



part 6

Library Board of Queensland Financial Report

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General information

This report covers the Library Board of Queensland and its controlled entity, the Queensland Library Foundation.

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

The agency 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 agency's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the agency's financial report please call Val Johnston, Executive Manager Finance, Facilities and Administration on (07) 3840 7872, email val.johnston@slq.qld.gov.au or visit the agency's internet site www.slq.qld.gov.au.

Income Statement

For the year ended 30 June 2008

	Notes	Economic Entity		Parent Entity	
		2008 \$000	2007 \$000	2008 \$000	2007 \$000
Income					
Revenue					
User charges	2	1,729	1,410	1,729	1,410
Grants and other contributions	3	48,858	53,835	47,726	55,625
Other revenue	4	1,410	1,243	1,198	1,050
Gains					
Gain on sale of property, plant and equipment	5	-	26	-	26
Total Income		51,997	56,514	50,653	58,111
Expenses					
Employee expenses	6	20,600	18,378	20,600	18,378
Supplies and services	7	11,751	15,839	11,736	15,811
Grants and subsidies	8	15,588	15,460	15,648	15,520
Depreciation and amortisation	9	619	555	619	555
Finance/borrowing costs	10	13	20	13	20
Other Expenses	11	601	6,224	602	6,219
Total Expenses		49,172	56,476	49,218	56,503
Operating Surplus		2,825	38	1,435	1,608

The accompanying notes form part of these statements.

Balance Sheet

As at 30 June 2008

	Notes	Economic Entity		Parent Entity	
		2008 \$000	2007 \$000	2008 \$000	2007 \$000
Current assets					
Cash and cash equivalents	12	8,040	9,085	5,299	5,643
Receivables	13	1,166	1,555	1,166	3,644
Inventories	14	140	145	140	145
Other	15	670	329	670	329
Total current assets		10,016	11,114	7,275	9,761
Non-current Assets					
Intangible assets	16	316	383	316	383
Property, plant and equipment	17	82,693	81,118	82,693	81,118
Total non-current assets		83,009	81,501	83,009	81,501
Total Assets		93,025	92,615	90,284	91,262
Current liabilities					
Payables	18	823	3,385	820	3,380
Other financial liabilities	19	139	136	139	136
Accrued employee benefits	20	1,361	1,604	1,361	1,604
Other	21	453	322	453	322
Total current liabilities		2,776	5,447	2,773	5,442
Non-current liabilities					
Other financial liabilities	19	-	139	-	139
Accrued employee benefits	20	399	385	399	385
Total non-current liabilities		399	524	399	524
Total Liabilities		3,175	5,971	3,172	5,966
Net Assets		89,850	86,644	87,112	85,296
Equity					
Contributed equity		1,465	1,447	1,465	1,447
Retained surpluses		48,779	45,954	46,041	44,606
Asset revaluation reserve	22	39,606	39,243	39,606	39,243
Total Equity		89,850	86,644	87,112	85,296

The accompanying notes form part of these statements.

Statement of Changes in Equity

For the year ended 30 June 2008

	Economic Entity		Parent Entity	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Retained surpluses				
Balance 1 July	45,954	45,916	44,606	42,998
Operating Surplus	2,825	38	1,435	1,608
Balance 30 June	48,779	45,954	46,041	44,606
Asset Revaluation Reserve				
Balance 1 July	39,243	37,440	39,243	37,440
Non owner changes in equity: Revaluation increment/(decrement)	363	1,803	363	1,803
Balance 30 June	39,606	39,243	39,606	39,243
Contributed Equity				
Balance 1 July	1,447	1,432	1,447	1,432
Transactions with owners as owners				
• Net leave liabilities transferred to (from) other government entities	18	15	18	15
Balance 30 June	1,465	1,447	1,465	1,447

The accompanying notes form part of these statements.

Statement of Cash Flows

For the year ended 30 June 2008

	Notes	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
Cash flows from operating activities					
Inflows:					
User charges		2,048	845	2,028	1,184
Grants and other contributions		48,993	48,106	49,986	47,466
GST collected from customers		274	327	279	322
GST input tax credits from ATO		3,094	3,218	3,094	3,222
Interest receipts		1,268	1,127	1,055	938
Other		124	65	124	65
Outflows:					
Employee expenses		(20,820)	(18,189)	(20,820)	(18,189)
Supplies and services		(14,559)	(13,482)	(14,558)	(13,360)
Grants and subsidies		(15,588)	(15,471)	(15,648)	(15,531)
GST paid to suppliers		(3,125)	(3,231)	(3,129)	(3,231)
GST remitted to ATO		(240)	(315)	(240)	(315)
Finance/borrowing costs		(13)	(20)	(13)	(20)
Other		(586)	(1,676)	(587)	(1,671)
Net cash from operating activities	23	870	1,304	1,571	880
Cash flows from investing activities					
Inflows:					
Sales of property, plant and equipment		-	21	-	21
Outflows:					
Payments for Valuables		(489)	(267)	(489)	(267)
Payments for Library Collection		(598)	(665)	(598)	(665)
Payments for property, plant and equipment		(621)	(930)	(621)	(930)
Payments for intangibles		(71)	-	(71)	-
Net cash (used in) investing activities		(1,779)	(1,841)	(1,779)	(1,841)
Cash flows from financing activities					
Outflows:					
Borrowing redemption		(136)	(129)	(136)	(129)
Net cash (used in) financing activities		(136)	(129)	(136)	(129)
Net (decrease) in cash held		(1,045)	(666)	(344)	(1,090)
Cash at beginning of financial year		9,085	9,751	5,643	6,733
Cash at end of financial year	12	8,040	9,085	5,299	5,643

The accompanying notes form part of these statements.

