

PART 5

# FINANCIAL REPORT

# FINANCIAL SUMMARY

This summary provides an overview of the financial performance during 2019–20 and position as at 30 June 2020 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 the 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.

<b>STATEMENT OF COMPREHENSIVE INCOME</b>	<b>2020 \$'000</b>	<b>2019 \$'000</b>
Total Income from Continuing Operations	81,224	81,187
Total Expenses from Continuing Operations	82,582	75,834
Operating Result from Continuing Operations	(968)	5,353
Increase in Asset Revaluation Reserve	(353)	(1,439)
<b>Total Comprehensive Income</b>	<b>(1,321)</b>	<b>3,914</b>

### 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 2019–20 this was through its appointment of BDO who performed the audit of the financial statements.

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

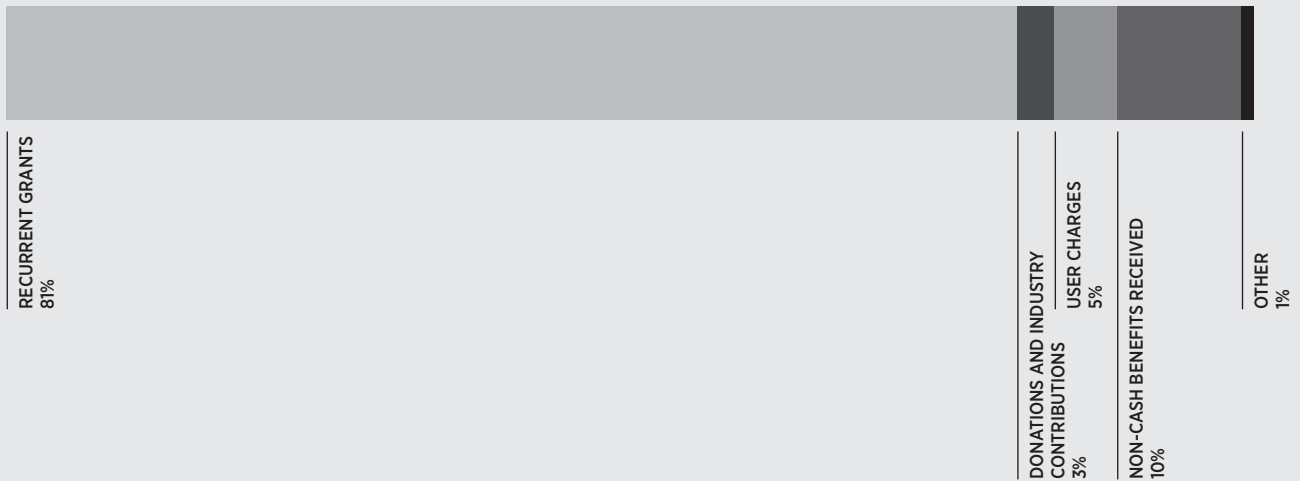
### Chief Finance Officer (CFO) statement

The CFO has acknowledged responsibilities under the FAA and full undertakings have been given to both the ARMC and the Library Board, including undertakings that to the best of our knowledge and belief, financial internal controls of State Library of Queensland are operating efficiently, effectively and economically in accordance with section 57 of the FPMS. The financial statements were reviewed by the ARMC prior to presentation to and consideration by the Library Board.

## Income

Government grants are a significant component of the Library Board's income (\$66.03M) in 2019-20 with User charges (\$4.1M), Donations and Sponsorships (\$2.2M) and Interest on funds invested (\$0.549M) comprising the total cash contribution. Other non-cash items recognised as income include the operating lease rental for the building (\$7.082M) and sponsorships, partnerships and legal deposit collection items (\$1.252M).

### Economic Entity Income 2020 \$'000s

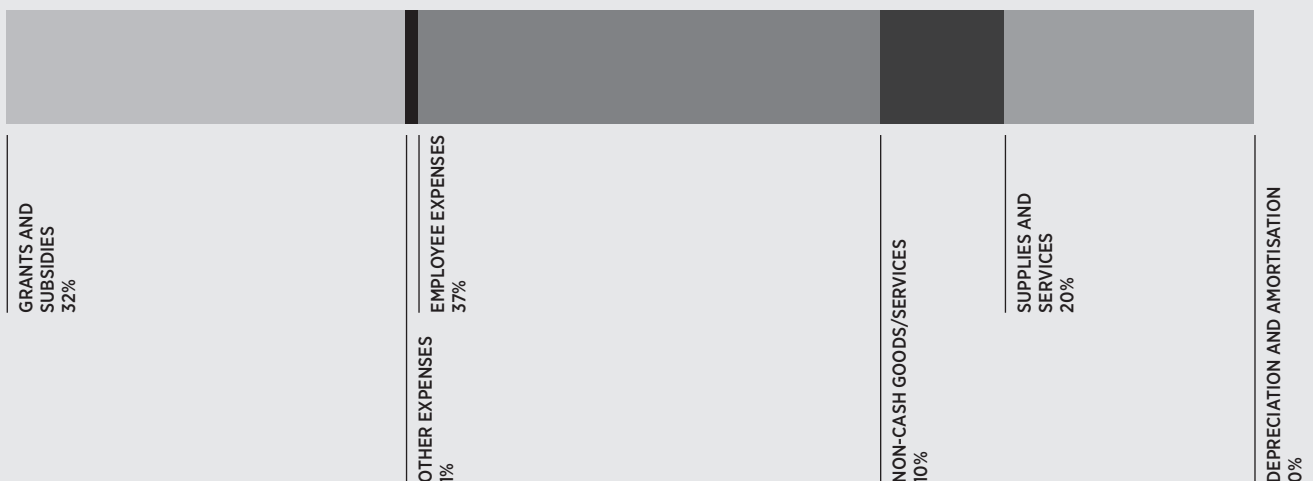


## Expenses

36

Expenses for the Library Board were \$82.25M in 2019-20. The largest component is employee expenses (38%), with grants (32%), supplies and services (20%), non-cash costs (building lease plus in-kind) (10%) and other expenses (1%) completing the total. The grants paid to public libraries includes funding for the First 5 Forever family literacy initiative.

### Economic Entity Expenses 2020 \$'000s



## Operating Result from Continuing Operations

The Statement of Comprehensive Income from Continuing Operations shows a \$0.968M deficit for the Economic Entity. Of this, \$1.553M is the Library Board's operating deficit offset by the Foundation's operating surplus of \$0.585M.

## Statement of Financial Position

The Statement of Financial Position sets out the net assets and equity of the Library Board. As at 30 June 2020, the net assets of the Library Board economic entity was \$152.47M which is a decrease of \$1.321M from 2018-19. This decrease is principally the result of a reduction in cash as projects commenced in 2018-19 were completed in 2019-20, along with the reduction in the asset revaluation reserve.

