

NEW ZEALAND BOOK COUNCIL

Annual Report

2017

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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.

It's been another big year for the New Zealand literary sector – and for the New Zealand Book Council.

One of the highlights of 2017 was Unity Books celebrating 50 years of bookselling. They produced a wonderful little book – which comprises excerpts by authors and booksellers over half a century of trading, including James Brown, Nigel Cox, Hera Lindsay Bird, Louise Wrightson, Anna Livesey, Damian Skinner and others. There's also a poem in there from one of my favourite poets, Jenny Bornholdt. It's called "A Long Way from Home" which is in her volume of poetry "*The Rocky Shore*". Part of it goes:

Yes. I slide and remember reading. How, as a child, books were the lens through which I eyed the muddy track to adulthood.

Research undertaken by the Book Council last year found that we are a nation that has very happily made the slide into reading – on average, Kiwis devour 20.6 books per year, including at

least one book by a New Zealand author. While this is incredibly positive, the survey also found that almost half a million Kiwis are not reading – which means that they are missing out on the positive effect that reading brings to people's lives and communities.

There has been significant international research which shows that reading is the most effective poverty buster around. The OECD considers reading for pleasure to be the most important indicator of the future success of a child. In fact, research indicates that parental involvement in their child's reading and literacy is a more powerful influence on their child's future than other family background variables, such as social class, family size and level of parental education.

The lack of a reading culture in a family or community leads to disadvantage and risky behaviour – including truancy, exclusion from school, reduced employment opportunities, increased health risks and a greatly increased risk of involvement in crime later on in life. For example, in New Zealand prisons, a recent screening for literacy and numeracy skills indicated that up to 90 per cent of prisoners

Chair Report



may have literacy skills below those needed to participate fully in a knowledge society. This is why the New Zealand Book Council seeks to grow a nation of readers, leading to social, cultural and economic well-being.

Our message is that investing in promoting and advocating a national reading culture among all New Zealanders will result in a better country for us all.

In particular, we do this through our advocacy efforts for reading and New Zealand books and writers and through our highly successful programmes, including our acclaimed *Writers in Schools* programme, our programmes with our partners – including *Writers in Communities*, and the highly successful #readtosucceed campaign.

In the years ahead, we plan to expand and intensify our efforts to grow a nation of readers which will result in greater well-being for individual Kiwis in their communities.

I'd like to thank my colleagues on the Book Council Board – Juliet Blyth, Brian Steele, Selina Tusitala Marsh, Paora Tibble, Julia Marshall, Mark Fairey,

Gavin Bishop, Linda Clark and Peter Vial – for their hard work and commitment over the last year. I'd also like to thank Fran Ricketts who left the Board at the beginning of 2018.

As well, my thanks go to our CEO, Jo Cribb and her indefatigable team at the Book Council. We are very grateful to all those organisations and individuals who support the work of the Book Council, especially our major funder, Creative New Zealand.

Ngā mihi nui



Peter Biggs CNZM
Chair: New Zealand Book Council

Chief Executive's Report



The mantra of *growing a nation of readers* has driven us this year. As an organisation we have become increasingly focused on how we can achieve our mission.

To grow a nation of readers, we need to ensure that *all children read for pleasure*. This is the first outcome we have focused on. The main strategy we use to achieve this aim is through delivering our Writers in Schools programme.

Evaluations and feedback from schools show that the programme is effective in inspiring children to read, to read more and to write their own stories.

We delivered more Writers in Schools programmes than ever to a diverse range of children and young people. We widely advertised our programme through the Education Gazette and worked in partnership with alternative education providers (including Oranga Tamariki) to ensure more children and young people

were able to experience working with a writer. With the Ministry of Education, we provided professional development sessions for our writers to support them to share best practice in supporting literacy and reading development in the classroom.

Working with clusters of schools in Otahuhu, Northland and South Wairapapa, we delivered *Writers in Communities*. Over a number of sessions, writers worked with students to prepare books. The pride on the children's faces as they read from their own published books is something truly special.