Objectives and Principal Activities of the Library Board of Queensland

To provide equitable access to quality State and public library services in Queensland.

The State Library is predominantly funded for the outputs it delivers by Parliamentary appropriations. In 2007-08 it also provided the following services on a fee for service basis:

- reproduction services
- BR+SQ (Business Research + Solutions Queensland – Business Research Services)
- networking charges
- Library Bookshop and Café
- Venue Hire
- Qld.Comm.Books (LOTE Book Services).

1. Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS).

The financial report is a general purpose financial report.

In particular, the financial statements comply with the Treasurer's Minimum Reporting Requirements for the year ending 30 June 2008, and other authoritative pronouncements.

Except where stated, the historical cost convention is used.

(b) The Reporting Entity

In the financial statements, the term Parent Entity refers to the Library Board of Queensland (the Board), and includes the value of all revenues, expenses, assets, liabilities and equity of the Board. The term Economic Entity refers to the consolidated entity of the Library Board of Queensland and the Queensland Library Foundation Inc (the Foundation) (Refer note 27).

In the process of consolidating into a single economic entity, all transactions between the Board and the Foundation have been eliminated (where material).

(c) Trust and Agency Transactions and Balances

The Library acts as an agent in the collection and distribution of charges and levies for public sector agencies, local governments and employees which are not recognised in the financial statements, but are disclosed in Note 30.

(d) User Charges

User charges controlled by the Board are recognised as revenue when invoices for the related services are issued. User charges are controlled by the Board where they can be deployed for the achievement of the Board's objectives.

(e) Grants and Contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the Board obtains control over them. Where grants are received that are reciprocal in nature, revenue is accrued over the term of the funding arrangements.

Contributed assets are recognised at their fair value. Contributions of services are recognised when a fair value can be determined reliably and the services would be purchased if not donated.

(f) Cash and Cash Equivalents

For the purposes of the Balance Sheet and the Cash Flow Statement, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions. It also includes investments with short periods to maturity that are readily convertible to cash on hand at the Board's or issuer's option and that are subject to a low risk of changes in value.

(g) Receivables

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts were written off as at 30 June.

(h) Inventories

Inventories held for sale are valued at the lower of cost and net realisable value.

Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition, except for training costs which are expensed as incurred.

Net realisable value is determined on the basis of the Board's normal selling pattern.

Expenses associated with marketing, selling and distribution are deducted to determine net realisable value.

(i) Non-current Assets Classified as Held for Sale

Non-current assets held for sale consist of those assets which management has determined are available for immediate sale in their present condition, and their sale is highly probable within the next twelve months. Management has determined that no such assets are currently held by the Board.

(j) Acquisitions of Assets

Actual cost is used for the initial recording of all non-current physical and intangible assets acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architect's fees and engineering design fees. However, any training costs are expensed as incurred.

Where assets are received free of charge from another Queensland Government department (whether as a result of a machinery-of-Government or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government department, are recognised at their fair value at date of acquisition in accordance with AASB116 *Property, Plant and Equipment*.

(k) Property, Plant and Equipment

Items of property, plant and equipment, with the exception of the Collections and Valuables, with a cost or other value, in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition.

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

(l) Prior Year Transfer of Furniture Fittings and Equipment

An amount of \$12.975 million of furniture, fitting and equipment (FFE) was capitalised by Arts Queensland in 2006-07 in order to commission the Millennium Library and the Gallery of Modern Art. In 2007-08 a full review of FFE was undertaken by Arts Queensland in order to transfer this FFE to the statutory agencies tenanted in the buildings (Queensland Art Gallery and State Library of Queensland). After discussions with Queensland Treasury, the policy determined was for the transfer to occur in 2006-07, with some of the previously capitalised expenditure to be expensed by the tenants. The total transfer amount for the State Library was \$5.054 million, with Arts Queensland retaining a small amount relating to building infrastructure. State Library expensed \$4.688 million of the transferred FFE, and capitalised \$0.365 million. Depreciation of \$0.042 million was posted for 2006-07, for the FFE recognised as non-current assets. The revised opening balances as at 2006-07 then flowed to 1 July 2007.

(m) Collections

Capital expenditure on the reference collection (e.g. book purchases) is recorded as an addition to the State Library Collection. Purchases of common use collections are expensed on purchase. In accordance with the *Non-Current Asset Accounting Policies for the Queensland Public Sector* adopted for the first time in 2005-06, the State Library's reference collections are revalued using the average purchase price over the past 5 years. Future additions will be added at cost and revalued as part of the year end revaluation process.

Depreciation is not applied to the reference collection in accordance with Queensland Treasury's *Non-Current Asset Accounting Policies for the Queensland Public Sector*.

(n) Heritage and Cultural Assets (Valuables)

Capital expenditure on rare or heritage book purchases is recorded as an addition to Valuables. Due to the nature of these items, they are not depreciated.



1. Summary of Significant Accounting Policies *cont...*

(o) Revaluation of Non-Current Physical and Intangible Assets

Heritage and Cultural assets, and Reference Collections are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and Queensland Treasury's *Non-Current Asset Accounting Policies for the Queensland Public Sector*.