LIBRARY BOARD  
OF QUEENSLAND

37

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
30 JUNE 2020

# CONTENTS

38

Statements of Comprehensive Income	39
Statements of Financial Position	40
Statements of Changes in Equity	41
Statements of Cash Flows	42
Notes to the Statements of Cash Flows	43
Notes to the Financial Statements	44
Management Certificate	71
Independent Audit Report	72

LIBRARY BOARD OF QUEENSLAND AND CONTROLLED ENTITY

**STATEMENTS OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	ECONOMIC ENTITY		PARENT ENTITY	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Income from Continuing Operations</b>					
<i>Revenue</i>					
User charges	B1	4,147	4,500	4,132	4,483
Grants and other contributions	B1	76,568	75,772	76,334	75,828
Other		569	915	464	750
<b>Total Income from Continuing Operations</b>		<b>81,284</b>	<b>81,187</b>	<b>80,930</b>	<b>81,061</b>
<b>Expenses from Continuing Operations</b>					
Employee expenses	B2	30,863	27,933	30,863	27,933
Supplies and services	B2	24,387	22,534	24,386	22,534
Grants and subsidies	B2	26,067	24,634	26,317	24,884
Depreciation and amortisation	C4	354	397	354	397
Other expenses	B2	581	336	563	308
<b>Total Expenses from Continuing Operations</b>		<b>82,252</b>	<b>75,834</b>	<b>82,483</b>	<b>76,056</b>
<b>Operating Result from Continuing Operations</b>		<b>(968)</b>	<b>5,353</b>	<b>(1,553)</b>	<b>5,005</b>
<b>Other Comprehensive Income</b>					
Items that will not be reclassified to Operating Result:					
Decrease in asset revaluation surplus	C7	(353)	(1,439)	(353)	(1,439)
<b>Total Other Comprehensive Income</b>		<b>(353)</b>	<b>(1,439)</b>	<b>(353)</b>	<b>(1,439)</b>
<b>Total Comprehensive Income</b>		<b>(1,321)</b>	<b>3,914</b>	<b>(1,906)</b>	<b>3,566</b>

*The accompanying notes form part of these statements.*

## LIBRARY BOARD OF QUEENSLAND AND CONTROLLED ENTITY

**STATEMENTS OF FINANCIAL POSITION**

AS AT 30 JUNE 2020

	NOTE	ECONOMIC ENTITY		PARENT ENTITY	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Current Assets</b>					
Cash and cash equivalents	C1	21,254	22,779	14,189	16,357
Receivables	C2	515	618	571	622
Inventories		248	232	248	232
Prepayments		1,142	786	1,142	786
<b>Total Current Assets</b>		<b>23,159</b>	<b>24,415</b>	<b>16,150</b>	<b>17,997</b>
<b>Non-Current Assets</b>					
Intangible assets	C3	12,259	11,382	12,259	11,382
Property, plant and equipment	C4	123,079	122,409	123,079	122,409
<b>Total Non-Current Assets</b>		<b>135,338</b>	<b>133,791</b>	<b>135,338</b>	<b>133,791</b>
<b>Total Assets</b>		<b>158,497</b>	<b>158,206</b>	<b>151,488</b>	<b>151,788</b>
<b>Current Liabilities</b>					
Payables	C5	2,277	1,380	2,271	1,380
Accrued employee benefits	C6	3,475	2,695	3,475	2,695
Unearned revenue		272	337	272	337
<b>Total Current Liabilities</b>		<b>6,024</b>	<b>4,412</b>	<b>6,018</b>	<b>4,412</b>
<b>Total Liabilities</b>		<b>6,024</b>	<b>4,412</b>	<b>6,018</b>	<b>4,412</b>
<b>Net Assets</b>		<b>152,473</b>	<b>153,794</b>	<b>145,470</b>	<b>147,376</b>
<b>Equity</b>					
Contributed equity		1,465	1,465	1,465	1,465
Accumulated surplus		82,795	83,763	75,792	77,345
Asset revaluation surplus	C7	68,213	68,566	68,213	68,566
<b>Total Equity</b>		<b>152,473</b>	<b>153,794</b>	<b>145,470</b>	<b>147,376</b>

The accompanying notes form part of these statements.

LIBRARY BOARD OF QUEENSLAND AND CONTROLLED ENTITY

**STATEMENTS OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 30 JUNE 2020

	ECONOMIC ENTITY \$'000	PARENT ENTITY \$'000
<b>ACCUMULATED SURPLUS</b>		
<b>Balance 1 July 2018</b>	78,410	72,340
Operating Result from Continuing Operations	5,353	5,005
<b>Balance 30 June 2019</b>	<b>83,763</b>	<b>77,345</b>
Operating Result from Continuing Operations	(968)	(1,553)
<b>Balance 30 June 2020</b>	<b>82,795</b>	<b>75,792</b>
<b>ASSET REVALUATION SURPLUS (NOTE C7-2)</b>		
<b>Balance 1 July 2018</b>	70,005	70,005
Decrease in Asset Revaluation Surplus	(1,439)	(1,439)
<b>Balance 30 June 2019</b>	<b>68,566</b>	<b>68,566</b>
Decrease in Asset Revaluation Surplus	(353)	(353)
<b>Balance 30 June 2020</b>	<b>68,213</b>	<b>68,213</b>
<b>CONTRIBUTED EQUITY</b>		
<b>Balance 1 July 2018</b>	1,465	1,465
<b>Balance 30 June 2019</b>	<b>1,465</b>	<b>1,465</b>
<b>Balance 30 June 2020</b>	<b>1,465</b>	<b>1,465</b>
<b>TOTAL</b>		
<b>Balance 1 July 2018</b>	149,880	143,810
Operating Result from Continuing Operations	5,353	5,005
<i>Total Other Comprehensive Income</i>		
Decrease in Asset Revaluation Surplus	(1,439)	(1,439)
<b>Balance 30 June 2019</b>	<b>153,794</b>	<b>147,376</b>
Operating Result from Continuing Operations	(968)	(1,553)
<i>Total Other Comprehensive Income</i>		
Decrease in Asset Revaluation Surplus	(353)	(353)
<b>Balance 30 June 2020</b>	<b>152,473</b>	<b>145,470</b>

The accompanying notes form part of these statements.



## LIBRARY BOARD OF QUEENSLAND AND CONTROLLED ENTITY

**STATEMENTS OF CASH FLOWS**

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	ECONOMIC ENTITY		PARENT ENTITY	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Cash flows from operating activities</b>					
<i>Inflows:</i>					
User charges		4,271	5,050	4,268	4,998
Grants and other contributions		68,232	67,180	67,998	67,286
GST collected from customers		508	512	459	484
GST input tax credits from ATO		1,531	1,445	1,530	1,444
Interest receipts		549	915	444	750
Other		20	2	20	2
<i>Outflows:</i>					
Employee expenses		(29,999)	(28,054)	(29,999)	(28,054)
Supplies and services		(15,844)	(14,439)	(15,849)	(14,441)
Grants and subsidies		(26,067)	(24,634)	(26,364)	(24,884)
GST paid to suppliers		(1,690)	(1,394)	(1,691)	(1,406)
GST remitted to ATO		(528)	(506)	(484)	(471)
Other		(343)	(318)	(335)	(289)
<b>Net cash from/(used in) operating activities</b>	CF-1	640	5,759	(3)	5,419
<b>Cash flows from investing activities</b>					
<i>Outflows:</i>					
Payments for valuables		(421)	(334)	(421)	(334)
Payments for library collection		(208)	(324)	(208)	(324)
Payments for property, plant and equipment		(690)	(259)	(690)	(259)
Payments for intangibles		(846)	(1,667)	(846)	(1,667)
<b>Net cash used in investing activities</b>		(2,165)	(2,584)	(2,165)	(2,584)
<b>Net increase/(decrease) in cash and cash equivalents</b>		(1,525)	3,175	(2,168)	2,835
<b>Cash and cash equivalents – opening balance</b>		22,779	19,604	16,357	13,522
<b>Cash and cash equivalents – closing balance</b>	C1	<b>21,254</b>	<b>22,779</b>	<b>14,189</b>	<b>16,357</b>

The accompanying notes form part of these statements.

