

PART FIVE

# FINANCIAL REPORT

# FINANCIAL SUMMARY

This summary provides an overview of the financial performance during 2020-21 and position as at 30 June 2021 for the Library Board of Queensland (the Library Board). The Library Board's performance is reported as the Parent Entity (the Library Board only) and the Library Board and Queensland Library Foundation (the Foundation) is reported as the Economic Entity. The Foundation is a controlled entity of the Library Board.

## STATEMENT OF COMPREHENSIVE INCOME

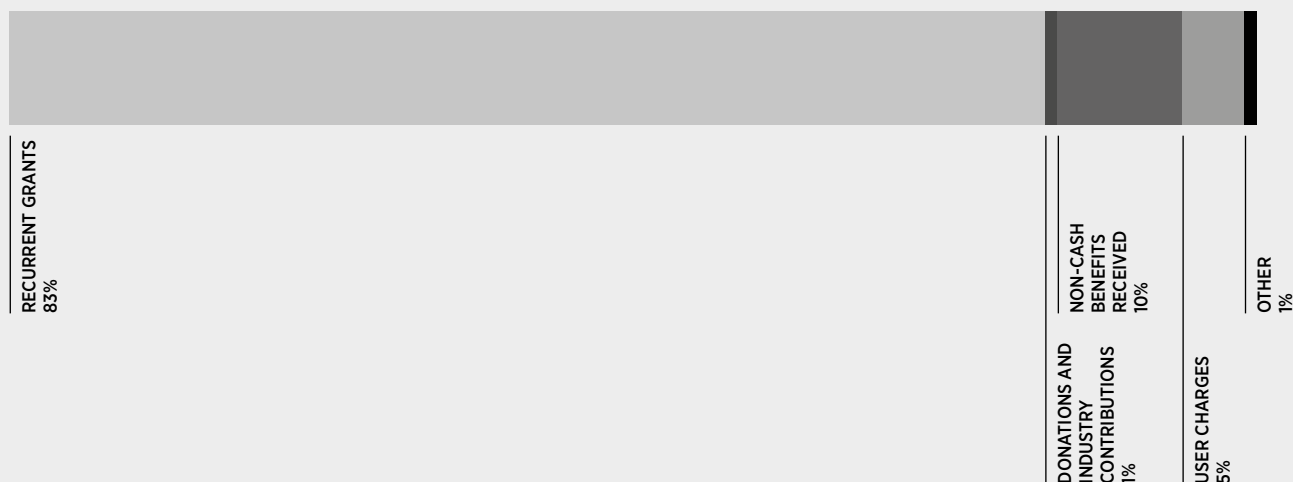
The Statement of Comprehensive Income for the Economic Entity is set out below.

STATEMENT OF COMPREHENSIVE INCOME	2021 \$'000	2020 \$'000
Total income from continuing operations	79,873	81,284
Total expenses from continuing operations	78,877	82,252
Operating result from continuing operations	996	(968)
Decrease in asset revaluation reserve	—	(353)
<b>Total comprehensive income/(loss)</b>	<b>996</b>	<b>(1,321)</b>

## INCOME

Government grants are a significant component of the Library Board's income (\$66.6 million) in 2020-21 with user charges (\$3.7 million), donations and sponsorships (\$0.9 million), interest on funds invested (\$0.253 million) and insurance recovery revenue (\$0.502 million) comprising the total cash contribution. Other non-cash items recognised as income include the operating lease rental for the building (\$7.101 million) and sponsorships, partnerships and legal deposit collection items (\$0.809 million).

