

NEW ZEALAND BOOK COUNCIL
ANNUAL REPORT
2018

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NEW ZEALAND BOOK COUNCIL
Te Kaunihera Pukapuka o Aotearoa

Chair Report



Kia ora tātou. Talofa lava. Malo e lele. Bula vinaka.

The recent book by acclaimed reading and language researcher, Maryanne Wolf, is a comprehensive and cogently argued case for the benefits of reading as well as an in-depth examination of what is happening to the human brain as it adapts to digital mediums.

Human beings, Professor Wolf argues in *Reader, Come Home*, were never born to read:

In a span of only six millennia reading became the transformative catalyst for intellectual development within individuals and within literate cultures. The quality of our reading is not only an index of the quality of our thought, it is our best-known path to developing whole new pathways in the cerebral evolution of our species.

In summary, reading makes human beings, communities and the world we share better. Moreover, it 'future proofs' us as we hurtle through a trajectory of constant change and disruption.

This is why all of the Book Council *whānau* – Board members, staff, supporters, partners and friends – are fiercely focused on our ambition: *building a nation of readers through more New Zealanders reading more, leading to transformed lives and enriched communities.*

It's also why the Book Council Board, in a recent strategic session, re-confirmed that ambition and strongly expressed a desire for the organisation to become even more intense and urgent about bringing our ambition to life.

Jo and the Book Council team have responded to that challenge with wonderful enthusiasm, energy, imagination and pace, making 2018 a memorable year in terms of scale of activity and achievement.

We delivered more programmes to more diverse audiences than ever before – and introduced new innovations and expansions to a range of existing initiatives. As well, we ended the year with a very satisfying financial result, demonstrating that the organisation not

Chair Report



only continues to deliver outstandingly but is also managed and governed prudently and sustainably.

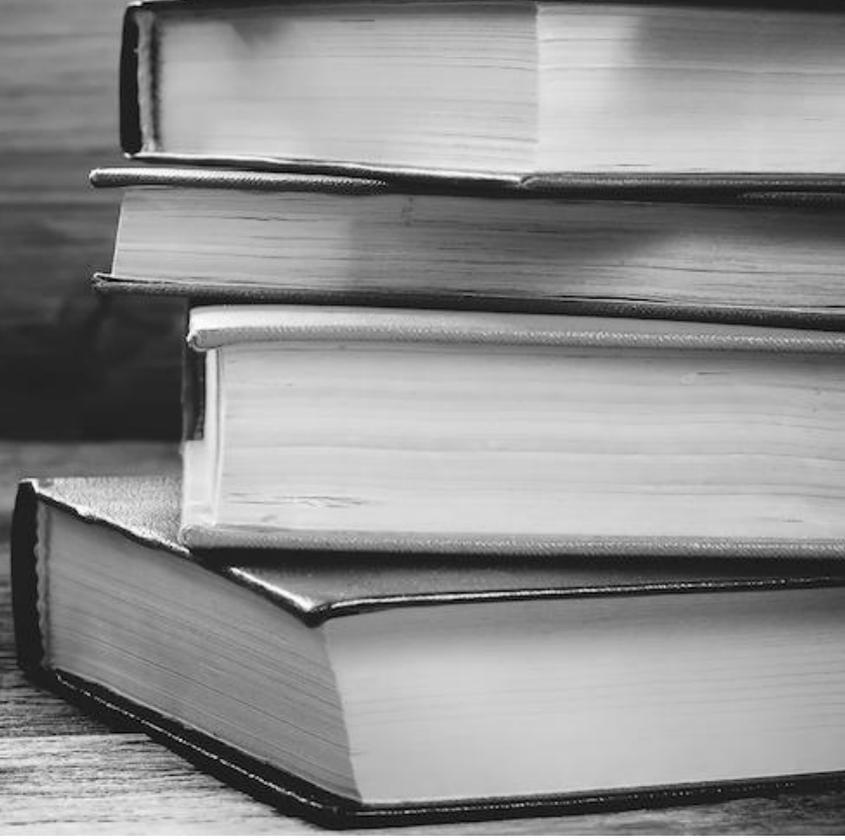
For all of this, my sincere thanks go to the incomparable team of Jo, Kathryn, Tanya and Melissa – and to my inspiring and insightful Board colleagues. As well, we are all tremendously grateful to all those organisations and individuals who support the work of the Book Council and partner with us – especially our major funder, Creative New Zealand.

Ngā mihi nui



Peter Biggs CNZM
Chair: New Zealand Book Council

Chief Executive's Report



Kia ora koutou

The Book Council team is proud to share that we delivered more programmes to a more diverse audience than ever before. 2018 was a boomer of a year.