# NOTES TO THE STATEMENTS OF CASH FLOWS

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

	ECONOMIC ENTITY		PARENT ENTITY	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Operating Result	(968)	5,353	(1,553)	5,005
Non-Cash items included in operating result:				
Depreciation and amortisation expense	354	397	354	397
Donation of intangibles	(31)	(194)	(31)	(194)
Donation of valuables	(287)	(379)	(287)	(379)
(Gain)/Loss on disposal of assets	229	18	229	18
<i>Changes in assets and liabilities</i>				
(Increase)/decrease in GST input tax credits receivable	(159)	52	(160)	38
(Increase)/decrease in LSL reimbursement receivable	84	(55)	84	(55)
Decrease in trade and other receivables	198	520	153	535
(Increase) in inventories	(16)	(39)	(16)	(39)
(Increase)/decrease in prepayments	(356)	464	(356)	464
Increase/(decrease) in accounts payable	897	(348)	891	(350)
Increase/(decrease) in unearned revenue	(65)	32	(65)	32
Increase/(decrease) in accrued employee benefits	780	(66)	780	(66)
Increase/(decrease) in GST payable	(20)	4	(25)	13
<b>Net cash provided by operating activities</b>	<b>640</b>	<b>5,759</b>	<b>(3)</b>	<b>5,419</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.

## LIBRARY BOARD OF QUEENSLAND AND CONTROLLED ENTITY

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2020

**TABLE OF CONTENTS****SECTION 1: ABOUT LIBRARY BOARD OF QUEENSLAND AND THIS FINANCIAL REPORT**

A1	OBJECTIVES AND PRINCIPAL ACTIVITIES OF LIBRARY BOARD OF QUEENSLAND
A2	BASIS OF FINANCIAL STATEMENT PREPARATION A2-1 General information A2-2 Compliance with prescribed requirements A2-3 Presentation A2-4 Authorisation of financial statements for issue A2-5 Basis of measurement A2-6 The Reporting Entity
A3	CONTROLLED ENTITIES

**SECTION 2 NOTES ABOUT OUR FINANCIAL PERFORMANCE**

B1	REVENUE B1-1 User charges B1-2 Grants and contributions
B2	EXPENSES B2-1 Employee benefits expense B2-2 Supplies and services B2-3 Grants and subsidies B2-4 Other expenses

**SECTION 3: NOTES ABOUT OUR FINANCIAL POSITION**

C1	CASH AND CASH EQUIVALENTS
C2	RECEIVABLES C2-1 Impairment of receivables
C3	INTANGIBLES C3-1 Recognition and measurement C3-2 Amortisation expense C3-3 Impairment C3-4 Intangible Assets — Balances and Reconciliations of Carrying Amount
C4	PROPERTY, PLANT AND EQUIPMENT C4-1 Recognition and measurement C4-2 Measurement using historical cost C4-3 Measurement using fair value C4-4 Depreciation expense C4-5 Impairment C4-6 Property, plant and equipment C4-7 Property, plant and equipment — balances and reconciliations of carrying amount
C5	PAYABLES
C6	ACCRUED EMPLOYEE BENEFITS
C7	EQUITY C7-1 Contributed equity C7-2 Revaluation surplus by asset class

**SECTION 4: NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES**

D1	FAIR VALUE MEASUREMENT D1-1 Accounting policies and inputs for fair values D1-2 Basis for fair values of assets and liabilities
D2	FINANCIAL RISK DISCLOSURES D2-1 Accounting policy D2-2 Financial instrument categories D2-3 Risks arising from financial instruments D2-4 Credit risk disclosure
D3	CONTINGENCIES
D4	COMMITMENTS
D5	EVENTS AFTER THE BALANCE DATE
D6	FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

**SECTION 5: NOTES ABOUT OUR PERFORMANCE COMPARED TO BUDGET**

E1	BUDGETARY REPORTING DISCLOSURES AND SIGNIFICANT FINANCIAL IMPACT FROM COVID-19 E1-1 Significant financial impacts from COVID-19 pandemic E1-2 Budget to actual comparison — Statement of Comprehensive Income E1-3 Explanation of Major Variances — Statement of Comprehensive Income E1-4 Budget to actual comparison — Statement of Financial Position E1-5 Explanation of Major Variances — Statement of Financial Position E1-6 Budget to actual comparison — Statement of Cash Flows E1-7 Explanation of Major Variances — Statement of Cash Flows
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**SECTION 6: OTHER INFORMATION**

F1	KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES F1-1 Details of Key Management Personnel F1-2 Remuneration policies F1-3 Key Management Personnel remuneration expense F1-4 Library Board remuneration
F2	RELATED PARTY TRANSACTIONS
F3	FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN POLICY F3-1 AASB 15 Revenue from Contracts with Customers F3-2 AASB 1058 Income of Not-For-Profit Entities F3-3 Impact of Adoption of AASB 15 and AASB 1058 in the Current Period F3-4 AASB 16 Leases
F4	TAXATION
F5	CLIMATE RISK DISCLOSURE

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

The Library Board's 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.

State Library contributes to the cultural, social and intellectual development of Queenslanders. With a multidisciplinary remit, we support a broad government agenda across education, science, innovation, IT and enterprise. Our objectives are to enable access, engage community and build capability.

We build shared infrastructure through our investment in online content. We work with local government, public libraries and regional communities to create vibrant programs that help strengthen communities. We have a long history of working in partnership to increase the value we can deliver for Queensland. We support our enduring partnership with the Arts Statutory Bodies across the Cultural Centre, and with Queensland State Archives and other local, state and national institutions collecting cultural heritage material. We have embraced the transition to sustainable business models through our work with the mining sector in regional Queensland and our innovative work in philanthropy.

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

In 2019–20 it also received revenue from sources including:

- building rentals
- network and internet services
- library professional services
- preservation and reproduction services
- donations
- The Library Shop
- research services
- ticket sales
- 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.

A description of the nature of the Library Board's operations and its principal activities is included in Note A1.

For information in relation to the Library Board's financial report please call Finance on 07 3842 9052, email [finance@slq.qld.gov.au](mailto:finance@slq.qld.gov.au) or visit [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 FPMS. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on and after 1 July 2019.

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.

The impact of the future AASB 1059 *Service Concession Arrangements: Grantors* standard will be outlined in Note D6.

## A2 BASIS OF FINANCIAL STATEMENT PREPARATION CONT'D

### 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 2018-19 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.

### A2-5 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 the 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. State Library uses the approach to value Library Collections.
- 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.

### 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 Queensland Library Foundation (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.

The parent entity financial statements include all income, expenses, assets, liabilities and equity of the Library Board only.

### A3 CONTROLLED ENTITIES

The Library Board controls the Queensland Library Foundation (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 purposes 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	
	2020	2019	2020	2019	2020	2019	2020	2019
Queensland Library Foundation	7,086	6,432	82	14	1,763	1,496	587	350

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 2019-20 financial statements are estimated to be \$6,000 (2019: \$6,425). There are no non-audit services included in this amount.

