

Queensland Library
Foundation

ACN 087 675 054

Financial Statements

for the year ended 30 June 2017

Queensland Library Foundation
Notes to the Financial Statements
for the year ended 30 June 2017

<u>Contents</u>	<u>Page No</u>
Councillors' Report	3-5
Auditor's Independence Declaration	6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes To and Forming Part of the Financial Statements	11-22
Councillors' Declaration	23
Independent Audit report	24

Queensland Library Foundation
Councillor's Report
for the year ended 30 June 2017

The Councillors of the Queensland Library Foundation (the Foundation) present their report on the company and its operations for the financial year ended 30 June 2017.

INFORMATION ON COUNCILLORS

The Councillors in office during or since the end of the financial year are as follows:-

Name	Appointment	Resignation	Special	Occupation
Mr Max Walters OAM	16/09/2004		President	Company Director
Ms Julie Mannion	12/07/2012			Company Director
Mr Neil Summerson AM	7/07/2014			Non-Executive Company Director
Mr Malcolm Grierson AM	3/05/2012			Director-General (Retired)
Ms Courtney Talbot	7/07/2014			Company Director
Mr Michael Hawkins	6/09/2012			Company Director
Ms Helen Brodie	24/03/2017			Company Director
Professor Jan Thomas	8/05/2014	4/03/2017		University Vice-Chancellor & Chairperson Library Board of Queensland
Professor Andrew Griffiths	5/03/2017			University Executive Dean & Chairperson Library Board of Queensland
Ms Sonia Cooper	27/11/2015	4/09/2016		State Librarian & CEO
Ms Vicki McDonald	5/09/2016			State Librarian & CEO

COMPANY SECRETARY

Ms Rita McLucas (B Bus (Acct) CA) was appointed Company Secretary on 13 January 2014.

PRINCIPAL ACTIVITIES

The Foundation's purposes are to act as an agent of the Library Board of Queensland (the State Library) to assist the State Library in the performance of its functions as set out in section 20 of the Libraries Act 1988 (Qld) by:

- (1) raising funds through gifts, grants and other forms of financial assistance, property and benefits for the State;
- (2) increasing public support and interest in the State Library; and
- (3) building the number of financial supporters of the State Library.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the company during the year.

SHORT AND LONG TERM OBJECTIVES & STRATEGIES

In line with the State Library of Queensland Operational Plan for 2017-18, the Foundation will actively work to position the organisation for the future. Key strategies to achieve this include working across portfolios to increase self-generated revenue for State Library projects and services, building programs to maximise general giving and bequests, and engaging with philanthropic support.

The Foundation's long term objectives are to work with corporate and high-wealth supporters and create sustainable revenue for State Library's services, maintain support for existing commitments such as the Queensland Memory Awards, expand the donor base through general giving and targeted campaigns, and increase endowment.

Queensland Library Foundation
Councillor's Report
for the year ended 30 June 2017

MEASURING PERFORMANCE AND REVIEW OF OPERATIONS

The operating surplus from ordinary activities of the Foundation for the year was \$190,560 (2016 \$188,998).

DIVIDENDS

The Foundation is a not for profit Company, Limited by Guarantee and therefore the Councillors do not recommend payment of any dividend.

REVIEW OF OPERATIONS

During the 2016-17 financial year, the Foundation experienced an increase in equity of \$190,560 (2016 \$188,998) resulting in net assets of \$5,794,310 as at 30 June 2017.

FUTURE DEVELOPMENTS AND EXPECTED RESULTS

The Foundation will focus efforts on increasing endowments, membership of the President's 100 Circle and funding support for priority projects. The aim is to increase self-generated revenue by 2% in line with State Library's projected 2017-18 target.

EVENTS SUBSEQUENT TO REPORTING DATE

At the date of this report, no matter or circumstance has arisen since the end of the financial year which has significantly affected or may significantly affect the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation in future financial years.