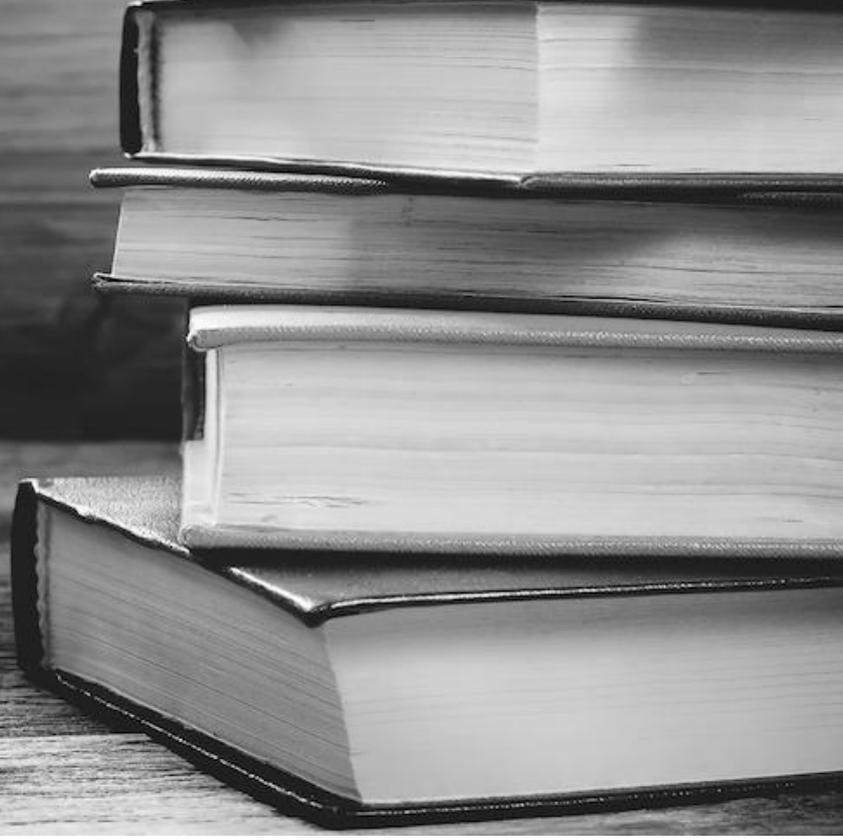
Our focus was on growing the next generation of readers, delivering more than 300 Writers in Schools visits to over 57,000 children. Our Writers in Communities programme engages children and their wider community in reading and writing and is all about celebrating the written work of children. We ran Writers in Communities in five low decile schools in Ōtāhuhu and rural Wairarapa.

We support schools and teachers in their important work growing the next generation of readers. Our 2018 School Library programme saw us review more than 140 books that were shared in six newsletters to over 2500 subscribers each time.

We are especially interested in encouraging children and young people who are reluctant readers to read. We delivered the effective 'book trailer' project, aimed at boys who are reluctant readers. Working with Colenso and a group of boys, we created a book trailer for the book *Fantastic Beasts and Where to Find Them*. The animated trailer offered a free excerpt to the J.K. Rowling book. The book trailer was watched over 140,000 times online and by nearly 100,000 people at Auckland cinemas.

To encourage more New Zealanders to read more, we undertook research into New Zealanders' reading habits and found nearly half a million Kiwis did not read a book in the past year. Our social media campaigns #readtosucceed, #readNZ and #lovelibraries attracted much attention and engagement across Twitter and Facebook.

Chief Executive's Report



We held a number of events aimed at encouraging debate about reading, including the New Zealand Book Council Lecture that was delivered by Joy Cowley. We supported ten emerging literary festivals that aimed to encourage new audiences to engage with the written word.

What matters to us is the effectiveness of our work. We measure this through surveys, research and statistics. Our measures show that we can be rightly proud of what we delivered in 2018 and will seek to build on our impact in the coming years.

Thanks must go to the fabulous Book Council team – Kathryn, Melissa and Tanya – the interns who have worked with us, our incredibly supportive Board, partners, funders, and members. Without such support we could not even imagine that we could achieve what we have.

Ngā mihi



Jo Cribb
CEO
New Zealand Book Council

New Zealand Book Council

Performance Report

31 December 2018

**New Zealand Book Council
Performance Report Contents
For the year ended 31 December 2018**

Contents	Page
Non Financial Information	
Entity Information	3-4
Statement of Service Performance	5-6
Financial Information	
Statement of Financial Performance	7
Statement of Financial Position	8
Statement of Cash Flows	9
Statement of Accounting Policies	10
Notes to the Performance Report	11-16
Auditor's Report	
Independent Auditor's Report	17

New Zealand Book Council
Entity Information
For the year ended 31 December 2018

Legal name of entity

New Zealand Book Council

Type of entity and legal basis

Incorporated as a Charitable Trust under the Incorporated Societies Act 1908
Registered as a Charity (registration number CC10844) under the Charities Act 2005

