

**Friends of the National Library of  
Australia Incorporated**

**Financial Statements**

**30 June 2008**

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## **Friends of the National Library of Australia Incorporated**

### **Committee's Report**

Your Committee members submit the financial report of the Friends of the National Library of Australia Incorporated for the financial year ended 30 June 2008.

### **Committee Members**

The names of the Committee members throughout the year and at the date of this report are:

- Greg Cornwell – Member, Deputy chair (appointed 10/12/07), Chair (appointed 20/5/08)
- Gary Kent – Member (Chair 10/12/07 to 20/5/08)
- Terence Birtles - Chair (resigned 10/12/07)
- Joan Kennedy - Deputy Chair (resigned 10/12/07)
- Elizabeth Kennedy – Member (appointed 10/12/07), Deputy Chair (appointed 20/5/08)
- Thomas Abhayaratna - Treasurer (appointed 20/6/06)
- Jan Fullerton - Director General, National Library of Australia
- Sharyn O'Brien - Executive Officer
- Jasmine Cameron - Member
- Helen Kon - Member
- John Graham - Member
- Yvonne Cramer - Member
- Alan Ives - Member
- Dr Bill Geering - Member
- Dr Jakelin Troy – Member (appointed 10/12/07)
- Rev. Robert Willson - Member (appointed 10/12/07)
- Barbara Coe - Member (appointed 10/12/07)
- Bryan Hanley - Member (appointed 10/12/07)
- Gabrielle Tramby – Member (resigned 10/12/07)
- John Thompson – Member (resigned 10/12/07)
- Dr Geoffrey Burkhardt – Member (resigned 10/12/07)

### **Objects**

The objects of the Association are:

- (i) To encourage public and private support for the National Library of Australia through appreciation of the aims and objectives of the National Library of Australia, and therefore to develop within the Australian community at large a tradition of caring for and cherishing the National Library of Australia as a national institution;

- (ii) To foster among members of the Association and other interested parties a sense of involvement with, and understanding of, the collections, objectives and operations of the National Library of Australia;
- (iii) To encourage support and promote the work of individuals and organisations making a contribution to Australian culture in any of the following ways;
  - (a) By publicising their work to both the Association and the public at large,
  - (b) By taking part in conferences seminars and festivals promoting encouraging or advancing scholarship, cultural and intellectual debate, literary and artistic pursuits including appreciating Australian history, heritage and achievements,
  - (c) For the benefit of the Association and the public at large by conducting programs, social functions, readings, talks and including performances of works likely to contribute to cultural life, and
  - (d) By encouraging the work of Australian indigenous people;
- (iv) To manage and conduct competitions to appoint a judge or judges to determine relative merits of entries and to determine prizes or awards;
- (v) To publicise the resources and facilities of the National Library of Australia and to stimulate greater awareness within the community of the role of the National Library of Australia;
- (vi) To make donations of funds and source materials to both individuals and organisations for the purposes in accordance with these Objects;
- (vii) To encourage and promote such other purposes of the National Library of Australia as may from time to time be approved by the Association through general and specific fund raising activities provided such activities are not in derogation of the Objects of the Association; and
- (viii) To co-operate with other Australian libraries, museums and other kindred organizations from time to time for any purposes consistent with these Objects.

### **Significant changes**

No significant change in the nature of these activities occurred during the year.

### **Operating result**

The operating surplus for the year amounted to \$16,115 [2007: Surplus \$451].

Signed in accordance with a resolution of the Members of the Committee.

.....  
Greg Cornwell – Chair

.....  
Thomas Abhayaratna – Treasurer

Dated this 18th day of November 2008.



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## **Independent audit report**

We have audited the accompanying financial report of the Friends of the National Library of Australia Incorporated which comprises the balance sheet at 30 June 2008, the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by members of the Committee.

### *Committee's Responsibility for the Financial Report*

The Committee of the Association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Associations Incorporation Act (ACT) 1991*. 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*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we 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 assessments 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 association'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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Independence**

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

### **Qualification**

Various cash receipts such as donations and other miscellaneous fund raising are a source of revenue for the Friends of the National Library of Australia Incorporated. The Friends of the National Library of Australia Incorporated has determined that it is impracticable to establish control over the collection of these amounts prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from these sources was limited to the entry of these amounts into the financial records, our audit procedures with respect to these various receipts had to be restricted to the amounts recorded in these records. We therefore are unable to express an opinion whether these various cash receipts described above of the Friends of the National Library of Australia Incorporated obtained are complete.

### **Audit opinion**

In our opinion:

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph the financial report of the Friends of the National Library of Australia Incorporated is in accordance with the *Associations Incorporation Act (ACT) 1991* including:

1. giving a true and fair view of the associations financial position as at 30 June 2008 and of their performance for the year ended on that date; and
2. complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Associations Incorporation Act (ACT) 1991*.

