

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD  
(A COMPANY LIMITED BY GUARANTEE)  
ACN 090 953 236**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
31 DECEMBER 2007**

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD  
(A COMPANY LIMITED BY GUARANTEE)  
ACN 090 953 236**

**DIRECTORS' REPORT**

Your directors present this report on the company for the financial year ended 31 December 2007.

**Directors**

The names of each person who has been a director during the year and to the date of this report are:

Mrs Roxanne Missingham  
Mr Derek Whitehead, OAM  
Ms Michelle Brennand  
Mr Philip Keane  
Mr Damian Lodge  
Dr Helen Partridge  
Miss Kate Watson  
Mrs Dagmar Schmidmaier, AM (Resigned 16 May 2007)  
Ms Rachael Browning (Resigned 16 May 2007)  
Ms Ann Ritchie (Resigned 16 May 2007)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Company Secretary**

The following person held the position of company secretary at the end of the financial year:

Mrs Sue Hutley – Executive Director of ALIA since January 2006. Mrs Hutley was appointed company secretary on 17 May 2006.

**Principal Activities**

The principal activity of the company during the financial year was representing the interests of the members engaged in the library and information science profession.

There were no significant changes in the nature of the company's principle activities during the financial year.

**Operating Results**

The Surplus of the company amounted to \$49,769 (2006: \$19,656).

**Review of Operations and Significant Changes in State of Affairs**

A review of operations of the company indicated there has been no significant change in the state of affairs of the company during the financial year.

**After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

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**DIRECTORS' REPORT (continued)**

**Future Developments**

The entity expects to maintain the present status and level of operations and hence there are no likely developments in the company's operations.

**Environmental Issues**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

**Information on Directors**

<b>Directors</b>	<b>Experience, Special Responsibilities &amp; Qualifications</b>
Mrs Roxanne Missingham	President BSc, GDipLib, MPubAdmin, AALIA President from 15 May 2007 Serving fourth year on Board of Directors
Mr Derek Whitehead, OAM	Vice-President BA(Hons), BD(Hons), GradDipLib, MLib, FALIA Vice-President from 15 May 2007 Serving first year on Board of Directors
Ms Michelle Brennand	Board Director BA, GDipLIST, GradDipBus, MBA, AALIA Serving second year on Board of Directors
Mr Philip Keane	Board Director BSc, DipLib, MBA (Adel), MAICD, AALIA Serving second year on Board of Directors
Dr Helen Partridge	Board Director PH D, BA, PGDipPsych, MIT, AALIA Serving second year on Board of Directors
Mr Damian Lodge	Board Director BBus (Info & Lib Mgt), AssDipAppSci (Lib Tech), MAppSci (Lib & Info Mgt), MBA, AALIA Director from 15 May 2007 Serving first year on Board of Directors
Miss Kate Watson	Board Director BA, GradDipLib, AALIA Director from 15 May 2007 Serving first year on Board of Directors

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**DIRECTORS' REPORT (continued)**

**Meetings of Directors**

During the financial year, 7 meetings of directors were held. Attendances by each director were as follows:

Directors' Meetings		
	Number eligible to attend	Number attended
Mrs Roxanne Missingham	7	7
Mr Derek Whitehead, OAM	5	4
Ms Michelle Brennand	7	7
Mr Philip Keane	7	7
Ms Helen Partridge	7	6
Mr Damian Lodge	5	4
Miss Kate Watson	5	4
Mrs Dagmar Schmidmaier, AM	2	2
Ms Rachael Browning	2	2
Ms Ann Ritchie	2	2

**Dividends Paid or Recommended**

In accordance with the company's Constitution, the company is one limited by guarantee and accordingly no shares have been issued. The Constitution precludes the declaration of dividends.

**Indemnifying Officers or Auditor**

During the financial year, the Australian Library and Information Association Ltd paid a premium of \$8,109 (2006: \$8,117) in respect of directors' and officers' liability insurance. The insurance covers any person who is or has been a director or an officer of the company for costs and expenses incurred in defending proceedings and any other payments arising from liabilities incurred for their actions as a director or officer other than for wilful breach of duty or improper use of position.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the company.

**Proceedings on Behalf of Company**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any of those proceedings.

The company was not a party to any such proceedings during the year.


**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 31 December 2007 has been received and can be found on page 6 of the directors' report.

