

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

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
31 DECEMBER 2009**

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

**DIRECTORS' REPORT**

Your directors present their report on the Australian Library and Information Association Ltd (the Company) for the financial year ended 31 December 2009.

**Directors**

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

Mr Derek Whitehead, OAM (Resigned 19<sup>th</sup> May 2009)  
Ms Jan Richards  
Ms Michelle Brennand  
Mr Philip Keane  
Mr Damian Lodge (Resigned 19<sup>th</sup> May 2009)  
Mr Philip Keane  
Dr Helen Partridge  
Miss Kate Watson (Resigned 19<sup>th</sup> May 2009)  
Mr Graham Black (Appointed 19<sup>th</sup> May 2009)  
Dr Gillian Hallam (Appointed 19<sup>th</sup> May 2009)  
Ms Kate Sinclair (Appointed 19<sup>th</sup> May 2009)

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.

No significant changes in the nature of the company's principle activity occurred during the financial year.

**Operating Results**

The profit of the Company amounted to \$170,467 (2008: Deficit \$717,430).

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

No significant changes in the Company's state of affairs occurred during the financial year.

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**DIRECTORS' REPORT (continued)**

**After Balance Date Events**

As at 28 February 2010 the value of the investment held by the Company decreased by \$49,797 from \$2,005,983 to \$1,956,186 due to impairment.

**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>
Mr Derek Whitehead, OAM	Resigned 19 May 2009 BA(Hons), BD(Hons), GradDipLib, MLib, FALIA President until 19 May 2009
Ms Jan Richards	President President from 19 May 2009 BA(LIS), ALGMA, AALIA Vice-President until 19 May 2009 Serving second year on Board of Directors
Mr Graham Black	Vice-President Appointed 19 <sup>th</sup> May 2009 BA, Grad Dip Lib, MBA, AALIA Serving first year on Board of Directors
Ms Michelle Brennand	Board Director BA, GDipLIST, GradDipBus, MBA, AALIA Serving fourth year on Board of Directors
Mr Philip Keane	Board Director BSc, DipLib, MBA (Adel), GAICD, AALIA Serving fourth year on Board of Directors
Dr Helen Partridge	Board Director BA, GCE (HigherEd) PGDipPsych (UQ) MIT, PhD (QUT), AALIA Serving fourth year on Board of Directors
Mr Damian Lodge	Board Director Resigned 19 May 2009 BBus (Info & Lib Mgt), AssDipAppSci (Lib Tech), MAppSci (Lib & Info Mgt), MBA, AALIA Director until 19 May 2009
Miss Kate Watson	Board Director Resigned 19 May 2009 BA, GradDipLib, MIT, AALIA Director until 19 May 2009

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**DIRECTORS' REPORT (continued)**

**Information on Directors (continued)**

<b>Directors</b>	<b>Experience, Special Responsibilities &amp; Qualifications</b>
Dr Gillian Hallam	Board Director Appointed 19 <sup>th</sup> May 2009 PhD, MA, PGradCertOEd, GradCertEd (Higher), GradDipLibSci, BA (Hons), FALIA, FHERDSA, MCILIP Serving first year on Board of Directors
Ms Kate Sinclair	Board Director Appointed 19 <sup>th</sup> May 2009 BA (Hons), GradDipLIS, AALIA Serving first year on Board of Directors

**Meetings of Directors**

During the financial year, 10 meetings of directors were held. Attendance by each director was as follows:

<b>Directors' Meetings</b>		
	<b>Number eligible to attend</b>	<b>Number attended</b>
Mr Derek Whitehead, OAM	3	3
Ms Jan Richards	10	10
Ms Michelle Brennand	10	7
Mr Philip Keane	10	9
Dr Helen Partridge	10	6
Mr Damian Lodge	3	3
Miss Kate Watson	3	3
Mr Graham Black	7	6
Dr Gillian Hallam	7	6
Ms Kate Sinclair	7	7

**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.

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**DIRECTORS' REPORT (continued)**

**Indemnifying Officers or Auditor**

During the financial year, the Australian Library and Information Association Ltd paid a premium of \$5,606 (2008: \$8,005) 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 lead auditor's independence declaration for the year ended 31 December 2009 has been received and can be found on page 6 of the directors' report.

