

PART 3

# FINANCIAL REPORT

# FINANCIAL SUMMARY

This summary provides an overview of the financial performance during 2021-22 and position as at 30 June 2022 for the Library Board of Queensland (the Library Board). The Library Board's performance is reported as the Parent Entity (the Library Board only) and the Library Board and Queensland Library Foundation (the Foundation) is reported as the Economic Entity. The Foundation is a Controlled Entity of the Library Board.

## STATEMENT OF COMPREHENSIVE INCOME

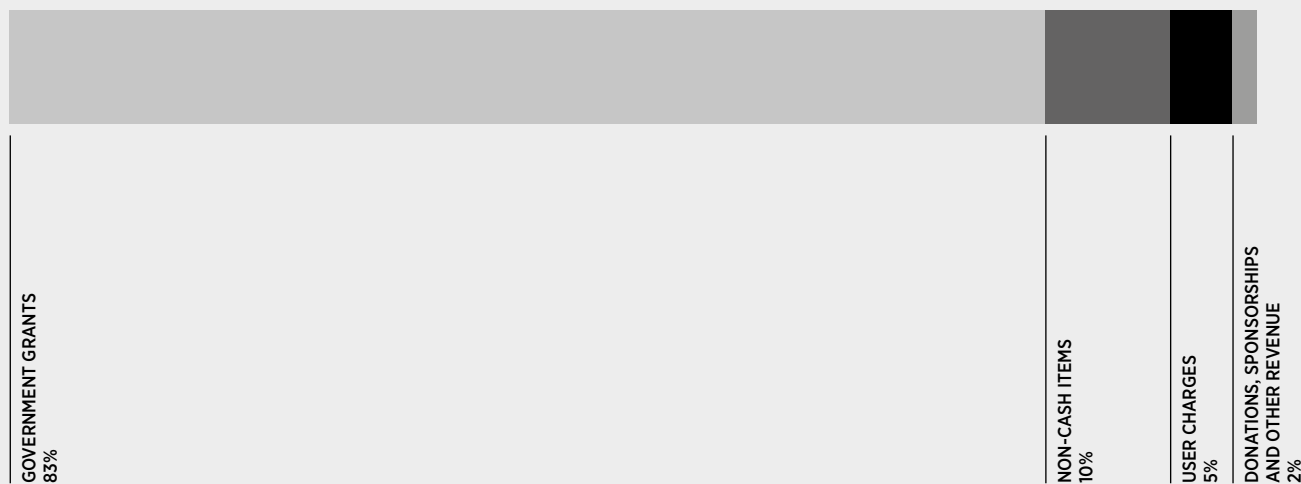
The Statement of Comprehensive Income for the Economic Entity is set out below.

STATEMENT OF COMPREHENSIVE INCOME	2022 \$'000	2021 \$'000
Total income from continuing operations	82,516	79,873
Total expenses from continuing operations	77,904	78,877
Operating result from continuing operations	4,612	996
Increase in asset revaluation reserve	4,386	—
<b>Total comprehensive income/(loss)</b>	<b>8,998</b>	<b>996</b>

## INCOME

Government grants are a significant component of the Library Board's income (\$68.807 million) in 2021-22, with user charges (\$4.024 million), donations and sponsorships (\$1.154 million), interest on funds invested (\$0.166 million) and insurance recovery revenue (\$0.321 million) comprising the total cash contribution. Other non-cash items recognised as income include the operating lease rental for the building (\$7.073 million) and sponsorships, partnerships and legal deposit collection items (\$0.964 million).

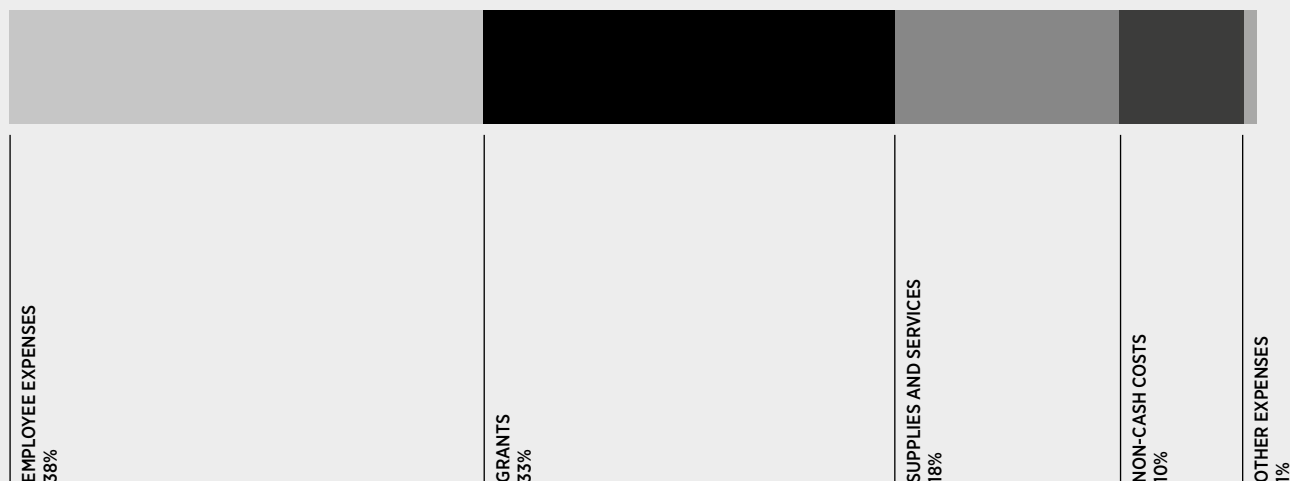
### Economic Entity income 2022



## EXPENSES

Expenses for the Library Board were \$77.904 million in 2021-22. The largest component is employee expenses (38%), with grants (33%), supplies and services (18%), non-cash costs (building lease plus in-kind) (10%) and other expenses (1%) completing the total. This includes grants paid to and funds spent on behalf of public libraries of \$30.330 million, incorporating funding for the First 5 Forever family literacy initiative.

### Economic Entity expenses 2022



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## OPERATING RESULT FROM CONTINUING OPERATIONS

The Statement of Comprehensive Income from continuing operations shows a \$8.998 million surplus for the Economic Entity. Of this, \$8.837 million is the Library Board's operating surplus.

## STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position sets out the net assets and equity of the Library Board. As at 30 June 2022, the net assets of the Library Board Economic Entity were \$162.468 million which is an increase of \$8.998 million from 2020-21.

## FINANCIAL GOVERNANCE

Financial performance is monitored internally on a monthly basis and reported to the Library Board at their regular meetings. The Library Board's financial performance is monitored externally by the Queensland Audit Office and in 2021-22 this was through its appointment of BDO who performed the audit of the financial statements.

The Library Board's Audit and Risk Management Committee assists the Library Board in meeting its legislative responsibilities under the *Financial Accountability Act 2009* (Qld), the *Financial and Performance Management Standard 2019* (Qld) and the *Libraries Act 1988* (Qld).

## EXTERNAL SCRUTINY

The Library Board was not subject to any external audits other than the Queensland Audit Office's mandated annual audit report of financial controls and statements.

## CHIEF FINANCE OFFICER STATEMENT

The Chief Finance Officer has acknowledged responsibilities under the *Financial Accountability Act 2009* (Qld) and full undertakings have been given to both the Audit and Risk Management Committee (ARMC) and the Library Board, including undertakings that to the best of knowledge and belief, financial internal controls of State Library of Queensland are operating efficiently, effectively and economically in accordance with section 57 of the *Financial and Performance Management Standard 2019* (Qld). The financial statements were reviewed by the ARMC prior to presentation to and consideration by the Library Board.

LIBRARY BOARD  
OF QUEENSLAND

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# FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
30 JUNE 2022

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LIBRARY BOARD OF QUEENSLAND AND CONTROLLED ENTITY

**STATEMENTS OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	ECONOMIC ENTITY		PARENT ENTITY	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Income from continuing operations</b>					
<i>Revenue</i>					
User charges	B1-1	4,024	3,682	4,003	3,661
Grants and contributions	B1-2	77,998	75,422	78,099	75,721
Other revenue	B1-3	490	769	469	716
Investment income	B1-4	353	—	176	—
<b>Total revenue</b>		<b>82,865</b>	<b>79,873</b>	<b>82,747</b>	<b>80,098</b>
Net fair value loss on other financial assets	B1-5	(349)	—	(175)	—
<b>Total income from continuing operations</b>		<b>82,516</b>	<b>79,873</b>	<b>82,572</b>	<b>80,098</b>
<b>Expenses from continuing operations</b>					
Employee benefits and expenses	B2-1	29,698	30,369	29,698	30,369
Supplies and services	B2-2	21,589	20,936	21,586	20,943
Grants and subsidies	B2-3	25,787	25,940	26,037	26,190
Depreciation and amortisation	C6-7	335	411	335	411
Other expenses	B2-4	495	1,221	465	1,204
<b>Total expenses from continuing operations</b>		<b>77,904</b>	<b>78,877</b>	<b>78,121</b>	<b>79,117</b>
<b>Operating result from continuing operations</b>		<b>4,612</b>	<b>996</b>	<b>4,451</b>	<b>981</b>
<b>Other comprehensive income</b>					
Items that will not be reclassified to operating result:					
Increase in asset revaluation	C10-2	4,386	—	4,386	—
<b>Total other comprehensive income</b>		<b>4,386</b>	<b>—</b>	<b>4,386</b>	<b>—</b>
<b>Total comprehensive income</b>		<b>8,998</b>	<b>996</b>	<b>8,837</b>	<b>981</b>

The accompanying notes form part of these financial statements.

