



NEW ZEALAND BOOK COUNCIL

Te Kaunihera Pukapuka o Aotearoa

ANNUAL REPORT

2015

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Chair's Report

Kia ora tātou,

For me, one of the highlights of the past year was the visit to New Zealand in April 2016, organised by the New Zealand Book Council, of the British reading and social justice entrepreneur, Miranda McKearney OBE. We began organising this visit in mid-2015.

Miranda, who founded the Reading Agency in the UK, spoke at a series of events and meetings in Auckland and Wellington about how books and reading enable individuals to participate fully in social, economic and cultural life. Interviewed on RNZ's Saturday Morning programme, Miranda said that reading for pleasure is the most effective "poverty-busting" mechanism around. Research conducted in 2013 showed that reading in children speeds up their cognitive development markedly, and that reading for pleasure is more important for a person's life progress than their parents' socio-economic background and level of education. Further, neuroscience research confirmed that reading a novel and identifying with a character in the book, significantly enhances a child's development of empathy in real life.

These facts fuel the New Zealand Book Council's purpose – which is to be this country's leading agitation and advocacy organisation, promoting the benefits of reading for pleasure – in particular, reading the extraordinarily stimulating work of New Zealand writers. It is our firm belief that reading changes lives.

This is why 500 schools participate in our *Writers in Schools* programme enabling thousands of New Zealand school kids – one third of whom are from low-decile schools – to experience personally over 100 New Zealand writers. This is why we launched an extended *Writers in Residency* programme in five Ōtāhuhu schools. This is why we are developing a "creating readers" strategy, in partnership with other key organisations in the sector. This is why we collaborated with a broad range of organisations in 2015 – including libraries, galleries and festivals – to deliver events, activities and joint initiatives. This is why we curate and offer New Zealand's most comprehensive collection of information about New Zealand writers online through our Writers Files. And this is why we do so much more to get New Zealanders reading, and promote New Zealand writers and writing.

To carry out all of this activity requires exemplary leadership and team work. I'd like to thank Chief Executive, Catriona Ferguson, and her wonderful team for all of their hard work and dedication.

I'd also like to thank our generous and diligent Board members – who comprise representatives across the literary sector: Lincoln Gould (Deputy Chair), Gavin Bishop, Linda Clark, Mark Fairey, Liz Knowles, Selina Tusitala Marsh, Julia Marshall, Brian Steele and Paora Tibble.

We are grateful too to our supporters and funders – especially Creative New Zealand.

After Michelangelo died, someone found in his studio a piece of paper on which he had written a note to his apprentice, in the handwriting of his old age: "Draw, Antonio, draw, Antonio, draw and do not waste time".

As we move deeper into this century, the New Zealand Book Council's exhortation to all New Zealanders is: "Read, read, read – and do not waste time".

Ngā mihi nui

Peter Biggs

Chair

New Zealand Book Council

Chief Executive Report

At the Book Council we know reading changes lives. We know people who read for pleasure are better placed to contribute to society, that reading novels boosts empathy and that children who enjoy reading will have better social and economic outcomes.

Each year, as New Zealand's leading national organisation dedicated to reading and readers, we are committed not only to spreading this good news, but to delivering programmes and initiatives that directly support a well-read society.

We do this with a small and passionate team, and I would like to take this opportunity to acknowledge the people behind the scenes who made it all happen: Lynette Hartgill led our work in schools during 2015; Joy Sellen supported our members and took on the challenging task of administering the New Zealand Book Awards for Children and Young Adults; Steph Soper took over as our Marketing and Communications Manager in May when we farewelled our longstanding team member Rachel O'Neill; Bianca Cornford continued to keep us on track in her role as Accounts Manager.

During 2015 we reached thousands of readers around New Zealand with unique programmes that promoted reading, particularly of the words of New Zealand writers. 200 local writers participated in our national programmes – the largest promotion of New Zealand writers anywhere.

Occasionally someone will ask me: 'Oh – the New Zealand Book Council. What does that do?', and I want to say 'How much time do you have?' This is the fourth annual report I've compiled as Chief Executive, and one of the genuine pleasures of the task is that it gives me the space to answer that question in the level of detail it deserves.

And as I look at that detail, it astonishes and delights me once again to reflect on how much we have achieved in just one year.

