



# ANNUAL REPORT

2016-17

October 2017

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## **1. Presidents' Report**

As I reflect on my many years with NIBS I have seen its ups and downs, its trials and failures, but sustaining us always has been the book donations we have received from our supporters, often not known to us.

This year, the Big Red Bookfair continued to help generate the revenue we need to fulfil our aim of become Melbourne's go to shop for left-progressive literature, both new and second hand. We hope soon to be able to launch an online portal for the purchase of new books. But, to make all this possible, we desperately need improved day-to-day sales.

To this end, among other initiatives, we have re-designed the shop and expanded the shelf space. And, with the help of our book sorters, we have been regularly trying to "refresh" the shelves, encouraging return browsers. This, however, is only possible with regular donations throughout the year. Please pass on the message.

Sadly, our bookkeeper for the last 2+ years, Rodger Smith, will be leaving us. NIBS has been incredibly fortunate to benefit from Rodger's dedicated bookkeeping, done on an entirely voluntary basis. He has left our accounts in much better shape than he found them! We are also very grateful that he has spent the last 6 months training a replacement bookkeeper, Glauca Okubu, who will now be very well placed to take off where he left off.

Our regular shop volunteers, who come in for half day shifts on a weekly basis, are our greatest treasures – without whom there is no NIBS. Special mention to the "old hands", Ken Blackman & Iain Smith, who sort all our book donations, which arrive in large or small bundles throughout the year, especially before the Big Red Bookfair.

The NIBS committee is made up of volunteers who have devoted their time and energy to our legal responsibilities, economic management and event activities relating to our mission.

However, it is Jonathan Rutherford, our coordinator of 3 years, who has increasingly taken on a full management role with its far too many demands and done so with great passion and vision.

To reiterate, our biggest challenge is to improve the sale of second hand and new books – this is our core focus and challenge in the coming years.

## **2. Coordinators' Report**

While there have certainly been positives, the 2016-17 financial year has been the most challenging I have experienced as NIBS Coordinator since I began in 2014. As the financial report shows (see below) we made a substantial financial loss this year, in large part due to poor sales relative to our expenditure. While it has always been challenging to run NIBS in a financially viable way, until this year I felt like our financial performance was slowly improving. This year things seemed to go the other way!

While our new books sale numbers were up, this was only achieved via a major overspend on stock, and a resulting net loss. As detailed in this report below, this overspend on stock (relative to sales) was the main driver of our financial loss. Second hand sales also dropped compared to last year, with a noticeable decline after Christmas.

That said, there have been positives. We have managed to consistently organise monthly Left Q&A events this year. The series is aimed at enhancing dialogue and debate on the Melbourne Left and I believed we achieved that, with some high quality and well attended events.

As always, the shop has provided a space for those invaluable and stimulating conversations between customers and volunteers about the (sorry!) state of the world and the possibility of realising a better one. From my perspective, this is what makes NIBS such a special place.

I would also like to give a special thanks to our president Cavell, for her constant support to me in this role and her dedicated passion for NIBS over many years. I hope she continues to provide guidance and input for a few years yet!

Jonathan Rutherford, November 2017

### **3. Who is NIBS?**

The New International Bookshop Carlton Inc is an incorporated association under the *Associations Incorporation Reform Act 2012* (Vic). NIBS were originally founded as a Co-operative. In 2013 a motion was passed at the Annual General Meeting that NIBS become incorporated and that the Model Rules be adopted. On 13 July 2015 NIBS was incorporated.

#### **History**

The New International Bookshop Cooperative was founded in 1994 to continue the legacy of the International Bookshop. Operating under the auspices of the Communist Party of Australia (CPA), the International Bookshop was a Melbourne institution selling Left books and periodicals from the 1930s until the early 1990s when the CPA disbanded.

NIBS opened for business in Trades Hall in 1996 and occupied the space directly above our current location until late 2008, when we moved downstairs into the Trades Hall basement.