## LIBRARY BOARD OF QUEENSLAND AND CONTROLLED ENTITY

**STATEMENTS OF FINANCIAL POSITION**

AS AT 30 JUNE 2022

	NOTE	ECONOMIC ENTITY		PARENT ENTITY	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current assets</b>					
Cash and cash equivalents	C1	14,465	21,102	11,168	13,671
Receivables	C2	725	503	665	761
Inventories		151	208	151	208
Other current assets	C3	675	841	675	841
Other financial assets	C4	7,771	—	3,886	—
<b>Total current assets</b>		<b>23,787</b>	<b>22,654</b>	<b>16,545</b>	<b>15,481</b>
<b>Non-current assets</b>					
Intangible assets	C5-4	14,812	13,379	14,812	13,379
Property, plant and equipment	C6-6	128,124	122,890	128,124	122,890
<b>Total non-current assets</b>		<b>142,936</b>	<b>136,269</b>	<b>142,936</b>	<b>136,269</b>
<b>Total assets</b>		<b>166,723</b>	<b>158,923</b>	<b>159,481</b>	<b>151,750</b>
<b>Current liabilities</b>					
Payables	C7	1,057	2,334	1,057	2,334
Accrued employee benefits	C8	2,679	2,788	2,679	2,788
Contract liabilities	C9	519	331	456	176
<b>Total current liabilities</b>		<b>4,255</b>	<b>5,453</b>	<b>4,192</b>	<b>5,298</b>
<b>Total liabilities</b>		<b>4,255</b>	<b>5,453</b>	<b>4,192</b>	<b>5,298</b>
<b>Net assets</b>		<b>162,468</b>	<b>153,470</b>	<b>155,289</b>	<b>146,452</b>
<b>Equity</b>					
Contributed equity		1,465	1,465	1,465	1,465
Accumulated surplus		53,952	83,792	46,773	76,774
Asset revaluation surplus	C10-2	107,051	68,213	107,051	68,213
<b>Total equity</b>		<b>162,468</b>	<b>153,470</b>	<b>155,289</b>	<b>146,452</b>

The accompanying notes form part of these financial statements.

LIBRARY BOARD OF QUEENSLAND AND CONTROLLED ENTITY

**STATEMENTS OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	ECONOMIC ENTITY \$'000	PARENT ENTITY \$'000
<b>ACCUMULATED SURPLUS</b>			
<b>Balance 1 July 2020</b>		82,796	75,793
Operating result from continuing operations		996	981
<b>Balance 30 June 2021</b>		83,792	76,774
Operating result from continuing operations		4,612	4,451
Transfer between reserves		(34,452)	(34,452)
<b>Balance 30 June 2022</b>		<b>53,952</b>	<b>46,773</b>
<b>ASSET REVALUATION SURPLUS</b>			
	C10		
<b>Balance 1 July 2020</b>		68,213	68,213
<b>Balance 30 June 2021</b>		68,213	68,213
Increase in asset revaluation surplus		4,386	4,386
Transfer between reserves		34,452	34,452
<b>Balance 30 June 2022</b>		<b>107,051</b>	<b>107,051</b>
<b>CONTRIBUTED EQUITY</b>			
<b>Balance 1 July 2020</b>		1,465	1,465
<b>Balance 30 June 2021</b>		1,465	1,465
<b>Balance 30 June 2022</b>		<b>1,465</b>	<b>1,465</b>
<b>TOTAL</b>			
<b>Balance 1 July 2020</b>		152,474	145,471
Operating result from continuing operations		996	981
<b>Balance 30 June 2021</b>		153,470	146,452
Operating result from continuing operations		4,612	4,451
Increase in asset revaluation surplus		4,386	4,386
<b>Balance 30 June 2022</b>		<b>162,468</b>	<b>155,289</b>

The accompanying notes form part of these financial statements.

## LIBRARY BOARD OF QUEENSLAND AND CONTROLLED ENTITY

**STATEMENTS OF CASH FLOWS**

FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	ECONOMIC ENTITY		PARENT ENTITY	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>					
<i>Inflows:</i>					
User charges		4,163	3,746	4,278	3,546
Grants and contributions		69,961	67,512	70,063	67,811
GST collected from customers		462	392	447	352
GST input tax credits from ATO		1,434	1,394	1,433	1,395
Interest receipts		166	253	145	200
Other		324	516	324	516
<i>Outflows:</i>					
Employee expenses		(29,609)	(31,373)	(29,609)	(31,373)
Supplies and services		(15,082)	(12,613)	(15,078)	(12,614)
Grants and subsidies		(25,787)	(25,940)	(25,866)	(26,371)
GST paid to suppliers		(1,425)	(1,303)	(1,424)	(1,300)
GST remitted to ATO		(459)	(378)	(443)	(342)
Other		(315)	(329)	(298)	(311)
<b>Net cash provided by operating activities</b>	CF-1	3,833	1,877	3,972	1,509
<b>Cash flows from investing activities</b>					
<i>Inflows:</i>					
Trust distributions received		353	—	176	—
Investments redeemed		31	—	16	—
<i>Outflows:</i>					
Payments for valuables		(483)	(453)	(485)	(453)
Payments for library collections		(147)	(146)	(147)	(144)
Payments for property, plant and equipment		(442)	(373)	(442)	(374)
Payments for intangibles		(1,400)	(1,057)	(1,401)	(1,057)
Payments for other financial assets		(8,351)	—	(4,176)	—
Payments for QIC management fees		(31)	—	(16)	—
<b>Net cash used in investing activities</b>		(10,470)	(2,029)	(6,475)	(2,028)
<b>Net decrease in cash and cash equivalents</b>		(6,637)	(152)	(2,503)	(519)
<b>Cash and cash equivalents – opening balance</b>		21,102	21,254	13,671	14,189
<b>Cash and cash equivalents – closing balance</b>	C1	<b>14,465</b>	<b>21,102</b>	<b>11,168</b>	<b>13,671</b>

The accompanying notes form part of these financial statements.



# NOTES TO THE STATEMENT OF CASH FLOWS

## CF-1 RECONCILIATION OF OPERATING RESULT TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	ECONOMIC ENTITY		PARENT ENTITY	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Operating result	4,612	996	4,451	981
Adjustments for non-cash items included in operating result:				
Depreciation and amortisation expense	335	411	335	411
Donation of intangibles	(32)	(64)	(32)	(64)
Donation of valuables	(137)	(142)	(137)	(142)
Loss on collection revaluation	—	888	—	888
Loss on disposal of assets	27	5	27	5
Net fair value (gains)/loss on QIC investments	349	—	176	—
QIC trust distributions	(353)	—	(176)	—
QIC management fee	31	—	16	—
<i>Changes in assets and liabilities</i>				
Decrease in GST input tax credits receivable	9	91	9	94
(Increase)/decrease in LSL reimbursement receivable	17	(97)	17	(97)
(Increase)/decrease in trade and other receivables	(51)	5	166	(198)
Decrease in inventories	57	40	57	40
Decrease in prepayments	165	301	165	301
Increase/(decrease) in accounts payable	(1,277)	31	(1,277)	37
Increase/(decrease) in contract liabilities	187	60	280	(96)
(Decrease) in accrued employee benefits	(109)	(661)	(109)	(661)
Increase in GST payable	3	13	4	10
<b>Net cash provided by operating activities</b>	<b>3,833</b>	<b>1,877</b>	<b>3,972</b>	<b>1,509</b>

## CF-2 NON-CASH INVESTING

Assets and liabilities received or donated/transferred by the Library Board are recognised as revenue (refer Note B1-1) or expenses (refer Note B2-2) as applicable.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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## A1 OBJECTIVES AND PRINCIPAL ACTIVITIES OF LIBRARY BOARD OF QUEENSLAND

The Library Board of Queensland's (the Library Board) legislated role is to collect and preserve Queensland's cultural heritage and ensure the intellectual and historical record is preserved for the future. The Library Board oversees the activities of State Library of Queensland (State Library).

The Library Board is predominantly funded for the outputs it delivers by Parliamentary appropriation.

In 2021-22 it also received revenue from sources including:

- building rentals
- network and internet services
- library professional services
- preservation and reproduction services
- donations
- Library Shop and Library Café
- research services
- Anzac Square Memorial Galleries
- interest on invested funds
- venue hire.

## A2 BASIS OF FINANCIAL STATEMENT PREPARATION

### A2-1 General information

This report covers the Library Board and its Controlled Entity, the Queensland Library Foundation.

The Library Board is a Queensland Government Statutory Body established under the *Libraries Act 1988* (Qld).

The Library Board is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the agency is:  
Stanley Place  
South Brisbane Qld 4101

For information in relation to the Library Board's financial report please call the Finance team on (07) 3842 9052, email [finance@slq.qld.gov.au](mailto:finance@slq.qld.gov.au) or visit the State Library of Queensland website [slq.qld.gov.au](http://slq.qld.gov.au).

### A2-2 Compliance with prescribed requirements

The Library Board has prepared these financial statements in compliance with section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on and after 1 July 2021.

The Library Board is a not-for-profit entity and these general purpose financial statements are prepared on an accruals basis (except for the Statements of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and interpretations applicable for not-for-profit entities.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note F3.

### A2-3 Presentation

#### Currency and rounding

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

#### Comparatives

Comparative information reflects the audited 2020-21 financial statements.

#### Current/non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statements of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Library Board does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

### A2-4 Authorisation of financial statements for issue

The financial statements are authorised for issue by the Chairperson of the Library Board and the State Librarian and CEO at the date of signing the Management Certificate.

## A2 BASIS OF FINANCIAL STATEMENT PREPARATION CONT'D

### A2-5 Basis of measurement

Historical cost is used as the measurement basis in this financial report except for the following:

- library collections which are measured at fair value; and
- liabilities expected to be settled 12 or more months after reporting date which are measured at their present value.

#### Historical cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

#### Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following two approaches:

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.

Where fair value is used, the fair value approach is disclosed.

#### Present value

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

#### Net realisable value

Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

### A2-6 The reporting entity

In the financial statements, the term Parent Entity refers to the Library Board, the term Economic Entity refers to the Library Board together with the Foundation as a Controlled Entity.

In the process of consolidating into a single economic entity, all transactions between the Library Board and the Foundation have been eliminated in full.

## A3 CONTROLLED ENTITIES

#### Basis of control

The Library Board controls the Foundation with the Library Board being the sole member of the Foundation and having the power to appoint all members of the Foundation Council.