Synergy Business Solutions

Anthony Wilson  
Registered Company Auditor  
Date: xx October 2008  
Braddon, ACT

## **Friends of the National Library of Australia Incorporated**

### **Statement by members of the Committee**

In the opinion of the Committee the financial report as set out on pages 6 to 14:

1. Present fairly the financial position of the Friends of the National Library of Australia Incorporated as at 30 June 2008 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that the Friends of the National Library of Australia Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

.....  
Greg Cornwell – Chair

.....  
Thomas Abhayaratna – Treasurer

Dated this 18th day of November 2008.

## Friends of the National Library of Australia Incorporated

### Income statement

For the year ended 30 June 2008

	<i>Note</i>	<b>2008</b> \$	<b>2007</b> \$
<b><i>Income</i></b>			
Memberships		64,183	56,125
Functions		25,360	27,173
Interest		3,205	2,915
Other revenue		1,078	2,869
		<hr/>	<hr/>
Total income		<b>93,826</b>	<b>89,082</b>
<b><i>Expenses</i></b>			
Advertising		-	99
Audit		550	675
Credit card charges		1,864	1,471
Donations		10,020	11,470
Flowers/gifts		350	381
Functions and hospitality		22,602	21,295
Insurance		847	847
Printing and stationery		2,213	3,156
Publications		5,000	5,460
Staff amenities/hire charges		885	786
Subscriptions and memberships		60	360
Sundry expenses		762	1,263
Travel and accommodation		3,355	13,713
Wages		29,203	27,655
		<hr/>	<hr/>
Total expenses		<b>77,711</b>	<b>88,631</b>
		<hr/>	<hr/>
Operating surplus		<b>16,115</b>	<b>451</b>

The accompanying notes form part of these accounts

## Friends of the National Library of Australia Incorporated

### Balance sheet As at 30 June 2008

	<i>Note</i>	<b>2008</b> \$	<b>2007</b> \$
<b>Current assets</b>			
Cash	2	92,207	71,951
Receivables - interest		<u>-</u>	<u>133</u>
Total current assets		92,207	72,084
Total assets		<u>92,207</u>	<u>72,084</u>
 <b>Current liabilities</b>			
Creditors		2,684	1,328
Memberships in advance		<u>42,274</u>	<u>39,623</u>
Total current liabilities		44,958	40,951
Total liabilities		<u>44,958</u>	<u>40,951</u>
<b>Net assets</b>		<u>47,249</u>	<u>31,133</u>
 <b>Equity</b>			
Accumulated funds		<u>47,249</u>	<u>31,133</u>

The accompanying notes form part of these accounts

## Friends of the National Library of Australia Incorporated

### Statement of recognised income and expense For the Year Ended 30 June 2008

	<i>Note</i>	<b>Retained Earnings</b>	<b>Total</b>
Balance as at 1 July 2006		30,682	30,682
Loss attributable to members		451	451
Balance as at 30 June 2007		<u>31,133</u>	<u>31,133</u>
Profit attributable to members		16,115	16,115
Balance as at 30 June 2008		<u><u>47,249</u></u>	<u><u>47,249</u></u>

### Statement of cash flows For the year ended 30 June 2008

	<i>Note</i>	<b>2008 \$</b>	<b>2007 \$</b>
<b>Cash flows from operating activities</b>			
Receipts from membership fees		66,835	61,600
Receipts from functions income and others		26,437	30,042
Payments to suppliers and employees		(76,354)	(90,122)
Interest received		3,338	3,084
<i>Cash provided/(utilised) by operating activities</i>	3	<u>20,256</u>	<u>4,604</u>
<b>Net cash movement for the year</b>		<u>20,256</u>	<u>4,604</u>
<b>Cash at beginning of the year</b>		71,951	67,347
<b>Cash at end of the year</b>		<u><u>92,207</u></u>	<u><u>71,951</u></u>

The accompanying notes form part of these accounts

## **Friends of the National Library of Australia Incorporated**

### **Notes to and forming part of the accounts**

#### **1. Statement of significant accounting policies**

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus View and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the *Associations Incorporation Act 1991* of the Australian Capital Territory.

The financial report covers the Friends of the National Library of Australia Incorporated as an individual entity. The Friends of the National Library of Australia Incorporated is an association incorporated in the ACT under the *Associations Incorporation Act 1991*.

The financial report of the Friends of the National Library of Australia Incorporated as an individual entity complies with all Australian equivalents to International Financial Reporting Standards in their entirety.

#### **Reporting Basis and Conventions**

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The reporting policies have been consistently applied, unless otherwise stated.