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD  
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**DIRECTORS' REPORT (continued)**

Signed in accordance with a resolution of the Board of Directors:

Director   
Mrs Roxanne Missingham

Dated this 3<sup>rd</sup> day of March 2008



WALTERTURNBULL  
your extra asset

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF THE  
AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD**

WalterTurnbull Building

44 Sydney Avenue

Barton ACT 2600

GPO Box 1955

Canberra ACT 2601

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A division of

WalterTurnbull Pty Ltd

ABN 97 099 740 879

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[MANAGEMENT CONSULTING](#)

[FINANCIAL PLANNING](#)

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2007 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A.B. Papps, CA  
Registered Company Auditor  
WalterTurnbull

Canberra ACT  
3 March 2008

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD**  
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**INCOME STATEMENT**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2007**

	NOTE	2007 \$	2006 \$
<b>Revenue</b>	<b>2</b>	<u>4,394,560</u>	<u>3,143,416</u>
<b>Expenses</b>			
Administration		(129,474)	(177,516)
ALIA House		(382,661)	(255,224)
ALIANet		(170,151)	(237,352)
Australian Library Journal		(83,329)	(50,429)
Awards/promotions/library week		(201,765)	(105,751)
Board of Directors/governance		(176,510)	(266,608)
Conference		(1,696,920)	(835,996)
Copyright		(65,717)	(46,513)
Industrial		(76,670)	(80,742)
Divisions/groups		(176,961)	(167,429)
Education and training		(234,457)	(145,396)
Inter-Library (ILL) voucher system		(35,881)	(28,818)
InCite		(407,558)	(321,349)
Membership		(320,870)	(157,792)
Policy and research		(105,902)	(224,092)
Australian Academic and Research Libraries Publications		(31,340)	-
Publishing		<u>(48,625)</u>	<u>(22,753)</u>
Total expenses		<u>(4,344,791)</u>	<u>(3,123,760)</u>
Surplus before income tax		<u>49,769</u>	<u>19,656</u>
Income tax expense	<b>1(a)</b>	<u>-</u>	<u>-</u>
Surplus after income tax		<u><u>49,769</u></u>	<u><u>19,656</u></u>

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD**  
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**BALANCE SHEET**  
**AS AT 31 DECEMBER 2007**

	<b>NOTE</b>	<b>2007</b>	<b>2006</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	<b>6</b>	1,821,821	2,493,863
Investments		2,154,457	2,050,747
Trade and other receivables	<b>7</b>	115,896	74,757
Inventories	<b>8</b>	29,867	-
Other current assets	<b>9</b>	<u>118,212</u>	<u>53,353</u>
<b>TOTAL CURRENT ASSETS</b>		<u>4,240,253</u>	<u>4,672,720</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<b>10</b>	1,123,096	1,184,871
Investment property – ALIA House tenancies	<b>11</b>	<u>3,084,991</u>	<u>3,179,614</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>4,208,087</u>	<u>4,364,485</u>
<b>TOTAL ASSETS</b>		<u>8,448,340</u>	<u>9,037,205</u>
<b>CURRENT LIABILITIES</b>			
Deferred income	<b>12</b>	34,937	554,221
Trade and other payables	<b>13</b>	233,110	258,200
Short-term provisions	<b>14</b>	23,616	20,810
Redeemable interlibrary loan vouchers		75,446	112,990
Other current liabilities – Prepaid membership and subscription income		<u>632,795</u>	<u>639,831</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>999,904</u>	<u>1,586,052</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions	<b>14</b>	1,334	3,021
Redeemable interlibrary loan vouchers		<u>1,540,708</u>	<u>1,591,507</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,542,042</u>	<u>1,594,528</u>
<b>TOTAL LIABILITIES</b>		<u>2,541,946</u>	<u>3,180,580</u>
<b>NET ASSETS</b>		<u>5,906,394</u>	<u>5,856,625</u>
<b>EQUITY</b>			
Reserves	<b>15</b>	2,774,064	2,687,972
Retained earnings		<u>3,132,330</u>	<u>3,168,653</u>
<b>TOTAL EQUITY</b>		<u>5,906,394</u>	<u>5,856,625</u>