Where intangible assets have an active market, they are measured at fair value, otherwise they are measured at cost.

An independent revaluation of the Library's heritage and cultural assets was undertaken as at 30 June 2007 to determine the market value of these assets. The revaluation was conducted by Mr. G. Addicott, FAPI MPIA, Regional Manager of the Australian Valuation Office, Darwin.

The methodology to determine Fair Value of heritage and cultural assets was undertaken by an assessment of national and international market prices for antiquarian materials and other collectibles.

Heritage and Cultural assets measured at fair value are comprehensively revalued at least once every five years with interim valuations, using appropriate indices, being otherwise performed on an annual basis where there has been a material variation in the index. In 2007-08, the Australian Valuation Office has advised there has been no material variation in the index. The revaluation increment in Note 17 relates solely to the valuation of legal deposit material received in 2007-08.

Fair value for the reference collection is determined using average replacement cost based on the average cost of purchases over the last five years. This cost is applied to all titles in the collection at year end in line with Queensland Treasury's *Non-Current Asset Accounting Policies for the Queensland Public Sector*.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation reserve 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 reserve relating to that class.

All other non-current assets are measured at cost.

(p) Intangibles

Intangible assets with a cost or other value greater than \$100,000 are recognised in the financial statements, items with a lesser value are expensed. Each intangible asset is expensed over its estimated useful life to the Board, less any residual value. The residual value is \$1,000 for all the Board's intangible assets.

It has been determined that there is not an active market for any of the Board's intangible assets. As such the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

Internally generated software

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 development of computer software have been capitalised and are amortised on a straight-line basis over the period of expected benefit to the Library, namely seven years.

(q) Amortisation and Depreciation of Intangibles and Property, Plant and Equipment

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 its estimated residual value, progressively over the estimated useful life to the entity.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

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

Class	Rate
Plant and equipment	
Computers	20%-30%
Audio equipment	20.0%
Air conditioning	11.1%
Office equipment	20%-33.33%
Intangibles	
Business applications	14.28%

(r) Impairment of Non-Current Assets

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

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement costs.

An impairment loss is recognised immediately in the Income Statement, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

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. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Refer also Note 1(o).

(s) Investment Property

The Board did not hold any investment property during the financial year.

(t) Leases

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership, and operating leases under which the lessor effectively retains substantially all risks and benefits.

The Board does not have any finance leases.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

(u) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

(v) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Balance Sheet when the Board becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

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

Borrowings are held at amortised cost. Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise.

The Board does not enter transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Board holds no financial assets classified at fair value through profit and loss.

All disclosures relating to the measurement basis and financial risk management of other financial instruments held by the Board are included in Note 29.

1. Summary of Significant Accounting Policies *cont...*

(w) Employee Benefits

Wages, Salaries, Recreation Leave and Sick leave

Wages, salaries and recreation leave due but unpaid at reporting date are recognised in the Balance Sheet at the remuneration rates expected to apply at the time of settlement. Payroll tax, and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses. Employer superannuation contributions and long service leave levies are regarded as employee benefits.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. For those entitlements not expected to be paid within 12 months, the liabilities are recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to recur 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.

Long Service Leave

Under the Queensland Government's long service leave scheme, a levy is made on the Board to cover this cost. Levies are expensed in the period in which they are paid or payable. Amounts paid to employees for long service leave are claimed from the scheme as and when leave is taken.

No provision for long service leave is recognised in the financial statements, the liability being held on a whole-of-Government basis and reported in the whole-of-Government financial report prepared pursuant to AAS 31 *Financial Reporting by Governments*.

Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees, at rates determined by the State Actuary. Contributions are expensed in the period in which they are paid or payable. The Board's obligation is limited to its contribution to QSuper.

Therefore, no liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-Government basis and reported in the whole-of-Government financial report prepared pursuant to AAS 31 *Financial Reporting by Governments*.

Executive Remuneration

The executive remuneration disclosures in the employee expenses note (Note 6) in the financial statements include:

- the aggregate remuneration of all senior executive officers (including the Chief Executive Officer) whose remuneration for the financial year is \$100,000 or more; and
- the number of senior executives whose total remuneration for the financial year falls within each successive \$20,000 band, commencing at \$100,000.

The remuneration disclosed is all remuneration received or receivable, directly or indirectly, from the entity or any related party in connection with the management of the affairs of the entity or any of its subsidiaries, whether as an executive or otherwise. For this purpose, remuneration includes:

- wages and salaries;
- accrued leave (that is, the increase/decrease in the amount of annual and long service leave owed to an executive, inclusive of any increase in the value of leave balances as a result of salary rate increases or the like);
- performance pay received or due and receivable in relation to the financial year, provided that a liability exists (namely a determination has been made prior to the financial statements being signed), and can be reliably measured even though the payment may not have been made during the financial year;
- accrued superannuation (being the value of all employer superannuation contributions during the financial year, both paid and payable as at 30 June);
- car parking benefits and the cost of motor vehicles, such as lease payments, fuel costs, registration/insurance, and repairs/maintenance incurred by the agency during the financial year, both paid and payable as at 30 June, net of any amounts subsequently reimbursed by the executives;
- housing (being the market value of the rent or rental subsidy – where rent is part-paid by the executive – during the financial year, both paid and payable as at 30 June);
- allowances (which are included in remuneration agreements of executives, such as airfares or other travel costs paid to/for executives whose homes are situated in a location other than the location they work in); and
- fringe benefits tax included in remuneration agreements.

