

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

Financial Statements

30 June 2021

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Friends of the National Library of Australia Incorporated

Statement by Members of the Committee & Committee's Report

Your Committee members submit the financial report of the Friends of the National Library of Australia Incorporated (the Association) for the financial year ended 30 June 2021.

Committee Members

The names of the Committee members during the year or at the date of this statement were:

- Kerry Blackburn (Chair)
- Grahame Thom (Treasurer)
- Janice Taylor (Deputy Chair)
- Meredith Hinchliffe
- Margo Geering
- Colleen Kinnane
- Jo Schumann
- Larissa Karpish
- Jennifer Mardel (resigned February)
- Margaret Nichols
- Nivarith Nair
- Clare Kinnane
- Marie-Louise Ayres (Director-General, NLA)
- Helen Wade (NLA representative)
- Kathryn Favelle (NLA representative until February)
- Stuart Baines (NLA representative from February)
- Melanie Olde (Executive Officer).

Friends of the National Library of Australia Incorporated

Statement by Members of the Committee & Committee's Report (continued)

Objects

The objects of the Association are:

- (i) to promote and support community awareness of the National Library of Australia and the benefit to the community that it provides;
- (ii) to foster among Members of the Association and others a sense of involvement with, and understanding of, the collections, objectives and operations of the National Library of Australia;
- (iii) to raise funds for activities of the Association, consistent with the objects of the Association;
- (iv) to encourage and promote such other purposes of the national library of Australia consistent with the objects of the Association, including through donations of funds to the National Library of Australia;
- (v) to co-operate with other Australian libraries, museums and kindred organisations from time to time for any purposes consistent with these Objects.

Significant changes

Updated Objects (s.3 of the Rules of the Association) were approved at the Special General Meeting held 26 November 2020.

Operating result

The operating surplus for the year amounted to \$8,776 [2020 surplus: \$9,772].

Friends of the National Library of Australia Incorporated

Statement by Members of the Committee & Committee's Report (continued)

In the opinion of the Committee, the accompanying financial report is drawn up so as to give a true and fair view of the results and cash flows of the Association for the year ended 30 June 2021 and the state of affairs of the Association as at that date. The accompanying financial report of the Association is prepared in accordance with the provisions of the *Associations Incorporation Act 1991* of the Australian Capital Territory, accounting standards and other mandatory professional reporting requirements in Australia.

In the opinion of the Committee, the Association will be able to meet its debts as and when they fall due.

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



Kerry Blackburn - Chair



Grahame Thom - Treasurer

Dated this 17th day of November 2021.



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INDEPENDENT AUDITOR'S REPORT TO THE FRIENDS OF THE NATIONAL LIBRARY

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Friends of the National Library (the Association), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Statement by Members of the Committee.

In my opinion the financial report of the Friends of the National Library has been prepared in accordance with the *Associations Incorporation Act 1991 (ACT)*, including:

- a) giving a true and fair view of the Association's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Associations Incorporation Act 1991 (ACT)*

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Friends of the National Library in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the *Code*) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the *Code*.

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

Responsibilities of Committee for the Financial Report

The Committee of the Friends of the National Library is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Associations Incorporation Act 1991 (ACT)*, and for such internal control as the Committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Committee is responsible for the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. No opinion is expressed as to whether the accounting policies used are appropriate to meet the needs of the stakeholders.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website and forms part of this audit report. Refer http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

AccountAbility



Anthony Wilson
Registered Company Auditor
Canberra, ACT
17 November 2021

Friends of the National Library of Australia Incorporated

Statement of comprehensive income

For the year ended 30 June 2021

	2021	2020
	\$	\$
<i>Income</i>		
Total income	77,233	92,064
<i>Expenses</i>		
Total expenses	68,457	82,292
Operating surplus	<u>8,776</u>	<u>9,772</u>
Other comprehensive income	-	-
Total comprehensive income	<u><u>8,776</u></u>	<u><u>9,772</u></u>

The accompanying notes form part of these accounts

Friends of the National Library of Australia Incorporated

Statement of financial position

As at 30 June 2021

	<i>Note</i>	2021 \$	2020 \$
Current assets			
Cash	3	162,954	155,951
Receivables – interest/other		611	490
Prepayments		<u>1,189</u>	<u>1,425</u>
Total current assets		164,754	157,866
Non-current assets			
Equipment		<u>435</u>	<u>917</u>
Total non-current assets		435	917
Total assets		<u>165,189</u>	<u>149,807</u>
Current liabilities			
Creditors		1,821	3,113
Income in advance		<u>61,941</u>	<u>63,020</u>
Total current liabilities		63,763	66,133
Total liabilities		<u>63,763</u>	<u>66,133</u>
Net assets		<u>101,426</u>	<u>92,650</u>
Equity			
Accumulated funds		<u>101,426</u>	<u>92,650</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 2021

	Accumulated funds	Total
Balance as at 1 July 2019	82,878	82,878
Result attributable to members	9,772	9,772
Balance as at 30 June 2020	<u>92,650</u>	<u>92,650</u>
Result attributable to members	8,776	8,776
Balance as at 30 June 2021	<u>101,426</u>	<u>101,426</u>