#### **Our Vision**

NIBS has been established to operate a bookshop and to develop complementary activities. It will cater mainly for the interests of people whose concerns about justice, democratic rights and the environment lead them to a vision of an alternative society. NIBS will provide for those who want to read and discuss critiques of contemporary capitalism as well as informative analyses of gender, class, environment and other important issues from a progressive viewpoint

### **4. Who is NIBS?**

#### **Coordinator**

The current coordinator is Jonathan Rutherford. He was appointed in March 2014. He works part-time (20 hours per week) at the bookshop.

#### **Committee Members**

2016-17 financial year members of the NIBS committee:

- Cavell Zangalis (President)

- Catherine Noone (Vice President)
- Alex Welsh (Secretary)
- Anastasia Buryak (Treasurer)
- Theresa Cahillane (Membership Secretary)
- Marko Beljac

Under the Model Rules, all governance is carried out by the committee. This involves:

- a regular monthly committee meeting at NIBS;
- management and oversight of the NIBS finances and daily activities and ensuring NIBS complies with the Model Rules and the *Association Incorporation Reform Act 2012*. Each committee member is responsible for ensuring NIBS complies with its legal obligations;
- undertaking tasks that may from time-to-time arise out of committee meetings.

## Volunteers

NIBS relies on volunteers who both staff the shop and help sort & price our second-hand book donations. The following people volunteered at NIBS for three months or more during 2016-17.

We thank them for all their efforts

- Rodger Smith (Bookkeeper)
- Glauca Okubu (trainee Bookkeeper)
- Ken Blackman
- Theresa Cahillane
- Ryan Carolan
- Cameron Piko
- Josh Subra
- John Stanley
- Mitchell Beatty
- Richard Grant
- Bec Goldsmith
- Madeline Gourlay
- Rob Macfarlane
- Tristan Nelson
- Lindy Nguyen
- Sophie Schmidt
- Iain Stewart
- Alex Welsh
- Aldo

## Members

NIBS had 46 paid up members in 2016-17, which was a slight drop on the previous financial year where we had 50. We are very thankful to all our members for their ongoing support of NIBS and hope that they can continue to support us – both via membership and book donations in the future.

## Donors and sponsors

NIBS receive generous support from the following:

- **Search Foundation:**
  - In 2015-16 NIBS received \$880 per month and \$10,560 for the fiscal year. The purpose of the funding is to help pay the wage of the Coordinator so that he can organise the monthly events which play an important role in the political life of the Melbourne Left, and help to promote the Search Foundation.
- **Book donors:**
  - Throughout the year NIBS receives many generous donations of books from our supporters. Second-hand books represent a large proportion of our shop sales, so are crucial to our ongoing viability.

## 5. Financial Results 2016-17

### Corporate information

<b>Australian Business Number (ABN)</b>	41 846 245 128
<b>Address</b>	Trades Hall 54 Victoria Street Carlton Vic 3053
<b>Bankers</b>	Bendigo Bank
<b>Auditors</b>	Phil McCann

### Overview of Financial Report

See [Attachment B](#) for full Financial Report

See [Attachment C](#) for Auditors Report

### Income

**Book Shop Sales:** Overall, 4% down on 2015-2016 sales, with New Books up 33% and Non-Book items up 268%, but Second Hand Books down 35% and Gift Vouchers down 45%.

**Fundraising & Events:** Overall, down 30% on 2015-2016 sales, with Events up 72% and Room Hire down 70%.

**Grants & Donations:** Overall, down 2% on 2015-2016 sales, with Interest Earned down 33% and SEARCH Grant in line with budget.