(w) Employee Benefits *cont...*

Executive Remuneration *cont...*

The disclosures apply to all senior executives appointed by Governor in Council and/or classified as SES1 and above, with remuneration above \$100,000 in the financial year. 'Remuneration' means any money, consideration or benefit, but excludes amounts:

- paid to an executive by an entity or its subsidiary where the person worked during the financial year wholly or mainly outside Australia during the time the person was so employed; or
- in payment or reimbursement of out-of-pocket expenses incurred for the benefit of the entity or any of its subsidiaries.

In addition, separate disclosure of separation and redundancy/termination benefit payments is included.

(x) Provisions

Provisions are recorded when the agency has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date to settle the obligation in a future period, but where the timing and/or amount required to settle the obligation is uncertain at reporting date, discounted to the present value using the pre-tax discount rate.

(y) Insurance

The Board carries insurance cover in the areas of Property (including items on loan), General Liability (incorporating Directors & Officers liability), Professional Indemnity, Personal Accident, and Collections. Insurance coverage is with the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. In addition, the Board pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(z) Resources Received Free of Charge or For Nominal 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 a revenue and an expense.

(aa) Contributed Equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland public sector entities as a result of machinery-of-Government changes are adjusted to 'Contributed Equity' in accordance with UIG Abstract 1038 *Contributions to Owners Made to Wholly Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated.

(ab) Taxation

The Board is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax and Goods and Services Tax (GST). As such, GST credits receivable from/payable to the ATO are recognised and accrued.

(ac) Issuance of Financial Statements

The financial statements are authorised for issue by the Chairperson of the Library Board of Queensland, the Acting State Librarian and the Acting Director, Organisational Effectiveness of the State Library of Queensland at the date of signing the Management Certificate.

(ad) Judgements and Assumptions

The Board has made no judgements or assessments which may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(ae) Rounding and Comparatives

Amounts included in the financial statements have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

1. Summary of Significant Accounting Policies *cont...*

(af) Corporate Administration Agency

The Corporate Administration Agency (CAA) was established on 1 July 1997, as a unit of Arts Queensland. The *Arts Legislation Amendment Act 1997* transferred the assets and liabilities of the Queensland Cultural Centre Trust (QCCT) that was abolished in December 1997 to the State and the CAA became the manager of the Cultural Centre precinct. The Board had a signed lease agreement with the QCCT and the lease has been assumed by the State of Queensland (Section 85(2) of the Act). While the State does not charge rent on the premises occupied by the State Library, the State Library does make a contribution to the continued maintenance of the building occupied. The provision of the building and items of fitout, including plant and equipment, forms part of this agreement.

The CAA also provides corporate services under the "Shared Services Provider" model. These fees and terms of the services are agreed through a Service Level Agreement, negotiated annually and include:

- Financial systems and processing
- Management accounting
- Human resources recruitment, payroll and consultancy
- Information systems and support in relation to records management and building maintenance.

(ag) Board and Executive Remuneration

Board fees, including both sitting fees and special assignment fees totalled \$19,272. On-costs such as travel, catering and printing totalled \$32,186. The total cost of Board operations was therefore \$51,458.

Fees paid to members of the Board are in accordance with the guidelines provided for the Remuneration of Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities. These amounts exclude expenses associated with the hosting and transport to meetings.

State Library of Queensland executives employed by the 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 on renewable contracts.

Remuneration of Board members was as follows:		2008	2007
Roy Webb	Term expired 2 February 2008	\$5,628	\$11,117
Ann Bunnell	Term expired 2 February 2008	\$1,187	–
Terence Callaghan	Term expired 2 February 2008	\$2,120	\$4,714
Geoff Ginn	Term expired 2 February 2008	\$1,591	\$3,162
Sue Gough	Term expired 2 February 2008	\$1,834	\$2,358
Rob Holloway	Term expired 2 February 2008	\$1,858	\$2,944
Cheryl Macnaught	Resigned 6 November 2007	\$524	\$1,310
Marie Siganto	Term expired 26 June 2006	–	\$262
Lilla Watson	Term expired 2 February 2008	\$805	\$2,489
Jane Bertelsen	Appointed 8 February 2008	\$1,141	–
Janice Rickards	Reappointed 2 February 2008	\$2,584	\$2,096
Margaret Strelow	Appointed 8 February 2008	\$398	–
Grace Sarra	Appointed 8 February 2008	\$562	–
Max Lenoy	Appointed 8 February 2008	\$843	–
Stuart Cunningham	Appointed 8 February 2008	\$843	–
John Birmingham	Appointed 8 February 2008	–	–
Sohail Inayatullah	Appointed 8 February 2008; Resigned 11 March 2008	–	–
Matthew McDonnell	Appointed 24 April 2008	\$281	–
Aladin Rahemtula	Appointed 24 April 2008	–	–
Total		\$19,272	\$30,452

(ah) Other financial liabilities

Loans payable are recognised at the face value of the principal outstanding, interest being expensed or otherwise recognised as it accrues. The fair value of these loans is disclosed in Note 19.

(ai) Financing / Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are included in the costs of qualifying assets. The capitalisation rate used to determine borrowing costs is the weighted average interest rate applicable to the Board's outstanding borrowings, 5.71% (2007: 5.71%).

Borrowing costs include:

- Interest on bank overdrafts and short-term and long-term borrowings; and
- Ancillary administration charges.