#### Purpose and principal activities

The Foundation's purpose is to act as an agent of and to assist State Library in the performance of its functions as set out in section 20 of the *Libraries Act 1988* (Qld) by:

- (1) raising funds through gifts, grants and other forms of financial assistance, property and benefits for State Library, including for buildings, infrastructure, library materials, facilities, programs and projects;
- (2) increasing public support and interest in State Library; and
- (3) building the number of financial supporters of State Library.

#### Audited financial transactions and balances

NAME OF CONTROLLED ENTITY	TOTAL ASSETS \$'000		TOTAL LIABILITIES \$'000		TOTAL REVENUE \$'000		OPERATING RESULT \$'000	
	2022	2021	2022	2021	2022	2021	2022	2021
Queensland Library Foundation	7,328	7,434	152	417	1,591	1,209	158	13

State Library provides all administrative support services (including salaries for staff) to the Foundation on a cost recovery basis.

The Foundation transfers funds to State Library to cover the cost of a range of approved projects. There are no significant restrictions on State Library's ability to access the Foundation's assets or settle its liabilities.

The Queensland Audit Office audits the Foundation. Total external audit fees relating to the 2021-22 financial statements are estimated to be \$6,200 (2021: \$6,000). There are no non-audit services included in this amount.

ECONOMIC ENTITY		PARENT ENTITY	
2022	2021	2022	2021
\$'000	\$'000	\$'000	\$'000

## B1 REVENUE

### B1-1 User charges

#### Accounting policy – user charges

Total user charges revenue was impacted by the February 2022 flood and continues to be impacted by COVID-19 in 2021-22, particularly in the Library Shop and venue hire. User charges are controlled by the Library Board where they can be deployed for the achievement of the Library Board's objectives.

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies	
User charges (excluding venue hire and Anzac Square Memorial Galleries)	State Library also receives revenue in the form of user charges. Most user charges are received as per Service Level Agreements (SLAs) with customers as well as on an ad-hoc basis. If there is no enforceable contract the revenue is out of scope of AASB 15 <i>Revenue from Contracts with Customers</i> (AASB 15). Where there is an enforceable contract, revenue may be recognised under AASB 15.	User charges are recognised upon receipt as per AASB 1058 <i>Income of Not-for-Profit Entities</i> (AASB 1058) unless an enforceable contract is in place in which case it may be recognised under AASB 15.	
Venue hire	Venue hire agreements are signed with customers who hire State Library venues (events, exhibitions and some meeting room spaces). Most of these agreements have specific obligations in place. Generally, deposits are taken, with the final invoices raised once these obligations have been met. Deposits taken are recognised as contract liabilities and recognised as revenue once the performance obligations have been met and thus in the scope of AASB 15.	Deposits on venue hire are recognised as revenue once performance obligations are satisfied. The full value of venue hire charges (including deposits) are recognised as revenue once performance obligations are satisfied.	
Anzac Square Memorial Galleries	State Library receives funding from an agreement with the Department of the Premier and Cabinet and Brisbane City Council to operate Anzac Square Memorial Galleries. State Library has determined that the revenue is within scope of AASB 15 due to sufficiently specific obligations included in the operating deed.	Anzac Square Memorial Galleries revenue is recognised as performance obligations are met under AASB 15.	
Library Shop		432	347
Library Café		596	415
Building rentals		136	94
Research services		1,484	1,163
Network and internet services		267	122
Anzac Square Memorial Galleries		561	816
Venue hire		335	330
Other		213	395
<b>Total</b>		<b>4,024</b>	<b>3,682</b>
		<b>4,003</b>	<b>3,661</b>

ECONOMIC ENTITY		PARENT ENTITY	
2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000

## B1 REVENUE CONT'D

### B1-2 Grants and contributions

#### Accounting policy – grants and contributions

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the Library Board to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant is accounted for under AASB 1058, whereby revenue is recognised upon receipt of the grant funding.

The following table provides information about the nature and timing of the satisfaction of performance obligations, significant payment terms, and revenue recognition for the Library Board's grants and contributions that are contracts with customers.

Type	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Administered grants	State Library receives the majority of its revenue in the form of an administered grant distributed by Arts Queensland through its appropriation. The majority of funding has no specific acquittal terms, or where there is an obligation to provide goods or services, the promise is not sufficiently specific under the definition of AASB 15.	Administered grants are recognised upon receipt.
Other grants	State Library also receives grants from other government agencies (Commonwealth and State). Under AASB 15, grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific.	These grants will be reviewed on a case by case basis.
Sponsorships and donations	Queensland Library Foundation receives the majority of its revenue in the form of sponsorship and donations. The majority of funding has no specific acquittal terms, or where there is an obligation to provide goods or services, the promise is not sufficiently specific under the definition of AASB 15.	Sponsorship and donations are recognised upon receipt.

State government grants	68,620	66,464	68,620	66,464
Commonwealth grants	187	151	187	151
Queensland Library Foundation projects	11	—	1,234	1,185
Donations and industry contributions	1,143	897	21	11
Goods received below fair value	964	809	964	809
Lease rental – received below fair value	7,073	7,101	7,073	7,101
<b>Total</b>	<b>77,998</b>	<b>75,422</b>	<b>78,099</b>	<b>75,721</b>

#### Accounting policy – goods and services received below fair value

Contributions of goods and services are recognised only if the goods and services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense. For further details, refer to Note B2-2.

#### Disclosure – insurance compensation

As a result of COVID 19, the Library Board has received insurance compensation from the Queensland Government Insurance Fund (QGIF) for business interruption claims in the 2021-22 year.

### B1-3 Other revenue

Interest received	166	253	145	200
Miscellaneous revenue	3	14	3	14
Insurance compensation – QGIF	321	502	321	502
<b>Total</b>	<b>490</b>	<b>769</b>	<b>469</b>	<b>716</b>

### B1-4 Investment income

#### Accounting policy – investment income

The State Library's investments are classified as financial assets measured at fair value through profit or loss under AASB 9 *Financial Instruments*. The nature of the investment is that of a managed investment fund, and the investment is held with the intention of short-term profit taking in the form of distributions, not long-term increase in value of the investment.

Investment income from Queensland Investment Corporation (QIC) is recognised when the right to receive payment is established.

QIC distributions	353	—	176	—
<b>Total</b>	<b>353</b>	<b>—</b>	<b>176</b>	<b>—</b>

	ECONOMIC ENTITY		PARENT ENTITY	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>B1-5 Net fair value loss on other financial assets</b>				
<b>Accounting policy – loss on investments</b>				
Losses arising from changes in the fair value of QIC investments are included in the operating result for the period in which they arise.				
Net fair value loss on other financial assets	(349)	—	(175)	—
<b>Total</b>	<b>(349)</b>	<b>—</b>	<b>(175)</b>	<b>—</b>

## B2 EXPENSES

### B2-1 Employee benefits and expense

#### Accounting policy – wages, salaries and recreation leave

Wages, salaries and recreation leave due but unpaid at reporting date are recognised in the Statements of Financial Position at the current salary rates.

As the Library Board expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

#### Accounting policy – sick leave

Prior history indicates that, on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

#### Accounting policy – long service leave

Under the Queensland Government's long service leave scheme, a levy is made on the Library Board to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

#### Accounting policy – superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the

Government Division of the Australian Retirement Trust) as determined by the employee's conditions of employment.

Defined contribution plans – Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined benefit plan – The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined by the State Actuary. Contributions are paid by the Library Board at the specified rate following completion of the employee's service each pay period. The Library Board's obligations are limited to those contributions paid.

#### Accounting policy – workers' compensation premiums

The Library Board pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package, and therefore is recognised separately as employee related expenses.

Key management personnel and remuneration disclosures are detailed in Note F1.

#### Employee benefits

Wages and salaries	21,678	22,474	21,678	22,474
Employer superannuation contributions	3,094	3,080	3,094	3,080
Long service leave levy	560	563	560	563
Annual leave expenses	2,246	2,257	2,246	2,257
<b>Employee related expenses</b>				
Payroll tax	1,418	1,425	1,418	1,425
Other employee expenses	702	570	702	570
<b>Total</b>	<b>29,698</b>	<b>30,369</b>	<b>29,698</b>	<b>30,369</b>

Full-time equivalent (FTE) employees\*

	<b>2022 no.</b>	<b>2021 no.</b>
	282	277

\*FTE data as at 30 June 2022 (based upon the fortnight ending 1 July 2022)

ECONOMIC ENTITY		PARENT ENTITY	
2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000

## B2 EXPENSES CONT'D

### B2-2 Supplies and services

#### Accounting policy – distinction between grants and procurement

For a transaction to be classified as supplies and services, the value of goods or services received by the Library Board must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant in Note B2-3.

#### Disclosure – office accommodation

Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework arise from non-lease arrangements with the Department of Energy and Public Works, who has substantive substitution rights over the assets used within this scheme. Payments are expensed as incurred and categorised within the office accommodation line item.

#### Accounting policy – services rendered free of charge or for nominal value

Contribution of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as a revenue and an expense.

#### Lease rental – below fair value

The Library Board also has a peppercorn lease with Arts Queensland for the occupancy at the State Library building in South Brisbane. Under AASB 16 *Leases*, this concessionary lease is principally to enable the Library Board to further its objectives. In accordance with advice from Queensland Treasury, State Library has measured this right of use asset as both an expense and a revenue item in the financial statements, as has been the case in previous years.