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



Director  
Ms Jan Richards

Dated this 23<sup>rd</sup> day of April 2010



**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**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2009 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

Canberra ACT  
23 April 2010

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A division of  
WalterTurnbull Pty Ltd  
ABN 90 613 256 181

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**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD**  
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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2009**

	NOTE	2009 \$	2008 \$
<b>Revenue</b>	<b>2</b>	<u>4,714,267</u>	<u>2,817,775</u>
<b>Expenses</b>			
Administration		(883,247)	(322,308)
ALIA House		(142,999)	(151,832)
ALIANet		(8,629)	(19,479)
Australian Library Journal		(50,194)	(55,452)
Awards/promotions/library week		(37,437)	(60,514)
Board of Directors/governance		(63,360)	(91,711)
Conference		(1,282,933)	(725,757)
Copyright		(10,717)	(19,856)
Industrial		-	(248)
Divisions/groups		(28,324)	(77,029)
Education and training		(52,231)	(46,682)
InCite		(143,787)	(236,008)
Membership		(60,010)	(37,141)
Policy and research		(6,871)	(7,831)
Australian Academic and Research Libraries Publications		(20,272)	(23,547)
Publishing		-	(5,840)
Special Project Expenses		(87,348)	(50,568)
Depreciation	<b>3</b>	(298,874)	(245,309)
Salaries		(1,260,378)	(1,246,517)
Superannuation		(102,557)	(102,451)
Workers Compensation		<u>(3,632)</u>	<u>(9,125)</u>
Total expenses		<u>(4,543,800)</u>	<u>(3,535,205)</u>
Surplus/(Deficit) before income tax		<u>170,467</u>	<u>(717,430)</u>
Income tax expense	<b>1(i)</b>	<u>-</u>	<u>-</u>
Surplus/(Deficit) after income tax		<u>170,467</u>	<u>(717,430)</u>
<b>Other Comprehensive Income</b>			
Changes in asset revaluation reserves		<u>1,578,294</u>	<u>-</u>
Total Comprehensive Income		<u><u>1,748,761</u></u>	<u><u>(717,430)</u></u>

**AUSTRALIAN LIBRARY AND INFORMATION ASSOCIATION LTD**  
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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2009**

	NOTE	2009 \$	2008 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	<b>6</b>	919,276	1,646,296
Investments		2,005,983	1,830,512
Trade and other receivables	<b>7</b>	199,668	313,343
Inventories	<b>8</b>	-	24,048
Other current assets	<b>9</b>	<u>86,969</u>	<u>399,903</u>
TOTAL CURRENT ASSETS		<u>3,211,896</u>	<u>4,214,102</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<b>10</b>	1,642,723	1,322,647
Investment property – ALIA House tenancies	<b>11</b>	4,078,476	2,990,366
Intangible assets	<b>12</b>	<u>214,218</u>	<u>221,367</u>
TOTAL NON-CURRENT ASSETS		<u>5,935,417</u>	<u>4,534,380</u>
<b>TOTAL ASSETS</b>		<u>9,147,313</u>	<u>8,748,482</u>
<b>CURRENT LIABILITIES</b>			
Deferred income	<b>13</b>	18,800	1,158,941
Trade and other payables	<b>14</b>	484,640	301,094
Redeemable interlibrary loan vouchers		80,000	76,356
Other current liabilities – Prepaid membership and subscription income		<u>633,555</u>	<u>564,707</u>
TOTAL CURRENT LIABILITIES		<u>1,216,995</u>	<u>2,101,098</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions	<b>15</b>	10,665	6,536
Redeemable interlibrary loan vouchers		<u>981,928</u>	<u>1,451,884</u>
TOTAL NON-CURRENT LIABILITIES		<u>992,593</u>	<u>1,458,420</u>
<b>TOTAL LIABILITIES</b>		<u>2,209,588</u>	<u>3,559,518</u>
<b>NET ASSETS</b>		<u>6,937,725</u>	<u>5,188,964</u>
<b>EQUITY</b>			
Reserves	<b>16</b>	4,359,513	2,781,219
Retained earnings		<u>2,578,212</u>	<u>2,407,745</u>
<b>TOTAL EQUITY</b>		<u>6,937,725</u>	<u>5,188,964</u>