Entity's purpose or mission statement

Building A Strong Reading Culture Within New Zealand Every Day

Entity structure & governance

The trust is governed by a trust board of 8 trustees. The trust also has an audit committee

On the trust board:

Chairperson	Peter Biggs
Chair of the Audit and Risk Committee	Mark Fairey
Secretary	Jo Cribb
Trustee	Selina Tuitala Marsh
Trustee	Gavin Bishop
Trustee	Brian Steele
Trustee	Julia Marshall
Trustee	Paora Tibble
Trustee	Linda Clark
Trustee	Juliet Blyth
Trustee	Peter Vial

The Audit Committee is made up of the Audit and Risk Committee, Chairperson, Secretary and 2 trustees

Main sources of cash and resources

The trust receives cash or resources from:

>Grants

>Memberships

Main methods used by the entity to raise funds

The Board and CEO are largely responsible for fundraising. This involves occasional events for supporters (usually two – three annually along with funding applications to trusts and foundations, networking with potential donors, maintaining a good relationship with existing supporters.

The entity's reliance on volunteers and donated goods or services

The NZ Book Council does not use volunteers or donated goods or services.

New Zealand Book Council
Entity Information
For the year ended 31 December 2018

Additional information

Independent Auditor	Moore Stephens Wellington Audit Wellington
Banker	ANZ Bank Auckland, New Zealand
Solicitor	Linda Clark

Contact information

Registered Office	Ground Floor, 79 Boulcott Street, Wellington 6011
Postal Address	Ground Floor, 79 Boulcott Street, Wellington 6011
Website	www.bookcouncil.org.nz
Facebook	https://www.facebook.com/New-Zealand-Book-Council-1897/
Twitter	https://twitter.com/nzbookcouncil

STATEMENT OF SERVICE PERFORMANCE 2018

Vision: Because Reading Changes Lives

Mission: Building A Strong Reading Culture Within New Zealand Every Day

Outcomes: We develop and implement activities and programmes which get more New Zealanders reading more and help to increase the readership for our local Kiwi writers

Outputs	Measure	2018 Achievement
Foster a love of reading and writing – among the public and within educational settings	At least 75% of feedback from practitioners and schools taking part in the Writers in Schools gives the programme a rating of excellent or very good on Book Council arrangements, writer preparation and overall experiences.	97.5% of schools that provided feedback said the visit met or exceeded expectations. 100% of writers participating in the Writers in Schools programme said that the Book Council arrangements were either excellent or very good.
Raise the profile of New Zealand Literature, writers and the literary sector through a programme of events and by ensuring relevant information is widely available	Increased awareness of the value of reading for pleasure is achieved in each funding year during the term of the Agreement through: • Three discrete pieces of media coverage * One new programme is created based on research we have undertaken or in response to needs of the sector Twitter and Facebook followers have grown by 10% and our existing open rates of 40% for the newsletter are maintained.	NZ Book Council continued to grow its media coverage in 2018 developing relationships with RANZ, NZ Author, The Spinoff, The Education Gazette, Capital Magazine and the Dominion Post. More Specifically NZ Book Council had coverage on RadioNZ Afternoons, Nine to Noon, RadioNZ Nights and RadioNZ Panel. Jo Cribb, NZ Book Council CEO was interviewed on ABC Cerebra. Articles were featured in NZ Author Magazine, The Spinoff Website, The Education Gazette, Capital Magazine and the Dominion Post. As a result of the Young Man Reading campaign NZ Book Council partnered with Colenso and Val Morgan to develop a book trailer for <i>Enslaved</i> . Current Facebook followers = 5799 Current Twitter Followers = 6101 Average open rate for E-News is 44.95% 192,955 unique page views across website Writers Files are the most visited pages. 33 New Writers files were added to our website in 2018 Three Sector campaigns were run in 2018 - #radio success focusing on reluctant adult readers, #readNZ - focus on reading NZ Books and #lovebraines - promoting our city libraries.
Support the New Zealand Literary Sector through collaborative Initiatives and sharing resources, skills and knowledge	Promote NZ writers through www.bookcouncil.org.nz and www.booknotes-unbound.org.nz . Atract 250,000 unique page views across both websites. Deliver through a range of initiatives including the Sector Steering Group, partnership events and programmes, including events such as the IBBY Congress, Word Christchurch and the National Library partnership events. Receive 75% positive feedback through surveys and discussions with key partners on the value of our collaborations and partnerships.	NZ Book Council provided support to a number of writers festivals and sector conferences during 2018. NZ Book Council received 100% positive feedback from the organisations that we partnered with. #readnz is a collaborative project with publishers, booksellers, festivals, authors and CNZ to encourage New Zealanders to read NZ books. During 2018 we published a range of articles and interviews with NZ writers on the topic of reading local. We have held weekly NZ Book Giveaways on social media, we participated in NZ Book Shop day and together with Booksellers published a 2018 Christmas book list. #ReadNZ was a "trending hashtag" on Twitter on several occasions during 2018.
Advocate on behalf of readers through a programme of campaigns	Deliver one major campaign promoting reading for pleasure annually. Undertake qualitative and quantitative research into reading and book-buying habits of New Zealanders.	Our reading research was released in August 2018. The research showed a continued drop in reading in NZ particularly in the 45-55 year olds and fewer kiwi men are reading books.
Organise a programme of events that help to raise the profile of New Zealand Writers	Partner with festivals and other event organisers around the country to deliver events and receive positive feedback on those collaboration from 80% of those partner organisations. Current event formats include: 1. NZ Book Council Lecture. Delivered annually, a minimum of 60 people attend each time. 2. True Stories Told Live. Delivered at least three times a year, a minimum of 50 people attend each time. 3. Speed Date an Author. Delivered at least six times a year, a minimum of 40 people attend each time. 4. Writers in Schools. A year round programme, reaches a minimum of 2,000 school students.	NZ Book Council provided support to a number of writers festivals and sector conferences during 2018. This included NZSA National Writers Forum, Manawatu Writers Festival, NZ Young Writers Festival, SLANZA Conference, Hawkes' Bay Readers and Writers Festival, South Auckland Writers Festival, LICrawl, Storylines national story tour and Nelson Arts Festival. NZ Book Council received 100% positive feedback from the organisations that we partnered with. 2018 Lecture was attended by approximately 120 people. The lecture was given by Joy Cowley with the "The Power of Story". Four True Story Told Live events were held with. Attendances at each event exceeded 100. Five Speed Date an Author events were held. 309 Writers in schools visits were delivered in 2018 reaching 57,300 school students.

