

# *Forecast Financial Statements*

*National Library of  
New Zealand*

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## Statement of Forecast Comprehensive Income for the year ending 30 June 2011

	Note	2008/09	2009/10		2010/11
		Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Income</b>					
Crown		61,768	64,854	64,295	62,423
Department(s)		608	797	976	1,027
Other revenue		4,555	4,893	4,881	4,849
Gains		284	-	-	-
Interest		-	-	-	-
<b>Total Income</b>		<b>67,215</b>	<b>70,544</b>	<b>70,152</b>	<b>68,299</b>
<b>Expenses</b>					
Personnel		26,125	26,463	26,955	26,590
Operating	1	21,988	25,968	23,569	23,149
Depreciation and amortisation		8,338	10,268	9,232	10,405
Capital charge		7,487	7,701	8,303	8,328
Finance costs		108	-	103	-
Other		2,822	-	-	-
<b>Total Expenses</b>		<b>66,868</b>	<b>70,400</b>	<b>68,162</b>	<b>68,472</b>
<b>Net Surplus / (Deficit)</b>		<b>347</b>	<b>144</b>	<b>1,990</b>	<b>(173)</b>
Other comprehensive income		-	-	-	-
<b>Total Comprehensive Income</b>		<b>347</b>	<b>144</b>	<b>1,990</b>	<b>(173)</b>

## Statement of Forecast Changes in Taxpayers' Funds for the year ending 30 June 2011

	Note	2008/09	2009/10		2010/11
		Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Balance at 1 July</b>					
General funds		106,155	102,989	102,943	103,114
Revaluation reserve		7,767	7,767	7,767	7,767
Other reserves		-	-	-	-
<b>Taxpayers' Funds Opening Balance</b>		<b>113,922</b>	<b>110,756</b>	<b>110,710</b>	<b>110,881</b>
<b>Changes in Taxpayers' Funds</b>					
Comprehensive income for the period		347	144	1,990	(173)
Repayment of surplus		(3,511)	-	(2,146)	-
Capital contribution		252	3,900	353	20,528
Capital withdrawal		(300)	(26)	(26)	-
Other		-	-	-	-
<b>Total Changes in Taxpayers' Funds</b>		<b>(3,212)</b>	<b>4,018</b>	<b>171</b>	<b>20,355</b>
<b>Balance at 30 June</b>					
General funds		102,943	107,007	103,114	123,469
Revaluation reserve		7,767	7,767	7,767	7,767
Other reserves		-	-	-	-
<b>Taxpayers' Funds Closing Balance</b>		<b>110,710</b>	<b>114,774</b>	<b>110,881</b>	<b>131,236</b>

## Forecast Statement of Financial Position as at 30 June 2011

		2008/09	2009/10		2010/11
	Note	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents		21,450	11,071	13,459	11,498
Debtors and other receivables		7,100	8,607	7,110	7,110
Prepayments		2,757	2,121	2,689	2,689
Inventories		74	79	74	74
Other current assets		116	-	-	-
<b>Total Current Assets</b>		<b>31,497</b>	<b>21,878</b>	<b>23,332</b>	<b>21,371</b>
<b>Non-current Assets</b>					
Property, plant and equipment		86,094	95,439	90,187	109,141
Intangible assets		9,061	7,027	10,187	11,065
Other non-current assets		455	695	523	523
<b>Total Non-current Assets</b>		<b>95,610</b>	<b>103,161</b>	<b>100,897</b>	<b>120,729</b>
<b>Total Assets</b>		<b>127,107</b>	<b>125,039</b>	<b>124,229</b>	<b>142,100</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Creditors and other payables		8,006	5,914	6,311	5,953
Repayment of surplus		3,511	-	2,146	-
Employee entitlements		2,609	2,234	2,620	2,640
Other current liabilities		2,271	2,117	2,271	2,271
<b>Total Current Liabilities</b>		<b>16,397</b>	<b>10,265</b>	<b>13,348</b>	<b>10,864</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>16,397</b>	<b>10,265</b>	<b>13,348</b>	<b>10,864</b>
<b>Taxpayers' Funds</b>					
General funds		102,943	107,007	103,114	123,469
Revaluation reserve		7,767	7,767	7,767	7,767
Other reserves		-	-	-	-
<b>Total Taxpayers' Funds</b>		<b>110,710</b>	<b>114,774</b>	<b>110,881</b>	<b>131,236</b>
<b>Total Liabilities and Taxpayers' Funds</b>		<b>127,107</b>	<b>125,039</b>	<b>124,229</b>	<b>142,100</b>