##### **(a) Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

##### **(b) Taxation**

The Friends of the National Library of Australia Incorporated considers that it is exempt from income tax under *Section 50-5* of the *Income Tax Assessment Act*.

The Association is not registered for GST purposes with the Australian Taxation Office and accordingly does not charge GST for its services nor is it entitled to claim any GST credits on its expenses.

## Friends of the National Library of Australia Incorporated

### Notes to and forming part of the accounts

#### 1. Statement of significant accounting policies (continued)

##### (c) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

##### (d) Critical accounting estimates

The Committee members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and other available data, obtained both externally and within the Association.

##### *Key Estimates - Impairment*

The Association assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

##### *Key Judgements – Not applicable for 2008*

##### (f) Financial instruments - recognition

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

Loans and receivables – these 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.

Held-to-maturity investments – these investments have fixed maturities, and it is the Association's intention to hold these investments to maturity. Any "held-to-maturity" investments held by the Association are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets – available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

## Friends of the National Library of Australia Incorporated

### Notes to and forming part of the accounts

#### 1. Statement of significant accounting policies (continued)

Financial liabilities – non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

#### 2. Cash on hand and at bank

	2008	2007
	\$	\$
Main operating account	43,253	25,494
High interest account or Term deposit account	48,954	46,457
	<u>92,207</u>	<u>71,951</u>

#### 3. Reconciliation of Cash flows from operating activities to Surplus

	2008	2007
	\$	\$
Gain/(Loss) for the year	16,115	451
(Increase)/decrease in receivables	133	168
Increase/(decrease) in creditors	1,356	(1,491)
Increase in income in advance	2,652	5,476
	<u>20,256</u>	<u>4,604</u>

#### 4. Contingent assets and contingent liabilities

There are no contingent assets or contingent liabilities of the Association at 30 June 2008.

#### 5. Events after the Balance Sheet Date

There have been no events after the Balance Sheet date which have had a material impact on the Association.

## **Friends of the National Library of Australia Incorporated**

### **Notes to and forming part of the accounts**

#### **6. Related Party Transactions**

All transactions between the members of the Committee and the Association are on normal commercial terms.

#### **7. Financial Instruments**

##### **(a) Financial risk management**

The Association's principal financial instruments comprise cash at bank, receivables and accounts payable. These financial instruments arise through the ordinary operations of the Association. The Association does not have any derivative financial instruments as at 30 June 2008. It is, and has been through the 2008 financial year, the Association's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Associations financial instruments are interest rate risk, liquidity risk and credit risk. The policies adopted by the Association for the management of these risks are summarised below.

##### *Interest Rate Risk*

The Association's exposure to market risk for changes in interest rates relates primarily to the Association's holding of cash and cash equivalents. As at 30 June 2008 the Association had variable cash deposits totalling \$92,207 at the average rate of 6.24%.

The Association's policy is to manage its interest income is through regularly reviewing the interest rate received on cash and cash equivalents and comparing this return to the market.

##### *Liquidity risk*

The Association has no external funding or facilities in place. The Association manages liquidity risk by monitoring interim financial reports and ensuring that adequate cash balances are maintained for short, medium and long term funding requirements.

## **Friends of the National Library of Australia Incorporated**

### **Notes to and forming part of the accounts**

#### **7. Financial Instruments (*continued*)**

##### (a) Financial risk management

###### *Credit Risk*

The Association does not provide credit.

With respect to credit risk arising from other financial assets of the Association which comprise cash and cash equivalents, the Association's exposure to credit risk arises from the default of the counter party with a maximum exposure equal to the carrying amount of these instruments.

The Association manages this element of credit risk by maintaining deposits with established and reputable financial institutions. It is the committee's understanding that these monies are covered by the Australian Government's Deposit Guarantee.

##### (b) Net Fair Values

The net fair values of financial assets and liabilities approximates the values shown in the balance sheet and the supporting notes to the accounts.

#### **8. Resources provided free of charge**

The National Library of Australia makes in-kind contributions to the Association through the provision of staff and other corporate type resources.

No amounts for these in-kind contributions are included in the Association's accounts.

**Certificate by members of the Committee**

I, Greg Cornwell of 2/16 Woolls Street, Yarralumla ACT 2600 and I, Thomas Abhayaratna certify that:

- (a) We are members of the Committee of the Friends of the National Library of Australia Incorporated.
- (b) We attended the annual general meeting of the Association.
- (c) We are authorised by the attached resolution of the Committee to sign this certificate.
- (d) This annual statement was submitted to the members of the Association at its annual general meeting.

.....  
Greg Cornwell – Chair

.....  
Thomas Abhayaratna – Treasurer

Dated this 18th day of November 2008.