ECONOMIC ENTITY		PARENT ENTITY	
2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000

## B1 REVENUE

### B1-1 User charges

#### Accounting policy — user charges

Total revenue is reduced from 2018–19 due to the effects of COVID-19 on user charges, particularly in 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 charge (excluding venue hire and Anzac Square)	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. In either case there is no enforceable contract and the revenue is out of scope of AASB 15. State Library will continue to invoice customers as per these SLAs or as services are provided.	User charges will be recognised upon receipt as per AASB 1058.
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 unearned revenue 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 satisfied.  The full value of venue hire charges (including deposits) will be recognised as revenue once performance obligations satisfied.
Anzac Square	State Library receives funding from an agreement with the Department of Premier and Cabinet and Brisbane City Council to operate Anzac Square. 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 revenue will be recognised as performance obligations are met under AASB 15.

Library Shop	526	607	526	607
Building rentals	307	394	307	394
Research services	1,281	1,260	1,281	1,260
Network and internet services	350	249	350	249
Anzac Square	505	320	505	320
First 5 Forever sales	—	16	—	16
Preservation services	7	34	7	34
Reproduction services	31	51	31	51
Ticket sales	85	114	70	97
Venue hire	750	1,076	750	1,076
Other	305	379	305	379
<b>Total</b>	<b>4,147</b>	<b>4,500</b>	<b>4,132</b>	<b>4,483</b>

ECONOMIC ENTITY		PARENT ENTITY	
2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000

## 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 *Revenue from Contracts with Customers*. 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 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding. The Library Board has not received any special purpose capital grants to construct non-financial assets to be controlled by the Library Board. Had any special purpose capital grants been received, they would be recognised as unearned revenue when received, and subsequently recognised progressively as revenue as the Library Board satisfies its obligations under the grant through construction of the asset.

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 a 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 the provide goods or services, the promise is not sufficiently specific under the definition of AASB15.	Sponsorship and donations will be recognised upon receipt.

### Commonwealth grants – recognised upfront

The Library Board received \$150,000 in 2019–20 for an Indigenous Languages Grant. This funding has been recognised as revenue on receipt as the Library Board's obligations are not sufficiently specific.

Recurrent grants	65,883	64,664	65,883	64,664
Commonwealth grants	150	150	150	150
Queensland Library Foundation projects	—	—	1,159	1,119
Donations and industry contributions	2,201	2,366	808	1,303
Goods received below fair value	1,252	1,470	1,252	1,470
Lease rental – received below fair value	7,082	7,122	7,082	7,122
<b>Total</b>	<b>76,568</b>	<b>75,772</b>	<b>76,334</b>	<b>75,828</b>

### Accounting policy – services received below fair value

Contributions 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 revenue and an expense.



ECONOMIC ENTITY		PARENT ENTITY	
2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000

## B2 EXPENSES

### B2-1 Employee benefits 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 QSuper defined benefit plan 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. It is not an employee benefit and is recognised separately as employee related expenses.

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

#### Employee Benefits

Wages and salaries*	23,000	20,315	23,000	20,315
Employer superannuation contributions	3,074	2,903	3,074	2,903
Long service leave levy	545	448	545	448
Annual leave expenses	2,251	2,098	2,251	2,098

#### Employee Related Expenses

Payroll tax	1,399	1,304	1,399	1,304
Other employee expenses	594	865	594	865
<b>Total</b>	<b>30,863</b>	<b>27,933</b>	<b>30,863</b>	<b>27,933</b>

\* Wages and salaries includes \$357,675 of \$1,250 one-off, pro-rata payments for 287 full-time equivalent employees (announced in September 2019).

	2020 No.	2019 No.
Full-Time Equivalent Employees	287	287

ECONOMIC ENTITY		PARENT ENTITY	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000

## 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 department 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 Housing 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 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 (AQ) 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 the Queensland Treasury, not-for-profit agencies consolidated within the whole-of-government will measure all right-of-use assets from concessionary leases at cost on initial recognition. This requires the recognition treatment of the Library Board's concessionary lease with AQ to be recognised at cost, rather than at fair value of the lease, as has been the case in previous years.

Advertising and graphic design	564	160	564	160
Bookshop and merchandising	348	393	348	393
Communications	239	263	239	263
Consultants and contractors	2,218	1,449	2,218	1,449
Corporate service charges	1,012	960	1,012	960
Electronic subscriptions	1,521	1,477	1,521	1,477
Exhibits and materials	33	98	33	98
Freight and postage	481	419	481	419
Furniture and equipment	242	407	242	407
Goods provided below fair value	936	896	936	896
Lease rental — provided below fair value	7,082	7,122	7,082	7,122
Office accommodation	540	531	540	531
Information technology	905	989	905	989
Library collections — new and existing	1,972	1,734	1,972	1,734
Materials and equipment	1,378	416	1,378	416
Motor vehicle costs	22	28	22	28
Printing, stationery and office supplies	298	191	298	191
Property services	2,675	2,779	2,675	2,779
Repairs and maintenance	210	413	210	413
Subscriptions and memberships	163	273	163	273
Sundries	1,329	1,227	1,328	1,227
Travel	219	309	219	309
<b>Total</b>	<b>24,387</b>	<b>22,534</b>	<b>24,386</b>	<b>22,534</b>

### 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.

	ECONOMIC ENTITY		PARENT ENTITY	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>B2 EXPENSES</b> (CONT'D)				
<b>B2-3 Grants and subsidies</b>				
<b>Grants and subsidies</b>				
Public Library Grants	21,833	22,014	21,833	22,014
First Five Forever Grants	3,860	2,283	3,860	2,283
Other grants paid	374	337	374	337
Queensland Library Foundation subsidy	—	—	250	250
<b>Total</b>	<b>26,067</b>	<b>24,634</b>	<b>26,317</b>	<b>24,884</b>

## B2-4 Other expenses

### Accounting policy — other expenses

The Library Board's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF) with premiums being paid on a risk assessment basis. In addition, the Library Board pays premiums to WorkCover Queensland in respect of its obligations for employee compensation and Directors and Officers insurance through AON Australia and QGIF on behalf of Library Board members and staff.

Total external audit fees for the economic entity relating to the 2019–20 financial year are estimated to be \$46,000 (2019: \$49,775). These fees, paid to the Queensland Audit Office, relate to the audit of the financial statements only.

External audit fees	46	50	40	43
Internal audit fees	67	60	67	60
Insurance premiums	81	72	81	72
Bad and doubtful debts	44	16	44	16
Board fees and expenses	43	44	43	44
Loss on disposal of assets	6	18	6	18
Collection revaluation loss	223	—	223	—
Other	71	76	59	55
<b>Total</b>	<b>581</b>	<b>336</b>	<b>563</b>	<b>308</b>

## 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 receipted but not banked at 30 June as well as deposits at call with financial institutions.

Imprest accounts	5	6	5	6
Cash at bank and on hand	1,330	190	1,227	169
Cash deposit accounts	19,919	22,583	12,958	16,182
<b>Total</b>	<b>21,254</b>	<b>22,779</b>	<b>14,190</b>	<b>16,357</b>

Funds are held in a Queensland Treasury Corporation 'at call' account.