Advertising and graphic design	289	275	289	275
Bookshop and merchandising expenses	518	415	518	415
Communications	223	265	223	265
Professional services	1,361	1,131	1,361	1,131
Corporate service charges	899	928	899	934
Library subscriptions and memberships	1,604	1,481	1,604	1,481
Travel and vehicle costs	208	128	208	128
Materials, equipment and repairs	620	689	620	689
Freight and postage	330	398	330	398
Furniture and equipment	310	363	310	363
Goods provided below fair value	794	603	794	603
Lease rental – provided below fair value	7,073	7,101	7,073	7,101
Office accommodation	583	605	583	605
Information technology	518	571	518	571
Library collections – new and existing	2,395	2,410	2,395	2,410
Printing, stationery and office supplies	443	271	443	271
Property services	2,596	2,684	2,596	2,684
Sundries	825	618	822	619
<b>Total</b>	<b>21,589</b>	<b>20,936</b>	<b>21,586</b>	<b>20,943</b>

### B2-3 Grants and subsidies

#### Accounting policy – grants and subsidies

The majority of grants and subsidies are paid to Queensland Public Libraries under the Public Library Grant or First 5 Forever programs. Administrative costs associated with the programs are reported under Notes B2-1 and B2-2.

#### Grants and subsidies

Public Library Grants	22,340	21,994	22,340	21,994
First Five Forever grants	3,397	3,899	3,397	3,899
Other grants paid	50	47	50	47
Queensland Library Foundation subsidy	—	—	250	250
<b>Total</b>	<b>25,787</b>	<b>25,940</b>	<b>26,037</b>	<b>26,190</b>



ECONOMIC ENTITY		PARENT ENTITY	
2022	2021	2022	2021
\$'000	\$'000	\$'000	\$'000

## B2-4 Other expenses

### Accounting policy – other expenses

The Library Board maintains insurance through the Queensland Government Insurance Fund (QGIF), Aon Australia and WorkCover Queensland for non-current physical assets, Directors and Officers insurance and its obligations for employee compensation respectively.

Total external audit fees for the Economic Entity relating to the 2021–22 financial year are estimated to be \$48,000 (2021: \$47,000). These fees, paid to the Queensland Audit Office, relate to the audit of the financial statements only.

External audit fees	49	48	43	42
Internal audit fees	68	66	68	66
Insurance premiums	93	101	93	101
Bad and doubtful debts	1	2	1	2
Board fees and expenses	44	50	44	50
Loss on disposal of assets*	152	5	152	5
Collection revaluation loss	—	888	—	888
Management fees – QIC	31	—	16	—
Other	57	61	48	50
<b>Total</b>	<b>495</b>	<b>1,221</b>	<b>465</b>	<b>1,204</b>

\*Loss on disposal of assets includes any current or non-current assets lost as a result of the 2022 Brisbane floods.

## C1 CASH AND CASH EQUIVALENTS

### Accounting policy – cash and cash equivalents

For the purposes of the Statements of Financial Position and the Statements of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with the Queensland Treasury Corporation.

Imprest accounts	2	6	2	6
Cash at bank and on hand	718	407	393	181
Cash deposit accounts	13,745	20,689	10,773	13,484
<b>Total</b>	<b>14,465</b>	<b>21,102</b>	<b>11,168</b>	<b>13,671</b>

## C2 RECEIVABLES

### Accounting policy – receivables

Receivables are measured at amortised cost which approximates their fair value at reporting date.

Trade debtors are recognised at the amounts due at the time of sale or service delivery, i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

The closing balance of receivables arising from contracts with customers for the Economic Entity at 30 June 2022 is \$0.103 million (2021: nil), which is recognised as contract liabilities.

Trade debtors	206	158	163	158
	<b>206</b>	<b>158</b>	<b>163</b>	<b>158</b>
GST receivable	219	228	219	228
GST payable	(26)	(23)	(22)	(18)
	<b>193</b>	<b>205</b>	<b>197</b>	<b>210</b>
Long service leave reimbursements	123	140	123	140
Queensland Library Foundation receivables	3	—	82	253
Distributions receivable	200	—	100	—
	<b>326</b>	<b>140</b>	<b>305</b>	<b>393</b>
<b>Total</b>	<b>725</b>	<b>503</b>	<b>665</b>	<b>761</b>

ECONOMIC ENTITY		PARENT ENTITY	
2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000

## C2 RECEIVABLES CONT'D

### C2-1 Impairment of receivables

#### Accounting policy – impairment of receivables

The Library Board's other receivables are from Queensland Government agencies or Australian Government agencies. No impairment is recorded for these receivables as they are deemed low risk. Refer to Note D2-3 for the Library Board's credit risk management policies.

All receivables (including trade debtors) are considered for impairment once they reach 90 days. This consideration includes the nature of both the debtor and goods and services provided. No receivables were impaired in 2021-22.

Where the Library Board has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against loss allowance.

This occurs when the debt is over 90 days past due and the Library Board has ceased enforcement activity. If the amount of debt written-off exceeds the loss allowance, the excess is recognised as an impairment loss.

#### Disclosure – credit risk exposure of receivables

All receivables within terms and expected to be fully collectible are considered of good quality based on recent collection history. Credit risk management strategies are detailed in Note D2-4.

The collectability of receivables is assessed periodically with allowance being made for impairment.

## C3 OTHER CURRENT ASSETS

#### Accounting policy – other current assets

Prepaid expenses are costs that have been paid but are not yet used up or have not yet expired. As the amount expires, the current asset is reduced and the amount of the reduction is reported as an expense on the income statement. State Library expects that all prepayments will be recognised within 12 months.

Prepayments wage related	67	247	67	247
Prepayments subscription services	608	594	608	594
<b>Total</b>	<b>675</b>	<b>841</b>	<b>675</b>	<b>841</b>

## C4 OTHER FINANCIAL ASSETS

#### Accounting policy – other financial assets

The State Library's investments are classified as financial assets measured at fair value through profit or loss under AASB 9 *Financial Instruments*. The nature of the investment is that of physical and derivative securities, and the investment is held with the intention of short-term profit taking in the form of distributions, not long-term increase in value of the investment.

QIC Short Term Income Fund	7,771	—	3,886	—
<b>Total</b>	<b>7,771</b>	<b>—</b>	<b>3,886</b>	<b>—</b>

## C5 INTANGIBLES

### C5-1 Recognition and measurement

#### Accounting policies

Software with a historical cost or other value equal to or greater than \$100,000 is recognised in the financial statements. Software with a lesser value is expensed. Costs associated with the internal development of computer software are capitalised and amortised and any training costs are expensed as incurred.

Following the issuance of IFRIC's (International Financial Reporting Interpretations Committee) agenda decision on Configuration or Customisation Costs in a Cloud Computing Arrangement in April 2021, the Library Board has reviewed its current accounting policy for certain cloud computing and software-as-a-service (SaaS) costs.

In response to the decision, the Library Board's accounting policy now considers where the software code resides, whether it is identifiable and whether the Library Board has the power to both obtain economic benefits from the software and restrict the access of others to those benefits. Configuration or customisation costs that do not qualify for recognition as an intangible asset are further assessed as to the appropriate timing of expense recognition, using the following criteria:

- a) Where the configuration or customisation is considered a distinct (i.e. separately identifiable) service from the subsequent access to the cloud software, the costs are expensed when the configuration or customisation services are received. This is typically the case when the vendor providing the services is different from the vendor providing access to the software.
- b) Where the configuration or customisation is not a distinct service from the Library Board's right to access the software, the costs are expensed over the period of access on a straight-line basis. A prepayment asset is recognised when the payment is made upfront. This is usually the case when the same vendor is providing both the configuration or customisation services and the access to the cloud software.

Any software that qualifies as an intangible asset will continue to be capitalised in accordance with AASB 138 *Intangible Assets* (AASB 138).

There is no active market for any of the Library Board's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

#### Heritage digital collections

In line with Queensland Treasury's *Non-Current Asset Policy – Accounting for Library Collections* (NCAP 7), the Library Board has recognised collections with a cost or other value greater than \$5,000 stored in electronic format and made accessible to the public (e.g. digitised physical collections, oral histories, digital stories and digital photographs) as intangible assets with indefinite useful lives, subject to annual review. For in-house developed digital collection items, direct costs associated with developing, creating and making accessible the items constitutes the cost of the items.

### C5-2 Amortisation expense

#### Accounting policy

Following a review of conditions and circumstances under which digital collections are stored and maintained, it is considered that there is a sufficiently high standard to retain indefinite life status. Under AASB 138, these assets are not amortised. The standard amortisation rate for software is 14%. All current software assets are fully amortised down to their residual value, but are still in use.

### C5-3 Impairment

#### Accounting policy

All intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Library Board determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment for digital collections is assessed annually based on factors such as current market values and technological considerations. (See also Note C6-5.)

All intangible assets are assessed for impairment as per AASB 136 *Impairment of Assets*.

	ECONOMIC ENTITY		PARENT ENTITY	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>C5 INTANGIBLES</b> <small>CONT'D</small>				
<b>C5-4 Intangible assets – balances and reconciliations of carrying amount</b>				
<b>Intangible assets</b>				
Heritage digital collection				
At cost	14,408	13,070	14,408	13,070
Work in progress	19	22	19	22
Computer software				
At cost	2	3	2	3
Work in progress	383	284	383	284
<b>Total</b>	<b>14,812</b>	<b>13,379</b>	<b>14,812</b>	<b>13,379</b>
<b>Intangible reconciliation</b>				
<b>Computer software</b>				
Carrying amount at 1 July 2021	287	3	287	3
Work in progress	98	284	98	284
<b>Computer software carrying amount as at 30 June 2022</b>	<b>385</b>	<b>287</b>	<b>385</b>	<b>287</b>
<b>Heritage digital collections</b>				
Carrying amount at 1 July 2021	13,070	12,218	13,070	12,218
Acquisitions/internally developed items	1,306	788	1,306	788
Donations	32	64	32	64
<b>Heritage digital collections total as at 30 June 2022</b>	<b>14,408</b>	<b>13,070</b>	<b>14,408</b>	<b>13,070</b>
<b>Heritage digital collections – work in progress</b>				
Carrying amount at 1 July 2021	22	38	22	38
Movement in work in progress	(3)	(16)	(3)	(16)
<b>Heritage digital collections work in progress as at 30 June 2022*</b>	<b>19</b>	<b>22</b>	<b>19</b>	<b>22</b>
<b>Heritage digital collections carrying amount as at 30 June 2022</b>	<b>14,427</b>	<b>13,092</b>	<b>14,427</b>	<b>13,092</b>
<b>Total intangibles carrying amount at 30 June 2022</b>	<b>14,812</b>	<b>13,379</b>	<b>14,812</b>	<b>13,379</b>

\*Heritage digital collections work in progress represents purchases made but not yet catalogued.

