

*Forecast Financial  
Statements*

*National Library of  
New Zealand*

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## Statement of Forecast Financial Performance for the year ending 30 June 2009

	Note	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
<b>Income</b>					
Crown		48,343	60,790	59,490	63,559
Department(s)		900	738	738	750
Other revenue		3,912	4,782	4,782	3,154
Gains		5	-	-	-
Interest		-	-	-	-
<b>Total Income</b>		<b>53,160</b>	<b>66,310</b>	<b>65,010</b>	<b>67,463</b>
<b>Expenses</b>					
Personnel		21,745	25,134	25,134	28,883
Operating	1	15,841	17,586	16,286	22,860
Depreciation and amortisation		6,968	7,503	7,503	8,150
Capital charge		6,558	6,656	6,656	7,409
Finance costs		-	94	94	-
Other	2	71	9,159	9,159	-
<b>Total Expenses</b>		<b>51,183</b>	<b>66,132</b>	<b>64,832</b>	<b>67,302</b>
<b>Net Surplus / (Deficit)</b>		<b>1,977</b>	<b>178</b>	<b>178</b>	<b>161</b>

## Statement of Forecast Changes in Taxpayers' Funds for the year ending 30 June 2009

	Note	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
<b>Balance at 1 July</b>					
General funds		95,391	100,704	100,704	100,921
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
<b>Taxpayers' Funds Opening Balance</b>		<b>95,391</b>	<b>100,704</b>	<b>100,704</b>	<b>100,921</b>
<b>Changes in Taxpayers' Funds</b>					
<b>Income and Expense for the Period</b>					
Net surplus / (deficit) for the year		1,977	178	178	161
Total gains / (losses) taken to equity		-	-	-	-
<b>Total Income and Expense for the Period</b>		<b>1,977</b>	<b>178</b>	<b>178</b>	<b>161</b>
<b>Other Changes</b>					
Repayment of surplus		(618)	-	-	-
Capital contribution		5,141	9,039	9,039	12,261
Capital withdrawal		(1,187)	(9,000)	(9,000)	-
Other		-	979	-	-
<b>Total Changes in Taxpayers' Funds</b>		<b>5,313</b>	<b>1,196</b>	<b>217</b>	<b>12,422</b>
<b>Balance at 30 June</b>					
General funds		100,704	101,900	100,921	113,343
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
<b>Taxpayers' Funds Closing Balance</b>		<b>100,704</b>	<b>101,900</b>	<b>100,921</b>	<b>113,343</b>

## Forecast Statement of Financial Position as at 30 June 2009

	Note	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents		15,615	20,668	20,668	17,766
Debtors and other receivables		5,623	5,673	5,673	5,810
Prepayments		1,749	1,781	1,781	1,781
Inventories		78	78	78	78
Other current assets		-	-	-	-
<b>Total Current Assets</b>		<b>23,065</b>	<b>28,200</b>	<b>28,200</b>	<b>25,435</b>
<b>Non-current Assets</b>					
Property, plant and equipment	3	80,556	73,841	72,862	82,447
Intangible assets		4,643	9,971	9,971	15,498
Other non-current assets		982	950	950	950
<b>Total Non-current Assets</b>		<b>86,181</b>	<b>84,762</b>	<b>83,783</b>	<b>98,895</b>
<b>Total Assets</b>		<b>109,246</b>	<b>112,962</b>	<b>111,983</b>	<b>124,330</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Creditors and other payables		4,039	7,513	7,513	7,438
Repayment of surplus		618	-	-	-
Employee entitlements		2,029	1,839	1,839	1,839
Other current liabilities		1,856	1,710	1,710	1,710
<b>Total Current Liabilities</b>		<b>8,542</b>	<b>11,062</b>	<b>11,062</b>	<b>10,987</b>
<b>Non-current Liabilities</b>					
Provisions		-	-	-	-
Employee entitlements		-	-	-	-
Other non-current liabilities		-	-	-	-
<b>Total Non-current Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>8,542</b>	<b>11,062</b>	<b>11,062</b>	<b>10,987</b>
<b>Taxpayers' Funds</b>					
General funds		100,704	101,900	100,921	113,343
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
<b>Total Taxpayers' Funds</b>		<b>100,704</b>	<b>101,900</b>	<b>100,921</b>	<b>113,343</b>
<b>Total Liabilities and Taxpayers' Funds</b>		<b>109,246</b>	<b>112,962</b>	<b>111,983</b>	<b>124,330</b>