To grow a nation of readers, we also need to *ensure all adults read for pleasure*. This is the second outcome we focused on. Looking at the data about who is least likely read for pleasure, we can identify boys and young men, in particular Māori and Pacific boys and young men, and those from lower socio-economic

Chief Executive's Report



communities. This is where we focused. Working in partnership with the Duffy Books in Schools and the National Library, we ran co-design workshops with thirty Year 7 and 8 boys from South Auckland schools.

We asked them what they really think about reading and what would encourage them to read more. As a result we have started work on innovative on-line solutions and an 'audit' of books by the boys.

Finally, to grow a nation of readers, we need *more New Zealanders to read more*. This is the third outcome we focused on. Our reading research launch in August 2017 showed that more than 400 000 New Zealanders did not read a book that year. Using this as a basis, we initiated a number of media articles to share this statistic. We also ran the successful #readtosucceed campaign where we invited prominent New

Zealanders to share their views about why reading is important to them. Our reach on Facebook was over a quarter of a million. Those who provided video clips included Prime Minister Ardern, Nigel Latta, Hilary Barry and Jayden from Shortland Street.

2017 also saw a change of personnel at the Book Council. Kathryn Carmody has continued to do superb work as our Programme Manager.

But early in the year we farewelled Catriona Fergusson (Chief Executive) and later in the year Stephanie Soper (our Communications Manager), Joy Sellen (our Administrator) and Bianca Cornford (our Accountant). We used this opportunity to re-think our internal capacity, with new team members joining us early in 2018.

The work we achieved this year was only possible to the support and partnership from a number of

Chief Executive's Report



organisations including (but in no way limited to) Creative New Zealand, Duffy Books in Schools, the National Library, and Booksellers New Zealand. We are lucky to have a Sector Steering Group that actively contributed their ideas and support to our work and we are grateful for their contribution.

Likewise, the work of the Book Council team is expertly supported by our Council. I would like to acknowledge the passionate and wise support we received from Peter Biggs and his Board.

"Reading and writing, like everything else, improve with practice. And, of course, if there are no young readers and writers, there will shortly be no older ones. Literacy will be dead, and democracy - which many believe goes hand in hand with it - will be dead as well."

Margaret Atwood



Jo Cribb
Chief Executive

Sponsor Acknowledgements



New Zealand Book Council

Performance Report

31 December 2017

New Zealand Book Council Performance Report Contents For the year ended 31 December 2017

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New Zealand Book Council Entity Information For the year ended 31 December 2017

Legal name of entity

New Zealand Book Council

Type of entity and legal basis

Incorporated as a Charitable Trust under the Charitable Trusts Act 1957
Registered as a Charity (registration number CC10844) under the Charities Act 2005

Entity's purpose or mission statement

Vision: Grow a Nation of Readers

Mission: More New Zealanders Reading More

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.

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
Board Member	Gavin Bishop
Board Member	Brian Steele
Board Member	Julia Marshall
Board Member	Paora Tibble
Board Member	Linda Clark
Board Member	Juliet Blyth
Board Member	Peter Vial - started November 2017
Board Member	Selina Tusitala Marsh
Board Member	Fran Ricketts - resigned September 2017

The Finance and Audit committee is made up of the Chair of the Audit and Risk Committee and 2 board members

Main sources of cash & resources

The trust receives cash or resources from:

- Grants
- Membership

Main methods used by the entity to raise funds

The Board and Chief Executive are largely responsible for fundraising. This involves occasional events for supporters (usually two to three) annually along with funding applications to trusts and foundations, networking with potential donors, donors and 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 and services.

