



NEW ZEALAND BOOK COUNCIL

Te Kaunihera Pukapuka o Aotearoa

ANNUAL REPORT 2013

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Chair's Report

Kia ora tātou

It is with great satisfaction that I present the Chair's report for the New Zealand Book Council and its activities and achievements in 2013.

Since I became Chair in 2010, as well as delivering on the Book Council's priorities and responsibilities – promoting reading for pleasure, as well as passionate support of New Zealand books and New Zealand writers – the Board has also sought to fix the organisation's financial situation, in particular its working capital deficit which was an unfortunate legacy from previous years.

I'm delighted to say that by the end of 2013 the Book Council had made a healthy surplus, cleared its working capital deficit and had begun to work towards building a robust set of reserves. This is a significant achievement and I'd like to thank the Board for its focus and diligence – especially past Board members Peter Quin and Paul Diamond (both of whom stepped down at last year's AGM) – and the current Chair of the Finance and Audit Subcommittee, Mark Fairey. I'd also like to acknowledge the Book Council's CEO, Catriona Ferguson, and our Accounts Manager, Bianca Cornford.

In 2013, we also continued with the delivery of our acclaimed *Writers in Schools* programme –

which included four *Speed Date an Author* events. We also managed the national tour for the New Zealand Post Book Awards for Children and Young Adults Festival. In total, we ran 177 fully-funded visits and 23 additional visits in 2013, hitting above our target of 175 fully-funded visits. 41 of these visits were made to lower decile schools.

Another significant moment during the year was moving *Booknotes*, the Book Council's flagship publication, from print to online format. This migration was achieved smoothly and *Booknotes Unbound* continues to flourish in digital form.

A landmark event during the year was the "Creating Readers" Hui in Auckland in September, organised by the Book Council and the National Library of New Zealand. For the first time, representatives from across the literary sector came together to develop a shared vision and an action plan for the sector. It was a highly successful session and our thanks go to all who attended and to the National Library for their partnership.

Despite all of the good things the Book Council achieved, the year ended on a sad note as we farewelled Dame Fiona Kidman as our President of Honour after 16 years. Dame Fiona has made an extraordinary contribution to New Zealand literature and to the

Book Council. She was instrumental in establishing the Council in 1972 and was its first Director. She has been a source of wisdom and inspiration to me, the Board and the staff of the Book Council and we thank her and wish her well.

We have embarked on identifying a group of patrons who will represent the Book Council and advocate on its behalf.

In conclusion, I want to thank the members of the Book Council Board - in particular, my Deputy Chair, Lincoln Gould. I also want to express my gratitude to Robyn Bargh who resigned from the Board at the end of 2013. We are delighted that Julia Marshall of Gecko Press has agreed to join the Board and we shall formally elect her at the AGM. I'd also like to thank our outstanding CEO, Catriona Ferguson, and her team for a year of hard work and great results.

Again, my thanks go to Creative New Zealand for their belief in the work of the Book Council and for their investment in us – and for their ongoing support.

Nga mihi, na

Peter Biggs

Chair, New Zealand Book Council

Chief Executive's Report

Kia ora tātou

The Greek philosopher Heraclitus said that 'There is nothing permanent except change.' For some time now this has chimed with those of us involved in the world of books and reading, and 2013 was no exception.

It was the year when international publishers departed New Zealand and two others merged. Local booksellers continued to be threatened by international online sales and libraries were still figuring out how to keep people coming through the doors.

Of course it wasn't all bad news – *The Luminaries* by Eleanor Catton romped off with the Man Booker Prize, providing a welcome boost to national literary pride and local book sales. Some new independent publishing houses sprung up, tantalising us with the possibility of more high-quality local books. E-lending through public libraries is on the rise.

It was a year of change too at the Book Council as we leapt at the possibilities offered by fresh partnerships and new technology. It was largely business as usual for our hugely successful *Writers in Schools* programmes and our much-admired website – why change a winning formula? – but we made some important changes

in the background, with a team restructure and a rejuvenation of our membership programme.

There were some tough choices to be made, but we have come out the other side in a better shape to do what we do really well.

Booknotes became *Booknotes Unbound*, an online magazine that has greater reach, offers regularly refreshed writing and contains a raft of superb new material. Our membership was restructured in order to give members what they asked for – more content on Kiwi books and writing – and had the twin benefit of also helping to stabilise our finances.