(aj) New and Revised Accounting Standards

No Australian accounting standards and interpretations issued or amended and applicable for the first time in the 2007-08 financial year have an effect on the Board. Also, the Board has not voluntarily changed any of its accounting policies.

The Board is not permitted to early adopt a new accounting standard ahead of the specified commencement date unless approval is obtained from the Queensland Treasury. Consequently, the Board has not applied any Australian accounting standards and interpretations that have been issued but are not yet effective. The Board will apply these standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, a number of new or amended Australian accounting standards with future commencement dates will have a significant impact on the Board. Details of such impacts are set out below.

AASB 1004 *Contributions* has been revised, and will affect the Board as from 2008-09. One implication arising from this revised standard will be that to the extent that no cash consideration is provided/received, transfers of accrued employee benefits between the Board and other Queensland Government agencies will need to be recognised as either income or expense in the Board's Income Statement, instead of being adjusted directly against Contributed Equity (refer to the Statement of Changes in Equity). If the revised AASB 1004 applied during 2007-08, the 2007-08 operating surplus would have increased by approximately \$12,281, comprising an additional \$29,982 income due to accrued employee benefits for employees leaving the Board, offset by an additional \$17,701 in expenses due to accrued employee benefits for new Board employees).

AASB 1050 *Administered Items* has been released, and will not impact on the Board.

The new accounting standard AASB 1052 *Disaggregated Disclosures* will not impact on the agency as from 2008-09 as the Board has only one output.

AASB 101 *Presentation of Financial Statements* has been revised, but such revisions will not impact on the Board until 2009-10. This revised standard does not have measurement or recognition implications. Instead, there will be significant changes to the presentation of the Board's overall financial performance and position, particularly the content of the Statement of Changes in Equity, and preparation of a new Statement of Comprehensive Income (which will include certain items currently disclosed in the Statement of Changes in Equity, in line with the definition of 'comprehensive income' in the revised AASB 101). Ignoring other potential impacts on the operating result, if the revised AASB 101 was applied by the department for 2007-08 reporting, it would have reported comprehensive income of \$3.188 million. The increase in the asset revaluation reserve for 2007-08 (\$0.363 million) would not therefore be included in the Statement of Changes in Equity.

A revised version of AASB 123 *Borrowing Costs* has been released, but such revisions will not impact on the Board until 2009-10 and will not have any material effect on the Board's position.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Board, or have no material impact on the Board.



Economic Entity		Parent Entity	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

2. User Charges

BR+SQ	32	44	32	44
Reproduction services	75	56	75	56
Bookshop & merchandising	659	269	659	269
Venue Hire	333	153	333	153
Qld.Comm.Books	248	403	248	403
Network services	71	68	71	68
Internet Services	50	51	50	51
Other	261	366	261	366
Total	1,729	1,410	1,729	1,410

3. Grants and other contributions

Recurrent Grants	*	47,510	47,781	47,260	47,531
Grants other		-	-	361	3,006
Donations		1,228	936	1	-
Contributed assets		-	5,054	-	5,054
Industry contributions		30	23	30	23
Goods received below fair value		90	41	74	11
Total		48,858	53,835	47,726	55,625

* Principally State Appropriation received in the State Budget

4. Other revenue

Interest	1,286	1,178	1,074	985
Miscellaneous	124	65	124	65
Total	1,410	1,243	1,198	1,050

5. Gains

Gains on sale of property, plant and equipment

Plant and equipment	-	26	-	26
Total	-	26	-	26

6. Employee expenses

Employee Benefits

Wages and salaries	15,117	13,575	15,117	13,575
Employer superannuation contributions	*	1,907	1,726	1,726
Long service leave levy	*	295	265	265
Annual leave expenses	1,548	1,285	1,548	1,285

Employee related expenses

Payroll Tax	*	890	806	890	806
Other	843	721	843	721	
Total		20,600	18,378	20,600	18,378

* Costs of workers' compensation insurance and payroll tax are a consequence of employing employees, but are not counted in employees' total remuneration package. They are not employee benefits, but rather employee related expenses. Employer Superannuation Contributions and the long service leave levy are regarded as employee benefits.

Economic Entity		Parent Entity	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

6. Employee expenses *cont...*

The total number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.

Number of employees:	293	265	293	265
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Executive Remuneration

The following is remuneration paid/payable to senior executives:

\$100,000 to \$119,999	-	1		
\$140,000 to \$159,999	-	1		
\$160,000 to \$179,999	1	-		
\$180,000 to \$199,999	1	-		
\$200,000 to \$219,999	-	1		
\$220,000 to \$239,999	1	-		
Total	3	3		

The amount calculated as executive remuneration in these financial statements includes the direct remuneration received, as well as items not directly received by senior executives, such as the movement in leave accruals and fringe benefits tax paid on motor vehicles. This amount will therefore differ from advertised executive remuneration packages which do not include the latter items.

Aggregate amount of total remuneration of executives shown above.

588,815	461,863
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Aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.