- **We were in schools**

- Our *Writers in Schools* programme has been running for over 40 years! In that time, we've reached one million students at over 10,000 events.
- Every year, we connect more than 100 New Zealand writers with 40,000 young readers from the inner city to remote rural classrooms at events which feature hundreds of schools. We reach children in rural and low-decile areas, creating unique opportunities for them to meet and be inspired by New Zealand authors and illustrators, often for the first time. *Writers in Schools* is the only national literature education programme that takes writers directly into students' classrooms right around New Zealand. And the feedback we receive is fantastic – from students, writers and teachers!
- We are constantly looking at new and innovative ways of engaging young people in books and reading. In 2015 we launched three new initiatives – our *Skype an Author* programme creating the opportunity for long distance writing workshops to take place, our innovative community programme – the

Ōtāhuhu Writers in Schools Residency Programme, and we launched an online video resource showing writers at work in schools.

- **We were online**

- The *NZBC Writers Files* is the most comprehensive collection of information about New Zealand writers on the web. These files are updated every week. They receive more than 200,000 views around the world per year.
- *Booknotes Unbound* is a vibrant online publishing hub that offers readers the world of books with unique New Zealand content. It gets 2,000 hits a week and our associated newsletter has a 45% open rate – almost double that of most arts and not for profit organisations.
- We launched *Talking Books* – our podcast series discussing new books and issues in the world of Kiwi books and reading. It is the only podcast series dedicated to New Zealand books and authors and has a growing audience.
- Updated daily, our news blog brings you literary news, events, and opportunities from all around the country!
- *The School Library* is our children's book review blog, bringing schools, libraries, parents and teachers in touch with the latest New Zealand titles for children, and the writers and illustrators who create them. Reviews are done by librarians and teachers from our school members.
- Our Reading Noticeboard allows readers to find book groups in their area. They have the ability to create their own group, or put a message up to become part of a group

- **We hit the road**

- *True Stories Told Live* was delivered in four separate events across the country. An array of writers delivered stories that enraptured and entranced hundreds of people.
- *Murder in the Library* – we supported events that profiled the country's crime writing award – the Ngaio Marsh Award for Best Crime Novel. Events took place from Auckland to Dunedin and profiled some of New Zealand's finest crime writers.
- Witi Ihimaera challenged our writers to be bolder and braver in his 2015 New Zealand Book Council Lecture – *Where is New Zealand Literature Heading?* Organised in partnership with the Dunedin Writers and Readers Festival, the lecture was then made available to Book Council members everywhere.
- We resurrected Words on Wheels in a partnership with the Wanaka Festival of Colour. Five leading New Zealand writers took part in WoW 2015. They threw themselves into a hectic schedule of daily workshops, readings and talks in schools, libraries and more in Wanaka, Queenstown, Cromwell and Hawea.

- **We supported the sector**

- We delivered the International Travel Fund in partnership with Creative New Zealand, making it possible for 16 writers to attend seven international festivals.
- We continued to use our resources and knowledge to support the distribution and marketing of *New Zealand Books* – the literary quarterly devoted to reviewing our local writing talent.
- We began work on managing the 2016 New Zealand Book Awards for Children and Young Adults, an exciting new project for us.
- We supported the Guest of Honour Programme at the Taipei Book Fair and the graphic novel that was created as part of that initiative – *Island to Island*.
- We launched the Sector Steering Group – a group of the great and the good from the literature sector, which we hope will encourage collaborations and partnerships.

A final but crucial highlight of 2015 was the success of our application to Creative New Zealand to continue to deliver the Totara role for literature. This is an important and gratifying vote of confidence from our principal funder, and a clear reassertion of the Book Council's continuing role as New Zealand's leading literature organisation. It also guarantees the core funding that underpins our activities well into 2018 – always a very pleasing state of affairs for a small, non-profit organisation that wrings value out of every dollar it receives from state funds and charitable donations.

Applications to Creative New Zealand for Totara status within an arts sector come around regularly, and are much more than a box-ticking exercise by the usual suspects. It's a contestable status. We contested it, and we succeeded.

