



NEW ZEALAND BOOK COUNCIL

Te Kaunihera Pukapuka o Aotearoa

ANNUAL REPORT 2012

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Chair's Report

Kia ora tātou

Shortly after I became Chair of the Book Council in early 2010, I asked our wise and inspirational President of Honour, Dame Fiona Kidman, for her summary of the Book Council's reason for being.

As usual, Fiona's response was concise and incisive: "The New Zealand Book Council's passion has always been books and those who create and read them, along with a deep belief in a literate society."

In 2012, the Book Council continued to deliver on that purpose – through a number of initiatives, including:

- Our long-running *Writers in Schools* programme, which saw over 200 visits to New Zealand schools, involving over 60 writers and reaching more than 40,000 students. Thirteen percent of those school visits were to lower decile schools.
- Over the last twelve months, we carried on our work to inform, provoke and inspire discussion about books, writers and reading, resulting in 208,000 visits to our website (www.bookcouncil.org.nz), 2,500 subscribers to our monthly newsletter, tens of thousands of readers from 89 countries viewing our

unique online biographies of more than 500 New Zealand writers and 1,800 people following the Book Council on Twitter.

- We also, in association with Creative New Zealand, administered the International Festival Travel Fund, which helped nine New Zealand writers reach international audiences at key literary festivals around the world.
- We played an integral part in planning and promoting the highly successful nz@frankfurt initiative and, along with all New Zealanders, celebrated the wonderful opportunity provided by New Zealand's Guest Country of Honour status at the Frankfurt Book Fair, the world's largest trade show, to promote New Zealand writers and writing.
- We continued to run innovative events, finding ways to connect New Zealanders with writers and literature through our two successful series – True Stories Told Live and *Speed-Date an Author*.

In the middle of a very busy year, we said a sad farewell to Noel Murphy, who had been our Chief Executive since 2007. Noel left us to take up a terrific role in the

United Kingdom as the sales and marketing director at Yale University Press. He made a massive contribution to the Book Council and, on behalf of the Board, I thank Noel for his hard work and unstintingly positive and collegial approach.

Catriona Ferguson joined us in August 2012 as our new Chief Executive. She was an outstanding candidate from a large number of high-quality applicants for the role. Catriona brings to the role a deep understanding of, experience in, and passion for, books, writing and literature – especially New Zealand literature – with her previous roles being the arts adviser (literature) for Creative New Zealand and positions in the UK with the British Council, local authorities and book retailers. Catriona has made an enormous impact since taking up the Chief Executive role, and the Book Council, under her leadership, has made even more significant progress in a few short months.

A priority for the Board has been getting the Book Council's financial situation into a more robust and sustainable state. After a \$41,235 deficit in 2011, I am pleased to report that the Book Council made a surplus of \$22,000 in 2012. We are on track to deliver an even more improved surplus in 2013. Importantly, our

historic working capital deficit is reducing rapidly and, all going well, will be almost eliminated at the end of 2013 – which is a significant achievement.

In 2012, we continued to widen the Board so that we can fulfil our mandate as an Arts Leadership Organisation within Creative New Zealand's Toi Totara Haemata Programme: "Delivery of an integrated programme of activity that works in partnership with publishers and other organisations and institutions to promote the reading and writing of high-quality New Zealand literature". We welcomed to the Board academic and writer Dr Selina Tusitala Marsh, lawyer and Chair of Play Market Andrew Caisley, and arts patron and Chair of the 2013 Venice Biennale Patrons Dayle Mace.

It is with great regret that five faithful servants on the Book Council Board will be stepping down at the 2013 AGM: Jenny Pattrick, Margaret Thompson, Dayle Mace, Peter Quin and Paul Diamond. I thank them for their enthusiastic and indefatigable work for the Book Council.

I express my appreciation to the following prospective Board members who have put themselves forward to be nominated at the 2013 AGM: publisher Robyn Bargh, renowned

writers Paora Tibble and Gavin Bishop, and business executives and literature lovers, Brian Steele and Mark Fairey. I look forward welcoming them officially to the Board.

In conclusion, I want to thank all Board members, particularly Deputy Chair Lincoln Gould, and President of Honour Dame Fiona Kidman, Book Council staff – and supporters, partners and friends of the Book Council, especially our major funder, Creative New Zealand. We are sincerely grateful to the staff of Creative New Zealand for their long-standing collegiality and commitment to the New Zealand Book Council and its work.

