of employees during the financial year	<u>24</u>	<u>21</u>
10 Interest bearing liabilities		
Current		
Lease liability	<u>166</u>	<u>287</u>
Non-current		
Lease liability	<u>293</u>	<u>121</u>

	2007 \$'000	2006 \$'000
11 Other liabilities		
Current		
Income in advance	520	1,382
Non-current		
Income in advance	36	37
12 Issued capital		
Issued shares, fully paid	14,920	14,920
Accumulated loss	(13,155)	(13,392)
Movement in accumulated funds for the year	1,765	1,528
Opening balance	(13,392)	(13,134)
Profit/ (Loss) for the year	236	(258)
Closing balance	(13,155)	(13,392)

13 Director and executive disclosures

(a) Details of director remuneration

Details of the remuneration of each non-executive director of Australian Centre for Advanced Computing and Communications Pty Ltd are set out in the following table.

Name	Primary	Post-employment	Total (\$'000)
	Cash salary and fees (\$'000)	Superannuation (\$'000)	
L. Botten	25	2	27
R. Dixon	13	1	14
C. Howells	13	1	14
E. More	13	1	14
N. Stevens	26	2	28
R. Wheeler	13	1	14
Total	103	8	111

None of the other directors listed in the directors' report received any remuneration for the financial year ended 30 June 2007.

13 Director and executive disclosures *continued***(b) Details of key management personnel**

The names of each person holding the position of director of the company during the financial year are listed on page 2 of the Directors' Report. The directors have been in office for the financial year.

Details of the executive officers are as follows:

Philip McCrea, Chief Executive Officer
Eric Whitehouse, Chief Operating Officer

(c) Compensation of key management personnel

	2007	2006
	\$'000	\$'000
Short term benefits	336	338
Post-employment benefits	29	30
Other long-term employee benefits	32	16
Key management personnel compensation	397	384

The remuneration and other terms of employment are formalised in contracts of employment.

14 Commitments for expenditure

Other Expenditure commitments

Aggregate other expenditure for the acquisition of items as detailed below contracted for at balance date and not provided for:

Agreements with various communication suppliers:

	2007	2006
	\$'000	\$'000
Minimum commitments payable are as follows:		
Within one year	118	69
Later than one year but not later than five years	147	39
The total other expenditure commitments includes input tax credits of \$24,000 that are expected to be recoverable from the Australian Taxation Office.	265	108

14 Commitments for expenditure *continued***Operating leases**

Future non-cancellable operating lease rentals not provided for and payable for accommodation and equipment relating to varying contract periods and suppliers.

Accommodation and equipment

	2007	2006
	\$'000	\$'000

Minimum commitments payable are as follows:

Within one year	325	50
Later than one year but not later than five years	345	96

The total accommodation and equipment commitments include input tax credits of \$61,000.

	670	146
	670	146

Finance leases

Future non-cancellable finance lease payments for equipment relating to varying contract periods and suppliers.

Equipment

Minimum commitments payable are as follows:

Within one year	199	298
Later than one year but not later than five years	350	124
Minimum lease payments	549	422
Future finance charges	(90)	(14)
Present value of minimum lease payments	459	408

Finance leases are disclosed on the balance sheet as follows:

Current interest bearing liability	166	287
Non-current interest bearing liability	293	121
	459	408
	459	408

15 Segment reporting

The company operates in one business and geographical segment, being the provision of Managed Co-location Services in New South Wales.

	2007	2006
	\$'000	\$'000
16 Reconciliation of profit/(loss) to net cash inflows from operating activities		
Profit/(loss)	236	(258)
Depreciation of plant and equipment	600	582
Changes in operating assets and liabilities		
(Increase) in trade and other receivables	(5)	(87)
(Increase)/Decrease in other assets	(25)	1
(Decrease) in prepaid revenue	(862)	-
Increase in trade creditors and provisions	269	452
(Decrease)/Increase in other liabilities	(52)	55
Net cash provided by operating activities	<u>161</u>	<u>745</u>

17 Auditor's remuneration

The auditor of the Australian Centre for Advanced Computing and Communications Pty Ltd is:
The Audit Office of NSW.

Amounts due to the Audit Office of NSW:

Assurance services*Audit services*

Audit of the financial report	<u>25</u>	<u>24</u>
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18 Financial instruments

2007**Fixed interest maturing in:**

	Floating interest rate	1 year or less	1 year to 5 years	More than 5 years	Non- interest bearing	Total
<i>Financial assets</i>						
Cash and cash equivalents	1,507	-	-	-	-	1,507
Trade and other receivables	-	-	-	-	667	667
Total financial assets	1,507	-	-	-	667	2,174
Weighted average interest rate	4.59%	n/a	n/a	n/a	n/a	
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	489	489
Lease liabilities	-	166	293	-	-	459
Total financial liabilities	-	166	293	-	489	948
Weighted average interest rate	n/a	n/a	n/a	n/a	n/a	
Net financial assets	1,507	(166)	(293)	-	178	1,226

2006**Fixed interest maturing in:**

	Floating interest rate	1 year or less	1 year to 5 years	More than 5 years	Non- interest bearing	Total
<i>Financial assets</i>						
Cash and cash equivalents	1,818	-	-	-	-	1,818
Trade and other receivables	-	-	-	-	662	662
Total financial assets	1,818	-	-	-	662	2,480
Weighted average interest rate	4.56%	n/a	n/a	n/a	n/a	
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	314	314
Lease liabilities	-	287	121	-	-	408
Total financial liabilities	-	287	121	-	314	722
Weighted average interest rate	n/a	n/a	n/a	n/a	n/a	
Net financial assets	1,818	(287)	(121)	-	348	1,758

18 Financial instruments *continued***Credit risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets is the carrying amount of those assets, net of any allowance for doubtful receivables, as disclosed in the balance sheet and notes to the financial report.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

Net fair values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

19. Contingent liabilities and assets

ac3 is not aware of any contingent liabilities or assets associated with its operations.

20. Subsequent events

There were no events occurring after reporting date requiring disclosure.