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	<b>Retained Earnings</b>	<b>Reserves</b>	<b>Asset Revaluation Reserve</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Balance at 1 January 2008</b>	3,132,330	86,092	2,687,972	5,906,394
Comprehensive income	-	-	-	-
Surplus attributable to the Company	(717,430)	-	-	(717,430)
Transfers to reserves	(7,155)	7,155	-	-
<b>Balance at 31 December 2008</b>	<u>2,407,745</u>	<u>93,247</u>	<u>2,687,972</u>	<u>5,188,964</u>
Comprehensive income	1,578,294	-	-	1,578,294
Profit attributable to the Company	170,467	-	-	170,467
Transfers to reserves	(1,578,294)	-	1,578,294	-
<b>Balance at 31 December 2009</b>	<u><u>2,578,212</u></u>	<u><u>93,247</u></u>	<u><u>4,266,266</u></u>	<u><u>6,937,725</u></u>

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	NOTE	2009 \$	2008 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members and customers		3,535,713	2,478,864
Payments to suppliers and employees		(4,155,901)	(2,137,515)
Interest received		<u>17,263</u>	<u>59,036</u>
Net cash (used in)/generated from operating activities	<b>21</b>	<u>(602,925)</u>	<u>400,385</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		<u>(124,095)</u>	<u>(575,910)</u>
Net cash (used in) investing activities		<u>(124,095)</u>	<u>(575,910)</u>
Net (decrease) in cash held		(727,020)	(175,525)
Cash at beginning of the financial year		<u>1,646,296</u>	<u>1,821,821</u>
Cash at the end of the financial year	<b>6</b>	<u>919,276</u>	<u>1,646,296</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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

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

**Basis of Preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Accounting Policies**

**(a) Revenue**

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

Interest revenue is recognised using the effective interest rate method, which for the floating rate of financial assets is the rate inherent in the instrument.

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 Statement of Financial Position.

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

**(b) Inventories**

Inventories are measured at the lower of cost and net realisable value.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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

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

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, 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.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a 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 Statement of Comprehensive Income.

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.

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

**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 their present values in determining recoverable amounts.

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

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding leasehold land, is depreciated on a straight-line basis over the assets' useful life 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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

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

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
Leasehold improvements	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance 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 Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(d) Financial Instruments**

*Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit and loss' in which case transaction costs are expensed to profit or loss immediately.

*Classification and Subsequent Measurement*

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

*Classification and Subsequent Measurement (continued)*

*Amortised cost* is calculated as:

- i. the amount at which the financial asset or financial liability is measured at initial recognition;
- ii. less principal repayments;
- iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- iv. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

*(i) Financial assets at fair value through profit and loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

*(ii) 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 subsequently measured at amortised cost.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

*Classification and Subsequent Measurement (continued)*

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

*(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**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.

**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 Statement of Comprehensive Income.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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

**(e) Impairment of Assets**

At each reporting date, the Company reviews the carrying values of its tangible 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 Statement of Comprehensive Income.

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 determined as the depreciated replacement cost of an asset.

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

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

**(f) Employee Benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting 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. Other employee benefits payables later than one year have been measured at the net 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(h) 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 Statement of Financial Position are shown inclusive of GST.

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

**(i) 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*.

**(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 outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

**(k) Redeemable Interlibrary Loan Vouchers**

The Company 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. The Company's interlibrary loan vouchers are redeemable vouchers purchased from the Company 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  
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**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

The directors 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 economic data, obtained both externally and within the Company.

**Key estimates**

*Impairment*

The Company assesses impairment at each reporting date by evaluation of conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**(o) New Accounting Standards for Application in Future Periods**

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company does not anticipate early adoption of any new, revised or amended Accounting Standards and does not expect them to have any material effect on the Company's financial statements.