MEETINGS OF COUNCILLORS

	Eligible to Attend	Attended
Mr Max Walters OAM	6	5
Ms Julie Mannion	6	6
Mr Neil Summerson AM	6	4
Mr Malcolm Grierson AM	6	6
Ms Courtney Talbot	6	5
Mr Michael Hawkins	6	4
Ms Helen Brodie	2	2
Professor Jan Thomas	4	1
Professor Andrew Griffiths	2	1
Ms Sonia Cooper	1	1
Ms Vicki McDonald	5	5

Queensland Library Foundation
Councillor's Report
for the year ended 30 June 2017

COUNCILLORS' BENEFITS

During the financial year, no Councillor of the Foundation has received or become entitled to receive any benefit by reason of a contract made by the Foundation or a related corporation with the Councillor or with a firm of which the Councillor is a member, or with a company in which the Councillor has a substantial financial interest.

INDEMNIFICATION AND INSURANCE OF COUNCILLORS AND OFFICERS

To the extent permitted by law, the Foundation indemnifies a person who is or has been an officer of the Foundation against any liability incurred by that person as detailed in Clause 14 of the Constitution. For the purposes of this Clause, "Officer" means a Councillor as defined in the Constitution or an Executive Officer as defined by the *Corporations Act 2001*.

ENVIRONMENTAL ISSUES

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

PROCEEDINGS ON BEHALF OF THE FOUNDATION

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

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the independence declaration of the Foundation's auditor, as required under section 307c of the *Corporations Act 2001*, is set out on the following page and forms part of this report.

Signed in accordance with a resolution of the Councillors.



Max Walters
President

Dated this 15th day of August 2017

AUDITOR'S INDEPENDENCE DECLARATION

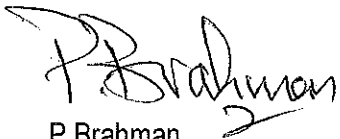
To the Directors of the Queensland Library Foundation

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

Independence declaration

As lead auditor for the audit of the Queensland Library Foundation for the financial year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



P Brahman
as delegate of the Auditor-General



Queensland Audit Office
Brisbane

Queensland Library Foundation
Statement of Comprehensive Income
for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Income from Continuing Operations			
Grants and other contributions	B2	1,121,746	1,098,192
Other	B1	151,260	162,866
Total Income from Continuing Operations		1,273,006	1,261,058
Expenses from Continuing Operations			
Supplies and services	B3	358,837	391,378
Project expenses	B3	708,932	670,308
Other expenses	B4	14,677	10,374
Total Expenses from Continuing Operations		1,082,446	1,072,060
Operating Result from Continuing Operations		190,560	188,998
Total Comprehensive Income for the year		190,560	188,998

The accompanying notes form part of these statements.

Queensland Library Foundation
Statement of Financial Position
as at 30 June 2017

	Notes	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	C1	5,967,550	5,706,180
Receivables	C2	52,950	22,000
Total current assets		6,020,500	5,728,180
Total assets		6,020,500	5,728,180
Current liabilities			
Payables	C3	226,190	124,430
Total current liabilities		226,190	124,430
Total liabilities		226,190	124,430
Net assets		5,794,310	5,603,750
Equity			
Accumulated surplus		5,794,310	5,603,750
Total equity		5,794,310	5,603,750

The accompanying notes form part of these statements.

Queensland Library Foundation
Statement of Changes in Equity
for the year ended 30 June 2017

	Accumulated surplus	TOTAL
	2016	2016
	\$	\$
Balance 1 July 2015	5,414,752	5,414,752
Total Comprehensive Income for the year	188,998	188,998
	<hr/>	<hr/>
Balance 30 June 2016	5,603,750	5,603,750
	<hr/>	<hr/>
	Accumulated surplus	TOTAL
	2017	2017
	\$	\$
Balance 1 July 2016	5,603,750	5,603,750
Total Comprehensive Income for the year	190,560	190,560
	<hr/>	<hr/>
Balance 30 June 2017	5,794,310	5,794,310
	<hr/>	<hr/>

The accompanying notes form part of these statements.