## Statement of Forecast Cash Flows for the year ending 30 June 2009

	Note	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
<b>Cash Flows from Operating Activities</b>	4				
<b>Receipts from:</b>					
Crown		48,049	50,992	50,992	54,742
Department(s)		1,167	738	738	750
Other		3,406	4,519	4,519	3,104
Interest		-	-	-	-
<b>Payments to:</b>					
Suppliers		(18,824)	(10,622)	(10,622)	(23,886)
Employees		(19,655)	(19,202)	(19,202)	(19,202)
Capital charge		(6,572)	(6,656)	(6,656)	(7,409)
Goods and services tax (net)		281	-	-	-
Other operating activities		-	-	-	-
<b>Net Cash from Operating Activities</b>		<b>7,852</b>	<b>19,769</b>	<b>19,769</b>	<b>8,099</b>
<b>Cash Flow from Investing Activities</b>					
<b>Receipts from:</b>					
Sale of property, plant and equipment	6	-	-	-	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
<b>Purchase of:</b>					
Property, plant and equipment		(3,597)	(8,415)	(8,415)	(16,937)
Intangible assets		(4,270)	(5,722)	(5,722)	(6,325)
Other non-current assets		-	-	-	-
<b>Net Cash from Investing Activities</b>		<b>(7,861)</b>	<b>(14,137)</b>	<b>(14,137)</b>	<b>(23,262)</b>
<b>Cash Flow from Financing Activities</b>					
Capital contribution		5,141	9,039	9,039	12,261
Other financing cash inflows		-	-	-	-
Repayment of surplus		(447)	(618)	(618)	-
Capital withdrawal		(1,187)	(9,000)	(9,000)	-
Other financing cash outflows		-	-	-	-
<b>Net Cash from Financing Activities</b>		<b>3,507</b>	<b>(579)</b>	<b>(579)</b>	<b>12,261</b>
<b>Net Increase / (Decrease) in Cash</b>		<b>3,498</b>	<b>5,053</b>	<b>5,053</b>	<b>(2,902)</b>
Cash at the beginning of the year		12,117	15,615	15,615	20,668
<b>Cash at the end of the year</b>		<b>15,615</b>	<b>20,668</b>	<b>20,668</b>	<b>17,766</b>

## Statement of Significant Assumptions

These statements have been compiled on the basis of the Government's policies and the National Library's Output Plan with the Minister Responsible for the National Library at the time the statements were finalised.

These forecast financial statements include all the activities of the National Library of New Zealand as constituted by the National Library of New Zealand (Te Puna Mātauranga o Aotearoa) Act 2003 and reported as required by the Public Finance Act 1989, and comply with generally accepted accounting practice. The measurement base applied is historical cost unless otherwise stated.

Actual results achieved for the year to 30 June 2009 are likely to vary from the information presented in these statements and the variations may be material.

The factors that may lead to a material difference include changes to the baseline budget through new initiatives or technical adjustments.

## Department-Specific Accounting Policies

The National Library of New Zealand has applied the accounting policies set out in Statement of Accounting Policies Standard included in this document, except as stated below.

### Reporting Entity

These are the prospective financial statements of National Library of New Zealand, prepared in accordance with section 38 of the Public Finance Act 1989.

National Library of New Zealand is a Government Department as defined by section 2 of the Public Finance Act 1989. For the purposes of financial reporting National Library of New Zealand is a public benefit entity.

The activities of the National Library comprise the maintenance of collections for current and future use, the provision of information and advisory services, and the development of policy advice on information issues.

### Statement of Entity-Specific Accounting Policies

#### *Non-Current Assets*

##### **Collections**

The General Collections and Schools Collection are recorded at cost, less accumulated depreciation and accumulated impairment losses.

##### **Property, plant and equipment**

Property, Plant and Equipment is stated at cost, less accumulated depreciation. Land and buildings are revalued at least every five years or whenever the carrying amount differs materially to fair value. The last revaluation was completed as at 1 June 2005.

##### **Intangible assets**

Intangible assets with finite lives are recorded at cost less accumulated depreciation and accumulated impairment losses. The National Library records Computer software as an intangible asset, with a useful life of between 3 to 8 years.

## *Depreciation*

Depreciation is provided on the General Collections and Schools Collection on a straight-line basis at rates which will write-off the cost of the collections over their useful lives. The estimated useful lives of the collections range from 5 to 50 years.

Depreciation is provided on Property, Plant and Equipment on a straight-line basis at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Buildings are depreciated over 80 years and furniture, building fitout and equipment over 3 to 30 years.

Depreciation is not charged on land, artworks, or capital work in progress.

## *Cost Allocation*

The National Library has determined the cost of outputs using the cost allocation system outlined below:

### **Cost allocation policy**

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity/usage information.