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD  
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**STATEMENT OF RECOGNISED INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b>Retained Earnings \$</b>	<b>Reserves \$</b>	<b>Asset Revaluation Reserve \$</b>	<b>Total \$</b>
<b>Balance at 1 January 2006</b>	3,148,997	-	1,496,186	4,645,183
Surplus attributable to the company	19,656	-	-	19,656
Gain on revaluation	-	-	1,191,786	1,191,786
<b>Balance at 31 December 2006</b>	<u>3,168,653</u>	-	<u>2,687,972</u>	<u>5,856,625</u>
Surplus attributable to the company	49,769	-	-	49,769
Transfers to reserves	(86,092)	86,092	-	-
<b>Balance at 31 December 2007</b>	<u>3,132,330</u>	<u>86,092</u>	<u>2,687,972</u>	<u>5,906,394</u>

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD**  
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**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

	NOTE	2007 \$	2006 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members and customers		3,904,616	3,099,666
Payments to suppliers and employees		(4,630,598)	(2,637,885)
Interest received		83,183	208,061
		<hr/>	<hr/>
Net cash (used in)/generated from operating activities	<b>20</b>	(642,799)	669,842
		<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		-	900,000
Proceeds from sale of property, plant and equipment		-	350
Payment for current investments		-	(2,050,748)
Payment for property, plant and equipment		(29,243)	(19,911)
Payment for purchase of investment property		-	(27,365)
		<hr/>	<hr/>
Net cash (used in) investing activities		(29,243)	(1,197,674)
		<hr/>	<hr/>
Net (decrease) in cash held		(672,042)	(527,832)
Cash at the beginning of the financial year		2,493,863	3,021,695
		<hr/>	<hr/>
Cash at the end of the financial year	<b>6</b>	1,821,821	2,493,863
		<hr/>	<hr/>

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report is for the Australian Library and Information Association Ltd as an individual entity, incorporated and domiciled in Australia. The Australian Library and Information Association Ltd is a company limited by guarantee.

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

**Basis of Preparation**

*Reporting Basis and Conventions*

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

**Accounting Policies**

**(a) Income Tax**

No provision for income tax has been raised as the company is exempt from income tax under Division 50(10) of the *Income Tax Assessment Act 1997*.

**(b) Inventories**

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

**(c) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

**Property**

Leasehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(c) Property, Plant and Equipment (continued)**

**Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

Increases in the carrying amounts arising on revaluation of land and buildings are credited directly to the asset revaluation reserve in equity. Decreases that offset previous increases of the same classes of assets are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

**Depreciation**

The depreciable amounts of all fixed assets including buildings and capitalised leased assets, but excluding leasehold land, is depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Useful Life</b>
Buildings	30 years
Furniture and fittings	3-11 years
Computer equipment	1-3 years
Office partitions	10 years
Air-conditioning rectification	4-5 years
Leasehold improvements	10 years

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(c) Property, Plant and Equipment (continued)**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(d) Financial Instruments**

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**

Loans and receivables 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.

**Available-for-sale Financial Assets**

Available-for-sale financial assets include any financial assets not included in the categories of financial assets and liabilities at fair value through the profit and loss; held to maturity or loans and receivables. 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.

**Financial Liabilities**

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

**Fair Value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Financial Instruments (continued)**

**Impairment**

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Income Statement.

**(e) Impairment of Assets**

At each reporting date, the company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the amount of the cash-generating unit to which the class of assets belong.

**(f) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

**(g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(h) Revenue**

Revenue from the sale of goods is recognised upon delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Donations are recognised as revenue when received unless they are designated for a specific purpose, where they are set aside in a reserve within equity on the balance sheet.

All revenue is stated net of the amount of goods and services tax (GST).

**(i) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(j) Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that the outflow can be reliably measured.

**(k) Redeemable Interlibrary Loan Vouchers**

The Australian Library and Information Association Ltd (ALIA) operates an interlibrary lending voucher system, with vouchers used by libraries as payment for interlibrary loans, photocopies or microform copies made for retention by another library.

ALIA interlibrary loan vouchers are redeemable vouchers purchased from the Association and used by libraries as payment for interlibrary loans or copies of articles and other information made by one library or information service for use by another library or information service. The scheme provides a simple and secure form of interlibrary currency and meets the GST requirements.

**(l) Comparative Figures**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(m) Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated in to 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 economic data, obtained both externally and within the company.