Queensland Library Foundation
Statement of Cash Flows
for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
<i>Inflows:</i>			
Grants and other contributions		1,090,796	1,076,192
Interest received		148,281	162,866
Miscellaneous		2,979	-
GST Collected		20,817	(1,567)
<i>Outflows:</i>			
Supplies and services		(986,826)	(1,045,975)
Other		(14,677)	(10,374)
Net cash provided by operating activities	C4	261,370	181,142
Net increase in cash and cash equivalents		261,370	181,142
Cash and cash equivalents at beginning of financial year		5,706,180	5,525,038
Cash and cash equivalents at the end of financial year	C1	5,967,550	5,706,180

The accompanying notes form part of these statements.

Queensland Library Foundation
Notes to the Financial Statements
for the year ended 30 June 2017

TABLE OF CONTENTS

Section 1 - About Queensland Library Foundation and this financial report

- A1 Objectives and principal activities of Queensland Library Foundation
- A2 Basis of Financial Statement Preparation

Section 2 - Notes about our financial performance

- B1 Other
- B2 Grants and Other Contributions
- B3 Supplies and Services
- B4 Other Expenses

Section 3 - Notes about our financial position

- C1 Cash and Cash Equivalents
- C2 Receivables
- C3 Payables
- C4 Reconciliation of Operating Result to Net Cash Provided by Operating Activities

Section 4 - Notes about risks and other accounting uncertainties

- D1 Commitments
- D2 Contingencies
- D3 Events occurring after balance date
- D4 Financial Instruments

Section 5 - Other information

- E1 Other Information
- E2 Related Party Transactions
- E3 First Year Application of New Accounting Standards or Change in Policy
- E4 Future Impact of Accounting Standards Not Yet Effective

Queensland Library Foundation
Notes to the Financial Statements
for the year ended 30 June 2017

A1 Objectives and principal activities of Queensland Library Foundation

This financial report records donations and other revenue received by the Foundation on behalf of and as agent for the State Library and the expenses incurred in carrying out the activities of the Foundation.

A2 Basis of Financial Statement Preparation

A2-1 General Information

This report covers the Queensland Library Foundation. It has no controlled entities.

The Queensland Library Foundation is a Company Limited by Guarantee, incorporated and domiciled in Australia.

The Foundation is controlled by the Library Board of Queensland, a statutory body administered by the State of Queensland.

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

State Library of Queensland
Cultural Centre
South Bank Qld 4101

A description of the nature of the Foundation's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the Foundation's financial report please call the Foundation Office on +61 73840 7767 or visit the State Library of Queensland's internet site www.slq.qld.gov.au.

A2-2 Compliance with Prescribed Requirements

The Foundation has prepared these financial statements in compliance with the Financial Accountability Act 2009 and Financial and Performance Management Standard 2009. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on and after 1 July 2016.

The Foundation is a not-for-profit entity and these general purpose financial statements are prepared on an accruals basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and interpretations applicable for not-for-profit entities.

A2-3 Presentation

Currency and Rounding

Amounts included in the financial statements are in Australian dollars.

Comparative

Comparative information reflects the audited 2015-16 financial statements unless restated where necessary to be consistent with disclosures in the current reporting period.

Queensland Library Foundation
Notes to the Financial Statements
for the year ended 30 June 2017

A2 Basis of Financial Statement Preparation (continued)

A2-3 Presentation (continued)

Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Foundation does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

A2-4 Authorisation of Financial Statements for Issue

The financial statements are authorised for issue by the Councillors of the Foundation on the date of signing the Councillors' Declaration.

A2-5 Basis of Measurement

Historical cost is used as the measurement basis in this financial report unless stated otherwise.

A2-6 The reporting Entity

The Foundation does not control other entities. The financial statements include the value of all income, expenses, assets, liabilities and equity of the Foundation as an individual entity.