ECONOMIC ENTITY		PARENT ENTITY	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000

## 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.

Other debtors generally arise from transactions outside the usual operating activities of the Library Board and are recognised at their assessed values. Terms are a maximum of three months, no interest is charged and no security is obtained.

Trade debtors	206	367	184	357
Less: Allowance for impairment loss	(44)	(16)	(44)	(16)
	<b>162</b>	<b>351</b>	<b>140</b>	<b>341</b>
GST receivable	319	160	322	162
GST payable	(10)	(30)	(8)	(33)
	<b>309</b>	<b>130</b>	<b>314</b>	<b>129</b>
Long service leave reimbursements	43	127	43	127
Queensland Library Foundation receivables	—	—	72	25
Other	1	10	1	—
<b>Total</b>	<b>515</b>	<b>618</b>	<b>570</b>	<b>622</b>

### C2-1 Impairment of receivables

#### Accounting policy – impairment of receivables

The loss allowance for trade and other debtors reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information, including forecast economic changes expected to impact the Library Board's debtors, along with relevant industry and statistical data where applicable.

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.

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

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. enhancements relating to receivables held by the Library Board.

Receivables fall into one of the following categories when assessing collectability:

- within terms and expected to be fully collectible
- within terms but impaired
- past due but not impaired
- past due and impaired.

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 INTANGIBLES

### C3-1 Recognition and measurement

#### Accounting policies

Software with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Software with a lesser value is expensed. Any training costs are expensed as incurred.

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.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the internal development of computer software are capitalised and amortised under the amortisation policy below.

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

#### Disclosure — contract assets

Contract assets arise from contracts with customers, and are transferred to receivables when the Library Board's right to payment becomes unconditional, this usually occurs when the invoice is issued to the customer.

#### 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 (e.g. digitised physical collections, oral histories, digital stories and digital photographs), direct costs associated with developing, creating and making accessible the items constitutes the cost of the items.

### C3-2 Amortisation expense

#### Accounting policy

Costs associated with the development of digital collections have been capitalised. 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 *Intangible Assets*, 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.

### C3-3 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.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the Library Board, including discontinuing the use of the software. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use.

	ECONOMIC ENTITY		PARENT ENTITY	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>C3-4 Intangible Assets — Balances and Reconciliations of Carrying Amount</b>				
<b>Intangible Assets</b>				
Heritage Digital Collection	12,257	11,379	12,257	11,379
Computer Software				
At cost	3	3	3	3
<b>Total</b>	<b>12,259</b>	<b>11,381</b>	<b>12,259</b>	<b>11,381</b>
<b>Intangible reconciliation</b>				
<b>Computer Software</b>				
Carrying amount at 1 July 2019	3	3	3	3
<b>Computer Software carrying amount as at 30 June 2020</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Heritage Digital Collections</b>				
Carrying amount at 1 July 2019	11,379	9,355	11,379	9,355
Acquisitions/internally developed items	808	1,830	808	1,830
Donations	31	194	31	194
<b>Heritage Digital Collections total as at 30 June 2020</b>	<b>12,218</b>	<b>11,379</b>	<b>12,218</b>	<b>11,379</b>
<b>Heritage Digital Collections — Work in Progress</b>				
Carrying amount at 1 July 2019	—	162	—	162
Movement in Work in Progress*	38	(162)	38	(162)
<b>Heritage Digital Collections Work in Progress as at 30 June 2020</b>	<b>38</b>	<b>—</b>	<b>38</b>	<b>—</b>
<b>Heritage Digital Collections Carrying amount as at 30 June 2020</b>	<b>12,256</b>	<b>11,379</b>	<b>12,256</b>	<b>11,379</b>
<b>Total Intangibles Carrying amount at 30 June 2020</b>	<b>12,259</b>	<b>11,382</b>	<b>12,259</b>	<b>11,382</b>

\*Work in Progress represents purchases made but not yet catalogued.

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

## C4 PROPERTY, PLANT AND EQUIPMENT

### C4-1 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 Accounting 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)).

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 JOL and ALA 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 JOL and ALA Collections have been treated as intangible assets since 2012–13. For further information regarding intangibles, please refer to Note C3.

#### 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.

Where assets are received free of charge from another Queensland Government entity (whether as a result of Machinery of Government change or other involuntary transfer), the acquisition cost is recognised as the carrying amount in the books of the other entity immediately prior to the transfer.

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.

### C4-2 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.

### C4-3 Measurement using fair value

#### Accounting policy

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 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 JOL and ALA collections measured at fair value are comprehensively revalued at least once every five 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. However, if a particular asset class experiences significant and volatile changes in fair value since the previous reporting period, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

No index has been applied in 2019–20 based on advice received from Pickles Valuation Services. This advice was received on 31 March 2020.

##### *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.

For assets revalued using a cost valuation approach (e.g. current replacement cost) — accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after taking into account accumulated impairment losses. This is generally referred to as the 'gross method'.

Current year purchases for the Information Collection are reported at cost. Purchases of Heritage items since the last independent valuation are reported as cost.

For assets revalued using a market or income-based valuation approach — accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the net method.

## C4-4 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 (grand piano)	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.

## C4-5 Impairment

### Accounting policy

#### *Indicators of Impairment and Determining Recoverable Amount*

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis or, where the asset is 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*. If an indicator of possible impairment exists, the Library Board determines the asset's recoverable amount under AASB 136 *Impairment of Assets*.

For all other remaining assets measured at cost, and assets within the economic entity held for the generation of cash flows, recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use.

Value in use is equal to the present value of the future cash flows expected to be derived from the asset, or where the Library Board no longer uses an asset and has made a formal decision not to reuse or replace the asset, the value in use is the present value of net disposal proceeds.

#### *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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>C4 PROPERTY, PLANT AND EQUIPMENT</b> (CONT'D)				
<b>C4-6 Property, plant and equipment</b>				
Heritage and Cultural Assets (Valuables):				
John Oxley and Australian Library of Art Collections				
At cost	1,098	677	1,098	677
At valuation	80,420	80,133	80,420	80,133
	81,518	80,810	81,518	80,810
Artworks	35	35	35	35
<b>Total Heritage and Cultural Assets</b>	<b>81,553</b>	<b>80,845</b>	<b>81,553</b>	<b>80,845</b>
Library Collections:				
At cost	203	324	203	324
At valuation	39,954	40,207	39,954	40,207
<b>Total Library Collections</b>	<b>40,157</b>	<b>40,531</b>	<b>40,157</b>	<b>40,531</b>
Plant and Equipment:				
At cost	4,502	3,910	4,502	3,910
Less: Accumulated depreciation	(3,133)	(2,877)	(3,133)	(2,877)
Total Plant and Equipment	1,369	1,033	1,369	1,033
<b>Total</b>	<b>123,079</b>	<b>122,409</b>	<b>123,079</b>	<b>122,409</b>

The library has property, plant and equipment with an original cost of \$2.062M that has been written down to a residual value of \$44,287 and still being used in the provision of services.