*Key estimates – Impairment*

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less cost to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The financial report was authorised for issue on 3 March 2008 by the Board of Directors.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2. REVENUE</b>		
Operating revenue		
- Membership	1,276,251	1,210,220
- InCite and other publications	274,793	227,149
- Conferences	1,803,789	964,111
- Divisions/Groups	62,800	34,608
- Australian Library Journal	40,858	35,851
- Australian Academic and Research Libraries including special issue	66,067	-
- Donations	60,638	18,264
- Awards/Promotions/Library Week	118,259	85,410
- ALIANet employment advertising	58,800	48,941
- Education and training	29,469	2,138
- Other revenue	39,994	11,763
	<u>3,831,718</u>	<u>2,638,455</u>
Other revenue		
- Interest revenue	83,183	176,613
- Managed fund income	103,710	50,747
- Rental income	375,949	277,601
	<u>562,842</u>	<u>504,961</u>
Total revenue	<u>4,394,560</u>	<u>3,143,416</u>
<b>NOTE 3. SURPLUS</b>		
<b>(a) Expenses</b>		
Employee benefits expense	1,224,936	1,009,296
Depreciation of non-current assets		
- buildings	126,165	104,708
- plant and equipment	59,476	45,420
	<u>185,641</u>	<u>150,128</u>
Total depreciation	<u>185,641</u>	<u>150,128</u>
<b>(b) Significant Revenue and Expenses</b>		
- Net loss on disposal of property, plant and equipment	3,810	20,467

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 4. KEY MANAGEMENT PERSONNEL COMPENSATION**

	Short Term Benefits	Post- employment Benefits	Total
	\$	\$	\$
<b>2007</b>			
Total compensation	110,740	-	110,740
<b>2006</b>			
Total compensation	109,268	-	109,268

<b>2007</b>	<b>2006</b>
\$	\$

**NOTE 5. AUDITORS' REMUNERATION**

Remuneration of the auditor for:		
- auditing the financial report	19,700	48,500
- other audit services	32,900	-
- under accrual from previous year	12,000	-
Total remuneration	64,600	48,500

**NOTE 6. CASH AND CASH EQUIVALENTS**

**CURRENT**

Conferences - cash at bank	12,119	1,159,125
National office - cash at bank	144,329	246,730
Deposits at call	10,000	1,016,835
Divisions/Groups - cash at bank and in hand	280,178	36,033
Anne Harrison Trust Fund	54,910	-
Research fund - cash at bank	35,183	33,795
ANZ Negotiator	1,283,926	-
Other - cash at bank and in hand	1,176	1,345
	<u>1,821,821</u>	<u>2,4</u>

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ACN 090 953 236**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 7. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade receivables	115,905	64,160
Provision for impairment of receivables	<u>(4,044)</u>	<u>(994)</u>
	111,861	63,167
Interest receivable	<u>4,035</u>	<u>11,591</u>
	<u>115,896</u>	<u>74,757</u>
<b>NOTE 8. INVENTORIES</b>		
<b>CURRENT</b>		
Stock on hand at cost	<u>29,867</u>	<u>-</u>
<b>NOTE 9. OTHER ASSETS</b>		
<b>CURRENT</b>		
Prepayments	102,545	41,594
Salary advances and Sacrifices	3,908	-
Other	<u>11,759</u>	<u>11,759</u>
	<u>118,212</u>	<u>53,353</u>

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 10. PROPERTY PLANT AND EQUIPMENT</b>		
<b>LAND AND BUILDINGS</b>		
Leasehold land – at fair value	116,250	116,250
Freehold buildings – at fair value	946,250	946,250
Less accumulated depreciation	<u>(34,170)</u>	<u>(2,629)</u>
	<u>912,080</u>	<u>943,621</u>
Total Land and Buildings	<u>1,028,330</u>	<u>1,059,871</u>
<b>OFFICE EQUIPMENT</b>		
Office Equipment – at cost	255,166	169,800
Less accumulated depreciation	<u>(185,979)</u>	<u>(67,099)</u>
Total Office Equipment	<u>69,187</u>	<u>102,701</u>
<b>FIXTURES AND FITTINGS</b>		
Fixtures and Fittings – at cost	325,257	27,031
Less accumulated depreciation	<u>(299,678)</u>	<u>(4,732)</u>
Total Fixtures and Fittings	<u>25,579</u>	<u>22,299</u>
Total Property, Plant and Equipment	<u>1,123,096</u>	<u>1,184,871</u>