Highlights of the year included a tour by Glenn Colquhoun and Richard Nunns to rural Northland; the launch of a new series of occasional school events featuring Joy Cowley, Witi Ihimaera and Vince Ford; and "True Stories Told Live", which saw 30 writers from Dunedin to Auckland enthralled audiences with surprising, funny and moving true tales.

We were delighted, too, to develop new partnerships with organisations such as Taki Rua Theatre Company, joining them in celebrating the classic New Zealand book, *Sydney Bridge Upside Down*. And we strengthened some existing

partnerships with organisations including the National Library.

We said goodbye to some highly – regarded staff members this year. I’d like to acknowledge the work that Susanna Andrew, Sarah Forster and Marie Hodgkinson contributed to the Book Council, all three creative and inspiring members of the team. We welcomed Lynette Hartgill to the organisation as our Programme Manager and Anna Smaill joined us as our Administrator. It has been wonderful to have both involved in our work. And finally I’d also like to thank the rest of the team who worked their magic on behalf of the organisation in 2013: Bianca Cornford, Emma Gallagher, Nadya Kooznetzoff and Rachel O’Neill.

It is also important to note the support that our funders provide us. Creative New Zealand has been our core supporter for many years. Alongside their funding I’d also like to acknowledge the ASB Community Trust, Lion Foundation, The Southern Trust, Unesco and Otago Community Trust. Without this funding we couldn’t support our local writing talent, and continue to develop a reading audience.

As we look to the future we know that we’re in for some interesting times. But our core purpose and our commitment to that remain steady. We look forward to 2014 and beyond with enthusiasm.

Catriona Ferguson

Chief Executive, New Zealand Book Council

HIGHLIGHTS 2013

"*Writers in Schools* is the best resource we use annually. Keep up the fabulous work!" – Chilton Saint James School



Glenn Colquhoun, Two Doctors Northland Tour



Richard Nunns, Two Doctors Northland Tour



Writers in Schools Wellington with Joy Cowley



Speed Date an Author Auckland

David Elliot, Fifi Colston, Donovan Bixley, Kyle Mewburn, Melinda Szymanik and Maria Gill



Speed Date an Author, Auckland

Donovan Bixley

New Zealand Book Council Incorporated

for 12 months ended 31 December 2013

	notes	2013 \$	2012 \$
Income			
Subscriptions & donations	3	63,315	63,532
Grants	1	411,884	394,299
Interest	4	160	50
All other income	2	39,717	52,009
Total Income		<u>515,076</u>	<u>509,890</u>
Expenditure			
Administration			
Council		6,914	2,690
Professional		14,094	17,255
Audit fee		6,535	6,250
Office		33,615	34,108
Depreciation		27,506	33,119
Staffing		253,070	239,741
Occupancy		24,855	22,025
Booknotes		6,183	17,998
Subscription Mag		0	2
Friends Support		9,151	8,468
Total Expenditure		<u>381,922</u>	<u>381,656</u>
Projects			
Education		85,398	86,194
(MTA)		880	2,684
International Writers		17,775	17,349
		<u>104,053</u>	<u>106,227</u>
Total Expenditure		<u>485,976</u>	<u>487,883</u>
2013 Surplus for the year		<u>29,100</u>	<u>22,007</u>

New Zealand Book Council Incorporated

As at 31 December 2013

	notes	2013 \$	2012 \$
Members Equity		27,562	-1,537
Current Assets			
Bank Balance		48,028	12,765
Accounts receivable		940	1,780
Accrued revenue		25,000	25,000
Prepaid expenses		2,613	594
		<u>76,581</u>	<u>40,139</u>
Current Liabilities			
Long Term Liabilities Current		4,201	6,924
Payables and Accruals		18,490	16,190
Revenue received in advance		38,315	49,795
Goods & services tax		14,128	17,357
		<u>75,134</u>	<u>90,266</u>
Net Current Assets		<u>1,447</u>	<u>-50,127</u>
Non Current Liabilities			
Long Term Liabilities Non Current		0	4,201
Non Current Assets			
Office Equipment & Software	6	26,115	52,791
Net Assets		<u>27,562</u>	<u>-1,537</u>