### **Criteria for direct and indirect costs**

“Direct Costs” are those costs directly attributed to an output. “Indirect Costs” are those costs which cannot be identified with a specific output in an economically feasible manner.

### **Method of assigning direct costs to outputs**

Direct charging of costs to outputs includes capital charge and depreciation (which are charged on the basis of assets utilised), personnel costs (which are charged by recording time spent on each output) and operating costs (such as property maintenance charges which are charged on the basis of the floor area occupied by each output).

### **Bases for assigning indirect costs to outputs**

Indirect costs are pro-rated to outputs on the proportion of direct employee costs used in each output, with the exception of the National Library’s Finance unit costs which are pro-rated on the proportion of direct total costs used in each output.

# Notes to the Financial Statements

## Note 1 - Operating Expenses

	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
Consultants' fees	2,679	1,773	1,573	7,018
Overseas travel	427	248	248	235
Domestic travel	450	311	311	298
Other	12,285	15,254	14,154	15,309
<b>Total operating expenses</b>	<b>15,841</b>	<b>17,586</b>	<b>16,286</b>	<b>22,860</b>

## Note 2 - Other Expenses

	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
Write-down of assets	-	9,000	9,000	-
Other	71	159	159	-
<b>Total other expenses</b>	<b>71</b>	<b>9,159</b>	<b>9,159</b>	<b>-</b>

## Note 3 - Property, Plant and Equipment

	Land \$000	Buildings \$000	Leasehold improvements \$000	Furniture/office equipment \$000	Other \$000	Total \$000
<b>Cost or revaluation</b>						
Balance as at 1 July 2008	16,360	26,567	1,686	41,931	33,309	119,853
Additions by purchase	-	12,211	490	1,033	2,592	16,326
Additions internally developed	-	-	-	-	-	-
Revaluation increase	-	-	-	-	-	-
Transfers between classes	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>Balance as at 30 June 2009</b>	<b>16,360</b>	<b>38,778</b>	<b>2,176</b>	<b>42,964</b>	<b>35,901</b>	<b>136,179</b>
<b>Accumulated depreciation and impairment losses</b>						
Balance as at 1 July 2008	-	1,201	1,466	30,364	13,960	46,991
Depreciation expense	-	390	105	3,222	3,024	6,741
Eliminate on disposal	-	-	-	-	-	-
Eliminate on revaluation	-	-	-	-	-	-



	Land \$000	Buildings \$000	Leasehold improvements \$000	Furniture/office equipment \$000	Other \$000	Total \$000
Transfers between classes	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
<b>Balance as at 30 June 2009</b>	-	1,591	1,571	33,586	16,984	53,732
<b>Carrying amount as at 30 June 2009</b>	16,360	37,187	605	9,378	18,917	82,447

#### Note 4 - Reconciliation of Net Surplus to Net Cash Flows from Operating Activities for the Year Ending 30 June 2009

	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
<b>Net surplus / (deficit)</b>	<b>1,977</b>	<b>178</b>	<b>178</b>	<b>161</b>
<b>Add / (less) non-cash items</b>				
Depreciation and amortisation expense	7,297	7,503	7,503	8,150
Net foreign exchange (gains) / losses	63	159	159	-
Write down of assets	-	9,175	9,175	292
<b>Total non-cash items</b>	<b>7,360</b>	<b>16,837</b>	<b>16,837</b>	<b>8,442</b>
<b>Add / (less) items classified as investing or financing activities</b>				
(Gains) / losses on disposal property, plant and equipment	3	-	-	-
Revenue from donations and legal deposit	(403)	(292)	(292)	(292)
<b>Total items classified as investing or financing activities</b>	<b>(400)</b>	<b>(292)</b>	<b>(292)</b>	<b>(292)</b>
<b>Add / (less) movements in working capital items</b>				
(Inc) / Dec in debtors and other receivables	(600)	(92)	(92)	(137)
(Inc) / Dec in prepayments	304	-	-	-
(Inc) / Dec in inventories	(22)	-	-	-
(Inc) / Dec in creditors and other payables	222	3,639	3,639	(75)
(Inc) / Dec in current provisions	(1,179)	(501)	(501)	-
(Inc) / Dec in employee entitlements	190	-	-	-
<b>Net movements in working capital items</b>	<b>(1,085)</b>	<b>3,046</b>	<b>3,046</b>	<b>(212)</b>
<b>Net cash from operating activities</b>	<b>7,852</b>	<b>19,769</b>	<b>19,769</b>	<b>8,099</b>