B1 Other

	2017	2016
	\$	\$
Other revenues		
Interest	148,281	162,866
Ticket Sales	2,979	-
Total	<u>151,260</u>	<u>162,866</u>

Queensland Library Foundation
Notes to the Financial Statements
for the year ended 30 June 2017

B2 Grants and Other Contributions

	2017	2016
	\$	\$
Donations and Sponsorships		
Bank of Queensland	-	20,000
Phillip Bacon	-	40,000
James C Sourris Collection	50,000	50,000
Plus 1 Campaign	-	155
John T Reid Fab Lab	-	50,000
Flame Network	-	15,000
Mittelheuser Program	20,000	35,000
Siganto Foundation	20,000	20,000
Queensland Business Leaders Hall of Fame	117,500	109,750
Literary Awards	257,322	356,860
Presidents Circle	36,500	52,000
Crowd Giving 1 - The Edge	10,300	-
The Gordon Darling Foundation	10,796	-
Indigenous Digital Inclusion Program	200,000	-
Bee Gees Collections	54,000	-
Glenn Cooke - Digitisation	5,000	-
General Donations	83,363	49,427
Grants	256,965	250,000
Endowment	-	50,000
Total	1,121,746	1,098,192

Queensland Library Foundation
Notes to the Financial Statements
for the year ended 30 June 2017

B2 Grants and Other Contributions (continued)

Accounting Policy - Grants and Other Contributions

Grants, contributions, donations and gifts are non-reciprocal in nature so do not require any goods or services to be provided in return. Corresponding revenue is recognised in the year in which the Foundation obtains control over the grant/contribution/donation (control is generally obtained at the time of receipt).

Contributed physical assets are recognised at their fair value.

Accounting Policy - Services received below fair value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense.

B3 Supplies and Services

	2017	2016
	\$	\$
Corporate service charges paid to SLQ	358,837	391,378
Project Expenses	708,932	670,308
Total	1,067,769	1,061,686
Corporate costs included:		
Salaries and Wages	326,196	321,257
Travel	1,668	1,835
Professional Services	8,725	13,386
Communications	1,522	1,277
Promotions	1,682	17,235
Postage	2,246	2,040
Stationery & Printing	11,972	12,669
Catering	2,000	11,702
Other Expenses	2,825	9,977
Total	358,837	391,378

Accounting Policy - Corporate Costs

The Foundation pays the State Library for corporate support provided including the salary and on-costs of staff performing work for the Foundation and the day to day expenses incurred in running the Foundation and supporting its members.

Queensland Library Foundation
Notes to the Financial Statements
for the year ended 30 June 2017

B3 Supplies and Services (continued)

	2017	2016
	\$	\$
Project expenses included:		
black&write!	-	19,000
Tellin' Country	-	3,535
Story Bridge Project	-	14,720
Paradigm Project Expenses	-	4,318
Ideas Box Tim Fairfax	-	57,000
BHP Read4Life expenses	-	43,764
Literary Awards Expenses	288,558	243,201
JOL Fellowships expenses	33,182	19,480
Kirtas Machine	3,000	22,876
James C Souris collection	43,439	19,534
Queensland Business Leaders Hall of Fame expense	158,482	155,149
Siganto Projects expenses	18,096	44,207
Phillip Bacon Travelling Exhibitions	4,069	4,794
Flame Network	590	12,000
Presidents Circle	9,799	6,672
The Gordon Darling Foundation	7,788	-
Events	15,351	-
Bee Gees Collections	38,938	-
Mittelheuser Program	31,227	-
John T Read Fab Lab	49,950	-
Australian Libraries History Forum	5,000	-
Other projects expenses	1,463	58
Total	708,932	670,308

Some projects show expenses exceeding revenue (Note B2) earned in the current financial year. This is principally due to timing differences between when the funds are received and when they are spent.

