

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

Financial Statements

30 June 2015

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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 2015.

Committee Members

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

- Robyn Oates (Chair)
- Joan Kennedy (Deputy Chair)
- James Ferguson (Treasurer)
- Dennis Pearce
- Kathryn Cole
- Alan Ives
- Alan Kerr
- Geraldine Mackey
- Dianne Parrey
- James Sandry
- John Seymour
- Anne-Marie Schwirtlich (Director-General, NLA)
- Cathy Pilgrim (NLA Representative)
- Kathryn Favelle (NLA Representative)
- Sharyn O'Brien (Executive Officer & Public Officer).

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 Library 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;
- (iv) To raise funds for activities of the Association, consistent with the objects of the Association;

Friends of the National Library of Australia Incorporated

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

- (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 Library;
- (vii) To encourage and promote such other purposes of the National Library of Australia consistent with the Objects of the Association, including through donation of funds to the National Library of Australia and other organisations and individuals; and
- (viii) To co-operate with other Australian libraries, museums and other kindred organisations from time to time for any purposes consistent with these Objects.

Significant changes

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

Operating result

The operating deficit for the year amounted to \$34,540 [2014 revised: Surplus \$14,337].

Friends of the National Library of Australia Incorporated

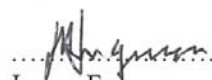
Statement by Members of the Committee & Committee's Report (continued)

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 2015 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.


.....
Robyn Oates – Chair


.....
James Ferguson – Treasurer

Dated this 20th day of October 2015.



CANBERRA SYDNEY GOLD COAST

AccountAbility (ACT) Pty Ltd
ACN: 088 095 354

PO Box 776, Mitchell ACT 2911

Telephone: 02 6262 4309

Email: admin@accountabilitywft.com.au
www.accountabilitywft.com.au

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Independent audit report

I have audited the accompanying special purpose financial report of the Friends of the National Library of Australia Incorporated which comprises the statement of financial position at 30 June 2015, the statement of comprehensive income and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

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

My responsibility is to express an opinion on the financial report based on our 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 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.

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

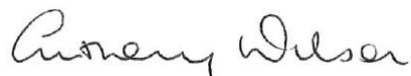
Independence

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

Audit Opinion

In my opinion the financial report of the Friends of the National Library of Australia Incorporated gives a true and fair view of the association's financial position as at 30 June 2015 and of its performance for the year ended on that date.

AccountAbility

A handwritten signature in cursive script that reads "Anthony Wilson".

Anthony Wilson
Registered Company Auditor
Canberra, ACT
Date: 20 October 2015

Friends of the National Library of Australia Incorporated

Statement of comprehensive income

For the year ended 30 June 2015

	2015	2014
	\$	\$
<i>Income</i>		
Total income	91,814	106,494
<i>Expenses</i>		
Total expenses	126,354	92,157
Operating (deficit)/surplus	<u><u>(34,540)</u></u>	<u><u>14,337</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 2015

	<i>Note</i>	2015 \$	2014 \$
Current assets			
Cash	3	132,630	173,970
Receivables – interest/other		620	808
Prepayments		<u>2,389</u>	<u>2,422</u>
Total current assets		135,639	177,200
Total assets		<u>135,639</u>	<u>177,200</u>
Current liabilities			
Creditors		8,515	17,000
Income in advance		<u>59,177</u>	<u>57,713</u>
Total current liabilities		67,692	74,713
Total liabilities		<u>67,692</u>	<u>74,713</u>
<i>Net assets</i>		<u>67,947</u>	<u>102,487</u>
Equity			
Accumulated funds		<u>67,947</u>	<u>102,487</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 2015

	<i>Note</i>	Accumulated funds	Total
Balance as at 1 July 2013		88,150	88,150
Result attributable to members (revised)	10	14,337	14,337
Balance as at 30 June 2014		<u>102,487</u>	<u>102,487</u>
Result attributable to members		(34,540)	(34,540)
Balance as at 30 June 2015		<u><u>67,947</u></u>	<u><u>67,947</u></u>