# Statement of Forecast Cash Flows for the year ending 30 June 2011

		2008/09	2009/10		2010/11
	Note	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Cash Flows from Operating Activities</b>					
<b>Receipts from:</b>					
Crown		62,942	64,854	64,295	62,423
Department(s)		697	797	976	1,027
Other		4,615	5,072	4,606	4,467
Interest		-	-	-	-
<b>Payments to:</b>					
Suppliers		(23,043)	(25,486)	(25,537)	(23,786)
Employees		(25,637)	(26,284)	(26,793)	(26,420)
Capital charge		(7,476)	(7,599)	(8,212)	(8,328)
Goods and services tax (net)		(375)	(1)	2	-
Other operating activities		(736)	(601)	(271)	(271)
<b>Net Cash from Operating Activities</b>	2	10,987	10,752	9,066	9,112
<b>Cash Flow from Investing Activities</b>					
<b>Receipts from:</b>					
Sale of property, plant and equipment		-	-	-	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
<b>Purchase of:</b>					
Property, plant and equipment		(4,504)	(15,491)	(10,406)	(25,557)
Intangible assets		(3,685)	(540)	(3,467)	(3,898)
Other non-current assets		-	-	-	-
<b>Net Cash from Investing Activities</b>		(8,189)	(16,031)	(13,873)	(29,455)
<b>Cash Flow from Financing Activities</b>					
Capital contribution		252	3,900	353	20,528
Other financing cash inflows		-	-	-	-
Repayment of surplus		-	-	(3,511)	(2,146)
Capital withdrawal		(300)	(26)	(26)	-
Other financing cash outflows		-	-	-	-
<b>Net Cash from Financing Activities</b>		(48)	3,874	(3,184)	18,382
<b>Net Increase / (Decrease) in Cash</b>		2,750	(1,405)	(7,991)	(1,961)
Cash at the beginning of the year		18,700	12,476	21,450	13,459
<b>Cash at the end of the year</b>		21,450	11,071	13,459	11,498

## 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 2011 are likely to vary from the information presented in these statements. 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.
- that the carrying amount of the building fit out is affected by the decision to redevelop the existing building in Wellington. There is uncertainty about the extent of re-use of existing building plant and equipment (fit out) upon return to the Wellington building after the redevelopment is completed.

## Statement of Entity-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.

### 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 on 30 June 2008.

##### **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.

## *Depreciation and Amortisation*

### **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 between 5 and 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 44 to 61 years. Furniture, building fit-out and equipment are depreciated over 3 to 30 years.

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

### **Amortisation**

Amortisation is charged to the Statement of Financial Performance on a straight-line basis over the useful life of the asset. The National Library amortises its computer software over 2 to 8 years.

Amortisation is not charged on capital work in progress.

## *Cost Allocation*

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

### **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.

### **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.

### **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

	2008/09	2009/10		2010/11
	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Operating expenses include:</b>				
Consultants' fees	4,807	8,471	6,292	4,548
Overseas travel	297	347	234	234
Domestic travel	431	429	437	437
Other	16,453	16,721	16,606	17,930
<b>Total operating expenses</b>	<b>21,988</b>	<b>25,968</b>	<b>23,569</b>	<b>23,149</b>

## Note 2 - Reconciliation of Net Surplus to Net Cash Flows from Operating Activities for the year ending 30 June 2011

	2008/09	2009/10		2010/11
	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
Net surplus/(deficit)	347	144	1,990	(173)
<b>Add/(less) non-cash items</b>				
Depreciation and amortisation expense	11,160	10,268	9,232	10,405
Gain on revaluation of land and buildings	-	-	-	-
Revenue from donations and legal deposit	(436)	(392)	(382)	(382)
NZ IFRS adjustment for lease make-good	108	-	103	-
Net foreign exchange losses (gains)	(556)	-	-	-
Total non-cash items	10,276	9,876	8,953	10,023
<b>Add/(less) items classified as investing or financing activities</b>				
(Gains)/losses on disposal property, plant and equipment	-	-	-	-
<b>Add/(less) movements in working capital items</b>				
(Inc)/Dec in debtors and other receivables	1,591	-	(9)	-
(Inc)/Dec in prepayments	(396)	-	-	-
(Inc)/Dec in inventories	5	-	-	-
(Inc)/Dec in creditors and other payables	(2,264)	222	92	40
(Inc)/Dec in current provisions	1,332	-	(2,076)	(758)
(Inc)/Dec in employee entitlements	280	(60)	-	(20)
(Inc)/Dec in derivative financial instruments	(184)	570	116	-
Net movements in working capital items	364	732	(1,877)	(893)
<b>Net cash from operating activities</b>	<b>10,987</b>	<b>10,752</b>	<b>9,066</b>	<b>9,112</b>