## C4-7 Property, plant and equipment — balances and reconciliations of carrying amount

### Heritage and Cultural Assets (Valuables), Level 3

Carrying amount at 1 July — at cost	678	343	678	343
Carrying amount at 1 July — at valuation	80,168	79,790	80,168	79,790
Acquisitions	420	334	420	334
Donations received	287	379	287	379
<b>Carrying amount at end of financial year</b>	<b>81,553</b>	<b>80,845</b>	<b>81,553</b>	<b>80,845</b>

### Library Collections, Level 3

Carrying amount at 1 July — at cost	323	257	323	257
Carrying amount at 1 July — at valuation	40,207	41,389	40,207	41,389
Acquisitions	203	324	203	324
Net revaluation increments/(decrements)	(576)	(1,439)	(576)	(1,439)
<b>Carrying amount at end of financial year</b>	<b>40,157</b>	<b>40,531</b>	<b>40,157</b>	<b>40,531</b>

### Plant and Equipment

Carrying amount at 1 July — at cost	1,033	1,189	1,033	1,189
Acquisitions	695	259	695	259
Disposals	(5)	(18)	(5)	(18)
Depreciation expense	(354)	(397)	(354)	(397)
<b>Carrying amount at end of financial year</b>	<b>1,369</b>	<b>1,033</b>	<b>1,369</b>	<b>1,033</b>

### Total

Carrying amount at 1 July — at cost	2,034	1,789	2,034	1,789
Carrying amount at 1 July — at valuation	120,375	121,179	120,375	121,179
Acquisitions	1,318	917	1,318	917
Donations received	287	379	287	379
Disposals	(5)	(18)	(5)	(18)
Net revaluation increments/(decrements)	(576)	(1,439)	(576)	(1,439)
Depreciation expense	(354)	(397)	(354)	(397)
<b>Carrying amount at end of financial year</b>	<b>123,079</b>	<b>122,409</b>	<b>123,079</b>	<b>122,409</b>

	ECONOMIC ENTITY		PARENT ENTITY	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>C5 PAYABLES</b>				
Current				
Trade creditors	909	417	903	417
Accrued expenses	1,368	963	1,368	963
<b>Total</b>	<b>2,277</b>	<b>1,380</b>	<b>2,271</b>	<b>1,380</b>

**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.

**C6 ACCRUED EMPLOYEE BENEFITS**

Annual leave	2,670	2,308	2,670	2,308
Paid parental leave	—	(145)	—	(145)
Long service leave levy payable	155	130	155	130
Wages outstanding	624	397	624	397
Superannuation payable	26	5	26	5
<b>Total</b>	<b>3,475</b>	<b>2,695</b>	<b>3,475</b>	<b>2,695</b>

**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*.

**Unearned revenue**

Venue hire deposits	85	337	85	337
Anzac Square	187	—	187	—
<b>Total</b>	<b>272</b>	<b>337</b>	<b>272</b>	<b>337</b>

**C7 EQUITY****C7-1 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.

**C7-2 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.

	ECONOMIC AND PARENT ENTITY		
	LIBRARY COLLECTIONS \$'000	HERITAGE AND CULTURAL ASSETS \$'000	TOTAL \$'000
<b>2019</b>			
<b>Balance 1 July 2018</b>	1,792	68,213	70,005
Revaluation increment/(decrement)	(1,439)	—	(1,439)
<b>Balance 30 June 2019</b>	<b>353</b>	<b>68,213</b>	<b>68,566</b>
<b>2020</b>			
<b>Balance 1 July 2019</b>	353	68,213	68,566
Revaluation increment/(decrement)	(353)	—	(353)
<b>Balance 30 June 2020</b>	<b>—</b>	<b>68,213</b>	<b>68,213</b>

## 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.

#### Fair value measurement hierarchy

Details of assets and liabilities measured under each category of fair value are set out in the tables at Note C4-7.

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.

None of the Library Board's valuations of assets or liabilities are eligible for categorisation into level 1 or level 2 of the fair value hierarchy. There were no transfers of non-financial assets between fair value hierarchy levels during the period.

More specific fair value information about the Library Board's Property, Plant and Equipment is outlined in Note C4-3.

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

#### Heritage and Cultural Assets

**Effective date of last specific appraisal:** 30/06/2017

**Valuation approach:** Market based assessment

**Inputs:** The collection was valued using level 3 observable inputs. Auction records, International and Australian dealer's catalogues, book seller's pricelists, and offerings on the Internet. PVS 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 JOL and ALA collections measured at fair value are comprehensively revalued at least once every five 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. However, if a particular asset class experiences significant and volatile changes in fair value since the previous reporting period, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

Advice was sought from Pickles Valuation Service as to any index that should be applied since the comprehensive independent revaluation in 2017. The advice received on 31 March 2020 was that no index was to be applied in the 2019–20 financial year. This advice included consideration of the possible impacts of COVID-19.

Purchases made since the last independent valuation are recorded at cost. Based on purchases made during the final quarter of 2019–20, State Library has not observed any material price variations or COVID-19 impacts that would require revisiting the advice received on 31 March 2020.

#### Library collections

**Effective date of last specific appraisal:** 31/03/2020

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

**Inputs:** Purchase data over 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 the previous 7 years in calculating average purchase prices which are then applied to titles within the Library Collection.

ECONOMIC ENTITY		PARENT ENTITY	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'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:

- Receivables — held at amortised cost;
- Payables — held at amortised cost.
- Cash and cash equivalents — fair value through profit and loss.

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

#### Financial Assets

Cash and cash equivalents	C1	21,254	22,779	14,190	16,357
Receivables	C2	515	618	570	622
<b>Total Financial Assets</b>		<b>21,769</b>	<b>23,397</b>	<b>14,760</b>	<b>16,979</b>

#### Financial Liabilities

Payables	C5	2,277	1,380	2,271	1,380
<b>Total Financial Liabilities at amortised cost</b>		<b>2,277</b>	<b>1,380</b>	<b>2,271</b>	<b>1,380</b>

No financial assets and financial liabilities have been offset and are presented gross in the Statements 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 C5).
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).

#### 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.

ECONOMIC ENTITY		PARENT ENTITY	
2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000

## D2 FINANCIAL RISK DISCLOSURES (CONT'D)

### 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.

#### Measurement — fair value

The carrying value of trade receivables, less any allowance for impairment, and payables is assumed to approximate fair value.

## D3 CONTINGENCIES

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

## D4 COMMITMENTS

#### Expenditure commitments

##### Disclosure — 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 one year	2,221	2,641	1,378	1,975
Later than one year and not later than five years	3,712	3,874	3,458	3,410
Later than five years	1,188	1,752	1,188	1,752
	<b>7,120</b>	<b>8,267</b>	<b>6,024</b>	<b>7,137</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

At the date of authorisation of the financial report, the Library Board expected no impacts of new or amended Australian Accounting Standards issued but with future commencement dates.

#### AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 will first apply to the Library Board's financial statements in 2020–21. This standard defines service concession arrangements and applies a new control concept to the recognition of service concession assets and related liabilities.

Upon review, the Library Board does not currently have any arrangements that would fall within the scope of AASB 1059.

ECONOMIC ENTITY			BUDGET VARIANCE \$'000
2020 ACTUAL \$'000	2020 ORIGINAL BUDGET \$'000	2020	

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

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

The following significant transactions were recognised by State Library during the 2019–20 financial year in response to the COVID-19 pandemic.

