

# Toy Libraries



# AUSTRALIA

ABN 40 557 982 129  
Incorporation Number A0013503U

## FINANCIAL STATEMENTS

YEAR ENDED  
31 DECEMBER 2019

*Your committee members submit the financial report of Toy Libraries Australia Incorporated for the financial year ended 31 December 2019. Signed in accordance with a resolution of the Members of the Committee on 19 May 2020*

Debbie J. Williams (President):

A handwritten signature in black ink, appearing to read 'Debbie Williams', written over a light grey rectangular background.

Ritu A. Gupta (Treasurer):

A handwritten signature in black ink, appearing to read 'Ritu A. Gupta', written over a light grey rectangular background.

# INCOME STATEMENT

For the year ended 31 December 2019

4	Note	2018 \$	2019 \$
<b>Income</b>			
Membership Fees	1	26,167	26,779
Insurance Income	2	60,949	67,189
Grants	3	-	16,769
Donations		-	
Other Income	4	4,122	8,519
<b>Total Income</b>		<b>91,237</b>	<b>119,256</b>
<b>Expenses</b>			
Administration and Accounting	7	(5,837)	(3,918)
Bad Debts		(3,651)	(1,063)
Insurance Expenses	2	(59,425)	(65,294)
Payroll Expenses	5	(23,590)	(27,385)
Seminars and Other Training	6	(5,165)	(6,014)
Website		(435)	(309)
Grant Funded Expenses	3	-	(11,916)
<b>Total Expenses</b>		<b>(98,103)</b>	<b>(115,900)</b>
<b>Membership and Insurance Services surplus/(deficit)</b>		<b>(6,866)</b>	<b>3,356</b>
<b>TOY COMMUNITY</b>			
Sales	8	208,059	200,286
Cost of Goods Sold	8	(179,952)	(177,937)
<b>Gross Profit</b>		<b>28,107</b>	<b>22,349</b>
<b>Expenses</b>			
Accounting		(462)	(508)
Administration		(19)	(79)
Marketing		-	(275)
Payroll / Contractor Expenses	5	(24,411)	(23,863)
Postage		(18)	
Travel Expenses		(236)	
Website, internet, and telephone		(2,411)	(2,533)
<b>Total Expenses</b>		<b>(27,556)</b>	<b>(27,258)</b>
<b>Toy Community surplus/(deficit)</b>		<b>550</b>	<b>(4,910)</b>
Interest income		1,757	1,853
Depreciation expense		-	-
<b>Surplus/(Deficit) from operations</b>		<b>(4,558)</b>	<b>299</b>

The income statement is to be read in conjunction with the attached notes.

**BALANCE SHEET**

As at 31 December 2019

	Note	2018 \$	2019 \$
<b>Current assets</b>			
Cash and cash equivalents		106,264	94,729
Trade debtors	9	11,207	7,871
Inventory	10	1,458	564
Interest earned		437	441
Other Current Assets		-	922
Fraud awaiting investigation	11	-	39
<b>Total current assets</b>		<b>119,365</b>	<b>104,565</b>
<b>Non-current assets</b>			
Assets at cost	12	13,370	13,370
Accumulated depreciation	12	(13,370)	(13,370)
<b>Total non-current assets</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>119,365</b>	<b>104,565</b>
<b>31 DECEMBER 2019</b>			
Trade creditors	13	(19,712)	(5,243)
Customer deposits	9	(6,938)	(2,049)
Pre-paid memberships	1	(25,464)	(27,542)
GST payable		(2,294)	(2,135)
Payroll Liabilities		(2,267)	(3,501)
Sundry Payables	14	(1,415)	(169)
Toy Library to Toy Community Loan		-	(2,404)
<b>Total current liabilities</b>		<b>(58,091)</b>	<b>(43,043)</b>
<b>TOTAL LIABILITIES</b>		<b>(58,091)</b>	<b>(43,043)</b>
<b>NET ASSETS</b>		<b>61,274</b>	<b>61,522</b>
<b>Equity</b>			
Current Period Earning		(4,558)	299
Prior Period Earnings		65,833	61,274
<b>TOTAL EQUITY</b>		<b>61,274</b>	<b>61,573</b>

The balance sheet is to be read in conjunction with the attached notes.

# Statement of Cash Flows

For the year ended December 31, 2019

**Cash flows from operating activities**

Surplus/(Deficit) from operations			299
Decrease in Trade debtors	3,336		
Decrease in Inventory	894		
Decrease in Other debtors and prepayments	1,062		
Decrease in Trade creditors	- 14,470		
Decrease in Other creditors and payables	- 2,656	- 11,834	
<b>Cash generated from operations</b>		<u>- 11,535</u>	

**Cash flows from investing activities**

-

**Cash flows from financing activities**

-

**Net increase in cash and cash equivalents**- 11,535**Cash and cash equivalents at beginning of period**106,264**Cash and cash equivalents at end of period**94,729

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2019

### 1 Reporting Entity and Audit Requirements

Toy Libraries Australia Inc is an incorporated not-for-profit entity that is the peak body for over 280 toy libraries in Australia. Toy Libraries Australia (TLA) promotes the importance and the value of play. It aims to raise the profile of toy libraries in the community by publicising the role of toy libraries in promoting play, educating children and support. Toy Community is a not-for-profit sub-entity that supplies toys for toy libraries at wholesale rates.

The address of the incorporated entity is Victoria Park Community Centre, corner of Lulie and Abbot Streets, Abbotsford VIC 3067 and the postal address is same.

