

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

Financial Statements

30 June 2017

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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 2017.

Committee Members

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

Gary Kent (Chair)
Kathryn Cole (Deputy Chair)
James Ferguson (Treasurer)
Lyn Adams
Anne Davis
Susan Ford
Geraldine Mackey
Ingrid Moses
Jennefer Nicholson
Jenny Oates
Janice Taylor
Ros Welch
Marie-Louise Ayres (Director-General, NLA)
Cathy Pilgrim (NLA Representative)
Kathryn Favelle (NLA Representative)
Sharyn O'Brien (Executive 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;

Friends of the National Library of Australia Incorporated

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

- (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;
- (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;
- (vi) 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
- (vii) 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 \$5,344 [2016 deficit: \$7,219].

Friends of the National Library of Australia Incorporated

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

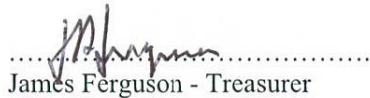
In the opinion of the Committee, the accompanying financial report is drawn up so as to give a true and fair view of the results and cash flows of the Association for the year ended 30 June 2017 and the state of affairs of the Association as at that date. The accompanying financial report of the Association 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.



.....
Gary Kent - Chair



.....
James Ferguson - Treasurer

Dated this 10th day of October 2017.



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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 2017, 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 2017 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 my opinion.

Other Information

The Committee is responsible for any other information which reports on the financial position or annual financial performance of the Association. The other information comprises that included in external reports prepared by the Association and made available to the public, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility when relevant is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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. 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.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit.

I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Association.
- Conclude on the appropriateness of the Association's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the:
 - disclosures, and whether the financial report represents the underlying transactions and events
 - in a manner that achieves fair presentation.

I communicate with the Association regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including when considered necessary any significant deficiencies in internal control that I identify during my audit.

AccountAbility



Anthony Wilson
Registered Company Auditor
Canberra, ACT
10 October 2017

Friends of the National Library of Australia Incorporated

Statement of comprehensive income

For the year ended 30 June 2017

	2017	2016
	\$	\$
<i>Income</i>		
Total income	81,651	92,057
<i>Expenses</i>		
Total expenses	86,995	99,276
Operating (deficit)	<u><u>(5,344)</u></u>	<u><u>(7,219)</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 2017

	<i>Note</i>	2017 \$	2016 \$
Current assets			
Cash	3	118,248	120,477
Receivables – interest/other		250	326
Prepayments		<u>2,274</u>	<u>2,342</u>
Total current assets		120,772	123,145
Total assets		<u>120,772</u>	<u>123,145</u>
Current liabilities			
Creditors		1,081	-
Income in advance		<u>64,306</u>	<u>62,416</u>
Total current liabilities		65,387	62,416
Total liabilities		<u>65,387</u>	<u>62,416</u>
<i>Net assets</i>		<u>55,385</u>	<u>60,729</u>
Equity			
Accumulated funds		<u>55,385</u>	<u>60,729</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 2017

	<i>Note</i>	Accumulated funds	Total
Balance as at 1 July 2015		67,947	67,947
Result attributable to members		(7,219)	(7,219)
Balance as at 30 June 2016		<u>60,729</u>	<u>60,729</u>
Result attributable to members		(5,344)	(5,344)
Balance as at 30 June 2017		<u><u>55,385</u></u>	<u><u>55,385</u></u>

Statement of cash flows

For the year ended 30 June 2017

	<i>Note</i>	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from membership		70,488	75,365
Receipts from events and others		10,975	17,528
Payments to suppliers and employees		(85,846)	(107,745)
Interest received		2,154	2,698
<i>Cash provided/(utilised) by operating activities</i>	4	<u>(2,229)</u>	<u>(12,153)</u>
Net cash movement for the year		<u>(2,229)</u>	<u>(12,153)</u>
Cash at beginning of the year		120,477	132,630
Cash at end of the year	3	<u><u>118,248</u></u>	<u><u>120,477</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 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 2017.

3. Cash on hand and at bank

	2017	2016
	\$	\$
Main operating account	29,215	31,868
Business Optimiser account	26,033	25,312
Term deposit	63,000	63,000
	<u>118,248</u>	<u>120,180</u>

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

	2017	2016
	\$	\$
Operating result for the year	(5,344)	(7,219)
(Increase)/decrease in receivables	76	294
(Increase)/decrease in prepayments	68	47
Increase/(decrease) in creditors	1,081	(8,516)
Increase/(decrease) in income in advance	1,890	3,240
	<u>(2,229)</u>	<u>(12,153)</u>

5. Contingent assets and contingent liabilities

There are no contingent assets or contingent liabilities of the Association at 30 June 2017.

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 2017.

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.

Friends of the National Library of Australia Incorporated

Detailed income statement For the year ended 30 June 2017

	2017 \$	2016 \$
<i>Income</i>		
Memberships	68,598	72,124
Functions	10,935	15,782
Donations	40	620
Interest	2,078	2,404
Other revenue	-	1,126
	<hr/>	<hr/>
Total income	81,651	92,057
<i>Expenses</i>		
Audit	1,650	1,650
Benefits review	-	7,920
Credit card charges	1,346	2,339
Donations and awards:		
<i>FNLA Creative Fellowship</i>	10,000	12,500
<i>Donation to NLA</i>	10,000	-
<i>FNLA Travelling Fellowship</i>	10,067	9,666
<i>Friends Medal</i>	17	17
Functions and hospitality	5,612	12,665
Insurance	2,797	2,859
Postage	8,582	15,000
Printing and stationery	5,091	2,020
Registrar Generals' fee	82	39
Staff amenities/hire charges	651	1,281
Subscriptions and memberships	300	880
Sundry expenses	775	820
Travel and accommodation	798	1,175
Wages	29,227	28,445
	<hr/>	<hr/>
Total expenses	86,995	99,276
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Operating (deficit)	(5,344)	(7,219)