**New Zealand Book Council
Entity Information
For the year ended 31 December 2017**

Additional information

Independent Auditor	Moore Stephens Wellington Audit Wellington
Banker	ANZ Bank Auckland

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-18970047327
Twitter	https://twitter.com/nzbookcouncil
Phone	04 801 5546

STATEMENT OF SERVICE PERFORMANCE - 2017

Vision: Grow a Nation of Readers
Mission: More New Zealanders Reading More
Our focus is on developing initiatives and programmes which get more New Zealanders reading more and help to increase the readership for our local Kiwi writers.

Outputs	Measure	2017 achievement
<p>Foster a love of reading and writing</p> <p>- among the public and within educational settings</p>	<p>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 NZ Book Council arrangements, 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 goals - One new programme created based on research we have undertaken or in response to needs of sector 	<ul style="list-style-type: none"> - 96% of schools stated that arrangements for their Writers in Schools visit was excellent or very good. - 96% of schools stated that the writer/illustrator preparation for the visit was excellent or very good. - 96% of schools stated that the overall experience of the Writers in Schools programme was excellent or very good. - 99% of authors said that the NZ Book Council arrangements for the visit were either excellent or very good. - 92% of authors also said that the involvement from teachers was either excellent or very good. - 99% of authors said that the students' response was either excellent or very good and 95% of authors said that their overall experience was either excellent or very good. <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 8pm news. The feature was also posted as a video on the TV One website and social media. - Stuff.co.nz wrote a feature article based on our reading research, and then did four subsequent articles on Kiwi relationship with books: The benefits of reading, the reasons why Kiwi aren't reading, at how Kiwi are accessing books, and a look to the future with some of the more positive trends in New Zealand reading. - Stuff shared their five articles through their Facebook and Twitter accounts, which received thousands of comments and shares. - Our Marketing Manager was interviewed by Jesse Mulligan on Radio NZ. - Our research was featured on the front page of the Dominion Post Weekend, on NewsTalk ZB, and on the NZ Herald website. - Many of the sector shared the reading research through their online channels, including Bookcellars NZ, Society of Authors, and Copyright Licensing NZ. <p>Complementing 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:</p> <ul style="list-style-type: none"> - Duffy Books in Homes - Arts Access Aotearoa - Oranga Tamariki - 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 piloted 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 resources and increase our audience. During 2017, we supported the Storylines National Festival Story Tour in presenting events for an adult audience in Kerikeri, Auckland, Pannettown North, Fielding, Takaka and Blenheim, and look forward to developing a similarly geographically diverse series of events through our continued partnership in 2018. Working with the Auckland Writers Festival, National Library, Duffy Books in Homes, and Colenso, we have initiated a work programme focused on encouraging boys to keep reading.</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>At the end of the 2017 funding year have increased Twitter and Facebook followers by 10%. Additionally, maintained existing high open rates of 45% for the newsletter.</p> <p>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 2016 figure.</p> <p>In 2017 the e-newsletters click through rates are maintained at 10% and open rates are maintained at 3%.</p> <p>At the end of each funding year at least 75% of attendees of Book Council events provide positive feedback and writing such as: The NZ Book Council Lecture, Tap Stories, Todd 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>The NZ Book Council's social media results for the year end 2017 are as such:</p> <p>Facebook: 3,289 likes in 2016 to 4,400 likes in 2017 - an increase of 33.9%</p> <p>Average reach per day: 2,000</p> <p>Twitter: From 5,266 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 9.3%.</p> <ul style="list-style-type: none"> - 16 NZ Book Scene e-news - 14 Aotearoa Reads 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>Support the New Zealand literary sector through collaborative initiatives and sharing resources, skills and knowledge</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 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% press from literary 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 literary sector organisations surveyed shows the data created on readership and sales of NZ literature with New Zealand is useful.</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. All were keen to participate. A series of well-timed teleconferences have been organised and completed, the purpose of which has been for Sector representatives work collectively to develop the Book Council's advocacy platforms. Feedback and support was provided by sector members for the first advocacy campaign ahead 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 web development to make the whole site searchable.</p> <p>10 organisations responded to our survey about the success of our partnerships. 100% felt that our collaboration was successful. 100% felt that the NZ Book Council was excellent or very good to work with. Five organisations scored us 5 out of 5, and 5 organisations gave the NZ Book Council 4 out of 5 for this.</p> <p>While a formal survey of literary sector organisations and their views of the data and reading research was not completed, we received a wide range of unsolicited 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>