Like many others, the literature sector is faced with tumultuous change as a result of galloping technological advances, and the commercial and structural transformations that follow in their wake. Publishing is changing. Arts funding is changing. The way writers communicate with their audiences is changing, and vice versa. Amid the tumult, the Book Council is moving with the times, but we're never taking our eye off the main prize – the transformation of lives through reading, and the support of our local writers to reach those readers. As the literature sector's Totara organisation, we're well placed, and very proud, to carry on doing precisely that.

New Zealand Book Council Incorporated

for 12 months ended 31 December 2015

| | notes | 2015 \$ | 2014 \$ |
|---------------------------------|-------|----------------|----------------|
| Income | | | |
| Subscriptions & donations | 3 | 97,152 | 93,298 |
| Grants | 1 | 433,640 | 388,816 |
| Interest | 4 | 1,552 | 633 |
| All other income | 2 | 26,061 | 28,019 |
| Total Income | | <u>558,405</u> | <u>510,766</u> |
| Expenditure | | | |
| Administration | | | |
| Council | | 8,205 | 8,159 |
| Professional | | 14,460 | 14,130 |
| Audit fee | | 6,620 | 6,270 |
| Office | | 64,346 | 37,283 |
| Depreciation & Amortisation | 6 | 9,090 | 17,260 |
| Staffing | | 270,999 | 259,142 |
| Occupancy | | 25,027 | 24,412 |
| Booknotes | | 17,009 | 18,937 |
| Friends Support | | 39,557 | 36,025 |
| Total Expenditure | | <u>455,313</u> | <u>421,618</u> |
| Projects | | | |
| Education | | 78,480 | 67,372 |
| International Writers | | 23,521 | 13,791 |
| | | <u>102,001</u> | <u>81,163</u> |
| Total Expenditure | | <u>557,314</u> | <u>502,781</u> |
| Net Surplus for the year | | <u>1,091</u> | <u>7,985</u> |



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New Zealand Book Council Incorporated

As at 31 December 2015

| | notes | 2015 \$ | 2014 \$ |
|---|-------|----------------|----------------|
| Members Equity | | 36,639 | 31,549 |
| Current Assets | | | |
| Bank Balance | | 53,418 | 59,241 |
| Accounts receivable | | 12,880 | 27,684 |
| Accrued revenue | | 25,000 | 27,285 |
| Prepaid expenses | | 8,706 | 3,902 |
| | | <u>100,004</u> | <u>118,112</u> |
| Current Liabilities | | | |
| Payables and Accruals | | 18,239 | 25,208 |
| Revenue received in advance | | 33,086 | 52,752 |
| Goods & services tax | | 15,068 | 15,541 |
| | | <u>66,393</u> | <u>93,501</u> |
| Net Current Assets | | <u>33,611</u> | <u>24,611</u> |
| Non Current Liabilities | | | |
| Non Current Assets | | | |
| Office Equipment & Software & Intangibles | 6 | 3,028 | 10,937 |
| Net Assets | | <u>36,639</u> | <u>35,548</u> |




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New Zealand Book Council Incorporated

For the year ended
31 December 2015

| | 2015 \$ | 2014 \$ |
|-------------------------------------|---------------|---------------|
| Net Surplus for the year | 1,091 | 7,985 |
| Equity at the Beginning of the Year | 35,548 | 27,563 |
| Equity at End of the Year | <u>36,639</u> | <u>35,548</u> |

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New Zealand Book Council (Inc)

Notes to the Financial Statements

For the year ended 31 December 2015

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, 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 & Intangibles

All items are valued at cost less depreciation. The rate of depreciation applied is 20% on cost to all items until fully depreciated. They are depreciated on a straight line basis.

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

The accounting policies are consistent with those used in the prior year.
The NZ Book Council moved to Xero on 1 January 2016.