STATEMENT OF SERVICE PERFORMANCE 2017

Vision: Because Reading Changes Lives

Mission: Build a Strong Reading Culture Within New Zealand Every Day

Outcomes: We develop and implement activities and programmes which set more New Zealanders reading more and help to increase the readability for our local Māori writers.

Outcomes	Measures	2017 Achievement
<p>Foster a love of reading and writing – among the public and within educational settings</p>	<p>At least 75% of feedback from practitioners and schools being part in the Writers in Schools gives us programme a rating of at least a very good on Book Council engagements, writer preparation and overall experiences.</p> <p>Increased awareness of the value of reading for pleasure is achieved in each funding year during the term of the Agreement through:</p> <ul style="list-style-type: none"> • Three discrete pieces of media coverage • One new strategic partnership developed with an organisation that shares our strategic needs of the sector • One new programme is created based on research we have undertaken or in response to needs of the sector 	<p>- 80% of schools stated that arrangements for their Writers in Schools visit was excellent or very good.</p> <p>- 90% of schools stated that the writers' illustration preparation for the visit was excellent or very good.</p> <p>- 90% of schools stated that the overall experience of the Writers in Schools programme was excellent or very good.</p> <p>- 89% of authors stated that the NZ Book Council arrangements for the visit were either excellent or very good.</p> <p>- 99% of authors also said that the involvement from teachers was either excellent or very good.</p> <p>- 99% of authors also said that student's response was either excellent or very good and 89% said that their overall experience was either excellent or very good.</p> <p>Throughout the year we have gained significant media coverage:</p> <ul style="list-style-type: none"> - Our CEO was interviewed by TV One and was on the 6pm news, the feature was also posted as a video on the TV One website and social media the future with some of the more positive trends in New Zealand reading - Stuff.co.nz wrote a feature article based on our reading research, and then did four subsequent articles on 'Kōwhiri' relationship with books: the benefits of reading, the importance of reading, the importance of reading to children and the importance of reading to adults. - Our Marketing Manager was interviewed by Jesse Milligan on Radio NZ. - Our Marketing Manager was interviewed by Jesse Milligan on Radio NZ. - Commenting on our existing relationships with a number of key organisations in the literature and arts sector we have established new strategic partnerships with the following organisations: <ul style="list-style-type: none"> - Duff Books in homes - Arts Access Aotearoa - Oranui Tamahiri - The Correspondence School - Alternative Education New Zealand <p>This year, for the second year in a row we are trying a different approach to the Words on Wheels programme through a partnership with Storylines in their Story Tour events. Our support goes specifically towards evening events for an adult audience. We trialled this idea because their events are very similar in scope to what we have been endeavouring to do with Words on Wheels. Partnering gives us an opportunity to share our resources and increase our audience. www.storylines.co.nz/about-us/our-approach www.storylines.co.nz/increase-our-audience www.storylines.co.nz/about-us/our-approach</p> <p>The NZ Book Council's social media results for the year end 2017 are as such:</p> <p>Facebook: 3,280 likes in 2016 to 4604 likes in 2017 - an increase of 31.0%. Average reach per day - 2,000 Twitter: From 5,260 followers in 2016 to 5,815 followers in 2017 - an increase of 9.7%</p> <p>E-News: The average open rate for E-News in 2017 was 45.3% and the average click through rate was 9.2%</p> <ul style="list-style-type: none"> - 15 NZ Book Scene e-news - 14 Aotearoa Reach e-news - 5 School Library e-news - 4 NZ Book Council stories - 11 Murders in the Library e-news - 1 80 More e-news <p>Website: total views 225,931</p> <p>The majority of our events are run through Writers in Schools and feedback is consistently positive (see above). We don't have a formal way of capturing direct audience data from attendees at events as the majority of those are run in partnership with venues and other organisers. We do request feedback from the organisers themselves and they have provided that for us.</p> <p>The new CE re-engaged with all Sector Steering Group members.</p> <p>All users lean to participate. A series of well-attended teleconferences have been organised and completed, the purpose of which has been for Sector representative work collectively to develop the Book Council's advocacy platforms.</p> <p>Feedback and support was provided by sector members for the first advocacy campaign aimed to succeed. The second campaign will involve the Book Council developing a pan-sector communications plan to promote New Zealand books and New Zealand authors.</p> <p>Overall feedback from teachers and librarians on The School Library was positive. There are more schools wanting to review for it, and those who are reviewing are returning their reviews faster. NZ Book Council is currently making improvements to the service by undertaking and development to make the website more user-friendly.