STATEMENT OF SERVICE PERFORMANCE - 2016

Vision: Because Reading Changes Lives

Mission: Aotearoa communities benefiting from the social, economic and health outcomes offered by reading for pleasure

Outcomes: We lead, support, facilitate and deliver programmes and initiatives that build a strong reading-for-pleasure culture in Aotearoa help to increase the readership for our local Kiwi writers.

We deliver 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 Aotearoa literature.

Outputs	Measure	2016 achievement
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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

- Twitter and Facebook followers have grown by 10% and our existing open rates of 40% for the newsletter are maintained.
- Promote NZ writers through www.bookcouncil.org.nz and www.booknotes-unbound.org.nz. Attract 250,000 unique page views across both websites.

In 2016 we had a 19% increase in our Twitter following and an increase of 45% in Facebook likes. The newsletter open rate for 2016 was 45%.

In 2016 we had 299,761 page views across both websites.

Support the New Zealand Literary Sector through collaborative initiatives and sharing resources, skills and knowledge

- Delivered 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.

The Sector Steering Group was established and met twice to increase collaboration and partnership across the sector. Sub-committees of the group were also created to work on specific initiatives. Other partner organisations in 2016 include Marlborough Writers Festival, Word Christchurch, the National Library, IBBY and LIANZ.

Advocate on behalf of readers through a programme of campaigns

- Receive 75% positive feedback through surveys and discussions with key partners on the value of our collaborations and partnerships.

92% of organisations who responded to a survey on the success of their partnership with the Book Council felt that it has been a successful.

Visiting UK advocate Miranda McKearney participated in a campaign to highlight and profile the value of reading for pleasure.

- Undertake qualitative and quantitative research into reading and book-buying habits of New Zealanders.

We ran a series of national focus groups which explored reading habits of New Zealanders. We also conducted qualitative research into library borrowing figures and book sales of New Zealand titles.

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.

- We partnered with the National Library to deliver one 2016 NZ Book Lecture. Feedback on the event was positive from both the partner organisation and those attending. 97 people attended the event.
- We ran 4 True Stories Told Live events in 2016 with an average audience of 133.
- 6 Speed Date an Author events were held with an average attendance of 77 students at each event.
- The programme reached just under 40,000 children in 2016. Feedback was universally positive, with 97% of school rating the overall success of the events as either excellent or good.

New Zealand Book Council
Statement of Financial Performance
For the year ended 31 December 2017

	Note	2017	2016
Revenue			
Donations, fundraising and other similar revenue	1	15,199	39,726
Fees, subscriptions and other revenue from members	1	51,139	48,484
Revenue from providing goods or services	1	478,770	521,753
Interest, dividends and other investment revenue	1	520	440
Total Revenue		<u>545,628</u>	<u>610,403</u>
Expenses			
Expenses related to public fundraising	2	777	1,251
Volunteer and employee related costs	2	302,466	316,594
Costs related to providing goods or services	2	154,258	106,868
Programme delivery costs	2	83,527	122,883
Other expenses	2	10,168	1,376
Total Expenses		<u>551,196</u>	<u>548,972</u>
Surplus/(Deficit) for the year		<u>(5,568)</u>	<u>61,431</u>