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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.)

| | 2015 | 2014 |
|----------------------------|----------------|----------------|
| Creative NZ | 297,250 | 281,000 |
| ASB Community Trust | 50,000 | 50,000 |
| Lion Foundation | 10,000 | 12,000 |
| UNESCO | 10,090 | 0 |
| Pub Charity | 10,000 | 5000 |
| NZ Booksellers Association | 23,000 | 23,000 |
| | | |
| Book Award | 12,000 | 0 |
| Four winds | 6,500 | 0 |
| The Lou and Irish Fishers | 5,000 | 0 |
| Sundry grants | 9,800 | 17,816 |
| | <u>433,640</u> | <u>388,816</u> |

2) Other Income

| | 2015 | 2014 |
|--|---------------|---------------|
| Ticket sales for public events | -119 | 0 |
| Sales of posters | 246 | 514 |
| Services to NZ Books | 8,217 | 7,826 |
| Website revenue | 1,998 | 2,360 |
| School contributions to writers visits | 0 | 0 |
| Cost recovery NZ post tour | 0 | 0 |
| PANZ | 0 | 13,000 |
| Graphic Novelist | 5,579 | 0 |
| Miscellaneous | 10,141 | 4,319 |
| | <u>26,061</u> | <u>28,019</u> |

3) Membership Income

| Source | 2015 | 2014 |
|-------------------|---------------|---------------|
| Membership income | 52,003 | 44,878 |
| Donation | 45,149 | 48,420 |
| | <u>97,152</u> | <u>93,298</u> |

4) Interest Income

| | 2015 | 2014 |
|--|-------|------|
| | 1,552 | 633 |

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The notes to the financial statements form part of this statement



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5) Operating lease commitments

| | 2015 | 2014 |
|-------------------|---------------|---------------|
| Current Lease | <u>21,659</u> | <u>21,100</u> |
| | 21,659 | 21,100 |
| Non Current Lease | <u>9,080</u> | <u>29,891</u> |
| | 9,080 | 29,891 |

Lease: We moved to new premises at the end of May 2011. Our annual rental (reviewed in March 2015) is 21,793 (GST exclusive). The lease has a 6 Year term from 29th May 2011, there are currently 5 months remaining.

6) Office equipment, software & Intangibles

| | 2015 | 2014 |
|-------------------------------|--------------|---------------|
| Cost -Opening Balance | 195,422 | 193,339 |
| Fixed Assets | 89,824 | 87,741 |
| Intangible Assets | 105,598 | 105,598 |
| Cost - additions | <u>1,181</u> | <u>2,083</u> |
| Cost - closing balance | 196,603 | 195,422 |
| Depreciation -opening balance | 184,485 | 167,224 |
| Depreciation -Fixed Assets | 4,690 | 5,519 |
| Amortization | <u>4,400</u> | <u>11,742</u> |
| Depreciation -closing balance | 9,090 | 184,485 |
| Book value at year end | <u>3,027</u> | <u>10,937</u> |

7) Contingent Liabilities

The New Zealand Book Council has no contingent liabilities as at 31 December 2015 (2014: nil)

Related Party Transactions

Peter Biggs, the Chairperson made donations to the Council totaling \$22,400 during the year. \$12,000 of this was receivable at year end.

There were no other related party transactions during the year (2014: nil)

Subsequent Events

There were no subsequent events during the year.



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Independent auditor's report

To the Members of New Zealand Book Council Incorporated

We have audited the financial statements of New Zealand Book Council Incorporated on pages 1 to 6, which comprise the statement of financial position as at 31 December 2015, statement of financial performance and statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Members, in accordance with the Incorporated Societies Act 1908 and New Zealand Book Council Incorporated's Rules. Our audit has been undertaken so that we might state to the Members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members for our audit work, for this report, or for the opinions we have formed.

The responsibility of the Executive Council for the financial statements

The Executive Council are responsible on behalf of the entity for the preparation and fair presentation of financial statements in accordance with New Zealand Financial Reporting Standards issued in New Zealand by the New Zealand Accounting Standards Board, and for such internal control as the Executive Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than our capacity as auditor we have no relationship with, or interests in, New Zealand Book Council Incorporated.

Unqualified Opinion on Financial Position and Financial Performance

In our opinion the financial statements on pages 1 to 6 present fairly, in all material respects, the financial position of New Zealand Book Council Incorporated as at 31 December 2015 and its financial performance for the year then ended.

Other Matter

The financial statements of the prior period were audited by the predecessor audit firm; An unmodified audit report was issued. That audit report was issued by the predecessor audit firm on 25 March 2015.

Moore Stephens Wellington Audit

Moore Stephens Wellington Audit | Chartered Accountants, Wellington, New Zealand
13 April 2016