</p> <p>10 organisations responded to our survey about the success of our partnerships.</p> <p>100% felt that our collaboration was successful.</p> <p>100% felt that the NZ Book Council was excellent or very good to work with.</p> <p>Five organisations scored as 4 out of 5, and 5 organisations gave the NZ Book Council a 4 out of 5 for this.</p> <p>While a formal survey of library sector organisations and their views of the data and reading research was not completed, we received a wide range of uncollected positive feedback about the report and the media coverage it generated.</p> <p>We are working with a group of sector stakeholders to develop the 2018 survey and data collection.</p>
<p>Raise the profile of New Zealand Literature, writers and the literary sector through a programme of events and by ensuring relevant information is widely available online</p>	<p>Twitter and Facebook followers have grown by 10% and our mailing open rates of 40% for the newsletter are maintained.</p> <p>At the end of the 2017 funding year, page views for our new website are up 25%, time spent by users on the website is up 10%, visits to our website via a mobile device are up 40% and web pages shared to social media channels are increased by 10% on the 2018 figure.</p> <p>In 2017 the e-newsletters click through rates are maintained at 10% and open rates are maintained at 300,000.</p> <p>At the end of each funding year at least 75% of attendees of Book Council events provide positive feedback about events undertaken to promote NZ writers and writing (such as the NZ Book Council letters, True Stories 150 Live events and Words on Wheels).</p> <p>At the end of each funding year provide evidence demonstrating a majority of sector steering group members are happy with the level of collaboration and effectiveness of the group and where this is not the case that we are effectively addressing these issues.</p> <p>At the end of each funding year at least 75% of readers of The School Library surveyed say they found the information in it useful.</p> <p>At the end of each funding year, provide evidence that shows the majority of the organisations the Book Council provides services to and partners are happy with the services provided.</p> <p>At the end of each funding year at least 80% peers from library sector organisations surveyed indicated that information published about the reading habits of New Zealanders was useful.</p> <p>At the end of each funding year, at least 75% of feedback from library sector organisations surveyed shows the data collected on readership and sales of NZ literature within New Zealand is useful.</p>	<p>Facebook: 3,280 likes in 2016 to 4604 likes in 2017 - an increase of 31.0%. Average reach per day - 2,000 Twitter: From 5,260 followers in 2016 to 5,815 followers in 2017 - an increase of 9.7%</p> <p>E-News: The average open rate for E-News in 2017 was 45.3% and the average click through rate was 9.2%</p> <ul style="list-style-type: none"> - 15 NZ Book Scene e-news - 14 Aotearoa Reach e-news - 5 School Library e-news - 4 NZ Book Council stories - 11 Murders in the Library e-news - 1 80 More e-news <p>Website: total views 225,931</p> <p>The majority of our events are run through Writers in Schools and feedback is consistently positive (see above). We don't have a formal way of capturing direct audience data from attendees at events as the majority of those are run in partnership with venues and other organisers. We do request feedback from the organisers themselves and they have provided that for us.</p> <p>The new CE re-engaged with all Sector Steering Group members.</p> <p>All users lean to participate. A series of well-attended teleconferences have been organised and completed, the purpose of which has been for Sector representative work collectively to develop the Book Council's advocacy platforms.</p> <p>Feedback and support was provided by sector members for the first advocacy campaign aimed to succeed. The second campaign will involve the Book Council developing a pan-sector communications plan to promote New Zealand books and New Zealand authors.</p> <p>Overall feedback from teachers and librarians on The School Library was positive. There are more schools wanting to review for it, and those who are reviewing are returning their reviews faster. NZ Book Council is currently making improvements to the service by undertaking and development to make the website more user-friendly.</p> <p>10 organisations responded to our survey about the success of our partnerships.</p> <p>100% felt that our collaboration was successful.</p> <p>100% felt that the NZ Book Council was excellent or very good to work with.</p> <p>Five organisations scored as 4 out of 5, and 5 organisations gave the NZ Book Council a 4 out of 5 for this.</p> <p>While a formal survey of library sector organisations and their views of the data and reading research was not completed, we received a wide range of uncollected positive feedback about the report and the media coverage it generated.</p> <p>We are working with a group of sector stakeholders to develop the 2018 survey and data collection.</p>