The entity has charitable tax concession status but was not a deductible gift recipient for the reporting period. Toy Libraries Australia registered for GST on 1 June 2014. The Toy Community sub-entity is registered for GST since 1 January 2017 (for whole of reported financial year). The DGR status was received in current FY2020.

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Reform Act 2012 Victoria. The committee has determined that the association is not a reporting entity. For FY2019, the entity turned \$319,172 and thus fall into 'medium-size' charity and is required to review financial statements. External accountants reviewed our accounts. BAS statements are prepared by the Treasurer and reviewed by accountant.

The financial report has been prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

### 2 Notes

#### 1) Membership fees

Income for membership is recorded in the year in which it relates. Pre-paid membership fees are memberships billed in November 2019 for the 2020 year.

#### 2) Insurance

TLA is the sole negotiator for insurance for all Australian Toy libraries.

#### 3) Grants

TLA received Volunteering digital literacy and technology readiness program through DHHS. The grant amount used fully for 15 selected toy libraries to get SETLS or MiBase and related technology expenses for Toy Libraries plus Toy Library manager salary to coordinate

#### 4) Other Income

Other Income was generated from consulting fees for TLA for PlayGroup Queensland and 2019 Training Day attendance Fees

#### 5) Payroll

TLA Manager is a paid casual employee. TC manager is a contractor. Payroll costs for FY2019 inc. DHHS grant use for coordination

#### 6) Seminars and other training

Seminars, training and bus tours were held in Melbourne, Adelaide and Perth during FY2019

#### 7) Administration and Accounting

Include accounting fees (third party accounting firm helping Treasurer) and general admin expenses. TLA applied for trademark for Toy Libraries Australia and World Play Day

#### 8) Toy Community recognition of revenue and COGS

Toy Community only recognises the income from toy purchases when the majority of toys have been delivered by the supplier. COGS is also recognised at this time.

#### 9) Trade Debtors

Include unpaid membership fees for 2020 financial year. In 2019 we dated 2020 membership invoices for 1 January 2020 rather than 31 December 2019. Customer deposits are funds received for items on backorder.

#### 10) Inventory

Stickers and balloons sold through Toy Community. Stocktake is done at end of Financial year

#### 11) Fraud Awaiting Investigation

Unauthorised debits from TLA transaction account. Reported to bank and money returned in current financial year (FY2020)

#### 12) Assets

Computer, IT equipment and website depreciated fully

#### 13) Trade Creditors

Relates to Toy Community supplier accounts.

#### 14) Sundry Payables

Suspense account transaction to be cleared during FY2020



10 May 2020

To whom it May Concern,

I have reviewed the accompanying financial report of Toy Community and Toy Libraries Australia which comprised the balance sheet at 31 December 2019 and P&L for the 2019 calendar year.

The committee or board are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporation Reform Act 2012. They determine that the internal control is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. Our responsibility is to express a conclusion on the financial reports based on my review.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion. We have not conducted any review on physical handling of money. Our procedures do not include verification or validation procedures. To the extent permitted by law, we do not accept liability for any loss or damage that any person, other than the company may suffer arising from any negligence on our part. No person should rely on this review without having an audit conducted.

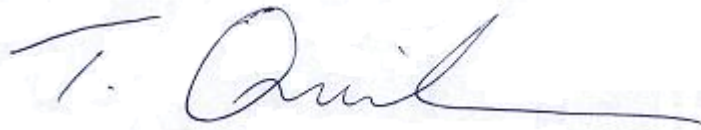
Our **review did not uncover any significant or material issues**. It confirmed that the overall integrity of the accounts is strong. The following are items that we identified as either requiring review or processes that have not been completed:

1. The Toy Libraries Australia AR subsidiary list and Trade Debtors reconciliation reports show a balance of \$10,420 which matches the balance sheet. The report shows an out of balance amount of -\$230, however this figure has not changed since Dec 2018. The Toy Community Trade Debtors reconciliation report is out of balance by \$660.58 as the balance sheet shows an amount of -\$2,549.09 in Trade Debtors. This seems to be simply a timing difference as the reconciliation report now balances in the current financial year as at 10/5/2020. There are numerous negative figures against debtors, indicating credit notes have been issued and may be due to be refunded at end of financial year, there is also -\$1,481.88 in Deposits to suppliers, indicating these amounts are also owing.

2. The Toy Community AP reconciliation report reconciles at \$4,543.95. The Toy Libraries Australia AP reconciliation report reconciles at \$699.00.
3. The customer deposit account in Toy Communities is not reconciled. We are unable to validate the \$2,049 balance. We note that the client does receive deposits in advance and the amount is within the range we would anticipate for the turnover.
4. Fraud awaiting investigation of \$38.50 appears in Toy Libraries Australia, this amount was refunded by Bendigo bank in Jan/Feb 2020.
5. There was \$115 recorded as superannuation expense in Dec however the employee was paid in Jan, therefore the super will be paid in Mar20 quarter
6. Pre-paid memberships of \$27.5k are showing in Toy Libraries Australia, we believe the amount has been recorded correctly. Invoices are issued in Nov each year for the calendar year ahead, therefore these subscription fees have been adjusted accordingly in the Profit & Loss statement.
7. There are a small number of sales entries marked as N-T that are shown as sales from Toy Communities to Toy Libraries Australia. As Toy Libraries Australia do not sell or purchase toys these entries should potentially be processed as an intercompany journals rather sales.

I can be contacted on 0416 255 355 or [tom@quinlanconsultingteam.com](mailto:tom@quinlanconsultingteam.com) if you have any questions.

Regards,



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