New Zealand Book Council
Statement of Financial Position
As at 31 December 2017

	Note	2017	2016
Assets			
Current Assets			
Bank accounts and cash	3	149,915	147,192
Debtors and prepayments	3	5,466	6,750
Total Current Assets		155,381	153,942
Non-Current Assets			
Property, plant and equipment	5	14,866	4,945
Intangibles	5	24,568	30,710
Total Non-Current Assets		39,434	35,655
Total Assets		194,815	189,597
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	35,486	56,337
Employee costs payable	4	12,922	6,722
Unused donations and grants with conditions	4	53,906	28,470
Total Current Liabilities		102,314	91,529
Total Liabilities		102,314	91,529
Total Assets less Total Liabilities (Net Assets)		92,501	98,068
Accumulated Funds			
Capital Contributed by owners or members		98,069	36,638
Accumulated surpluses or (deficits)		(5,568)	61,431
Reserves			
Total Accumulated Funds		92,501	98,068

For and on behalf of the trustees:


Chairperson


Executive Council Member


Chief Executive


Date authorised for issue

MOORE
STEPHENS

New Zealand Book Council
Statement of Cash Flows
For the year ended 31 December 2017

	Note	2017	2016
Cash flows from operating activities			
Cash was received from:			
Donations, fundraising and other similar receipts		15,199	39,726
Fees, subscriptions and other receipts from members		51,140	60,912
Receipts from providing goods or services		478,770	537,503
Interest, dividends and other investment receipts		520	440
GST		5,224	1,821
Total		550,853	640,402
Cash was applied to:			
Payments to suppliers and employees		(452,165)	(389,743)
Payments for Programme delivery		(83,527)	(122,883)
Net cash flows from operating activities		<u>15,161</u>	<u>127,776</u>
Cash flows from investing and financing activities			
Cash was received from:			
		-	-
Cash was applied to:			
Payments to purchase equipment		(12,438)	(3,295)
Payments to purchase intangibles		-	(30,710)
Net cash flows from investing and financing activities		<u>(12,438)</u>	<u>(34,005)</u>
Net increase/(decrease) in cash		2,723	93,771
Opening bank accounts and cash		147,192	53,418
Closing bank accounts and cash		<u>149,915</u>	<u>147,189</u>
This is represented by:			
Bank accounts and cash	3	<u>149,915</u>	<u>147,192</u>

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.

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 & 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 from Donations are recorded when received.

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

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 for 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 Receivable are recorded at net realisable value.

Intangibles

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

Property plant and equipment

Depreciation has been charged in the financials as follows: Furniture : 20%

Office equipment 20%

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

Changes in Accounting Policies

No changes to accounting policies from the prior year.

Change in groupings of revenue items in the comparative figures in the statement of financial performance

Several items from the donations, fundraising and other similar revenue have been regrouped to: revenue from providing goods or services, in the comparative figures.

This has been done to better reflect the nature of these items.

The changes in groupings has no effect on the total revenue nor the remainder of the performance report.

Change in comparatives in the statement of cashflows

A correction to the comparative figures in the statement of cashflows has been made.

This change has no effect on the comparative figures in any other statements or notes of the performance report.

Note 1: Analysis of Revenue		2017	2016
Revenue Item	Analysis		
Donations, fundraising and other similar revenue			
	Donation	15,199	39,726
	Total	15,199	39,726
Fees, subscriptions and other revenue from members			
	Members	10,292	10,763
	Schools	40,848	37,721
	Total	51,140	48,484
Revenue from providing goods or services			
	Creative NZ	365,750	352,250
	Foundation North	21,000 *	60,000
	Lion Foundation	5,000	14,000
	PUB Charity	12,000	15,000
	Book Awards Trust	-	14,864
	Four winds	-	11,500
	Sundry Grants	-	7,507
	Ads Revenue	-	1,160
	CNZ Diversity Project	13,476	-
	Merchandise Sales	-	196
	Book Award admin	14,000	18,000
	BAT income	10,326	2,059
	Community Projects	29,000	17,000
	Peppercorn Press Contract	8,217	8,217
	Total	478,770	521,753
Interest, dividends and other investment revenue			
	Interest Received	520	440
Note 2: Analysis of Expenses			
Expense Item	Analysis		
Expenses related to public fundraising			
	Subscriptions	575	970
	Training	202	281
	Total	777	1,251
Volunteer and employee related costs			
	Salary & Wages	297,834	315,686
	Recruitment	3,710	-
	ACC Levies	922	908
	Total	302,466	316,594
Costs related to providing goods or services			
	Board	5,115	9,045
	Rent	17,359	21,793
	Operating	123,447	68,079
	Auditing fee	8,336	7,951
	Total	154,258	106,868
Programme delivery costs			
	Advocacy and Communication	11,314	22,244
	Research	7,375	20,889
	Sector Collaboration	13,740	13,597
	Sponsorship & Development	3,500	389
	Book Awards tour	-	10,768
	Speed Dates	(99)	617
	Website	8,978	5,561
	Writers in Schools	30,318	40,961
	Writers in Youth Justice	3,400	-
	WOW	5,000	6,048
	Booknotes	-	1,809
	Total	83,527	122,883
Other expenses			
	Depreciation	9,175	1,376
	Sundry	993	-
	Total	9,175	1,376