**Membership fees:** Membership fees for Individual Waged were up 32% on 2015-2016 sales and membership fees for Individual Unwaged were up 70% on 2015-2016 sales

**Sundry Income:** The largest component of this was an incorrect allocation of income from October 2016 of \$833.

**Total Income:** Overall, this is a reduction in 2016-2017 of 5.2% (over 2015-2016).

## Cost of Goods Sold (COGS)

Basically, COGS is the cost of the stock we buy for later resale to our customers. Overall, 20% higher than 2015-2016 and 34% of our Total Income. In the previous financial year COGS represented 27% of Total Income, which means that the increase in cost did not result in a similar increase in sales.

## Expenses

**Bookshop & Admin:** Overall, up 9% on 2015-2016 figures, due largely to Postage and Shop Painting/Signage. Both expenses combined had a total of \$417 in 2016-2017, whereas in 2015-2016 it was zero.

**Equipment & Repairs:** Overall, up 125% on 2015-2016 figures, due largely to Software Expenses (up 932%). The reason for the increase was due to the payment of a monthly system support package from MYOB Retail.

**Event Expenses:** Overall, up 326% on 2015-2016 figures. A member of the board has rendered weekly services in Event Coordination from the period of July 2016 up to December 2016, which explains the increase in expenses when compared to the previous financial year.

**Financial Expenses:** Overall, down 35% on 2015-2016 figures, with a decrease in Bank Charges (down 74%), Government Charges (down 63%) and Merchant Fees (down 42%).

**Wages & Salaries:** Overall, virtually unchanged from 2015-2016 figures.

**Utilities, Rent & Other:** Overall, up 20% on previous year figures, with the main difference being Insurance (up 57%).

**Sundry Expenses** are Cash Float for Big Red Book Fair (\$700) and two purchases incorrectly allocated as Sundry Expenses: \$100 on 04/07/2016 for books in consignment and \$78.91 on 26/04/2017 for the purchase of new books bought from overseas.

**Total Expenditure:** Overall, this is an increase in 2016-2017 of 7.5% (over 2015-2016 figures).

## Summary

The loss for the year of \$7,249.20 is disappointing (following a surplus of \$2,144.19 in 2016). Two of our major expenses are the employment of our Coordinator (43% of our Total Income) and Rent (18% of our Total Income). However, these are non-controllable by NIBS.

The other major expense is Cost of Goods Sold (stock purchased for resale), which is representing 34% of Total Income. In comparison, in the previous year COGS was 27% of Total Income. This shows that the increase in purchase of stock has not been followed by a proportional increase in sales. COGS is a controllable expense and should be our goal to keep a healthy ratio of up to 30% of our total income.

Overall, 2017 has been a disappointing year but, with the ongoing and active support of NIBS Board and members and volunteers, we look forward to a successful 2018.

## **6. What has NIBS achieved in 2015-16?**

### **Shop Re-design:**

During the Christmas break the team did a major overhaul of the shop layout. The major change was to move all our fiction into the corridor, and then moving all our non-fiction (politics, history etc) – which is our main focus – into the large second hand room. We also had new shelves built in the corridor to allow for more shelving and improve the aesthetics of the space.

Although, as the coordinator expressed above, these changes may have resulted in a drop in sales; there is some hope that this is only temporary. The change has been positive in terms of making the layout of the store more logical to navigate, both for book sorters and customers. We hope it will bear fruit in coming years, and we will continue to explore new ideas for improving the layout.

### **Storage Relocation and Rent reduction**

In order to economize, we also moved out of our old storage room, which allowed us make us a saving of \$175 a month in rent. To facilitate our current storage needs, we moved the compactus into our existing meeting room which, despite slightly reducing the size of the room, has not interfered with events or room hire, and has proved perfectly adequate for storage, and indeed more functional as it is located closer to the shop itself.

### **Monthly Left Q&A Series:**

We have continued our regularly monthly Left Q&A event series. We managed to hold it consistently on the first Thursday of the month, using both the Bella Union and our meeting room as venues. Most of the events were well attended and enjoyed by attendees – [Attachment A](#) has a list of the Left Q&A events NIBS held in 2016-17.