State Library has software with an original cost of \$0.555 million (2021: \$0.555 million) that has been written down to a residual value of \$2,000 (2021: \$3,000) and is still being used in the provision of services.

## C6 PROPERTY, PLANT AND EQUIPMENT

### C6-1 Recognition and measurement

#### Accounting policy – recognition

##### *Basis of capitalisation and recognition thresholds*

Items of property, plant and equipment, with the exception of the collections, with a historical cost or other value equal to or in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition. As per the *Non-Current Asset Policies for the Queensland Public Sector* (NCAPs), an asset recognition threshold of \$1,000,000 is applied to the reference collection (Information Collection) and a threshold of \$5,000 applied to the heritage and cultural collections (John Oxley Library (JOL) and Australian Library of Art (ALA)), collectively referred to as Memory Collections.

Items with a lesser value are expensed in the year of acquisition.

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the Library Board. Subsequent

expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

#### *Collections*

Capital expenditure on the Information Collection is recorded as an addition to the collection. Purchases of common use collections are expensed on purchase.

#### *Heritage and cultural assets (valuables)*

Capital expenditure on the Memory Collections is recorded as an addition to valuables. Due to the nature of these items, they are not depreciated in accordance with NCAP 7. Digital collections held within the Memory Collections have been treated as intangible assets since 2012-13. For further information regarding intangibles, please refer to Note C5.

## C6 PROPERTY, PLANT AND EQUIPMENT CONT'D

### C6-1 Recognition and measurement CONT'D

#### Accounting policy – cost of acquisition

Historical cost is used for the initial recording of all property, plant and equipment acquisitions. Historical cost is determined as the value given as consideration and costs incidental to the acquisition (such as architects' fees and engineering design fees), plus all other costs incurred in getting the assets ready for use.

Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at date of acquisition.

### C6-2 Measurement using historical cost

#### Accounting policy

Plant and equipment is measured at historical cost in accordance with the *Non-Current Asset Policies for the Queensland Public Sector*. The carrying amounts for such plant and equipment is not materially different from their fair value.

### C6-3 Measurement using fair value

#### Accounting policy – heritage and cultural assets

Heritage and cultural assets are measured at fair value as required by Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses where applicable.

The cost of heritage and cultural items acquired during the financial year has been considered by management of the Library Board to materially represent their fair value at the end of the reporting period. For further information regarding fair value measurement, please refer to Note D1.

The Memory Collections measured at fair value are comprehensively revalued at least once every 5 years, either by appraisals undertaken by an independent professional valuer or internal expert, or by the use of appropriate and relevant indices. For financial reporting purposes, the revaluation process is managed by the Library Board's finance team, who determines the specific revaluation practices and procedures. The Library Board's Audit and Risk Management Committee oversees the revaluation processes managed by the finance team. That committee undertakes annual reviews of the revaluation policies, and reports to the Library Board regarding the outcomes of, and recommendations arising from, each annual review.

An independent revaluation of the Memory Collections was undertaken as at 30 June 2022 to determine the fair value of these assets. The revaluation was conducted by Pickles Valuation Services and was done in accordance with the reporting requirements of Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*, NCAP 3 – *Valuation of Assets* and NCAP 7; the Australian Accounting Standard Board's (AASB) Standards AASB 13, AASB 116, AASB 136; and State Library's *Accounting for Library Collections Policy*. This resulted in an overall increase in value of \$7.216 million, from \$82.15 million to \$89.985 million.

#### Accounting policy – library collections

Library Information Collection assets are measured at fair value as required by Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses where applicable.

The cost of Information Collection items acquired during the financial year has been considered by management of the Library Board to materially represent their fair value at the end of the reporting period. For further information regarding fair value measurement, please refer to Note D1.

The Information Collection measured at fair value is revalued annually by management using valuation techniques as required by Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. For financial reporting purposes, the revaluation process is managed by the Library Board's finance team, who determines the specific revaluation practices and procedures. The Library Board's Audit and Risk Management Committee oversees the revaluation processes managed by the finance team. That committee undertakes annual reviews of the revaluation policies, and reports to the Library Board regarding the outcomes of, and recommendations arising from, each annual review.

Independent confirmation of the methodology used to value the Information Collection is to be obtained by State Library every 5 years as per NCAP 7. This confirmation was received as at 30 June 2022 from Pickles Valuation Services.

#### Use of specific appraisal

Revaluations using independent professional valuers or internal expert appraisals are undertaken at least once every 5 years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal. This is arranged by the finance team after consultation with the Audit and Risk Management Committee.

The fair values reported by the Library Board are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs. Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).

## C6 PROPERTY, PLANT AND EQUIPMENT CONT'D

### C6-3 Measurement using fair value CONT'D

#### Accounting policy – library collections CONT'D

##### *Use of indices*

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. The Library Board ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. As a full valuation was undertaken, no index has been applied in 2021-22 (2021: \$nil).

##### *Accounting for changes in fair value*

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

### C6-4 Depreciation expense

#### Accounting policy

Property, plant and equipment is depreciated using the straight line method so as to allocate the net cost or revalued amount of each asset, less any estimated residual value, progressively over the estimated useful life to the entity.

**Key judgement:** Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the Library Board.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the entity.

For the Library Board's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

#### Depreciation rates

For each class of depreciable assets, the following depreciation rates were used:

Class	Default rate
Plant and equipment (>\$5,000)	
Computers	20%–25%
Servers and switches	20%
Audio equipment	20%–33%
Air conditioning	11%
Furniture	2%
Leasehold improvements	10%
Office equipment	20%–33%

#### Depreciation of collections

Depreciation is not applied to the reference collection based on the characteristics of the collection in accordance with NCAP 7. The useful life of the collection is sufficiently long that the resultant depreciation expense would be immaterial in amount.

### C6-5 Impairment

#### Accounting policy

##### *Indicators of impairment and determining recoverable amount*

Property, plant and equipment and intangible assets are assessed for indicators of impairment on an annual basis or, where the assets are measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. Where indicators of a material change in fair value or service potential since last valuation arises, the asset is revalued at the reporting date under AASB 13 *Fair Value Measurement* (AASB 13). If an indicator of possible impairment exists, the Library Board determines the asset's recoverable amount.

The recoverable amount of property, plant and equipment and intangible assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

The recoverable amount for most assets is measured at the higher of current replacement cost and fair value costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of the future cash flows expected to be obtained from the asset and fair value less costs to sell.

##### *Recognising impairment losses*

For assets measured at fair value, the impairment loss is treated as a revaluation decrease and offset against the asset revaluation surplus of the relevant class to the extent available. Where no asset revaluation surplus is available in respect of the class of asset, the loss is expensed in the Statement of Comprehensive Income as a revaluation decrement.

For assets measured at cost, an impairment loss is recognised immediately in the Statement of Comprehensive Income.

##### *Reversal of impairment losses*

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

For assets measured at fair value, to the extent the original decrease was expensed through the Statement of Comprehensive Income, the reversal is recognised in income, otherwise the reversal is treated as a revaluation increase for the class of asset through asset revaluation surplus.

For assets measured at cost, impairment losses are reversed through income.

	ECONOMIC ENTITY		PARENT ENTITY	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>C6-6 Property, plant and equipment</b>				
<b>Heritage and cultural assets</b>				
Memory Collections	89,954	82,113	89,954	82,113
Artworks at fair value	31	35	31	35
<b>Total heritage and cultural assets at fair value</b>	<b>89,985</b>	<b>82,148</b>	<b>89,985</b>	<b>82,148</b>
<b>Total library collections at fair value</b>	<b>36,731</b>	<b>39,414</b>	<b>36,731</b>	<b>39,414</b>
Plant and equipment:				
Plant and equipment	4,859	4,765	4,859	4,765
Less: accumulated depreciation plant and equipment	(3,451)	(3,437)	(3,451)	(3,437)
<b>Total plant and equipment at cost</b>	<b>1,408</b>	<b>1,328</b>	<b>1,408</b>	<b>1,328</b>
<b>Total</b>	<b>128,124</b>	<b>122,890</b>	<b>128,124</b>	<b>122,890</b>

State Library has property, plant and equipment with an original cost of \$2.172 million (2021: \$2.580 million) that has been written down to a residual value of \$28,783 (2021: \$48,567) and still being used in the provision of services.

### C6-7 Property, plant and equipment – balances and reconciliations of carrying amount

<b>Heritage and cultural assets (valuables)</b>				
Carrying amount at 1 July – at cost	1,549	1,098	1,549	1,098
Carrying amount at 1 July – at valuation	80,598	80,455	80,598	80,455
Acquisitions	485	452	485	452
Donations received	137	143	137	143
Net revaluation increments/(decrements)	7,216	—	7,216	—
<b>Carrying amount at end of financial year</b>	<b>89,985</b>	<b>82,148</b>	<b>89,985</b>	<b>82,148</b>
<b>Library collections</b>				
Carrying amount at 1 July – at cost	144	203	144	203
Carrying amount at 1 July – at valuation	39,270	39,954	39,270	39,954
Acquisitions	147	144	147	144
Net revaluation increments/(decrements)	(2,830)	(887)	(2,830)	(887)
<b>Carrying amount at end of financial year</b>	<b>36,731</b>	<b>39,414</b>	<b>36,731</b>	<b>39,414</b>
<b>Plant and equipment</b>				
Carrying amount at 1 July – at cost	1,328	1,369	1,328	1,369
Acquisitions	442	373	442	373
Disposals	(27)	(3)	(27)	(3)
Depreciation expense	(335)	(411)	(335)	(411)
<b>Carrying amount at end of financial year</b>	<b>1,408</b>	<b>1,328</b>	<b>1,408</b>	<b>1,328</b>
<b>Total</b>				
Carrying amount at 1 July – at cost	3,021	2,670	3,021	2,670
Carrying amount at 1 July – at valuation	119,868	120,409	119,868	120,409
Acquisitions	1,074	969	1,074	969
Donations received	137	142	137	142
Disposals	(27)	(3)	(27)	(3)
Net revaluation increments/(decrements)	4,386	(887)	4,386	(887)
Depreciation expense	(335)	(411)	(335)	(411)
<b>Carrying amount at end of financial year</b>	<b>128,124</b>	<b>122,890</b>	<b>128,124</b>	<b>122,890</b>

ECONOMIC ENTITY		PARENT ENTITY	
2022	2021	2022	2021
\$'000	\$'000	\$'000	\$'000

## C7 PAYABLES

### Accounting policy – payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount, i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured.

