

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

Financial Statements

30 June 2014

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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 2014.

Committee Members

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

- Joan Kennedy (Chair)
- Dennis Pearce (Deputy Chair)
- William Geering - Treasurer
- Ros Welch
- Robyn Oates
- James Sandry
- Amanda Pratt
- Alan Kerr
- John Seymour
- Anne-Marie Schwirtlich (Director-General, NLA)
- Cathy Pilgrim (NLA Representative)
- Kathryn Favelle (NLA Representative)
- Sarah Jaensch (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 \$7,897 [2013: Surplus \$11,770].

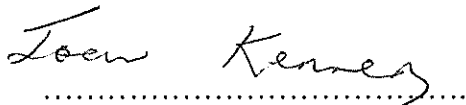
Friends of the National Library of Australia Incorporated

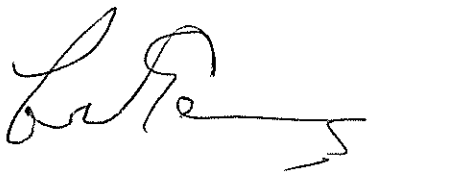
Statement by Members of the Committee & Committee's Report (continued)

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 2014 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.


.....
Joan Kennedy – Chair


.....
William Geering – Treasurer

Dated this 18th day of November 2014.



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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 balance sheet at 30 June 2014, 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 2014 and of its performance for the year ended on that date.



Anthony Wilson
Registered Company Auditor
Braddon, ACT
Date: 18 November 2014

Friends of the National Library of Australia Incorporated

Statement of comprehensive income

For the year ended 30 June 2014

	2014 \$	2013 \$
<i>Income</i>		
Total income	89,260	106,393
<i>Expenses</i>		
Total expenses	97,156	94,623
Operating (deficit)/surplus	<u><u>(7,897)</u></u>	<u><u>11,770</u></u>

The accompanying notes form part of these accounts

Friends of the National Library of Australia Incorporated

Balance sheet

As at 30 June 2014

	<i>Note</i>	2014 \$	2013 \$
Current assets			
Cash	3	173,970	168,385
Receivables – interest/other		809	1,563
Prepayments		<u>2,422</u>	<u>757</u>
Total current assets		177,201	170,705
Total assets		<u>177,201</u>	<u>170,705</u>
Current liabilities			
Creditors		17,000	17,781
Income in advance		<u>79,948</u>	<u>64,774</u>
Total current liabilities		96,948	82,555
Total liabilities		<u>96,948</u>	<u>82,555</u>
<i>Net assets</i>		<u>80,253</u>	<u>88,150</u>
Equity			
Accumulated funds		<u>80,253</u>	<u>88,150</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 2014

	Retained Earnings	Total
Balance as at 1 July 2012	76,380	76,380
Result attributable to members	11,770	11,770
Balance as at 30 June 2013	<u>88,150</u>	<u>88,150</u>
Result attributable to members	(7,897)	(7,897)
Balance as at 30 June 2014	<u>80,253</u>	<u>80,253</u>

Statement of cash flows

For the year ended 30 June 2014

	<i>Note</i>	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from membership		75,712	74,824
Receipts from events and others		25,252	14,113
Payments to suppliers and employees		(99,603)	(79,999)
Interest received		4,224	7,327
<i>Cash provided/(utilised) by operating activities</i>	4	<u>5,585</u>	<u>16,265</u>
<i>Net cash movement for the year</i>		<u>5,585</u>	<u>16,265</u>
Cash at beginning of the year		168,385	152,120
Cash at end of the year	3	<u>173,970</u>	<u>168,385</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 2014

3. Cash on hand and at bank

	2014	2013
	\$	\$
Main operating account	33,544	52,356
Business Optimiser account	77,826	46,491
Term deposit	62,600	69,538
	<u>173,970</u>	<u>168,385</u>

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

	2014	2013
	\$	\$
Operating result for the year	(7,897)	11,770
(Increase)/decrease in receivables	754	(958)
(Increase)/decrease in prepayments	(1,665)	1,079
Increase/(decrease) in creditors	(781)	17,110
Increase/(decrease) in income in advance	15,174	(12,736)
	<u>5,585</u>	<u>16,265</u>

5. Contingent assets and contingent liabilities

There are no contingent assets or contingent liabilities of the Association at 30 June 2014.

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 2014.

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.

Friends of the National Library of Australia Incorporated

Notes to and forming part of the accounts

8. Financial Instruments (continued)

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.

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 accounts.

Friends of the National Library of Australia Incorporated
Attachment to the financial statements - not subject to audit

Detailed income statement
For the year ended 30 June 2014

	2014 \$	2013 \$
<i>Income</i>		
Memberships	60,538	83,995
Functions	18,957	13,625
Donations	345	-
Interest	4,074	7,327
Other revenue	345	1,446
	<hr/>	<hr/>
Total income	84,259	106,393
<i>Expenses</i>		
Audit	880	880
Credit card charges	1,521	1,234
Donations and awards	16,695	10,899
Flowers/gifts	-	633
Functions and hospitality	16,406	13,103
Insurance	1,242	1,992
Postage	15,000	15,000
Printing and stationery	2,725	787
Registrar Generals' fee	37	-
Staff amenities/hire charges	3,200	1,603
Subscriptions and memberships	420	360
Sundry expenses	1,846	1,682
Travel and accommodation	1,100	12,338
Wages	31,084	34,112
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Total expenses	92,156	94,623
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Operating (deficit)/surplus	(7,897)	11,770