Queensland Library Foundation
Notes to the Financial Statements
for the year ended 30 June 2017

B4 Other Expenses

	2017	2016
	\$	\$
External audit	6,200	6,000
Bank charges	8,188	4,374
Sundry expenses	289	-
	<hr/>	<hr/>
Total	14,677	10,374
	<hr/>	<hr/>

C1 Cash and Cash Equivalents

Cash at bank operations account	34,350	15,361
QTC Cash Fund	5,933,200	5,690,819
	<hr/>	<hr/>
Total	5,967,550	5,706,180
	<hr/>	<hr/>

Accounting Policy - Cash and Cash Equivalents

For the purposes of the Statements of Financial Position and the Statements of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions.

C2 Receivables

Debtors	3,000	22,000
Other receivables	49,950	-
	<hr/>	<hr/>
Total	52,950	22,000
	<hr/>	<hr/>

Accounting Policy - Receivables

Receivables are measured at amortised cost which approximates their fair value at reporting date.

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

Other debtors generally arise from transactions outside the usual operating activities of the Foundation and are recognised at their assessed values. Terms are a maximum of three months, no interest is charged and no security is obtained.

Queensland Library Foundation
Notes to the Financial Statements
for the year ended 30 June 2017

C3 Payables

	2017	2016
	\$	\$
GST Payable	34,757	3,146
Less: GST receivable	(10,817)	(23)
Accrued expenses	202,250	121,307
	<hr/>	<hr/>
Total	226,190	124,430
	<hr/>	<hr/>

Accounting Policy - Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

C4 Reconciliation of Operating Result to Net Cash Provided by Operating Activities

Operating Result from Continuing Operations	190,560	188,998
<i>Changes in assets and liabilities</i>		
(Increase) in receivables	(30,950)	(22,000)
Increase in payables	101,760	14,144
	<hr/>	<hr/>
Net cash provided by operating activities	261,370	181,142
	<hr/>	<hr/>

D1 Commitments

The Foundation does not have any contractual capital expenditure commitments as at reporting date, but has the following project expense commitments:

Not later than one year	301,483	376,053
Later than one year and not later than five years	151,000	-
	<hr/>	<hr/>
	452,483	376,053
	<hr/>	<hr/>

Queensland Library Foundation
Notes to the Financial Statements
for the year ended 30 June 2017

D2 Contingencies

As at 30 June 2017, there are no material contingent liabilities for the Foundation.

D3 Events occurring after balance date

There have been no material events subsequent to reporting date.

D4 Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Foundation becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Receivables - held at amortised cost
- Payables - held at amortised cost

The Foundation does not enter transactions for speculative purposes, nor for hedging. The Foundation holds no financial assets classified at fair value through profit and loss.

The Foundation does not recognise any financial assets or financial liabilities at fair value. The fair value of trade receivables and payables is assumed to approximate the value of the original transaction less any allowance for impairment.

E1 Other Information

Taxation

The Foundation is a State body as defined under the Income Tax Assessment Act 1936 and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax and Goods and Services Tax (GST). As such, GST credits receivable from/payable to the Australian Taxation Office are recognised and accrued.

Segment Information

The Foundation operates predominantly in fundraising for the promotion and development of library services in Queensland.

Judgements and Assumptions

The Foundation has made no judgements or assessments which may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Queensland Library Foundation
Notes to the Financial Statements
for the year ended 30 June 2017

E2 Related Party Transactions

Related Parties

Directors

The names of each person holding the position of Councillor of the Queensland Library Foundation during the financial year were:-

Mr Max Walters OAM
Ms Julie Mannion
Mr Neil Summerson AM
Mr Malcolm Grierson AM
Ms Courtney Talbot
Mr Michael Hawkins
Ms Helen Brodie
Professor Jan Thomas
Professor Andrew Griffiths
Ms Sonia Cooper
Ms Vicki McDonald

During the year, the Foundation made no payments to the Councillors other than recoupment of reimbursable expenses directly incurred by Councillors whilst undertaking work for the Foundation.

State Library of Queensland

The State Library provides administrative support services (including salaries for staff) to the Foundation on a cost recovery basis.