Accrued expenses are recognised upon receipt of the goods or services during the year but the related invoices for such goods and services are only received after year end.

Current

Trade creditors	578	828	578	828
Accrued expenses	479	1,506	479	1,506
<b>Total</b>	<b>1,057</b>	<b>2,334</b>	<b>1,057</b>	<b>2,334</b>

## C8 ACCRUED EMPLOYEE BENEFITS

### Accounting policy – accrued employee benefits

No provision for long service leave is recognised in the financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Additional accounting policies in relation to employee benefits and expenses are disclosed in Note B2-1.

Annual leave	2,471	2,571	2,471	2,571
Long service leave levy payable	171	155	171	155
Wages outstanding	37	62	37	62
<b>Total</b>	<b>2,679</b>	<b>2,788</b>	<b>2,679</b>	<b>2,788</b>

## C9 CONTRACT LIABILITIES

### Accounting policy – contract liabilities

Contract liabilities arise from contracts with customers. Of the amount included in the contract liability balance at 1 July 2021, \$0.261 million has been recognised as revenue in 2021-22.

Contract liabilities at 30 June 2022 relate to instalments received for which the milestone deliverables have not yet been achieved. This amount will be recognised as revenue over the next 12 months.

Venue hire deposits	27	24	27	24
Management fees for Anzac Square Memorial Galleries	217	103	217	103
Indigenous Languages Project	62	49	62	49
Research fees for Government Research and Information Library (GRAIL)	103	—	103	—
Other grants	110	155	47	—
<b>Total</b>	<b>519</b>	<b>331</b>	<b>456</b>	<b>176</b>



## C10 EQUITY

### C10-1 Contributed equity

#### Accounting policy

Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities* specifies the principles for recognising contributed equity by the Library Board. The following items are recognised as contributed equity by the Library Board during the reporting and comparative years:

- appropriations for equity adjustments
- non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of Machinery of Government changes.

### C10-2 Revaluation surplus by asset class

#### Accounting policy

The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

Prior to 2003, State Library adopted a fair value approach in accounting for its property, plant and equipment where fair value movements were recognised through the library collections assets revaluation reserve. However, in 2003, the policy was changed to a cost approach where the balance of the library collections assets revaluation reserve at that point in time was reclassified to accumulated surplus. In 2005, the Library Board re-adopted the fair value accounting for its property, plant and equipment. Therefore, in the current year management has decided to transfer \$34.45 million from accumulated surplus back to the library collections assets revaluation reserve.

	ECONOMIC AND PARENT ENTITY		
	LIBRARY COLLECTIONS \$'000	HERITAGE AND CULTURAL ASSETS \$'000	TOTAL \$'000
<b>Balance 1 July 2020</b>	—	68,213	68,213
Revaluation increment/(decrement)	—	—	—
<b>Balance 30 June 2021</b>	—	68,213	68,213
<b>Balance 1 July 2021</b>	—	68,213	68,213
Revaluation increment/(decrement)	(2,830)	7,216	4,386
Transfer in from accumulated surplus	34,452	—	34,452
<b>Balance 30 June 2022</b>	31,622	75,429	107,051

## D1 FAIR VALUE MEASUREMENT

### D1-1 Accounting policies and inputs for fair values

#### What is fair value?

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the Library Board include, but are not limited to, published sales data for heritage and cultural assets.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by State Library include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Library Board's assets/liabilities and assessments of their physical condition and remaining useful lives. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

## D1 FAIR VALUE MEASUREMENT CONT'D

### D1-1 Accounting policies and inputs for fair values CONT'D

#### Fair value measurement hierarchy

Details of assets and liabilities measured under each category of fair value are set out in the table below.

All assets and liabilities of the Library Board for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

State Library assets are categorised as follows:

	LEVEL 1		LEVEL 2		LEVEL 3		AT COST		TOTAL CARRYING AMOUNT	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Heritage collections	—	—	—	—	89,985	82,148	—	—	89,985	82,148
Information Collection	—	—	—	—	36,731	39,414	—	—	36,731	39,414
Plant and equipment	—	—	—	—	—	—	1,408	1,328	1,408	1,328
Investment	7,771	—	—	—	—	—	—	—	7,771	—
Total	7,771	—	—	—	126,716	121,562	1,408	1,328	135,895	122,890

The Library Board recognises other financial assets invested with QIC at fair value through profit or loss. The fair value is measured at market value based on closing unit prices of QIC unlisted unit trusts. Fair value gains and losses are recognised in the Statement of Comprehensive Income.

The units in the trust have redemption prices and are able to be traded, therefore they are considered to be level 1. A market comparison valuation approach is used, with the units carried at redemption value as reasonably determined by the funds manager. Classifications of instruments into fair value hierarchy levels are reviewed annually.

### D1-2 Basis for fair values of assets and liabilities

#### Heritage and cultural assets

**Effective date of last specific comprehensive valuation:**  
30/6/2022

**Valuation approach:** Market based assessment

**Inputs:** The collection was valued using unobservable inputs. Auction records, international and Australian dealers' catalogues, book sellers' pricelists, and offerings on the internet. Pickles Valuation Services has subscription services to ABPC (American Book Price Current), Rare Book Hub, AASD (Australian Art Sales Digest), and Findlotsonline as well as a number of auction houses. Descriptions and notes for items was attained from State Library's One Search database. Where market prices could not be easily established the value was determined using the price of a similar asset.

**Current year valuation activity:** The Memory Collections measured at fair value are comprehensively revalued at least once every 5 years. In the intervening years and where applicable, their previous valuations are materially kept up-to-date via the application of relevant indices. The application of such indices results in a valid estimation of the assets' fair values at reporting date. See Note C6-3.

#### Library collections

**Effective date of last specific appraisal:** 30/6/2022

**Valuation approach:** Internal valuation based on purchase data collected as per NCAP 7

**Inputs:** Purchase data over at least the past 7 years by category and sub-category along with collection counts

**Current year valuation activity:** Library collections are valued on an annual basis by management in line with Queensland Treasury's *Non-Current Asset Accounting Policies for the Queensland Public Sector*. State Library uses acquisition records for at least the previous 7 years in calculating average purchase prices which are then applied to titles within the library collection.

ECONOMIC ENTITY		PARENT ENTITY	
2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000

## D2 FINANCIAL RISK DISCLOSURES

### D2-1 Accounting policy

#### Recognition

Financial assets and financial liabilities are recognised in the Statements of Financial Position when the Library Board becomes party to the contractual provisions of the financial instrument.

#### Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at amortised cost
- Receivables – held at amortised cost
- Other financial assets – held at fair value through profit and loss
- Payables – held at amortised cost

The Library Board does not enter into transactions for speculative purposes, nor for hedging.

All other disclosures relating to the measurement and financial risk management of financial instruments held by State Library are included further in this note.

### D2-2 Financial instrument categories

The Library Board has the following categories of financial assets and financial liabilities:

CATEGORY	NOTE				
<b>Financial assets</b>					
Cash and cash equivalents	C1	14,465	21,102	11,168	13,671
Receivables	C2	725	503	665	761
Other financial assets	C4	7,771	—	3,886	—
<b>Total financial assets</b>		<b>22,961</b>	<b>21,605</b>	<b>15,719</b>	<b>14,432</b>
<b>Financial liabilities</b>					
Payables	C7	1,057	2,334	1,057	2,334
<b>Total financial liabilities</b>		<b>1,057</b>	<b>2,334</b>	<b>1,057</b>	<b>2,334</b>

No financial assets and financial liabilities have been offset so these are presented gross in the Statement of Financial Position.

### D2-3 Risks arising from financial instruments

#### Risk exposure

Financial risk management is implemented pursuant to government and Library Board policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Library Board.

All financial risk is managed by executive management under policies approved by the Library Board. The Library Board provides written principles for overall risk management, as well as policies covering specific areas.

The Library Board's activities expose it to a variety of financial risks as set out in the following table:

Risk exposure	Definition	Exposure
Credit risk	Credit risk exposure refers to the situation where the Library Board may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The Library Board is exposed to credit risk in respect of its receivables (Note C2).
Liquidity risk	Liquidity risk refers to the situation where the Library Board may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The Library Board is exposed to liquidity risk in respect of its payables (Note C7).
Interest risk	Interest risk refers to the situation where the Library Board may have reduced revenue due to the reduction of interest rates for invested funds.	The Library Board is exposed to interest risk in respect of its investments (Note C1).

ECONOMIC ENTITY		PARENT ENTITY	
2022	2021	2022	2021
\$'000	\$'000	\$'000	\$'000

## D2 FINANCIAL RISK DISCLOSURES CONT'D

### D2-3 Risks arising from financial instruments CONT'D

#### Risk measurement and management strategies

The Library Board measures risk exposure using a variety of methods as follows:

Risk exposure	Measurement method	Risk management strategies
Credit risk	Ageing analysis, earnings at risk	The Library Board aims to reduce the exposure to credit risk through the monitoring of outstanding amounts on a regular basis.
Liquidity risk	Government revenue is received in advance; other revenues and expenses closely monitored	This strategy aims to reduce the exposure to liquidity risk by ensuring the Library Board has sufficient funds available to meet employee and supplier obligations as they fall due.
Interest risk	Interest rate sensitivity analysis	The Library Board aims to reduce this exposure through the monitoring of interest rates available from various financial institutions.