New Zealand Book Council
Statement of Financial Performance
For the year ended 31 December 2018

	Note	2018	2017
Revenue			
Donations, fundraising and other similar revenue	1	21,852	15,199
Fees, subscriptions and other revenue from members	1	55,601	51,139
Revenue from providing goods or services	1	552,397	478,770
Interest, dividends and other investment revenue	1	2,465	520
Total Revenue		<u>632,315</u>	<u>545,628</u>
Expenses			
Expenses related to public fundraising	2	726	777
Volunteer and employee related costs	2	286,023	302,466
Costs related to providing goods or services	2	144,215	154,258
Programme delivery costs	2	159,119	83,527
Other expenses	2	10,463	10,168
Total Expenses		<u>600,546</u>	<u>551,196</u>
Surplus/(deficit) for the year		<u>31,769</u>	<u>(5,568)</u>

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The accompanying notes form part of these financial statements.

New Zealand Book Council
Statement of Financial Position
As at 31 December 2018

	Note	2018	2017
Assets			
Current Assets			
Bank accounts and cash	3	146,352	149,915
Debtors and prepayments	3	13,509	5,466
Total Current Assets		159,861	155,381
Non-Current Assets			
Property, plant and equipment	5	11,068	14,866
Intangible assets	6	30,113	24,568
Total Non-Current Assets		41,181	39,434
Total Assets		201,042	194,815
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	44,200	35,486
Employee costs payable	4	12,402	12,922
Unused donations and grants with conditions	4	20,170	53,906
Total Current Liabilities		76,772	102,314
Total Liabilities		76,772	102,314
Total Assets less Total Liabilities (Net Assets)		124,270	92,501
Accumulated Funds			
Capital Contributed by owners or members		92,501	98,069
Accumulated surplus/(deficit)	7	31,769	(5,568)
Total Accumulated Funds		124,270	92,501

For and on behalf of the trustees:


Chairperson


Executive Council Member


Chief Executive

24-APR-2019
Date authorised for issue

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STEPHENS

The accompanying notes form part of these financial statements.

New Zealand Book Council
Statement of Cash Flows
For the year ended 31 December 2018

	Note	2018	2017
<u>Cash flows from operating activities</u>			
Cash was received from:			
Donations, fundraising and other similar receipts		21,852	15,199
Fees, subscriptions and other receipts from members		51,474	51,140
Revenue from providing goods or services		556,892	478,770
Interest, dividends and other investment receipts		2,465	520
Internal Revenue Department for GST receivable		-	5,224
Total		<u>632,683</u>	<u>550,853</u>
Cash was applied to:			
Payments to suppliers and employees		(463,445)	(452,165)
Payments for programme delivery		(159,119)	(83,527)
Internal Revenue Department for GST payable		(1,473)	-
Net cash flows from operating activities		<u>8,646</u>	<u>15,161</u>
<u>Cash flows from investing and financing activities</u>			
Cash was received from:			
		-	-
Cash was applied to:			
Payments to purchase equipment		-	(12,438)
Payments to purchase intangibles		(12,210)	-
Net cash flows from investing and financing activities		<u>(12,210)</u>	<u>(12,438)</u>
Net increase/(decrease) in cash		(3,563)	2,723
Opening bank accounts and cash		149,915	147,192
Closing bank accounts and cash		<u>146,352</u>	<u>149,915</u>
This is represented by:			
Bank accounts and cash	3	<u>146,352</u>	<u>149,915</u>

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Basis of preparation

New Zealand Book Council has elected to apply PBE SFR-A (NFP) *Public Benefit Entity Simple Format Reporting - Accrual (Not for profit)* on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Good and Services Tax (GST)

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Specific Accounting Policies

> Income Tax

New Zealand Book Council is a registered charitable entity under the Charities Act 2005, and accordingly is exempt from income tax under sections CW41 and CW42 of the Income Tax Act 2007.