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	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2. REVENUE</b>		
Operating revenue		
- Membership	1,326,612	1,196,114
- InCite and other publications	223,048	254,257
- Conferences	1,720,525	881,199
- Divisions/Groups	37,280	93,539
- Australian Library Journal	25,315	33,134
- Australian Academic and Research Libraries including special issue	34,969	23,441
- Donations	9,153	10,116
- Awards/Promotions/Library Week	175,551	90,729
- ALIANet employment advertising	25,875	76,300
- Education and training	23,406	29,017
- Other revenue	482,990	17,606
	<u>4,084,724</u>	<u>2,705,452</u>
Other revenue		
- Interest revenue	17,263	59,036
- Managed fund income	210,348	(313,740)
- Rental income	401,932	367,027
	<u>629,543</u>	<u>112,323</u>
Total revenue	<u>4,714,267</u>	<u>2,817,775</u>
<b>NOTE 3. SURPLUS</b>		
<b>(a) Expenses</b>		
Employee benefits expense	1,362,936	1,219,734
Depreciation of non-current assets		
- buildings	127,482	126,165
- plant and equipment	171,392	119,144
	<u>298,874</u>	<u>245,309</u>
Total depreciation	<u>298,874</u>	<u>245,309</u>
<b>(b) Significant Revenue and Expenses</b>		
- Net loss on disposal of property, plant and equipment	2,479	4,307

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**NOTE 4. KEY MANAGEMENT PERSONNEL COMPENSATION**

	Short Term Benefits	Post- employment Benefits	Total
	\$	\$	\$
<b>2008</b>			
Total compensation	103,968	-	103,968
<b>2009</b>			
Total compensation	111,572	2,214	113,786

**2009**  
**\$**

**2008**  
**\$**

**NOTE 5. AUDITORS' REMUNERATION**

Remuneration of the auditor for:		
- auditing the financial report	21,000	22,650
- other audit services	-	9,000
- accounting services	142,620	-
Total remuneration	163,620	31,650

**NOTE 6. CASH AND CASH EQUIVALENTS**

**CURRENT**

Conferences – cash at bank	107,661	19,032
National Office – cash at bank	196,397	58,090
Deposits at call	10,000	10,000
Divisions/Groups – cash at bank and in hand	310,908	272,448
Anne Harrison Trust Fund – cash at bank	57,961	57,018
Research fund – cash at bank	38,229	36,229
ANZ Negotiator – cash at bank	145,058	334,864
Other – cash at bank and in hand	583	1,077
Online Conference – cash at bank	21,241	495,259
Online Conference Saver – cash at bank	-	353,128
TAS Group – cash at bank	7,968	7,968
Undeposited Funds	23,270	1,183
	<u>919,276</u>	<u>1,646,296</u>

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	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 7. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade receivables	125,948	85,064
Provision for impairment	<u>(21,419)</u>	<u>(11,522)</u>
	104,529	73,542
Interest receivable	-	974
Other	<u>95,139</u>	<u>238,827</u>
Total current trade and other receivables	<u>199,668</u>	<u>313,343</u>

**(i) Provision for Impairment of Receivables**

Current trade receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items.

Movement in the provision for impairment of receivables is as follows:

	<b>\$</b>
Provision for impairment as at 31 December 2007	4,044
- Charge for the year	17,005
- Written off	<u>(9,527)</u>
Provision for impairment as at 31 December 2008	11,522
- Charge for the year	9,897
- Written off	<u>-</u>
Provision for impairment as at 31 December 2009	<u>21,419</u>

**(ii) Credit Risk – Trade and Other Receivables**

The Company does not have any material credit risk exposure to any single receivable or group of receivables.

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**NOTE 7. TRADE AND OTHER RECEIVABLES (continued)**

**(ii) Credit Risk – Trade and Other Receivables (continued)**

The following table details the Company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with aging analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Company.

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	<b>Gross Amount</b>	<b>Past due and impaired</b>	<b>Past due but not impaired</b>			<b>Within initial trade terms</b>
	\$	\$	<b>&lt; 30</b>	<b>31-60</b>	<b>&gt;60</b>	\$
			\$	\$	\$	
<b>2008</b>						
Trade receivables	85,064	11,522	6,099	10,391	19,665	37,387
Other Receivables	239,801	-	-	-	-	239,801
<b>Total</b>	<u>324,865</u>	<u>11,522</u>	<u>6,099</u>	<u>10,391</u>	<u>19,665</u>	<u>277,188</u>
<b>2009</b>						
Trade receivables	125,948	21,419	14,852	33,520	40,761	15,396
<b>Total</b>	<u>125,948</u>	<u>21,419</u>	<u>14,852</u>	<u>33,520</u>	<u>40,761</u>	<u>15,396</u>