Nil	Nil
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7. Supplies and services

Bookshop and merchandising	559	219	559	219
Communications	245	436	245	436
Consultants and contractors	1,465	5,744	1,465	5,744
Corporate service charges	1,099	1,058	1,096	1,058
Property Services	476	397	476	397
Freight and postage	634	563	634	563
Information technology	466	434	466	434
Exhibits and materials	34	32	34	32
Library collections – new and existing	2,405	2,630	2,405	2,630
Electronic subscriptions	842	725	842	725
Printing, stationery and office supplies	444	461	444	461
Repairs and maintenance	344	585	344	585
Sundries	2,211	2,019	2,215	2,021
Travel	437	495	437	495
Goods provided below fair value	90	41	74	11
Total	11,751	15,839	11,736	15,811

8. Grants and subsidies

Bookstock for Independent Libraries	15,503	15,131	15,503	15,131
Queensland Library Foundation subsidy	-	-	60	60
Strategic Development Grants	-	(1)	-	(1)
CLS equipment	42	34	42	34
Other	43	296	43	296
Total	15,588	15,460	15,648	15,520



Economic Entity		Parent Entity	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

9. Depreciation and amortisation

Plant and equipment	481	417	481	417
Computer software	138	138	138	138
Total	619	555	619	555

10. Finance/Borrowing costs

Interest	13	20	13	20
Administration charges	-	-	-	-
Total	13	20	13	20

The Board does not capitalise financing/borrowing costs.

11. Other expenses

External audit fees	*	37	39	38	34
Internal audit fees		39	37	39	37
Insurance premiums – OGIF		63	73	63	73
Operating lease rentals		395	1,345	395	1,345
Board fees and expenses		24	32	24	32
Loss on sale of assets		15	4,693	15	4,693
Other		28	5	28	5
Total		601	6,224	602	6,219

* Total external audit fees for the economic entity relating to the 2007-08 financial year are estimated to be \$37,000 (2007: \$39,000). There are no non-audit services included in this amount.

12. Cash and cash equivalents

Imprest accounts	10	13	10	13
Cash at bank and on hand	82	(27)	76	(28)
Cash deposit accounts	7,948	9,099	5,213	5,658
Total	8,040	9,085	5,299	5,643

13. Receivables

Trade debtors	485	804	485	784
Less: Provision for impairment	(13)	(13)	(13)	(13)
	472	791	472	771
GST receivable	565	534	565	530
Less: GST payable	(65)	(31)	(65)	(26)
Long service leave reimbursements	32	23	32	23
Interest	83	65	66	47
Other	79	173	96	2,299
Total	1,166	1,555	1,166	3,644

14. Inventories

Current				
Inventories held for resale – Bookshop	140	145	140	145
Total	140	145	140	145



Economic Entity		Parent Entity	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

15. Other Current Assets

Prepayments wage related	314	–	314	–
Prepayments	356	329	356	329
Total	670	329	670	329

16. Intangibles

Computer software				
At cost	968	968	968	968
Less: Accumulated amortisation	(723)	(585)	(723)	(585)
Total	245	383	245	383
Work in Progress				
At Cost	71	–	71	–
Total	316	383	316	383

Amortisation of intangibles is included in the line *Depreciation and amortisation* in the Income Statement.

All intangible assets of the Board have finite lives and are amortised on a straight line basis. Refer Note 1(p).

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

Intangibles Reconciliation	Software	Software
	2008	2007
	\$000	\$000
Carrying amount at 1 July	383	521
Acquisitions	71	–
Amortisation	(138)	(138)
Carrying amount at 30 June	316	383

There are no Intangible Assets with a written-down value of zero still in use.

Economic Entity		Parent Entity	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

17. Property, plant and equipment

Heritage and Cultural Assets: (Valuables)				
At valuation	36,357	35,297	36,357	35,297
	36,357	35,297	36,357	35,297
Library Collections				
At valuation	43,911	43,454	43,911	43,454
At cost	598	665	598	665
	44,509	44,119	44,509	44,119
Plant and equipment:				
At cost	4,008	3,519	4,008	3,519
Less: Accumulated depreciation	(2,181)	(1,817)	(2,181)	(1,817)
	1,827	1,702	1,827	1,702
Total	82,693	81,118	82,693	81,118

The insured value of the expensed common use library collection is \$22.857m (2006-07 \$23.552m)

The State Library has Plant & Equipment assets with an original cost of \$711,577 and a written down value of zero, still being used in the provision of services.

17. Property, plant and equipment

Economic Entity Property, plant and equipment reconciliation

	Heritage & Cultural Assets		Library Collections		Plant & Equip		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Carrying amount at 1 July	35,297	33,194	44,119	43,487	1,702	823	81,118	77,504
Acquisitions	489	267	598	665	621	930	1,708	1,862
Assets transferred to Arts Queensland						5,054	-	5,054
Transferred assets expensed						(4,688)	-	(4,688)
Donated assets	-	-	-	-	-	-	-	-
Net Disposals	-	-	-	-	(15)	-	(15)	-
Revaluation increment/ (decrement)	571	1,836	(208)	(33)	-	-	363	1,803
Depreciation/Amortisation	-	-	-	-	(481)	(417)	(481)	(417)
Carrying amount at 30 June	36,357	35,297	44,509	44,119	1,827	1,702	82,693	81,118

Economic Entity		Parent Entity	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

18. Payables

Trade creditors	138	194	138	194
Other	685	3,191	682	3,186
Total	823	3,385	820	3,380

19. Other financial liabilities

Current				
Queensland Treasury Corporation borrowings	139	136	139	136
Non-current				
Queensland Treasury Corporation borrowings	-	139	-	139

No assets have been pledged as security for any liabilities.

Loans are carried at face value, interest being recognised as an expense as it accrues. All borrowings are in \$A denominated amounts. Repayment is two years.