**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

<b>2006</b>	<b>Leasehold Land</b>	<b>Freehold Buildings</b>	<b>Office Equipment</b>	<b>Fixtures &amp; Fittings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at the beginning of the year	109,167	705,811	118,421	25,097	958,496
Revaluation increment	7,083	336,421	-	-	343,504
Additions at cost	-	-	19,911	-	19,911
Disposals	-	-	(20,817)	-	(20,817)
Depreciation expense	-	(98,611)	(14,814)	(2,798)	(116,223)
Carrying amount at end of year	<u>116,250</u>	<u>943,621</u>	<u>102,701</u>	<u>22,299</u>	<u>1,184,871</u>

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 10. PROPERTY PLANT AND EQUIPMENT (continued)**

<b>2007</b>	<b>Leasehold Land \$</b>	<b>Freehold Buildings \$</b>	<b>Office Equipment \$</b>	<b>Fixtures &amp; Fittings \$</b>	<b>Total \$</b>
Balance at the beginning of the year	116,250	943,621	102,701	22,299	1,184,871
Revaluation increment	-	-	-	-	-
Additions at cost	-	-	22,719	6,524	29,243
Disposals	-	-	(3,812)	-	(3,812)
Depreciation expense	-	(31,541)	(52,421)	(3,244)	(87,206)
Carrying amount at end of year	<u>116,250</u>	<u>912,080</u>	<u>69,187</u>	<u>25,579</u>	<u>1,123,096</u>

**Valuations of Land and Buildings**

The 2006 revaluation was based on an independent assessment by CB Richard Ellis as at 30 November 2006. The basis of the valuation of the land and building is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition.

<b>2007</b>	<b>2006</b>
<b>\$</b>	<b>\$</b>

**NOTE 11. INVESTMENT PROPERTY – ALIA House Tenancies**

Balance at beginning of year	3,179,614	2,311,854
Acquisitions	-	27,365
Fair value adjustments	-	848,281
Accumulated depreciation	<u>(94,623)</u>	<u>(7,886)</u>
Balance at end of year	<u>3,084,991</u>	<u>3,179,614</u>

The fair value model is applied to all investment property. Investment property is independently revalued. Values are based on an active liquid market value and are performed by a registered independent valuer.

**Leasing Arrangements**

The investment property is leased to tenants under long term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of the investment property are as follows:

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

Within one year	218,720	260,554
Later than one year but not later than 5 years	244,772	622,309
Later than 5 years	-	-
	<u>463,492</u>	<u>882,863</u>

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 12. DEFERRED INCOME</b>		
Conference and event receipts and sponsorships in advance of conference	34,937	548,905
Rent received in advance	-	5,316
	<u>34,937</u>	<u>554,221</u>
 <b>NOTE 13. TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
Trade payables	142,669	190,939
Payroll liabilities	43,302	30,022
Employee benefits – annual leave	47,1	37,239
	<u>233,110</u>	<u>258,200</u>
 <b>NOTE 14. PROVISIONS</b>		
	<b>Long-term Employee Benefits</b>	
	<b>\$</b>	
Opening balance at 1 January 2007	23,831	
Additional provisions raised during the year	1,119	
Amounts used	-	
	<u>24,950</u>	
Balance at 31 December 2007	<u>24,950</u>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>Analysis of Total Provisions</b>		
Current	23,616	20,810
Non-current	1,334	3,021
	<u>24,950</u>	<u>23,831</u>

**Provision for Long-term Employee Benefits**

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long services leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1 to this report.

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD  
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ACN 090 953 236**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 15. RESERVES**

**(a) Asset Revaluation Reserve**

The asset revaluation reserve records revaluations of property, plant and equipment.

**(b) Research Fund Reserve**

The general reserve records funds set aside for all awards administered by the ALIA Research Committee.

**(c) Anne Harrison Trust Reserve**

The general reserve records funds set aside for the Anne Harrison Award, which is awarded every two years.

**NOTE 16. MEMBERS' GUARANTEE**

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. At 31 December 2007 the number of members was 5,476 (2006: 5,566).

**NOTE 17. EVENTS AFTER THE BALANCE DATE**

There have been no events subsequent to reporting date which require disclosure in the financial statements.

**NOTE 18. CONTINGENT ASSETS AND LIABILITIES**

There are no contingent liabilities or assets as at 31 December 2007 which require disclosure in the financial statements.

**NOTE 19. RELATED PARTY TRANSACTIONS**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the year there were no related party transactions.