<b>2009</b>	<b>2008</b>
\$	\$

**NOTE 8. INVENTORIES**

**CURRENT**

Stock on hand at cost	<u>-</u>	<u>24,048</u>
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**NOTE 9. OTHER ASSETS**

**CURRENT**

Prepayments	82,889	381,404
Salary advances and sacrifices	-	6,740
Other	<u>4,080</u>	<u>11,759</u>
	<u>86,969</u>	<u>399,903</u>

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	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 10. PROPERTY PLANT AND EQUIPMENT</b>		
<b>LAND AND BUILDINGS</b>		
Leasehold land – at fair value	300,000	116,250
Freehold buildings – at fair value	1,062,500	946,250
Less accumulated depreciation	<u>(3,008)</u>	<u>(65,711)</u>
	<u>1,059,492</u>	<u>880,539</u>
Total Land and Buildings	<u>1,359,492</u>	<u>996,789</u>
<b>OFFICE EQUIPMENT</b>		
Office Equipment – at cost	520,124	438,495
Less accumulated depreciation	<u>(254,602)</u>	<u>(175,731)</u>
Total Office Equipment	<u>265,522</u>	<u>262,764</u>
<b>FIXTURES AND FITTINGS</b>		
Fixtures and Fittings – at cost	406,201	394,336
Less accumulated depreciation	<u>(174,274)</u>	<u>(109,875)</u>
Total Fixtures and Fittings	<u>231,927</u>	<u>284,461</u>
Total Property, Plant and Equipment	<u><u>1,856,941</u></u>	<u><u>1,544,014</u></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>2008</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	116,250	912,080	69,187	25,579	1,123,096
Additions at cost	-		272,010	303,900	575,910
Disposals	-		(88,681)	(234,820)	(323,501)
Depreciation expense	-	(31,541)	(78,433)	(40,730)	(150,704)
Depreciation write back	-	-	88,681	230,532	319,213
Carrying amount at end of year	<u>116,250</u>	<u>880,539</u>	<u>262,764</u>	<u>284,461</u>	<u>1,544,014</u>

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

<b>2009</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	880,539	262,764	284,461	1,544,014
Revaluation increment	183,750	116,250	-	-	300,000
Additions at cost	-	-	112,231	11,864	124,095
Disposals	-	-	(28,364)	-	(28,364)
Depreciation expense	-	(127,482)	(106,994)	(64,398)	(298,874)
Depreciation write back	-	190,185	25,885	-	216,070
Carrying amount at end of year	<u>300,000</u>	<u>1,059,492</u>	<u>265,522</u>	<u>231,927</u>	<u>1,856,941</u>

The Company's land and buildings were revalued at 31 December 2009 by independent valuers. Valuations were made on the basis of open market value. The revaluation surplus was credited to an asset revaluation reserve in equity.

<b>2009</b>	<b>2008</b>
\$	\$

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

Balance at beginning of year	2,990,366	3,084,991
Acquisitions	-	-
Fair value adjustments	900,000	-
Writeback of depreciation	197,134	-
Depreciation	<u>(9,024)</u>	<u>(94,625)</u>
Balance at end of year	<u>4,078,476</u>	<u>2,990,366</u>

The fair value model is applied to all investment property. Investment property was independently revalued as at 31 December 2009. 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	417,041	359,588
Later than one year but not later than 5 years	348,879	619,271
Later than 5 years	-	-
	<u>765,920</u>	<u>978,859</u>