Principal and interest repayments are made quarterly in arrears.

The market value of borrowings as notified by Queensland Treasury Corporation was \$136,907. This represents the value of the debt if the Library repaid it in full at balance date.

20. Accrued employee benefits

Current				
Recreation leave	1,282	1,137	1,282	1,137
Long service leave levy payable	79	127	79	127
Wages outstanding	-	304	-	304
Superannuation payable	-	36	-	36
Total	1,361	1,604	1,361	1,604
Non-current				
Recreation leave	399	385	399	385
Total	399	385	399	385



Economic Entity		Parent Entity	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

21. Other current liabilities

Unearned revenue	453	322	453	322
Total	453	322	453	322

22. Asset revaluation reserve by class

	Library Collections	Heritage & Cultural Assets	Total
	2008	2008	2008
	\$000	\$000	\$000
Balance 1 July	8,461	30,782	39,243
Revaluation Increments	(208)	571	363
Balance 30 June	8253	31,353	39,606

Economic Entity		Parent Entity	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

23. Reconciliation of Operating Surplus to net cash from operating activities

Operating Surplus	2,825	38	1,435	1,608
Depreciation and amortisation expenses	619	555	619	555
Loss on sale of property, plant & equipment	15	4,693	15	4,693
(Gain) on sale of property, plant & equipment	-	(26)	-	(26)
Contributed assets	-	(5,054)	-	(5,054)
Net leave liabilities transferred	18	15	18	15

Changes in assets and liabilities

(Increase) in GST input tax credits receivable	(31)	(13)	(35)	(9)
(Increase)/decrease in LSL reimbursement receivable	(9)	35	(9)	35
(Increase) in Interest receivable	(18)	(51)	(19)	(47)
(Increase)/decrease in other receivables	413	(571)	2,502	(2,692)
(Increase)/decrease in inventories	5	(145)	5	(145)
(Increase)/decrease in prepayments	(341)	82	(341)	82
Increase/(decrease) in accounts payable	(2,562)	2,223	(2,560)	2,347
Increase/(decrease) in employee benefits	(229)	139	(229)	139
Increase/(decrease) in unearned revenue	131	(628)	131	(628)
Increase in GST payable	34	12	39	7

Net cash from operating activities	870	1,304	1,571	880
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24. Non-cash financing and investing activities

Assets and liabilities donated to/transferred by the State Library and recognised as revenues and expenses (where applicable for the current year) are set out in Notes 3 and 7 respectively.

25. Commitments for Expenditure

	Economic Entity		Parent Entity	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
(a) Non-cancellable operating lease commitments				
Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:				
Not later than one year	422	357	422	357
Later than one year and not later than five years	1,352	1,538	1,352	1,538
Later than five years	-	135	-	135
	<u>1,774</u>	<u>2,030</u>	<u>1,774</u>	<u>2,030</u>

Operating leases are entered into as a means of acquiring access to office accommodation necessary for effective operations. Lease payments are generally fixed, but with escalation clauses on which contingent rentals are determined.

No renewal or purchase options exist in relation to operating leases and no operating leases contain restrictions on financing or other leasing activities.

(b) Expenditure Commitments

Payable

• Not later than one year	453	10	453	10
• Later than one year and not later that five years	-	-	-	-
• Later than five years	-	-	-	-
	<u>453</u>	<u>10</u>	<u>453</u>	<u>10</u>

26. Contingencies

There are no known contingent assets or liabilities of a significant nature at balance date.

27. Controlled entity

The following entity is controlled by the Library Board of Queensland:

Name of Controlled Entity	Audit Arrangements
Queensland Library Foundation Inc	Auditor-General of Queensland

The assets, liabilities, revenues and expenses of the Foundation have been consolidated in these financial statements.

28. Events Occurring after Balance Date

There were no significant events occurring after balance date.

29. Financial Instruments – Economic Entity

(a) Categorisation of Financial Instruments

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

Category	Note	2008 \$000	2007 \$000
Financial Assets			
Cash and cash equivalents	12	8,040	9,085
Receivables	13	1,166	1,555
Total		<u>9,206</u>	<u>10,640</u>
Financial Liabilities			
Financial liabilities measured at amortized costs:			
Payables	18	823	3,385
Other financial liabilities – QTC Borrowings	19	139	275
Total		<u>962</u>	<u>3,660</u>

29. Financial Instruments – Economic Entity *cont...*

(b) Credit Risk Exposure

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

The following table represents the Board's maximum exposure to credit risk based on contractual amounts net of any allowances:

Maximum Exposure to Credit Risk

Category	Note	\$000	\$000
Cash and cash equivalents	12	8,040	9,085
Receivables	13	1,166	1,555
Total		9,206	10,640

No collateral is held as security and no credit enhancements relate to financial assets held by the Board.

The Board manages credit risk through the use of management reports. This strategy aims to reduce the exposure to credit default by ensuring that the Board invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets and financial liabilities have been offset and presented net in the Balance Sheet.

The method for calculating any provisional impairment for risk is based on past experience, current and expected changes in economic conditions and changes in client credit ratings. The main factors affecting the current calculation for provisions are disclosed below as loss events. These economic and geographic changes form part of the Board's documented risk analysis assessment in conjunction with historic experience and associated industry data.