* In October 2017 Foundation North granted NZ Book Council \$85,000, funding is to be paid in two equal instalments, with one instalment paid 2017 and one to be paid in 2018. The accounting treatment of the grant has changed compared to the treatment of the grant from Foundation North in the prior year, with the total amount to be apportioned over one year, rather than recognised as revenue in one lump sum. This has resulted in only \$21,000 being recognised as revenue in 2017. The balance of \$64,000 will be recognised as revenue in 2018

New Zealand Book Council
Notes to the Performance Report
For the year ended 31 December 2017

Note 3: Analysis of Assets		2017	2016
Asset Item	Analysis		
Bank accounts and cash			
	Book Council Trading	68,867	46,249
	Book Council Joint	-	1,891
	Book Council 02	31,048	99,052
	Book Council Savings	50,000	-
	Total	149,915	147,192
Debtors and prepayments			
	Accounts Receivable	3,094	3,711
	Prepayments	2,372	3,039
	Total	5,466	6,750
Total Current Asset		155,381	153,942
Note 4: Analysis of Liabilities			
Liabilities Item	Analysis		
Creditors and accrued expenses			
	Accounts payable	12,844	39,159
	Book Council Visa	1,741	1,042
	GST payable	20,738	15,514
	Sun Sector Group	-	622
	Peppercorn Press	162	-
	Suspense	-	(2,106)
	Total	35,486	54,231
Unused donations and grants with			
	Grants in advance	26,500	750
	Subscriptions received in advance	27,406	27,720
	Total	53,906	28,470
Employee costs payable			
	Annual Leave accrual	10,037	4,841
	Salary and Wage accrual	2,885	1,881
	Total	12,922	6,722
Total Current Liabilities		102,314	89,423

**Note 5: Property plant and equipment
This Year**

Asset Class		Opening carrying amount	Purchases	Sales/ (Disposals)	Current year depreciation	Closing carrying amount
Just Blind	FA - 001	166	-	-	166	-
Laptop - Programmes	FA - 003	708	-	-	236	472
Ipad / Ipad Mini - Office	FA - 004	1,146	-	-	417	729
Laptop - CE	FA - 009	1,877	-	1,693	184	-
Iphone - Office	FA - 011	1,049	-	-	217	832
Laptop - Comms	FA - 015	-	1,253	-	167	1,086
Laptop - Membership	FA - 016	-	1,200	-	201	999
Monitor - Comms	FA - 017	-	683	-	103	581
Laptop - Finance	FA - 018	-	1,206	-	141	1,065
Workstation	FA - 019	-	7,524	-	878	6,646
Iphone bluetooth (4)	FA - 020	-	726	-	85	642
Cabling/Wireless Access	FA - 021	-	2,053	-	240	1,814
Website (Intangible)		30,710	-	-	6,142	24,568
Total		35,656	14,646	1,693	9,175	39,434