#### Operating Statement

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

	Actual \$'000
Refunds of venue hire deposits	52
Rental relief	36
Salaries and wages	33
Property, equipment and maintenance costs	13
Other supplies and services	16
	<u>150</u>

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

Payroll Tax relief received	265
	<u>265</u>

#### Other significant revenue impacts arising from COVID-19

State Library has also waived the collection of rental revenue from 1 March 2020 to 30 September 2020. The amount of revenue forgone from 1 March 2020 to 30 June 2020 is calculated to be approximately \$0.033m based on the monthly rental payments outlined in the sub-lease document. This amount is reflected in the significant revenue/expense items above.

State Library has also experienced a significant reduction in Interest revenue during the 2019–20 financial year. State Library is reporting Interest Revenue as being 39% lower than expected.

Interest revenue received in Quarter 4 of the 2019–20 financial year was 42% lower than that received in Quarter 3. (43% lower than Quarter 2 and 52% lower than Q1)

#### Balance sheet

#### Significant changes in assets arising from COVID-19

The reduction in the value of the Information Collection is unrelated to COVID-19. State Library applied a market approach to the valuation using purchase data over the past seven (7) years to calculate an average purchase price.

This section contains explanations of major variances between the Library Board's actual 2019–20 financial results and the original budget presented to Parliament.

63

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

#### Income from Continuing Operations

##### Revenue

User charges	4,147	4,102	45
Grants and other contributions	76,568	73,692	2,876
Other	569	893	(324)

#### Total Income from Continuing Operations

	81,284	78,687	2,597
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#### Expenses from Continuing Operations

Employee expenses	30,863	30,451	412
Supplies and services	24,387	23,015	1,372
Grants and subsidies	26,067	24,460	1,607
Depreciation and amortisation	354	545	(191)
Other expenses	581	196	385
Losses on sale/revaluation of assets	—	20	(20)

#### Total Expenses from Continuing Operations

	82,252	78,687	3,565
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#### Operating Result from Continuing Operations

	(968)	—	(968)
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#### Other Comprehensive Income

Items that will not be reclassified to Operating Result:

Decrease in asset revaluation surplus	(353)	—	(353)
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#### Total Other Comprehensive Income

	(353)	—	(353)
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#### Total Comprehensive Income

	<b>(1,321)</b>	<b>—</b>	<b>(1,321)</b>
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ECONOMIC ENTITY			BUDGET VARIANCE \$'000
2020	2020		
ACTUAL \$'000	ORIGINAL BUDGET \$'000		

## E1 BUDGETARY REPORTING DISCLOSURES AND SIGNIFICANT FINANCIAL IMPACT FROM COVID-19 (CONT'D)

### E1-3 Explanation of Major Variances — Statement of Comprehensive Income

*Grants and other contributions:*

The actual figure is higher than the original budget largely because of the recognition of 'goods received below fair value' revenue for legal deposit collections and the value of in-kind revenue from partnership agreements as well as higher than anticipated donations and grants received.

*Supplies and services:*

Supplies and services are higher than expected in 2019–20 due to the recognition of 'goods received below fair value' expenditure for the value of in-kind expenditure from partnership agreements and some delays in completing 2018–19 projects.

*Grants and subsidies:*

Expenditure of grants and subsidies is higher than expected in 2019–20 due to additional funding received for programs that were delivered by local government.

*Decrease in asset revaluation surplus:*

During 2019–20, the average purchase prices over the past five years for the Information Collection reduced leading to a reduced value of that collection.

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

**Current Assets**

Cash and cash equivalents	21,254	17,673	3,581
Receivables	515	1,366	(851)
Inventories	248	192	56
Other	1,142	1,249	(107)
<b>Total Current Assets</b>	<b>23,159</b>	<b>20,480</b>	<b>2,679</b>

**Non-Current Assets**

Intangible assets	12,259	10,666	1,593
Property, plant and equipment	123,079	125,352	(2,273)
<b>Total Non-Current Assets</b>	<b>135,338</b>	<b>136,018</b>	<b>(680)</b>
<b>Total Assets</b>	<b>158,497</b>	<b>156,498</b>	<b>1,999</b>

**Current Liabilities**

Payables	2,277	1,955	322
Accrued employee benefits	3,475	2,761	714
Other	272	305	(33)
<b>Total Current Liabilities</b>	<b>6,024</b>	<b>5,021</b>	<b>1,003</b>
<b>Total Liabilities</b>	<b>6,024</b>	<b>5,021</b>	<b>1,003</b>
<b>Net Assets</b>	<b>152,473</b>	<b>151,477</b>	<b>996</b>

### E1-5 Explanation of Major Variances — Statement of Financial Position

*Cash and cash equivalents:*

The variance between the cash budget and the actual is due to delays in the replacement of property plant and equipment and the surplus achieved in the Queensland Library Foundation.

*Non-current assets:*

The increase in intangible assets resulted from the requirement to make resources available online during the COVID-19 pandemic. The reduction of property, plant and equipment is largely due to the decrease in the valuation of the Information Collection and the delays in the replacement of property plant and equipment partly due to COVID-19 restrictions.

	ECONOMIC ENTITY		
	2020	2020	BUDGET
	ACTUAL \$'000	ORIGINAL BUDGET \$'000	VARIANCE \$'000
<b>E1-6 Budget to actual comparison — Statement of Cash Flows</b>			
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
User charges	4,271	4,505	(234)
Grants and other contributions	68,232	66,514	1,718
GST collected from customers	508	—	508
GST input tax credits from ATO	1,531	—	1,531
Interest receipts	549	893	(344)
Other	20	311	(291)
<i>Outflows:</i>			
Employee expenses	(29,999)	(30,451)	452
Supplies and services	(15,844)	(15,837)	(7)
Grants and subsidies	(26,067)	(24,460)	(1,607)
GST paid to suppliers	(1,690)	—	(1,690)
GST remitted to ATO	(528)	—	(528)
Other	(343)	(930)	587
<b>Net cash from/(used in) operating activities</b>	<b>640</b>	<b>545</b>	<b>95</b>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
Sale of non-financial assets	—	777	(777)
<i>Outflows:</i>			
Payments for valuables	(421)	(465)	44
Payments for library collection	(208)	(349)	141
Payments for property, plant and equipment	(690)	(900)	210
Payments for intangibles	(846)	(595)	(251)
<b>Net cash used in investing activities</b>	<b>(2,165)</b>	<b>(1,532)</b>	<b>(633)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(1,525)</b>	<b>(987)</b>	<b>(538)</b>
<b>Cash and cash equivalents — opening balance</b>	<b>22,779</b>	<b>18,660</b>	<b>4,119</b>
<b>Cash and cash equivalents — closing balance</b>	<b>21,254</b>	<b>17,673</b>	<b>3,581</b>

## E1-7 Explanation of Major Variances — Statement of Cash Flows

### *Grants and other contributions/grants and subsidies expense*

Higher than expected grant revenue was received, which resulted in higher grant payments being made to local government and other clients.



## F1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

### F1-1 Details of Key Management Personnel

As from 2016-17, State Library's responsible Minister is identified as part of State Library's Key Management Personnel, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Minister for Environment and the Great Barrier Reef, Minister for Science 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 2018-19 and 2019-20 as part of the Executive Team. Further information on these positions can be found in Appendix B.

Position	Position responsibility
State Librarian and CEO	The State Librarian and CEO is responsible for the proper and sound management of 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 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* (Qld) 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* (Qld). Individual remuneration and other terms of employment (including motor vehicle entitlements and performance payments 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;
- performance payments recognised as an expense during the year; and
- non-monetary benefits — consisting of provision of vehicle 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.