Amounts paid or payable to the State Library during the year:

	2017	2016
	\$	\$
Reimbursement for administrative services provided to and expenses incurred on behalf of The Foundation	358,837	391,378
Transfers to the State Library to fund approved projects	708,932	670,308
Total	1,067,769	1,061,686

The State Library also contributes funds towards the administrative costs of the Foundation.

Amounts paid or payable by the State Library during the year:

Subsidy paid by Government through the State Library	250,000	250,000
Total	250,000	250,000

Staff who provide administrative support to the Foundation are employees of the State Library (Note B3).

Queensland Library Foundation
Notes to the Financial Statements
for the year ended 30 June 2017

E2 Related Party Transactions (continued)

Basis of Incorporation of the Foundation

The Foundation is incorporated in Queensland as a public Company Limited by Guarantee and does not have share capital. Under Clause 10 of the Constitution of the company, every member is, in the event of a winding up, liable to contribute to the assets of the Foundation to an amount not exceeding one cent.

The Foundation and its members are subject to the provisions of the Constitution of the company. In respect to its activities, the Foundation acts as an agent for the State Library and, on any future winding up of the company, the Foundation shall dispose of its assets in accordance with the Constitution.

E3 First Year Application of New Accounting Standards or Change in Policy

Changes in Accounting Policy

The Foundation did not voluntarily change any of its accounting policies during 2016-17.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2016-17.

Accounting Standards Applied for the First Time

The only Australian Accounting Standard that became effective for the first time in 2016-17, and materially impacted on this financial report, is AASB 124 Related Party Disclosures. This standard requires note disclosures about key management personnel (KMP) remuneration expenses and other related party transactions, and does not impact on financial statement line items. Material related party transactions are disclosed in Note E2. The relationship between the Foundation and its parent entity is already outlined in note A2-1.

Queensland Library Foundation
Notes to the Financial Statements
for the year ended 30 June 2017

E4 Future Impact of Accounting Standards Not Yet Effective

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future commencement dates are set out below:

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

These standards will apply to the Foundation from its financial statements for 2019-20.

The Foundation has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report are as follows:

- grants and donations received to construct a non financial asset will be recognised as a liability, and subsequently progressively recognised as revenue as the Foundation satisfies its performance obligations under the grant. At present such grants and donations are recognised as revenue upfront.
- under the new standards other grants and donations presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific. The Foundation is yet to evaluate the existing grant arrangements as to whether revenue from those grants and donations could be deferred under the new requirements.
- grants and donations that are not enforceable and or sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. The Foundation receives several grants and donations for which there are no sufficiently specific performance obligations, so these grants and donations will continue to be recognised as revenue upfront.
- depending on the respective contractual terms, the new requirements will potentially result in a change to the timing of revenue to the Foundation such that some revenue may need to be deferred to a later reporting period to the extent that the Foundation has received cash but has not met its associated obligations (such amounts would be reported as a liability in the meantime). The Foundation is yet to complete its analysis of existing arrangements for sale of its goods and services, but at this stage does not expect a significant impact on its present accounting practices.
- a range of new disclosures may be required by the new standards in respect of the Foundation's revenue.

QUEENSLAND LIBRARY FOUNDATION
ACN 087 675 054

COUNCILLORS' DECLARATION

The Councillors of the company declare that:-

1. The financial statements and notes, as set out on pages 7 to 22, 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 company's financial position as at 30 June 2017 and of its performance for the year ended that date.
2. In the councillor's 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 Councillors.



Max Walters OAM
President

Dated this 15th day of August 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of the Queensland Library Foundation

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Queensland Library Foundation.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2017, and its financial performance and cash flows for the year then ended
- b) complies with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*. I am also independent of the entity in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of the company for the financial report

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards, and for such internal control as the company's directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

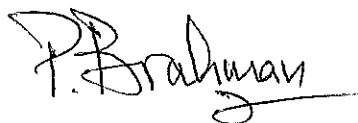
Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

I communicate with the company's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



P Brahman
as delegate of the Auditor-General



Queensland Audit Office
Brisbane