Last Year

Asset Class		Opening carrying amount	Purchases	Sales/ (Disposals)	Current year depreciation	Closing carrying amount
Just Blind		332	-	-	166	166
Laptop - Finance		190	-	-	190	-
Laptop - Programmes		944	-	-	236	708
Ipad / Ipad mini - Office		1,563	-	-	417	1,146
Iphone - CE		-	1,086	-	36	1,049
Laptop - CE		-	2,208	-	331	1,877
Intangibles		-	30,710	-	-	30,710
Total		3,029	34,004	-	1,376	35,656

Significant donated assets recorded - source and date of valuation

No donated assets

Significant donated assets - not recorded

No

Note 6: Changes in Accumulated Funds
This year

Description	Capital Contributed by Owners or Members	Accumulated Surpluses or (Deficits)	Reserves	Total
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	-	-	-	-
	-	92,501	-	92,501

Last year

Description	Capital Contributed by Owners or Members	Accumulated Surpluses or (Deficits)	Reserves	Total
Opening Balance	-	36,638	-	36,638
Capital contributed by owners or members	-	-	-	-
Capital returned to owners or members	-	-	-	-
Surplus/Deficit)	-	61,431	-	61,431
Distributions paid to owners or members	-	-	-	-
Transfer to reserves	-	-	-	-
Transfer from reserves	-	-	-	-
	-	98,069	-	98,069

Note 7: Commitments		2017	2016
Commitment	Explanation and Timing		
Office rent			
	The NZ Book Council moved to 79 Boulcott Street Wellington on 1 June 2017.	Current	16,358
	The lease has a term of 3 years	Non-current	23,173
	Total		39,531
			58,154

Commitment to provide loans or grants

None (Last year: \$nil)

-

Note 8: Contingent Liabilities

At balance date there were no known contingent liabilities (Last year: \$nil)

Note 9: Related Party transactions

Description of relationship	Description of transaction	2017	2016
Transactions with trustees	Gavin Bishop	-	2,455
	Selina Marsh	2,651	3,969
	Total	2,651	6,424

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

Note 10: 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. (Last year: \$nil)

Note 11: Other disclosures

Goods and services provided to the trust in kind

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

Assets used as security for liabilities

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

Independent auditor's report

To the Members of New Zealand Book Council Incorporated

Opinion

We have audited the accompanying performance report of New Zealand Book Council Incorporated on pages 3 to 15, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 December 2017, the statement of financial position as at 31 December 2017, and the statement of accounting policies and notes to the performance report.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable
- b) the accompanying performance report presents fairly, in all material respects:
 - the entity information for the year then ended
 - the service performance for the year then ended, and
 - the financial position of New Zealand Book Council Incorporated as at 31 December 2017, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the performance report' section of our report.

We are independent of New Zealand Book Council Incorporated in accordance with Professional and Ethical Standard 1 (Revised) 'Code of ethics for assurance practitioners' issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

The Board's responsibilities for the performance report

The Board are responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance
- b) the preparation and fair presentation of the performance report on behalf of New Zealand Book Council Incorporated which comprises:
 - the entity information
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and
- c) for such internal control as the Board determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board are responsible on behalf of New Zealand Book Council Incorporated's for assessing New Zealand Book Council Incorporated's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate New Zealand Book Council Incorporated or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the performance report

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

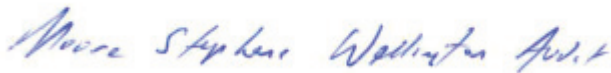
- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 New Zealand Book Council Incorporated's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on New Zealand Book Council Incorporated's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on

the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause New Zealand Book Council Incorporated to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report is made solely to the members/ trustees of New Zealand Book Council Incorporated. Our audit has been undertaken so that we might state to the members/ trustees 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/ trustees, for our audit work, for this report, or for the opinions we have formed.



Moore Stephens Wellington Audit | Qualified Auditors, Wellington, New Zealand
04 April 2018