Statement of cash flows

For the year ended 30 June 2015

	<i>Note</i>	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from membership		72,435	75,712
Receipts from events and others		16,786	25,252
Payments to suppliers and employees		(134,806)	(99,603)
Interest received		4,251	4,224
<i>Cash provided/(utilised) by operating activities</i>	4	<u>(41,340)</u>	<u>5,585</u>
Net cash movement for the year		<u>(41,340)</u>	<u>5,585</u>
Cash at beginning of the year		173,970	168,385
Cash at end of the year	3	<u><u>132,630</u></u>	<u><u>173,970</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 special purpose financial report 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.

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.

Friends of the National Library of Australia Incorporated

Notes to and forming part of the accounts

2. Critical accounting estimates and judgements (continued)

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 2015.

3. Cash on hand and at bank

	2015	2014
	\$	\$
Main operating account	15,203	33,544
Business Optimiser account	54,827	77,826
Term deposit	62,600	62,600
	<u>132,630</u>	<u>173,970</u>

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

	2015	2014
	\$	\$
Operating result for the year	(34,540)	14,337
(Increase)/decrease in receivables	189	754
(Increase)/decrease in prepayments	33	(1,665)
Increase/(decrease) in creditors	(8,484)	(781)
Increase/(decrease) in income in advance	1,463	(7,060)
	<u>41,339</u>	<u>5,585</u>

5. Contingent assets and contingent liabilities

There are no contingent assets or contingent liabilities of the Association at 30 June 2015.

Friends of the National Library of Australia Incorporated

Notes to and forming part of the accounts

6. Events after the reporting date

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

7. Related party transactions

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

8. 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 2015.

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.

Friends of the National Library of Australia Incorporated

Notes to and forming part of the accounts

8. Financial Instruments (continued)

Financial Liabilities

The Association has no interest rate risk on any liabilities.

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.

10. Correction to prior period error

During the preparation of the 2015 financial statements, it was identified that there was an error in the 2014 year for the calculation of income in advance. The error was in part due to an anomaly in the data extracted of membership details used to determine the level of membership which extends beyond the current reporting period. In accordance with *AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors*, the 2014 comparative balances have been restated to correct the error with the relevant affected balances detailed below:

	2014 Previously Reported	Adjustment	2014 Revised
<i>Statement of comprehensive income</i>			
Membership income	60,538	22,234	82,772
Total income	89,260		106,494
Net result	<u>(7,897)</u>		<u>14,337</u>
<i>Statement of financial position</i>			
Current liabilities			
Income in advance	79,947	(22,234)	57,713
Total Liabilities	96,948		74,713
Equity			
Accumulated funds	<u>80,253</u>		<u>102,487</u>

Friends of the National Library of Australia Incorporated

Detailed income statement For the year ended 30 June 2015

	2015 \$	2014 \$
<i>Income</i>		
Memberships	70,972	82,772
Functions	15,827	18,957
Donations	30	345
Interest	4,066	4,074
Other revenue	919	346
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Total income	91,814	106,494
<i>Expenses</i>		
Audit	1,100	880
Credit card charges	2,069	1,521
Donations and awards:		
<i>FNLA Travelling Fellowship</i>	9,629	11,095
<i>FNLA Creative Fellowship</i>	10,000	-
<i>Artwork donation to NLA</i>	26,439	-
<i>Digitisation- Federation docs</i>	-	5500
<i>Friends Medal</i>	17	-
Flowers/gifts	150	-
Functions and hospitality	17,828	16,406
Insurance	2,901	1,242
Postage	15,000	15,000
Printing and stationery	4,590	2,725
Registrar Generals' fee	76	37
Staff amenities/hire charges	1,729	3,200
Subscriptions and memberships	420	420
Sundry expenses	1,794	1,946
Travel and accommodation	1,907	1,100
Wages	30,705	31,085
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Total expenses	126,354	92,157
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Operating (deficit)/surplus	<u>(34,540)</u>	<u>14,337</u>