### D2-4 Credit risk disclosure

#### Credit risk management practices

The Library Board considers financial assets that are over 30 days past due to have significantly increased credit risk, and measures the loss allowance of such assets at lifetime expected credit losses instead of 12-month expected credit losses. The exception is trade receivables (Note C2), for which the loss allowance is always measured at lifetime expected credit losses.

The Library Board typically considers a financial asset to be in default when it becomes 90 days past due. However, a financial asset can be in default before that point if information indicates that the Library Board is unlikely to receive the outstanding amounts in full. The Library Board's assessment of default does not take into account any collateral or other credit enhancements.

The Library Board's write-off policy is disclosed in Note C2-1.

## D3 CONTINGENCIES

There are no known material contingent assets or liabilities at balance date.

## D4 COMMITMENTS

#### Expenditure commitments

Commitments include those items for which the Library Board has entered into contractual arrangements or those items for which expenditure related to donated funds is known.

Not later than 1 year	2,465	1,519	1,814	833
Later than 1 year and not later than 5 years	4,934	3,950	4,027	3,235
Later than 5 years	—	625	—	625
	<b>7,399</b>	<b>6,094</b>	<b>5,841</b>	<b>4,693</b>

## D5 EVENTS AFTER THE BALANCE DATE

There were no significant events occurring after the balance date.

## D6 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

Australian accounting standards and interpretations with future effective dates are either not applicable to the Library Board's activities or have no material impact on the Library Board.

2022	2021
\$'000	\$'000

## E1 BUDGETARY REPORTING DISCLOSURES AND SIGNIFICANT FINANCIAL IMPACT FROM COVID-19 – ECONOMIC ENTITY

### E1-1 Significant financial impacts from COVID-19 pandemic

The following significant transactions were recognised by the State Library during the 2021–22 financial year in response to the COVID-19 pandemic.

#### Operating statement

##### Significant expense transactions arising from COVID-19

Rental relief	—	40
Salaries and wages	—	2
Property, equipment and maintenance costs	—	52
Other supplies and services	7	44
	7	138

##### Significant revenue transactions arising from COVID-19

Business interruption insurance recovery – QGIF	321	502
	321	502

#### ECONOMIC ENTITY

2022 ACTUAL \$'000	2022 ORIGINAL BUDGET \$'000	BUDGET VARIANCE \$'000
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This section contains explanations of major variances between the Library Board's actual 2021–22 financial results and the original budget presented to Parliament.

### E1-2 Budget to actual comparison – Statement of Comprehensive Income

#### Income from continuing operations

##### Revenue

User charges	4,024	4,724	(700)
Grants and contributions	77,998	74,993	3,005
Other	490	893	(403)
Investment income	353	—	353

<b>Total revenue</b>	82,865	80,610	2,255
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Net fair value loss on other financial assets	(349)	—	(349)
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<b>Total income from continuing operations</b>	82,516	80,610	1,906
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##### Expenses from continuing operations

Employee benefits and expenses	29,698	31,828	(2,130)
Supplies and services	21,589	22,756	(1,167)
Grants and subsidies	25,787	25,261	526
Depreciation and amortisation	335	545	(210)
Other expenses	495	220	275

<b>Total expenses from continuing operations</b>	77,904	80,610	(2,706)
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<b>Operating result from continuing operations</b>	4,612	—	4,612
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##### Other comprehensive income

Items that will not be reclassified to operating result:

Increase in asset revaluation	4,386	—	4,386
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<b>Total other comprehensive income</b>	4,386	—	4,386
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<b>Total comprehensive income</b>	8,998	—	8,998
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## ECONOMIC ENTITY

2022 ACTUAL \$'000	2022 ORIGINAL BUDGET \$'000	BUDGET VARIANCE \$'000
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## E1 BUDGETARY REPORTING DISCLOSURES AND SIGNIFICANT FINANCIAL IMPACT FROM COVID-19 – ECONOMIC ENTITY CONT'D

### E1-3 Explanation of major variances – Statement of Comprehensive Income

Grants and contributions were higher than original budget due to additional enterprise bargaining salary increases and the annual population growth applied to the Public Library Grant.

User charges are less than original budget due to business disruptions from January 2022 COVID-19 closure and the February 2022 floods.

Employee expenses are less than original budget due to filling vacancies throughout the financial year.

Supplies and services are less than original budget due to business interruptions and supply chain constraints.

### E1-4 Budget to actual comparison – Statement of Financial Position

#### Current assets

Cash and cash equivalents	14,465	19,139	(4,674)
Receivables	725	530	195
Inventories	151	248	(97)
Other current assets	675	1,141	(466)
Other financial assets	7,771	–	7,771
<b>Total current assets</b>	<b>23,787</b>	<b>21,058</b>	<b>2,729</b>

#### Non-current assets

Intangible assets	14,812	13,448	1,364
Property, plant and equipment	128,124	125,602	2,522
<b>Total non-current assets</b>	<b>142,936</b>	<b>139,050</b>	<b>3,886</b>
<b>Total assets</b>	<b>166,723</b>	<b>160,108</b>	<b>6,615</b>

#### Current liabilities

Payables	1,057	2,282	(1,225)
Accrued employee benefits	2,679	3,479	(800)
Contract liabilities	519	272	247
<b>Total current liabilities</b>	<b>4,255</b>	<b>6,033</b>	<b>(1,778)</b>
<b>Total liabilities</b>	<b>4,255</b>	<b>6,033</b>	<b>(1,778)</b>
<b>Net assets</b>	<b>162,468</b>	<b>154,075</b>	<b>8,393</b>

### E1-5 Explanation of major variances – Statement of Financial Position

Current assets are higher than original budget due to a higher closing balance in cash and cash equivalents and other financial asset valuation.

Non-current assets are higher than original budget due to higher digital collections and a higher than expected increase in fair value of physical collections of \$4.523 million resulting from external and internal valuation processes.

Current liabilities are less than original budget due to a lower payables closing balance than forecasted budget. Budget was based on 2021 actuals, which had a higher accrued expense balance.

Accrued employee benefits were also less than forecast as leave taken returns to normal levels post COVID-19 restrictions.

## ECONOMIC ENTITY

	2022 ACTUAL \$'000	2022 ORIGINAL BUDGET \$'000	BUDGET VARIANCE \$'000
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
User charges	4,163	5,127	(964)
Grants and contributions	69,961	67,815	2,146
GST collected from customers	462	311	151
GST input tax credits from ATO	1,434	—	1,434
Interest receipts	166	150	16
Other	324	743	(419)
<i>Outflows:</i>			
Employee expenses	(29,609)	(31,828)	2,219
Supplies and services	(15,082)	(15,578)	496
Grants and subsidies	(25,787)	(25,261)	(526)
GST paid to suppliers	(1,425)	—	(1,425)
GST remitted to ATO	(459)	—	(459)
Other	(315)	(934)	619
<b>Net cash from operating activities</b>	<b>3,833</b>	<b>545</b>	<b>3,288</b>
<b>Cash flows from investing activities</b>			
<i>Outflows:</i>			
Payments for valuables	(483)	(396)	(87)
Payments for library collection	(147)	(73)	(74)
Payments for property, plant and equipment	(442)	(231)	(211)
Payments for intangibles	(1,400)	(832)	(568)
Payments for other financial assets	(7,998)	—	(7,998)
<b>Net cash used in investing activities</b>	<b>(10,470)</b>	<b>(1,532)</b>	<b>(8,938)</b>
<b>Net decrease in cash held</b>	<b>(6,637)</b>	<b>(987)</b>	<b>(5,650)</b>
<b>Cash and cash equivalents – opening balance</b>	<b>21,102</b>	<b>20,126</b>	<b>976</b>
<b>Cash and cash equivalents – closing balance</b>	<b>14,465</b>	<b>19,139</b>	<b>(4,674)</b>

**E1-6 Budget to actual comparison – Statement of Cash Flows****Cash flows from operating activities***Inflows:*

User charges	4,163	5,127	(964)
Grants and contributions	69,961	67,815	2,146
GST collected from customers	462	311	151
GST input tax credits from ATO	1,434	—	1,434
Interest receipts	166	150	16
Other	324	743	(419)

*Outflows:*

Employee expenses	(29,609)	(31,828)	2,219
Supplies and services	(15,082)	(15,578)	496
Grants and subsidies	(25,787)	(25,261)	(526)
GST paid to suppliers	(1,425)	—	(1,425)
GST remitted to ATO	(459)	—	(459)
Other	(315)	(934)	619

**Net cash from operating activities**

3,833 545 3,288

**Cash flows from investing activities***Outflows:*

Payments for valuables	(483)	(396)	(87)
Payments for library collection	(147)	(73)	(74)
Payments for property, plant and equipment	(442)	(231)	(211)
Payments for intangibles	(1,400)	(832)	(568)
Payments for other financial assets	(7,998)	—	(7,998)

**Net cash used in investing activities**

(10,470) (1,532) (8,938)

**Net decrease in cash held**

(6,637) (987) (5,650)

**Cash and cash equivalents – opening balance**

21,102 20,126 976

**Cash and cash equivalents – closing balance**

14,465 19,139 (4,674)

**E1-7 Explanation of major variances – Statement of Cash Flows**

Net cash from operating activities is higher than original budget due to higher than expected grants and contributions and employee expenses being less than original budget due to filling vacancies.

Net cash provided used in investing activities is lower than original budget due to cash being invested in the QIC Short Term Income Fund.

## F1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

### F1-1 Details of key management personnel

As from 2016-17, the State Library's responsible Minister is identified as part of the State Library's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. From 12 November 2020, that Minister is the Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts.

The following details for non-Ministerial key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the agency during 2020-21 and 2021-22 as part of the Executive Management Team. Further information on these positions can be found in the body of the annual report under the section relating to Executive Management.