> Bank accounts and cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

> Revenue recognition

* **Interest** is accounted for on an accrual basis.

* **Revenue from Grants** is recognised when the grant conditions have been met. Any funding received where conditions are not met is recognised as a liability at balance date.

* **Receipts for Donations** are recorded when cash received.

* **Revenue from Sale of Services** is recognised in the period the services were provided.

* **Individual Membership revenue** is recorded as revenue when cash received.

* **School Membership revenue** is recognised for the period to which it relates. Any amounts received in advance are recorded as a liability at balance date.

> Annual leave liability

A liability of annual leave is accrued and recognised in the statement of financial position. The liability is equal to the present value of the estimated future cashflows as a result of employee services provided at balance date.

> Accounts receivable

Accounts receivables are recorded at net realisable value.

> Property plant and equipment

Property, plant and equipment consists of the following asset classes: office furniture, fixtures and fittings, office equipment, computer equipment.

Individual assets, or groups of assets, are capitalised if their cost is greater than \$500 (excluding GST).

Depreciation is calculated using the Straight Line method and has been charged in the financials as follows:

- Furniture: 20%
- Office equipment: 20%
- Computer equipment: 20%

Fixed assets are recorded at cost less accumulated depreciation and are reviewed for impairment annually.

>Intangible assets

Software and website development costs are capitalised as an intangible asset of the basis of the costs incurred to develop and bring to use the software/website. Costs associated with maintaining the software/website are recognised as an expense when incurred.

Intangible assets are capitalised if its cost is \$500 (excluding GST) or more

Amortisation is calculated using the Straight Line Method and has been charged in the financials as follows:

- Software: 40%
- Website: 20%

Intangible assets are recorded at cost less accumulated depreciation and are reviewed for impairment annually.

Changes in Accounting Policies

> Changes to the recognition of Individual memberships have been made since the prior year on the basis that there is no material benefit from an individual membership. All other policies remain unchanged from the previous year.

> Property, plant and equipment (PPE) policy has been updated to reflect a differentiation between PPE and Intangible assets

Note 1: Analysis of Revenue

<u>Revenue Item</u>	<u>Analysis</u>	2018	2017
Donations, fundraising and other similar revenue			
	Donations	21,852	15,199
	Total	21,852	15,199
Fees, subscriptions and other revenue from members			
	Individual memberships	11,095	10,292
	School memberships	44,506	40,847
	Total	55,601	51,139
Revenue from providing goods or services			
	Creative New Zealand (CNZ)	375,000	365,750
	Foundation North	64,000	21,000
	Lion Foundation	13,000	5,000
	PUB Charity	11,392	12,000
	Sundry Grants	11,013	-
	CNZ Diversity Project	-	13,477
	Book Award administration	-	14,000
	Book Awards income	-	10,326
	Community Projects	34,000	29,000
	Peppercorn Press Contract	7,533	8,217
	Ministry for Children	4,420	-
	Speed Dates	3,763	-
	Writers in Schools	28,276	-
	Total	552,397	478,770
Interest, dividends and other investment revenue			
	Total interest received	2,465	520
Total Revenue		632,315	545,628

Note 2: Analysis of Expenses

<u>Expense Item</u>	<u>Analysis</u>	2018	2017
Subscriptions		562	575
Training		164	202
Total		726	777
Volunteer and employee related costs			
	Salary and wages	283,717	297,834
	Recruitment	1,425	3,710
	ACC Levies	881	922
	Total	286,023	302,466
Costs related to providing goods or services			
	Board	2,329	5,115
	Rent	13,737	17,359
	Operating costs	122,360	123,448
	Auditing fee	5,789	8,336
	Total	144,215	154,258
Programme delivery costs			
	Advocacy and communication	-	11,314
	Research	23,423	7,375
	Sector collaboration	12,976	13,740
	Sponsorship and development	-	3,500
	Speed Dates	5,079	(99)
	Website	-	8,978
	Writers in Schools	112,583	30,318
	Writers in Youth Justice	58	3,400
	WOW	5,000	5,000
	Total	159,119	83,526
Other expenses			
	Depreciation and amortisation	10,463	9,175
	Sundry	-	993
	Total	10,463	10,168
Total Expenses		600,546	551,196

New Zealand Book Council
Notes to the Performance Report
For the year ended 31 December 2018

Note 3: Analysis of Assets

<u>Asset Item</u>	<u>Analysis</u>	2018	2017
Bank accounts and cash			
	Book Council Trading	27,460	68,867
	Book Council 02	-	31,048
	Book Council Savings	118,892	50,000
	Total	146,352	149,915
Debtors and prepayments			
	Accounts receivable	7,840	3,094
	Prepayments	5,669	2,372
	Total	13,509	5,466
Total Current Assets		159,861	155,381