New Zealand Book Council Incorporated

For the year ended
31 December 2013

	2013	2012
	\$	\$
Net Surplus for the year	29,100	22,007
Equity at the Beginning of the Year	-1,537	-23,544
Equity at End of the Year	<u>27,563</u>	<u>-1,537</u>

New Zealand Book Council (Inc)

Notes to the Financial Statements

For the year ended 31 December 2013

Statement of Accounting Policies

Reporting Entity

The New Zealand Book Council (Inc) is a voluntary organisation under the Incorporated Societies Act 1908. It is a reporting entity under 'New Zealand Financial Reporting Standards (FRSs)' and the financial statements are presented accordingly.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance, cash flows and financial position on an historic cost basis are followed in the preparation of these financial statements.

Income Recognition

All income is recognised when earned and reported in the financial period to which it relates.

Grant Revenue Received in Advance

Grant income is recognised as income when it becomes receivable unless the Council has a liability to repay the grant if the requirements of the grant are not fulfilled. A Liability is recognised to the extent that such conditions are unfulfilled at the end of the reporting period.

Accounts Receivable

Receivables are recorded at the lower of cost or net realisable value.

Goods & Services Tax

All items in the financial statements are stated exclusive of GST with the exception of Accounts Receivable and Accounts Payable in the Statement of Financial Position.

Tax Status

The company is exempt from income tax through charitable status. Charity number: CC10844

Office Equipment & Software

All items are valued at cost less depreciation. The rate of depreciation applied is 20% on cost to all items until fully depreciated. The fixed assets are depreciated on a Straight Line basis in the accounting policies.

Differential Reporting Exemption

The New Zealand Book Council qualifies for certain exemptions from Financial Reporting standards under the Differential Reporting Framework, approved by the New Zealand Institute of Accountants, because of its size. Advantage has been taken of all exemptions.

Entitled Changes in Accounting Policies

The accounting policies are consistent with those used in the prior year

Notes

1) Grant Income

The New Zealand Book Council is appreciative of all grants received without which the project activities would not be possible. The funding organisations that have agreed to be disclosed or have contributed amounts above \$5000 (amounts below \$5000 or from organisations who do not wish to be disclosed are listed as sundry grants.)

	2013	2012
Creative NZ	286,000	295,999
ASB Community Trust	70,000	50,000
Southern Trust	10,000	0
Lion Foundation	12,000	13,500
UNESCO	6,800	0
NZ Booksellers Association	23,000	23,000
Sundry grants	4,084	11,800
	<u>411,884</u>	<u>368,293</u>

2) Other Income

	2013	2012
Ticket sales for public events	789	3,870
Sales of posters	717	1,110
Services to NZ Books	7,826	4,953
Website revenue	243	3,203
School contributions to writers visits	21,003	21,507
Cost recovery NZ post tour	0	0
Miscellaneous	9,139	17,366
	<u>39,717</u>	<u>52,009</u>

3) Membership Income

Source	2013	2012
Membership income	46,186	58,763
Donation	17,129	4,769
	<u>63,315</u>	<u>63,532</u>

4) Interest Income

	2013	2012
	160	50

5) Operating lease commitments

	2013	2012
Current		
Lease	21,100	21,100
	<u>21,100</u>	<u>21,100</u>
Non Current		
Lease	50,991	72,092
	<u>50,991</u>	<u>72,092</u>

Lease: We moved to new premises at the end of May 2011. We have a new agreement with LIANZ. Our monthly rental is 2,022 (GST inclusive). The lease has a 6 Year term from 29th May 2011, there are currently 29 months remaining,

6) Office equipment and software

	2013	2012
Cost –Opening Balance	196,420	195,469
Fixed Asset	90,822	89,871
Intangible Asset	105,598	105,598
Cost - additions	830	951
Cost - deletions	-	-
Cost - closing balance	<u>197,250</u>	<u>196,420</u>
Depreciation -opening balance	143,629	110510
Depreciation –Fixed Asset	10,660	12,001
Amortization	16,846	21,118
Depreciation -deletions	-	-
Depreciation -closing balance	<u>171,135</u>	<u>143,629</u>
Book value at year end	<u>26,115</u>	<u>52,791</u>

7) Contingent Liabilities

The New Zealand Book Council has no contingent liabilities as at 31 December 2013

Related Party Transactions

There were no related party transactions during the year.

Subsequent Events

There were no subsequent events during the year