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	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 12. INTANGIBLE ASSETS</b>		
Software – cost	332,450	267,610
Accumulated amortisation and impairment	<u>(118,232)</u>	<u>(46,243)</u>
	<u>214,218</u>	<u>221,367</u>
	<b>\$</b>	
<b>Year ended 31 December 2008</b>		
Balance at the beginning of year	1,043	
Additions	236,320	
Disposals	-	
Amortisation charge	(15,996)	
Impairment losses	<u>-</u>	
	<u>221,367</u>	
<b>Year ended 31 December 2009</b>		
Balance at the beginning of year	221,367	
Additions	64,840	
Disposals	-	
Amortisation charge	(71,989)	
Impairment losses	<u>-</u>	
	<u>214,218</u>	
<b>NOTE 13. DEFERRED INCOME</b>		
Conference and event receipts and sponsorships in advance of conference	<u>18,800</u>	<u>1,158,941</u>
	<u>18,800</u>	<u>1,158,941</u>
<b>NOTE 14. TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
Trade payables	331,200	222,124
Payroll liabilities	84,862	26,418
Employee benefits – annual leave	<u>68,578</u>	<u>52,552</u>
	<u>484,640</u>	<u>301,094</u>

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**NOTE 14. TRADE AND OTHER PAYABLES (continued)**

**a. Financial liabilities at amortised cost  
classified as trade and other payable**

Trade and other payables		
- total current	484,640	301,094
- total non-current	<u>-</u>	<u>-</u>
	484,640	301,094
Less PAYG	(53,763)	(18,110)
Less GST Payable	(45,118)	(8,070)
Less payroll liabilities	(84,862)	(26,418)
Less annual leave entitlements	<u>(68,578)</u>	<u>(52,552)</u>
Financial liabilities as trade and other payables	<u>232,319</u>	<u>195,944</u>

**NOTE 15. PROVISIONS**

	<b>Long-term Employee Benefits</b>	
	<b>\$</b>	
Opening balance at 1 January 2009	6,536	
Additional provisions raised during the year	4,129	
Amounts used	<u>-</u>	
Balance at 31 December 2009	<u>10,665</u>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Analysis of Total Provisions</b>		
Current	-	-
Non-current	<u>10,665</u>	<u>6,536</u>
	<u>10,665</u>	<u>6,536</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 service 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 16. RESERVES**

**(a) Asset Revaluation Reserve**

The asset revaluation reserve records the revaluation 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 17. 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 2009 the number of members was 5,315 (2008: 4,775).

**NOTE 18. EVENTS AFTER THE BALANCE DATE**

As at 28 February 2010 the value of the investment held by the Company decreased by \$49,797 from \$2,005,983 to \$1,956,186 due to impairment.

**NOTE 19. CONTINGENT ASSETS AND LIABILITIES**

There are no contingent liabilities or assets as at 31 December 2009 which require disclosure in the financial statements.

**NOTE 20. 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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	<b>2009</b>	<b>2008</b>
	\$	\$
<b>NOTE 21. CASH FLOW INFORMATION</b>		
<b>Reconciliation of Cash Flow from Operations with Surplus after Income Tax</b>		
(Deficit)/Surplus after income tax	170,467	(717,430)
Non cash flows		
Depreciation	298,874	245,309
Loss on disposal of plant and equipment	2,479	4,308
(Increase)/Decrease in value of investments	(175,471)	323,945
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables and prepayments	113,675	(197,447)
(Increase)/Decrease in other assets	312,934	(281,691)
Decrease in inventories	24,048	5,819
Increase in trade and other payables	183,546	67,984
(Decrease)/Increase in other liabilities and provisions	(1,067,165)	1,106,500
(Decrease) in redeemable interlibrary loan vouchers	<u>(466,312)</u>	<u>(156,912)</u>
	<u>(602,925)</u>	<u>400,385</u>

**NOTE 22. SERVICE AGREEMENT COMMITMENTS**

Non-cancellable service agreements entered into prior to 31 December 2009

Payable – minimum lease payments		
- not later than 12 months	361,080	79,073
- between 12 months but not later than 5 years	<u>99,124</u>	<u>13,006</u>
	<u>460,204</u>	<u>92,079</u>

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**NOTE 23. 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 totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies of these financial statements, are as follows:

	<b>NOTE</b>	<b>2009</b> \$	<b>2008</b> \$
<b>Financial assets</b>			
Cash and cash equivalents	<b>6</b>	919,276	1,646,296
Loans and receivables	<b>7</b>	199,668	313,343
Investments		<u>2,005,983</u>	<u>1,830,512</u>
		<u>3,124,927</u>	<u>3,790,151</u>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	<b>13a</b>	<u>232,319</u>	<u>195,944</u>
		<u>232,319</u>	<u>195,944</u>

**Financial Risk Management Policies**

The board of directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

**Specific Financial Risk Exposures and Management**

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

**a. Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Interest rate risk is managed with a mixture of fixed and floating rate cash assets.