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b>2007</b>	<b>2006</b>
	\$	\$
<b>NOTE 20. CASH FLOW INFORMATION</b>		
<b>Reconciliation of Cash Flow from Operations with Surplus after Income Tax</b>		
Surplus after income tax	49,769	19,656
Non cash flows		
Depreciation	185,641	124,110
Loss on disposal of plant and equipment	-	20,467
Increase in value of investments	(103,710)	-
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables and prepayments	455	(13,571)
(Increase)/Decrease in other assets	(106,453)	73,322
(Increase) in inventories	(29,867)	-
(Decrease)/Increase in trade and other payables	(24,418)	6,313
(Decrease)/Increase in other liabilities and provisions	(525,873)	492,353
(Decrease) in redeemable interlibrary loan vouchers	<u>(88,343)</u>	<u>(52,808)</u>
Cash flows provided by operating activities	<u>(642,799)</u>	<u>669,842</u>

**NOTE 21. SERVICE AGREEMENT COMMITMENTS**

Non-cancellable service agreements entered into prior to 31 December 2007

Payable – minimum lease payments		
- not later than 12 months	51,703	48,263
- between 12 months but not later than 5 years	36,009	5,798
- greater than 5 years	-	-
	<u>87,712</u>	<u>54,061</u>

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD  
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ACN 090 953 236**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 22. FINANCIAL INSTRUMENTS**

**(a) Financial Risk Management**

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

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not have any derivative instruments at 31 December 2007.

**(i) Financial Risks**

The main risks the company is exposed to through its financial instruments are liquidity risk and credit risk.

**Liquidity risk**

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

**Credit risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by company.

**(b) Interest Rate Risk**

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD  
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ACN 090 953 236**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 22. FINANCIAL INSTRUMENTS (continued)**

	Weighted Average		Floating Interest		Non-Interest		Fixed Interest		Total	
	Effective Interest		Rate		Bearing		Rate			
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>										
Cash	4.71	4.2								
Investments	4.71	4.2	1,769,782	1,442,803	40,479	34,225	11,560	1,016,835	1,821,821	2,493,86
Trade and other receivables	-	-	2,154,457	2,050,747	-	-	-	-	2,154,457	2,050,74
<b>Total Financial Assets</b>										
			3,924,239	3,493,550	152,340	150,576	11,560	1,016,835	4,088,139	4,660,96
<b>Financial Liabilities</b>										
Trade and other payables	N/A	N/A								
Redeemable vouchers	N/A	N/A	-	-	900,841	1,415,013	-	-	900,841	1,415,01
<b>Total Financial Liabilities</b>										
			-	-	1,616,154	1,704,497	-	-	1,616,154	1,704,49
			-	-	2,516,995	3,119,510	-	-	2,516,995	3,119,51

**(c) Net Fair Values**

The net fair value of assets and liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

**NOTE 23. ACCOUNTING POLICIES**

A number of Australian Accounting standards issued or amended, which are applicable to the company but not yet effective, have not been adopted in preparation of the financial statements at reporting date as they have no material effect to the organisation.

**NOTE 24. COMPANY DETAILS**

The registered office and principal place of business of the company is:

Australian Library and Information Association Ltd  
9-11 Napier Close  
Deakin ACT 2600

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ACN 090 953 236**

**DIRECTORS' DECLARATION**

The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 26, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 31 December 2007 and of the performance for the year ended on that date of the company.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Mrs Roxanne Missingham

Dated this 3<sup>rd</sup> day of March 2008



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD**

### **Report on the Financial Report**

We have audited the accompanying financial report of the Australian Library and Information Association Ltd (the company) which comprises the balance sheet as at 31 December 2007, and 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 directors' declaration.

#### *Directors' Responsibility for the Financial Report*

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls 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 assessment 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 company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD**

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

*Basis for Qualified Auditor's Opinion*

The financial report of Australian Library and Information Association Ltd as at 31 December 2007, was audited by another auditor, PricewaterhouseCoopers whose report dated 16 of March 2007, expressed an unqualified audit opinion on those statements. We were unable to obtain sufficient appropriate audit evidence regarding the comparatives.

*Qualified Auditor's Opinion*

In our opinion, except for the effects on the comparatives for 2006 or such adjustments, if any, as might have been determined to be necessary had the limitation on the scope of our work as discussed in the qualification paragraph not existed, the financial report of the Australian Library and Information Association Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2007 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

A.B. Papps, CA  
Registered Company Auditor  
WalterTurnbull

Canberra, ACT  
3 March 2008

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