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

Aging of past due but not impaired as well as impaired financial assets are disclosed in the following tables:

2008 Financial Assets Past Due But Not Impaired

	Contractual Repricing/Maturity date:					Total	Total
	Not Overdue	Less than 30 Days	30-60 Days	61-90 Days	More than 90 Days		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets							
Receivables	1,049	3	4	3	106	117	1,166
Total	1,049	3	4	3	106	117	1,166

2007 Financial Assets Past Due But Not Impaired

	Contractual Repricing/Maturity date:					Total	Total
	Not Overdue	Less than 30 Days	30-60 Days	61-90 Days	More than 90 Days		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets							
Receivables	960	498	9	18	63	587	1,555
Total	960	498	9	18	63	587	1,555

29. Financial Instruments – Economic Entity *cont...*

(c) Liquidity Risk

The Board is only exposed to liquidity risk in respect of its payables.

The Board manages liquidity risk through the use of management reports. This strategy aims to reduce the exposure to liquidity risk by ensuring the Board has sufficient funds available to meet employee and supplier obligations at all times. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by the Board. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to the repayment of the principal amount outstanding at balance date.

Financial Liabilities	Note	2008 Payables in			Total
		<1year \$000	1-5 years \$000	>5 years \$000	\$000
Payables	18	823	-	-	823
QTC borrowings		144	-	-	144
Total		967	-	-	967
Financial Liabilities	Note	2007 Payables in			Total
		<1year \$000	1-5 years \$000	>5 years \$000	\$000
Payables	18	3,385	-	-	3,385
QTC borrowings		150	142	-	292
Total		3,535	142	-	3,677

(d) Market Risk

The Board does not trade in foreign currency and is not materially exposed to commodity price changes. The Board is only exposed to interest rate risk through cash deposits in interest bearing accounts.

Interest Rate Sensitivity Analysis

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss if interest rates would change by +/- 1% from the year-end rates applicable to the Board's financial assets and liabilities. With all other variables held constant, the Board would have a surplus and equity increase/(decrease) of \$79,000 (2007: \$88,000). This is attributable to the Board's exposure to variable interest rates on interest bearing cash deposits.

Financial Instruments	Carrying Amount	2008 Interest rate risk			
		-1% Profit	Equity	+ 1% Profit	Equity
Cash	8,040	(80)	(80)	80	80
QTC Borrowings	139	1	1	(1)	(1)
Overall effect on profit and equity		(79)	(79)	79	79

The Board's sensitivity to interest has remained stable in the current period.

Financial Instruments	Carrying Amount	2007 Interest rate risk			
		-1% Profit	Equity	+ 1% Profit	Equity
Cash	9,085	(91)	(91)	91	91
QTC Borrowings	275	3	3	(3)	(3)
Overall effect on profit and equity		(88)	(88)	88	88

Fair Value

The fair value of financial assets and liabilities is determined as follows:

- The Board does not hold any available for sale financial assets.

The Board has not offset any assets and liabilities.

29. Financial Instruments – Economic Entity *cont...*

(d) Market Risk *cont...*

The carrying amounts of all financial assets and financial liabilities, except the borrowings from the Queensland Treasury Corporation are representative of their fair value. The fair value of borrowings is calculated using discounted cash flow analysis and the effective interest rate and is disclosed below:

	2008		2007	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Financial Liabilities				
Financial liabilities at amortised cost:				
QTC Borrowings	139	137	275	272
Total	139	137	275	272

30. Agency Transactions

The Board acts as an agent in the collection and distribution of charges and levies for public sector agencies, local governments and employees. A reconciliation of amounts collected and distributed follows.

	2008 \$'000	2007 \$'000
Balance 1 July	-	-
Collections during reporting period	102	117
Distributions to principals during reporting period	(102)	(117)
Balance 30 June	-	-



Certificate of the Library Board of Queensland

These general purpose financial statements have been prepared pursuant to section 46F (1) of the *Financial Administration and Audit Act 1977* (the Act), and other prescribed requirements. In accordance with section 46F (3) 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 Board and the consolidated entity for the financial year ended 30 June 2008, and of the financial position of the entity at the end of that year.

Jane Bertelsen
Chairperson
Library Board of Queensland
28 August 2008

Bruce MacGregor
Acting State Librarian
State Library of Queensland
28 August 2008

Val Johnston
Acting Director, Organisational Effectiveness
State Library of Queensland
28 August 2008

Independent Auditor's Report

To the Library Board of Queensland

Report on the Financial Report

I have audited the accompanying financial report of *the Library Board of Queensland*, which comprises the balance sheet as at 30 June 2008 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies other explanatory notes and certificates given by the *Chairperson, Acting State Librarian and Acting Director, Organisational Effectiveness* of the consolidated entity comprising the Board and the entities it controlled at the year's end or from time to time during the financial year.

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report in accordance with prescribed accounting requirements identified in the *Financial Administration and Audit Act 1977* and the *Financial Management Standard 1997* including compliance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with *Auditor-General of Queensland Auditing Standards*, which incorporate the *Australian Auditing Standards*. These Auditing Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report and any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor General and QAO authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Auditor's Opinion

In accordance with s.46G of the *Financial Administration and Audit Act 1977* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of *the Library Board of Queensland* and the consolidated entity for the financial year 1 July 2007 to 30 June 2008 and of the financial position as at the end of that year.

Donald John Munro FCPA
Appointed Auditor
(as Delegate of the Auditor-General of Queensland)
29th August, 2008

AAT Accountants Pty Ltd
3/737 Albany Creek Road
Albany Creek QLD 4035