**b. Liquidity risk**

Liquidity risk arises from the possibility the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- Preparing budgets;
- Maintaining a reputable credit profile;

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 23. FINANCIAL INSTRUMENTS (continued)**

**b. Liquidity risk (continued)**

- Managing credit risk related to financial assets; and
- Investing only in surplus cash with major financial institutions.

The following tables reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

	<b>Within 1 Year</b>		<b>1 to 5 Years</b>		<b>Total contractual cash flow</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	\$	\$	\$	\$	\$	\$
<b>Financial Liabilities due for payment</b>						
Trade and other payables	232,319	195,944	-	-	232,319	195,944
<b>Total expected outflows</b>	<u>232,319</u>	<u>195,944</u>	<u>-</u>	<u>-</u>	<u>232,319</u>	<u>195,944</u>
<b>Financial Assets – cash flows realisable</b>						
Cash and cash equivalents	919,276	1,646,296	-	-	919,276	1,646,296
Trade and other receivables	199,668	313,343	-	-	199,668	313,343
Investments	<u>2,005,983</u>	<u>1,830,512</u>	<u>-</u>	<u>-</u>	<u>2,005,983</u>	<u>1,830,512</u>
<b>Total anticipated inflows</b>	<u>3,124,927</u>	<u>3,790,151</u>	<u>-</u>	<u>-</u>	<u>3,124,927</u>	<u>3,790,151</u>
<b>Net inflow/(outflow) on financial instruments</b>	<u>2,892,608</u>	<u>3,594,207</u>	<u>-</u>	<u>-</u>	<u>2,892,608</u>	<u>3,594,207</u>

**c. Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Company.

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**NOTE 23. FINANCIAL RISK MANAGEMENT (continued)**

**c. Credit risk (continued)**

Credit risk is managed through the maintenance of procedures ensuring to the extent possible, that customers and counter parties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the board of director's has otherwise cleared as being financially sound.

*Credit Risk Exposures*

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 7.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company. The trade receivables balance at 31 December 2009 and 31 December 2008 do not include any counter parties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

Credit risk related to balances with banks and other financial institutions is managed by the Board of Directors.

**Net Fair Values**

*Fair value estimation*

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 Statement of Financial Position and in the notes to the financial statements.

**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 2009**

**NOTE 23. FINANCIAL RISK MANAGEMENT (continued)**

**Net Fair Values (continued)**

*Sensitivity analysis*

The following table illustrates sensitivities to the Company's exposures to changes in interest rates. The table indicates the impact on how profit values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	<b>Loss</b>
	<b>\$</b>
<b>Year Ended 31 December 2008</b>	
+/- 1% in interest rates	<u>16,451</u>
<b>Year Ended 31 December 2009</b>	
+/- 1% in interest rates	<u>29,253</u>

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

**NOTE 24. CAPITAL MANAGEMENT**

Management controls the capital of the Company to ensure that adequate cash flows are generated to fund its operations.

There have been no changes to the strategy adopted by management to control the capital of the Company since the previous year.

**NOTE 25. 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  
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**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 32, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards; and
  - (b) give a true and fair view of the financial position as at 31 December 2009 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  
Ms Jan Richards

Dated this 23<sup>rd</sup> day of April 2010



WALTERTURNBULL  
*your extra asset*

## **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 Statement of Financial Position as at 31 December 2009, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' Declaration.

#### *The Responsibility of the Directors' 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 designing, implementing 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.

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

### *Auditor's Responsibility (continued)*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the Directors of the Australian Library and Information Association Ltd on 23 April 2010, would be in the same terms if provided to the Directors as at the date of this auditors report.

### *Auditor's Opinion*

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Australian Library and Information Association Ltd as of 31 December 2009, and its financial performance and cash flows for the year then ended in accordance with the *Corporations Act 2001* and the Australian Accounting Standards (including Australian Accounting Interpretations).

A.B. Papps, CA  
Registered Company Auditor

Canberra, ACT  
23 April 2010