Note 4: Analysis of Liabilities

<u>Liabilities Item</u>	<u>Analysis</u>	2018	2017
Creditors and accrued expenses			
	Accounts payable	22,760	12,844
	Book Council Visa	3,098	1,741
	GST payable	18,297	20,738
	Peppercorn Press	44	162
	Total	44,200	35,486
Employee costs payable			
	Annual leave accrual	6,119	10,037
	Salary and wage accrual	6,283	2,885
	Total	12,402	12,922
Unused donations and grants with conditons			
	Grants in advance	15,580	26,500
	Memberships received in advance	4,590	27,406
	Total	20,170	53,906
Total Current Liabilities		76,772	102,314

MOORE
STEPHENS

Note 5: Property, Plant and Equipment (PPE)

2018

Asset Class	Opening carrying amount	Purchases	Sales/ (Disposals)	Current year depreciation	Closing carrying amount
Computers	3,622	-	-	967	2,655
Office Furniture	6,646	-	-	1,504	5,142
Equipment	4,598	-	-	1,327	3,271
Total	14,866	-	-	3,798	11,068

2017

Asset Class	Opening carrying amount	Purchases	Sales/ (Disposals)	Current year depreciation	Closing carrying amount
Computers	2,585	3,659	1,693	929	3,622
Office Furniture	166	7,524	-	1,044	6,646
Equipment	2,195	3,463	-	1,060	4,599
Total	4,946	14,646	1,693	3,033	14,866

Significant donated PPE assets recorded - source and date of valuation
No donated PPE assets (2017: nil).

Significant donated PPE assets - not recorded
No donated PPE assets (2017: nil).

Note 6: Intangible Assets

2018						
Asset Class	Opening carrying amount	Purchases	Sales/ (Disposals)	Current year amortisation	Closing carrying amount	
Membership system	-	12,210	-	522	11,688	
Website	24,568	-	-	6,143	18,425	
Total	24,568	12,210	-	6,665	30,113	

2017						
Asset Class	Opening carrying amount	Purchases	Sales/ (Disposals)	Current year amortisation	Closing carrying amount	
Website	30,710	-	-	6,142	24,568	
Total	30,710	-	-	6,142	24,568	

Significant intangible assets recorded - source and date of valuation

No donated intangible assets (2017: nil).

Significant donated intangible assets - not recorded

No donated intangible assets (2017: nil).

Note 7: Changes in Accumulated Funds

2018

Description	Capital Contributed by		Reserves	Total
	Owners or Members	Accumulated Surplus/ (deficit)		
Opening Balance	-	92,501	-	92,501
Capital contributed by owners or members	-	-	-	-
Capital returned to owners or members	-	-	-	-
Surplus/(deficit)	-	31,769	-	31,769
Distributions paid to owners or members	-	-	-	-
Transfer to Reserves	-	-	-	-
Transfer from Reserves	-	-	-	-
Closing Balance	-	124,270	-	124,270

2017

Description	Capital Contributed by		Reserves	Total
	Owners or Members	Accumulated Surplus/ (deficit)		
Opening Balance	-	98,069	-	98,069
Capital contributed by owners or members	-	-	-	-
Capital returned to owners or members	-	-	-	-
Surplus/(deficit)	-	(5,568)	-	(5,568)
Distributions paid to owners or members	-	-	-	-
Transfer to Reserves	-	-	-	-
Transfer from Reserves	-	-	-	-
Closing Balance	-	92,501	-	92,501

Note 8: Commitments

<u>Type of commitment</u>	<u>Explanation and Timing</u>	2018	2017
Office rent	The office was evacuated from its premises at 79 Boulcott Street, Wellington in April 2018 for earthquake strengthening. NZ Book Council is scheduled to return in April 2019. However, this commitment note lists all contractual commitments under the lease, but note no rental payments are being made during vacancy.		
	The lease is due for renewal 1 June 2020.		
	Total Commitments	Current 16,350 Non-Current 6,823 <u>23,173</u>	16,358 23,173 <u>39,531</u>

Note 9: Contingent Liabilities

At balance date there were no known contingent liabilities (2017: \$nil).

Note 10: Related Party transactions

<u>Description of relationship</u>	<u>Description of transaction</u>	2018	2017
Transactions with trustees	Trustees were paid salaries for services rendered:		
	- Selina Marsh	300	2,651
	- Gavin Bishop	230	-
	Total related party transactions	<u>530</u>	<u>2,651</u>

There are no amounts due from or to related parties at balance date (2017: \$nil).

Note 11: Events after balance date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (2017: \$nil).

Note 12: Other disclosures

Goods and services provided to the trust in kind

The NZ Book Council does not use volunteers or donated goods and services (2017: nil)

Assets used as security for liabilities

No assets have been used as security for liabilities at reporting date (2017: \$nil).

Sponsor Acknowledgements