Position	Position responsibility
State Librarian and CEO	The State Librarian and CEO is responsible for the proper and sound management of the State Library, under the authority of the Library Board of Queensland.
Executive Director, Corporate Governance and Operations	The Executive Director, Corporate Governance and Operations is responsible for providing a range of organisational services that underpin and support State Library's activities.
Executive Director, Content and Client Services	The Executive Director, Content and Client Services is responsible for providing clients of the State Library with physical and virtual access to the state's diverse collections and services.
Executive Director, Public Libraries and Engagement	The Executive Director, Public Libraries and Engagement is responsible for providing support for local government and communities to deliver library services in over 320 library and Indigenous Knowledge Centre (IKC) service points in Queensland.

### F1-2 Remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The Library Board does not bear any cost of remuneration for its Minister. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's *Report on State Finances*.

State Library executives and senior managers employed by the Library Board are paid at rates set by Government for Senior Executives and Senior Officers. These executives are engaged as employees under the *Libraries Act 1988* (Qld) or as executives under the *Public Service Act 2008* on renewable contracts or as tenured senior officers.

Remuneration policy for the Library's key management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. Individual remuneration and other terms of employment (including motor vehicle entitlements if applicable) are specified in employment contracts.

Remuneration expenses for key management personnel comprise the following components:

*Short-term employee expenses* which include:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position;
- non-monetary benefits – consisting of provision of parking benefits together with fringe benefits tax applicable to the benefit.

*Long-term employee expenses* include amounts expensed in respect of long service leave entitlements earned.

*Post-employment expenses* include amounts expensed in respect of employer superannuation obligations.

*Termination benefits* are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

No KMP remuneration packages provide for performance or bonus payments.



### F1-3 KMP remuneration expense

The following disclosures focus on the expenses incurred by the State Library that are attributable to key management positions during the respective reporting periods. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

POSITION	SHORT-TERM EMPLOYEE EXPENSES		LONG-TERM EMPLOYEE EXPENSES	POST- EMPLOYMENT EXPENSES	TERMINATION BENEFITS	TOTAL EXPENSES
	MONETARY EXPENSES \$'000	NON-MONETARY BENEFITS \$'000	\$'000	\$'000	\$'000	\$'000
<b>1 July 2021 – 30 June 2022</b>						
State Librarian and CEO	300	5	7	37	—	349
Executive Director, Corporate Governance and Operations	181	3	4	19	—	207
Executive Director, Content and Client Services	183	5	5	20	—	213
Executive Director, Public Libraries and Engagement	197	5	5	20	—	227
<b>Total remuneration</b>	<b>861</b>	<b>18</b>	<b>21</b>	<b>96</b>	<b>—</b>	<b>996</b>
<b>1 July 2020 – 30 June 2021</b>						
State Librarian and CEO	276	6	6	36	—	324
Executive Director, Corporate Governance and Operations	170	2	4	19	—	195
Executive Director, Content and Client Services	195	5	4	19	—	223
Executive Director, Public Libraries and Engagement	178	4	4	20	—	206
<b>Total remuneration</b>	<b>819</b>	<b>17</b>	<b>18</b>	<b>94</b>	<b>—</b>	<b>948</b>

### F1-4 Library Board remuneration

Library Board fees, including both sitting fees and special assignment fees, totalled \$44,359 (2021: \$50,446). Other fees such as fringe benefits tax, superannuation, payroll tax, insurance, travel, catering and printing totalled \$40,154 (2021: \$37,161). The total cost of Library Board operations was therefore \$84,513 (2021: \$87,607).

Fees paid to members of the Library Board are in accordance with the guidelines provided for the *Remuneration Procedures For Part-Time Chairs and Members of Queensland Government Bodies*. These amounts exclude expenses associated with the hosting of and transport to meetings.

Remuneration of Board members was as follows:

NAME	MEMBER FROM	MEMBER TO	2022 \$'000	2021 \$'000
Professor Andrew Griffiths (Chairperson)	March 2014	February 2023	12	12
Emeritus Professor Tom Cochrane AM (Deputy Chairperson)	March 2017	February 2023	5	5
Professor Anita Heiss	March 2017	November 2020	—	1
Professor Marek Kowalkiewicz	March 2017	February 2023	5	5
Ms Julia Leu	August 2016	February 2023	4	4
Mrs Tamara O'Shea	May 2018	May 2021	—	4
Mrs Tamara O'Shea	August 2021	November 2021	—	—
Ms Nicola Padget	March 2020	February 2023	6	5
Associate Professor Sandra Phillips	March 2017	November 2021	1	4
Mr Bob Shead	March 2017	August 2021	1	6
Dr Jodie Siganto	March 2020	February 2023	5	4
Ms Cheryl Buchanan	August 2021	August 2024	3	—
Mrs Debra-Lee Best	March 2022	March 2025	1	—
Mr Dean Parkin	March 2022	March 2025	1	—
<b>Total</b>			<b>44</b>	<b>50</b>

## F2 RELATED PARTY TRANSACTIONS

### Transactions with people/entities related to KMP

All annual grants paid to Queensland local governments are recommended by the Library Board and approved by the Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts (the Minister) based on an independently developed methodology also approved by the Minister.\*

All grants paid under other programs were determined by independent panels and the Library Board was not involved in determining the allocation of these grants to individual councils.

The Library Board did not engage in any transactions, contracts or employment related activities with any people or entities related to KMP.

### Transactions with other Queensland Government-controlled entities

The Library Board's primary ongoing source of funding from government for its services is recurrent grants (Note B1-2) which is provided in cash via the Department of Communities, Housing and Digital Economy through Arts Queensland.

The Library Board also receives grant funding for specific projects, provided in cash, from Arts Queensland via the Department of Communities, Housing and Digital Economy.

The Library Board's South Bank buildings are leased from Arts Queensland under concessionary lease arrangements. The Library Board measures right-of-use from concessionary leases at cost on initial recognition, and measures all right-of-use assets at cost subsequent to initial recognition. Other buildings and motor vehicles are leased via the Department of Energy and Public Works under commercial arrangements (Note B2-2) and therefore not recognised under AASB 16.

The Library Board receives administrative and facilities support on a fee for service basis from the Department of Communities, Housing and Digital Economy via the Corporate Administration Agency and Arts Queensland (Note B2-2).

The grants provided by the Library Board (Note B2-3) are annual grants to Queensland local governments for the provision of library services to the people of Queensland.

The Foundation is a company limited by guarantee which is wholly-owned and controlled by State Library, the Parent Entity. As a wholly-owned Controlled Entity, State Library is the main contributor of financial resources to the Foundation through grant funding. During 2021-22, grants provided by the Parent Entity to the Foundation totalled \$0.250 million. The Foundation also transfers funds to State Library to cover approved project costs incurred by State Library on its behalf. All inter-entity transactions between State Library and the Foundation are eliminated in full upon consolidation. For further details, refer to Note A3.

In the 2021-22 financial year, the Library Board has received income recoveries of \$321,000 from the Queensland Government Insurance Fund due to COVID-19. For further details, refer to Note B1-3.

State Library has investments with QTC and QIC. Notes B1-3 and B1-4 outline the key terms and conditions of these investments.

\*Under the *Libraries Act 1988*, the Library Board of Queensland (the Board) can only make a grant or give a subsidy to a local government with the approval of the Minister. The Minister has delegated the approval to the Director-General.

## F3 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN POLICY

### Accounting standards applied for the first time

No new accounting standards or interpretations that apply to the Library Board for the first time in 2021-22 had any material impact on the financial statements.

### Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2021-22.

## F4 TAXATION

The Library Board is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only Commonwealth taxes accounted for by the Library Board. GST credits receivable from, and GST payable to the ATO, are recognised at Note C2. The Library Board is a Deductible Gift Recipient for taxation purposes.

## F5 CLIMATE RISK DISCLOSURE

The Library Board has not identified any material climate related risks relevant to the financial report at the reporting date, however it monitors via Arts Queensland the emergence of such risks under the Queensland Government's *Climate Transition Strategy* and *Climate Action Plan 2030*.

## F6 IMPACT FROM NATURAL DISASTERS

The Library Board's South Bank site was affected by the natural disaster experienced in Queensland during February 2022.

The Brisbane River flooding caused closure of the South Bank site to the public on 27 February 2022 and it remained closed until 8 April 2022. The car parks remained out of action until 1 July 2022.

In terms of financial performance, revenue from venue hire, the Library Shop and the Library Café was reduced. There was some loss of Library Shop and preservation inventory, portable and attractive equipment, furniture and exhibitions material, and some loss of plant and equipment. These losses are reflected in B2-4.

The Board would like to acknowledge the dedication and hard work of all staff during this difficult time.

Any insurance claims resulting from this event are expected to be lodged and settled in the 2022-23 financial year. Losses related to non-current assets and inventory assets are reflected in these statements.

# CERTIFICATE OF THE LIBRARY BOARD OF QUEENSLAND

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for the establishment and keeping the accounts have been complied with in all material respects; and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Library Board and the consolidated entity for the financial year ended 30 June 2022, and of the financial position of the entity at the end of that year; and
- (c) we acknowledge responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

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Professor Andrew Griffiths  
Chairperson  
Library Board of Queensland  
26 August 2022



Vicki McDonald AM FALIA  
State Librarian and CEO  
State Library of Queensland  
26 August 2022

# INDEPENDENT AUDITOR'S REPORT



To the Board of the Library Board of Queensland

## REPORT ON THE AUDIT OF THE FINANCIAL REPORT

### Opinion

I have audited the accompanying financial report of the Library Board of Queensland (the parent) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2022, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

### Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Accounting Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the parent and group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the parent's and group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

## Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial 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 my 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. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.
- Conclude on the appropriateness of the parent's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the parent or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

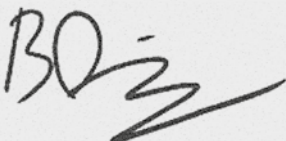
### Statement

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

### Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



Bhavik Deoji  
as delegate of the Auditor-General

30 August 2022

Queensland Audit Office  
Brisbane