### F1-3 Key Management Personnel Remuneration Expense

The following disclosures focus on the expenses incurred by State Library that is 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	POST TERMINATION BENEFITS	TOTAL EXPENSES
	MONETARY EXPENSES	NON-MONETARY BENEFITS				
	\$'000	\$'000				
<b>1 July 2019 – 30 June 2020</b>						
<i>State Librarian and CEO</i>						
Current	298	6	7	36	—	347
<i>Executive Director, Corporate Governance and Operations</i>						
Current	174	6	4	17	—	201
Previous Incumbent	43	—	1	6	—	50
<i>Executive Director, Content and Client Services</i>						
Current	184	6	4	20	—	214
<i>Executive Director, Public Libraries and Engagement</i>						
Current	188	6	4	20	—	218
<b>Total Remuneration</b>	<b>887</b>	<b>24</b>	<b>20</b>	<b>99</b>	<b>—</b>	<b>1,030</b>
<b>1 July 2018 – 30 June 2019</b>						
<i>State Librarian and CEO</i>						
Current	294	7	6	35	—	342
<i>Executive Director, Corporate Governance and Operations</i>						
Current	190	7	4	19	—	220
Temporary Relieving	13	—	—	1	—	14
<i>Executive Director, Content and Client Services</i>						
Current	189	7	4	19	—	219
Temporary Relieving	6	—	—	1	—	7
<i>Executive Director, Public Libraries and Engagement</i>						
Current	185	7	4	20	—	216
Temporary Relieving	15	—	—	1	—	16
<b>Total Remuneration</b>	<b>892</b>	<b>28</b>	<b>18</b>	<b>96</b>	<b>—</b>	<b>1,034</b>

## F1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (CONT'D)

### F1-4 Library Board remuneration

Library Board fees, including both sitting fees and special assignment fees totalled \$43,433 (2019: \$43,667). Other fees such as fringe benefits tax, superannuation, payroll tax, insurance, travel, catering and printing totalled \$38,218 (2019: \$36,192). The total cost of Library Board operations was therefore \$81,651 (2019: \$79,859).

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 and transport to meetings.

Remuneration of board members was as follows:

NAME	MEMBER FROM	MEMBER TO	2020	2019
Professor Andrew Griffiths (Chairperson)	March 2014		\$12,000	\$12,000
Emeritus Professor Tom Cochrane AM (Deputy Chairperson)	March 2017		\$5,000	\$5,000
Cr Julia Leu	September 2016		\$933	\$—
Dr Anita Heiss	March 2017		\$4,000	\$4,000
Professor Marek Kowalkiewicz	March 2017		\$5,000	\$5,000
Malcolm McMillan	March 2017	February 2020	\$2,667	\$4,000
Dr Sandra Philips	March 2017		\$4,000	\$4,000
Bob Shead	March 2017		\$6,000	\$6,000
Tamara O'Shea	May 2018		\$833	\$3,667
Jodie Siganto	March 2020		\$1,333	\$—
Nicola Padget	March 2020		\$1,667	\$—
Total			\$43,433	\$43,667

## F2 RELATED PARTY TRANSACTIONS

### Transactions with people/entities related to Key Management Personnel

All annual grants paid to Queensland local governments are recommended by the Library Board and approved by 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 Key Management Personnel.

### 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 Environment and Science.

The Library Board also receives grant funding for specific projects, provided in cash, via the Department of Environment and Science.

The Library Board's South Bank buildings are leased from Arts Queensland, free of charge with the fair value recognised as a non-cash contribution (Notes B1-2 and B2-2). Other buildings and motor vehicles are purchased via the Department of Housing 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 Environment and Science 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 the Queensland local governments for the provision of library services to the people of Queensland.

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

### Accounting standards applied for the first time

Three new accounting standards with material impact were applied for the first time in 2019–20:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 16 *Leases*

The effect of adopting these new standards are detailed in Notes F3-1 to F3-4. No other accounting standards or interpretations that apply to State Library for the first time in 2019–20 have any material impact on the financial statements.

### Accounting standards early adopted

No Australian Accounting Standards have been early adopted in 2019–20. As per Note D6, the Library Board does not expect any impact on future accounting standards that are not yet effective.

### F3-1 AASB 15 Revenue from Contracts with Customers

The Library Board has considered the impact of applying AASB 15 *Revenue from Contracts with Customers* for the first time in 2019–20. The nature and effect of changes resulting from the adoption of AASB 15 are disclosed in Note B1.

#### Other changes arising from AASB 15

The standard requires contract assets (accrued revenue) and contract liabilities (unearned revenue) to be shown separately and requires contract assets to be distinguished from receivables.

Further disclosures have been included in Notes B1-1.

#### Transitional impact

The Library Board applied the modified retrospective transition method and has not restated comparative information for 2018–19, which continues to be reported under AASB 118 *Revenue* and related interpretations.

The Library Board applied a practical expedient to reflect, on transition, the aggregate effect of all contract modification that occurred before 1 July 2019.

### F3-2 AASB 1058 Income of Not-for-Profit Entities

AASB 1058 applies to transactions where the Library Board acquires an asset for significantly less than the fair value principally to enable the Library Board to further its objectives.

The Library Board's revenue line items recognised under this standard from 1 July 2019 include most grants and contributions and other revenue.

The revenue recognition framework for in scope transactions is as follows:

1. Recognise the asset — e.g. cash, receivables, PP&E, a right-of-use asset or an intangible asset
2. Recognise related amounts — e.g. contributed equity, a financial liability, a lease liability, a contract liability or a provision; grants and donations in many cases can have a nil related amounts)
3. Recognise the difference as income upfront.

The Library Board has considered AASB 1058 *Income of Not-for-Profit Entities* and further analysis regarding impact of AASB 1058 is noted in Note B1-2 *Grants and Contributions*.

### F3-3 Impact of adoption of AASB 15 and AASB 1058 in the current period

The Library Board has considered AASB 15 and AASB 1058 in the current period and determined that there is no material impact on the Library Board. For further analysis regarding impact of AASB 15 and AASB 1058 on the Library Board, please refer to Note B1 – *Revenue*.

### F3-4 AASB 16 Leases

The Library Board applied AASB 16 *Leases* for the first time in 2019–20. The Library Board applied for modified retrospective transition method and has not restated comparative information for 2018–19, which continue to be reported under AASB 117 *Leases* and related interpretations.

The Library Board has considered AASB 16 *Leases* and determined that there is no material impact on the Library Board. The accounting treatment of Peppercorn Lease with Arts Queensland is noted in Note B2-2 *Supplies and Services*.

## **F4 TAXATION**

The Library Board is a state body as defined under the *Income Tax Assessment Act 1936* (Cth) 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. 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 constantly monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy.

# 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* (Qld) (the Act), section 39 of the *Financial and Performance Management Standard 2019* (Qld) 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 2020, 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* (Qld) 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.

Professor Andrew Griffiths  
Chairperson  
Library Board of Queensland  
27 August 2020

Vicki McDonald AM  
State Librarian and CEO  
State Library of Queensland  
27 August 2020

# INDEPENDENT AUDIT 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 2020 and their 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 2020, 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 Auditing 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 Board 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 parent or group 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 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 2020:

- 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.