Statement of cash flows

For the year ended 30 June 2021

	<i>Note</i>	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from membership		65,902	71,151
Receipts from events and others		9,413	13,060
Payments to suppliers, employees and others		(69,029)	(79,115)
Interest received		717	1,580
<i>Cash provided/(utilised) by operating activities</i>	4	<u>7,003</u>	<u>6,677</u>
Cash flows from operating activities			
Purchase of non-current assets		-	-
<i>Cash provided/(utilised) by investing activities</i>		<u>-</u>	<u>-</u>
Net cash movement for the year		<u>7,003</u>	<u>6,677</u>
Cash at beginning of the year		155,951	149,274
Cash at end of the year	3	<u>162,954</u>	<u>155,951</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 (reduced disclosure requirements) that has been prepared in order to satisfy the financial reporting 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, has been prepared to satisfy the financial reporting requirements of the *Associations Incorporation Act 1991*.

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.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical cost.

Accounting Policies

(a) Membership subscriptions

Membership subscriptions are recorded in the year for which the subscription relates. Membership subscriptions paid in advance are recognised as a liability to the Association.

(b) Cash

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

(c) 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*.

Friends of the National Library of Australia Incorporated

Notes to and forming part of the accounts

1. Statement of significant accounting policies (continued)

(c) Taxation (continued)

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.

(d) Comparative figures

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

(e) Financial instruments - recognition

When held, financial instruments would be 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.

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

Friends of the National Library of Australia Incorporated

Notes to and forming part of the accounts

2. Critical accounting estimates and judgements

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 of assets that may lead to the impairment of those 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.

Critical Judgements – not applicable for 2021.

	2021 \$	2020 \$
3. Cash at bank		
Main operating account	52,569	45,624
Business Optimiser account	37,385	37,327
Term deposit	73,000	73,000
	<u>162,954</u>	<u>155,251</u>

4. Reconciliation of Cash flows from operating activities to operating result

Operating result for the year	8,776	9,772
Depreciation	455	458
(Increase)/decrease in receivables	(94)	(293)
(Increase)/decrease in prepayments	236	536
Increase/(decrease) in creditors	(1,292)	2,183
Increase/(decrease) in income in advance	(1,079)	(5,979)
	<u>7,003</u>	<u>6,677</u>

Friends of the National Library of Australia Incorporated

Notes to and forming part of the accounts

5. Contingent assets and contingent liabilities

There are no contingent assets or contingent liabilities of the Association at 30 June 2021.

6. Related party transactions

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

7. Events after the reporting date

There have been no events after the reporting date which have had a material impact on the Association but the Committee highlight Note 8 of this financial report.

8. Significant events during the reporting year

The continuation of the nation-wide COVID-19 pandemic during the financial year had a significant effect on the operations of the National Library of Australia and on the Friends and is considered likely to have had an impact on the level of membership.

Access to the Library was restricted in accordance with COVID-safe requirements, limitations were placed on Friends events on-site and Zoom was utilised for a number of events and Friends committee and sub-committee meetings.

However, the Friends Committee and sub-committees continued to work effectively despite the limitations throughout much of the year.

9. 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 financial statements.

Friends of the National Library of Australia Incorporated

Notes to and forming part of the accounts

10. Financial Instruments

(a) Financial risk management

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivable and payable.

The Association does not have any derivative financial instruments at 30 June 2021.

Financial Risk

The main risks the Association is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Liquidity risk

The Association manages liquidity risk by monitoring forecast cash flows and ensuring that sufficient cash balances are maintained for its continued activities.

Credit Risk

The Association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Association.

(b) Interest Rate Risk

The Association's exposure to interest rate risk is the risk that investment income associated with a financial instrument will fluctuate as a result of changes in market interest rates.

Financial Liabilities

The Association has no interest rate risk on any liabilities.

Friends of the National Library of Australia Incorporated

Detailed income statement For the year ended 30 June 2021

	2021 \$	2020 \$
<i>Income</i>		
Memberships	66,982	76,440
Functions	7,350	13,060
Donations	2,035	-
Interest	838	1,873
Other revenue	28	691
	<hr/>	<hr/>
Total income	77,233	92,064
<i>Expenses</i>		
Audit	1,650	1,650
Credit card charges	1,094	1,170
Donations and awards:		
<i>FNLA Creative Fellowship</i>	10,000	10,000
<i>FNLA Travelling Fellowship</i>	-	8,483
<i>Friends Medal</i>	22	-
Functions and hospitality	7,652	8,347
Insurance	1,947	2,247
Postage	8,822	12,487
Printing and stationery	6,063	3,645
Staff amenities/hire charges	52	390
Subscriptions and memberships	-	-
Sundry expenses	1,484	1,036
Travel and accommodation	-	1,280
Wages	29,216	31,099
Depreciation	455	458
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Total expenses	68,457	82,292
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Operating surplus	8,776	9,772