### **Big Red Bookfair**

We had another successful and well attended Big Red Book Fair in June. Though sales were down on previous years – we made \$3,500 – the event remains essential for NIBS – both in terms of the income, but also maintaining our network of supporters who come together and enjoy the day. For the first time this year we also held a speaking event on the day of the bookfair, with long time NIBS supporter, Jeff Sparrow doing a wonderful presentation on the American radical Paul Robeson – the subject of his most recent book.

### **Marketing**

We developed a new colourful brochure which outlines very clearly what NIBS offers. We have handed these out at several rallies across the year.

NIBS sponsors the 3CR morning breakfast show and, in return, has a regular announcement played telling listeners about our shop.

The number of ‘likes’ on our Facebook page has increased from 1,350 to 1,500 in the last year. We also use Twitter and Instagram regularly.



## **Meeting room hire**

We continue to hire out our meeting room to a range of community and activist groups at a very cheap flat rate. We believe it provides an attractive and affordable space, in a central location, for a variety of groups to use.

## **Public Stalls**

NIBS seek to have a presence at major progressive events, such as talks & seminars and rallies throughout the year. We held successful stores at the Anarchist Bookfair, the Labour History conference marking the 100<sup>th</sup> Anniversary of Conscription referendum, and several book launches of progressive books across the financial year. These events are great opportunities to improve our network and sell large quantities of books. It's essential we become known among publishers as the bookshop to do all book launches at Trades Hall!

## **7. Looking Ahead:**

There are several fundamental areas that we need to improve in coming years, if NIBS is to remain a viable operation. Going forward we need:

- To improve sales of both new and second-hand books if we are to remain viable. The committee continues to discuss a range of strategies to this end.
- More accessible website with e-commerce capacity to facilitate online book sales – efforts are underway to make this happen.
- Promote and attain greater number of second-hand book donations consistently across the entire year, so that the bookshop has constant turnover of stock and remains attractive for customers.
- Our marketing efforts – including regularly public stalls and events etc – need to improve so that more people are more aware of the shop. Again the committee is discussing and trying to implement a range of strategies in this space.

### Attachment A - New International Book Shop – Left Q/A Event Series 2016-17

<b>Date</b>	<b>Title</b>	<b>Speaker/s</b>	<b>Approx. Attendance</b>
July 14 <sup>th</sup> , 2016	The Women's Liberation Movement in Victoria 1970 to Today	Jean Taylor	15
August 4, 2016	The demise of the Left and towards a Progressive Left Manifesto	Dr Bill Mitchell	50+
September 8, 2016	On the Origins of Collective Decision Making	Dr Andy Blunden	20
October 13, 2016	Globalisation & Labour in the 21st Century	Verity Burgmann	30
November 10, 2016	Why Marxism is still relevant in China Today	Roland Boer	20
February 2, 2017	The Populist Right and the anti-globalist backlash	Arran Gare (Philosopher, Swinburne Uni) Sue Bolton (Councillor for Moreland, Socialist Alliance) Graham Dunkley (Vic Uni) Louise O'Shea (Socialist Alternative)	60
March 2 <sup>nd</sup> , 2017	What does left and right mean when we have to cooperate to fix the planet	Steb Fisher	20
April 6 <sup>th</sup> , 2017	The Story of Protest in Australia	Clive Hamilton	30
May 4 <sup>th</sup> , 2017	Revitalising the Union Movement - What needs to happen	Josh Cullinan - Secretary Retail & Fast Food Workers Union Lucy Honan - State councillor in the Australian Education Union Cindy O'Connor - Member of Australian Manufacturing Workers Union Benjamin Smith - Member of the Anarcho-Syndicalist Federation	40
June 2 <sup>nd</sup> , 2017	10 Years of Indigenous Closing the Gap, but we are failing: Why?	John Altman & Justin McCaul	15