Nga mihi, na

Peter Biggs

Chair, New Zealand Book Council

Chief Executive's Report

Kia ora tātou

Two weeks after I became the new CEO of the Book Council, I was in Frankfurt, tromping the halls of the world's largest book fair. I marvelled at the throngs of writers, publishers, bureaucrats and agents from all over the planet who had come together for a monumental demonstration of humanity's love of the written word (and wished I'd thought to hire a golf buggy to get myself around the insanely huge venue).

It was thrilling to see the queues snaking around the entrance to the New Zealand Pavillion and hear the buzz and enthusiasm for New Zealand literature throughout the halls. That week in Frankfurt, where New Zealand shone as the international guest of honour, was just the beginning of an exciting – if at times intimidating – crash course in my new role, which I began that September after the departure of Noel Murphy to take up the role of sales and marketing director at Yale University Press.

Although I was with the Book Council for just the final three months of the year, it is clear to me that 2012 was a big one. We partnered Creative New Zealand in the first year of their new funding programme – Toi Totara Haemata and have put into place

plans for some great new initiatives, including taking our literary magazine *Booknotes* online, scoping out new partnerships and looking at how we can do what we already do really well, even better.

And we put in another solid year of work on *Writers in Schools* – a programme that remains at the heart of what the Book Council is about: encouraging Kiwis to enjoy books and reading as well as helping to produce a new generation of New Zealand writers. The programme has been inspiring children for almost 40 years and continues to go from strength to strength. That is a testament to the skill and energy of the 60-plus writers who travelled up and down the country in 2012, inspiring and encouraging children, as well as the schools who remain committed to ensuring that New Zealand books and writers are a vital part of their curriculum.

We are also committed to ensuring that New Zealand stories are heard at home and overseas. Our comprehensive website continues to offer information on New Zealand writing and writers, and we're commissioning more high-quality, unique New Zealand content for our blog and newsletter. But we do still love

the printed word, so look out for news of exciting developments in that area.

And of course it was all go with our other programmes too, including True Stories Told Live, administering the CNZ/NZBC International Festival Travel Fund, and ensuring that we worked across the sector with key partners such as Booksellers New Zealand, the Publishers Association of New Zealand and the New Zealand Society of Authors.

The credit for all of our achievements in 2012 goes to the previous Chief Executive, Noel Murphy and the fabulous Book Council team: Susanna Andrew; Bianca Cornford; Sarah Forster; Marie Hodgkinson; Emma Gallagher; Nadya Kooznetzoff; Rachel O'Neill and Stephanie Soper. I would like to pay tribute to the talent, commitment, good humour and energy of all the team who are devoted to spreading the word about New Zealand books, writers and writing at every opportunity.

These are extraordinary times for anyone who reads or writes, or makes a crust from words and stories. As many commentators have noted, not since the advent of Gutenberg's press in 15th century Europe, has the means of distribution of information changed so fast.

From eBooks to online fan fiction, from iPads in primary schools to short stories on Twitter the very definition of the book is changing.

But the Book Council is prepared for a wild ride. We're in good heart and we remain true to our vision: a New Zealand where everyone's lives and communities are enriched and positively changed through reading and unfettered access to books.

Catriona Ferguson

Chief Executive, New Zealand Book Council

New Zealand Book Council Incorporated

for 12 months ended 31 December 2012

	notes	2012 \$	2011 \$
Income			
Subscriptions & donations	3	63,532	95,854
Grants	1	394,299	368,293
Interest	4	50	14
All other income	2	52,009	37,666
Total Income		<u>509,890</u>	<u>501,827</u>
Expenditure			
Administration			
Council		2,690	7,396
Professional		17,255	15,450
Audit fee		6,250	6,428
Office		34,108	23,105
Depreciation		33,119	35,903
Staffing		239,741	227,759
Occupancy		22,025	24,730
Booknotes		17,998	36,684
Subscription Mag		2	10,839
Friends Support		8,468	6,416
Total Expenditure		<u>381,656</u>	<u>394,710</u>
Projects			
Education		86,194	117,132
(MTA)		2,684	289
International Writers		17,349	30,931
		<u>106,227</u>	<u>148,352</u>
Total Expenditure		<u>487,883</u>	<u>543,062</u>
2011 Surplus / -Deficit for the year		<u>22,007</u>	<u>-41,235</u>

Alvin
7/5/13

Pete
7/5/13

New Zealand Book Council Incorporated

As at 31 December 2012

	notes	2012 \$	2011 \$
Members Equity		-1,537	-23,544
Current Assets			
Bank Balance		12,765	0
Accounts receivable		1,780	2,471
Accrued revenue		25,000	50,000
Prepaid expenses		594	2,767
		<u>40,139</u>	<u>55,238</u>
Current Liabilities			
Bank balances		0	26,318
Long Term Liabilities Current		6,924	6,593
Accounts payable		16,190	36,641
Revenue received in advance		49,795	57,630
Goods & services tax		17,357	25,435
		<u>90,266</u>	<u>152,617</u>
Net Current Assets		<u>-50,127</u>	<u>-97,379</u>
Non Current Liabilities			
Long Term Liabilities Non Current		4,201	11,125
Non Current Assets			
Office Equipment & Software	6	52,791	84,960
Net Assets		<u>-1,537</u>	<u>-23,544</u>

Alini *Peter*
7/5/13 7/5/13

New Zealand Book Council Incorporated

as at 31 December 2012

	2012	2011
	\$	\$
Net Surplus/Loss (For the year)	22,007	-41,235
Equity at the Beginning of the Year	-23,544	17,691
Equity at End of the Year	<u>-1,537</u>	<u>-23,544</u>

The notes to the financial statements form part of this statement

Melanie Petal
7/5/13 21/5/13

New Zealand Book Council (Inc)

Notes to the Financial Statements

For the year ended 31 December 2012

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

NZBC has a tax exempt certificate issued by Inland Revenue.

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.

Changes in Accounting Policies

Grants received have been recognised as income in the period they become receivable to the extent that the requirements of the grant are fulfilled at balance day.

The reason for this change is to recognise the income earned by the Council where there are no requirements attached to grants or to the extent that those requirements have been fulfilled.

The effect of this change is that opening equity in the 2011 Statement of Financial Position increases by \$63,428, Accrued Revenue in the 2011 Statement of Financial Position decreases by \$50,000 and Grant Revenue in the 2011 Income Statement decreases by \$13,428. As a result net Surplus for 2011 decreases by \$13,428. In the 2012 Statement of Financial Position, Grants in Advance has decreased by \$25,000 and Accrued Revenue has increased by \$25,000. As a result net Surplus for 2012 has increased by \$50,000.

Balwin
7/5/13

Petals
7/5/13

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.)

Funding body	2012	2011
Creative NZ	295,999	245,486
ASB Community Trust	50,000	50,000
Learning Media	-	-
Lion Foundation	13,500	15,000
Ministry of Education	0	20,334
NZ Booksellers Association	23,000	23,000
NZ Community Trust	0	680
Sundry grants	<u>11,800</u>	<u>13,793</u>
	394,299	368,293

2) Other Income	2012	2011
Source		
Ticket sales for public events	3,870	1,270
Sales of posters	1,110	766
Services to NZ Books	4,953	11,686
Website revenue	3,203	500
School contributions to writers visits	21,507	17,822
Cost recovery NZ post tour	0	687
Miscellaneous	<u>17,366</u>	<u>4,935</u>
	52,009	37,666

3) Membership Income	2012	2011
Source		
Membership income	58,763	83,883
Donation	<u>4,769</u>	<u>11,971</u>
	63,532	95,854

4) Interest Income	2012	2011
	50	14

Alvin *Peter*
7/5/13 7/5/13

5) Operating lease commitments

	2012	2011
Current Lease	21,100	21,100
	<u>21,100</u>	<u>21,100</u>
Non Current Lease	72,092	93,192
	<u>72,092</u>	<u>93,192</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 53 months remaining,

6) Office equipment and software

	2012	2011
Cost - opening balance	195,469	156,030
Cost - additions	951	39,439
Cost - deletions	-	-
Cost - closing balance	<u>196,420</u>	<u>195,469</u>
Depreciation -opening balance	110,510	75,829
Depreciation -charge for period	33,119	34,681
Depreciation -deletions	-	-
Depreciation -closing balance	<u>143,629</u>	<u>110,510</u>
Book value at year end	<u>52,791</u>	<u>84,960</u>

7) Contingent Liabilities

The New Zealand Book Council has no funds allocated for contingent liabilities.

8) Fundamental Uncertainty-Going Concern

As stated in the Goring Concern note 1 of the financial statements, NZ Book Council Inc. recorded a deficiency in working capital of \$50,127 as at 31 December 2012. The financial statements have been prepared on a going concern basis, the validity of which depends on NZ Book Council Inc. Achieving its business plans in respect of profitability and cash flows which the New Zealand Book Council believes it will achieve.

Blair
7/5/13

Peter
7/5/13