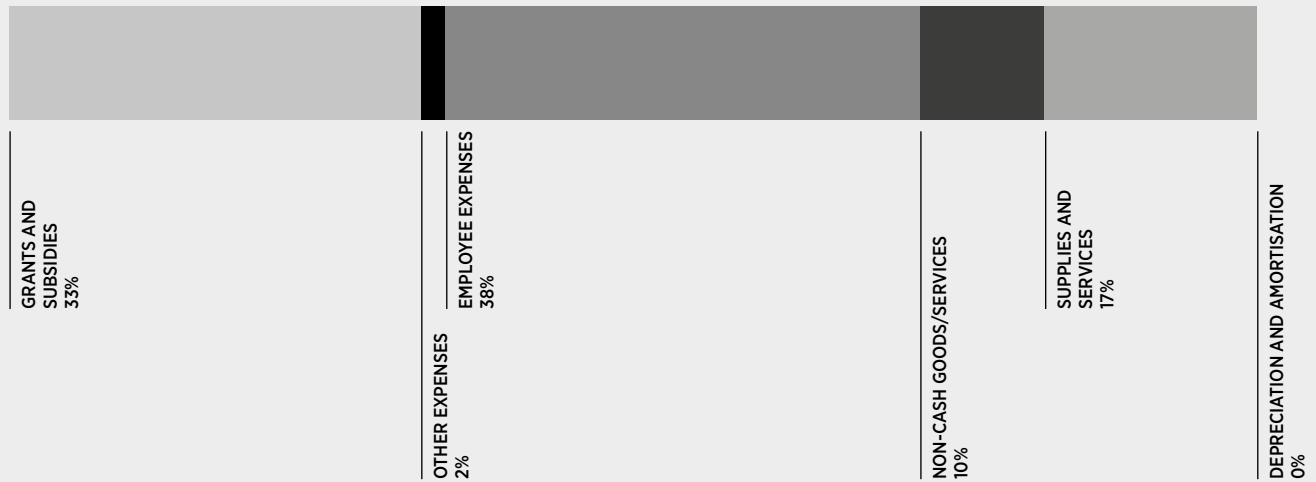
### Economic Entity income 2021 \$'000s



## EXPENSES

Expenses for the Library Board were \$78.88 million in 2020–21. The largest component is employee expenses (38%), with grants (33%), supplies and services (17%), non-cash costs (building lease plus in-kind) (10%) and other expenses (2%) completing the total. The grants paid to public libraries include funding for the First 5 Forever family literacy initiative.

### Economic Entity expenses 2021 \$'000s



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## OPERATING RESULT FROM CONTINUING OPERATIONS

The Statement of Comprehensive Income from Continuing Operations shows a \$0.996 million surplus for the Economic Entity. Of this, \$0.981 million is the Library Board's operating surplus with the Foundation reporting an operating surplus of \$0.013 million.

## STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position sets out the net assets and equity of the Library Board. As at 30 June 2021, the net assets of the Library Board Economic Entity were \$153.47 million which is an increase of \$0.996 million from 2019–20.

## 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 2020–21 this was through its appointment of BDO who performed the audit of the financial statements.

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

### Chief Finance Officer statement

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

LIBRARY BOARD  
OF QUEENSLAND

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# FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
30 JUNE 2021

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LIBRARY BOARD OF QUEENSLAND AND CONTROLLED ENTITY

**STATEMENTS OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	ECONOMIC ENTITY		PARENT ENTITY	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Income from continuing operations</b>					
<i>Revenue</i>					
User charges	B1-1	3,682	4,147	3,661	4,132
Grants and other contributions	B1-2	75,422	76,568	75,721	76,334
Other revenue	B1-3	769	569	716	464
<b>Total income from continuing operations</b>		<b>79,873</b>	<b>81,284</b>	<b>80,098</b>	<b>80,930</b>
<b>Expenses from continuing operations</b>					
Employee expenses	B2-1	30,369	30,863	30,369	30,863
Supplies and services	B2-2	20,936	24,387	20,943	24,386
Grants and subsidies	B2-3	25,940	26,067	26,190	26,317
Depreciation and amortisation	C5-7	411	354	411	354
Other expenses	B2-4	1,221	581	1,204	563
<b>Total expenses from continuing operations</b>		<b>78,877</b>	<b>82,252</b>	<b>79,117</b>	<b>82,483</b>
<b>Operating result from continuing operations</b>		<b>996</b>	<b>(968)</b>	<b>981</b>	<b>(1,553)</b>
<b>Other comprehensive income</b>					
Items that will not be reclassified to operating result:					
Increase/(decrease) in asset revaluation surplus	C9-2	-	(353)	-	(353)
<b>Total other comprehensive income</b>		<b>-</b>	<b>(353)</b>	<b>-</b>	<b>(353)</b>
<b>Total comprehensive income/(loss)</b>		<b>996</b>	<b>(1,321)</b>	<b>981</b>	<b>(1,906)</b>

*The accompanying notes form part of these financial statements.*

## LIBRARY BOARD OF QUEENSLAND AND CONTROLLED ENTITY

**STATEMENTS OF FINANCIAL POSITION**

AS AT 30 JUNE 2021

	NOTE	ECONOMIC ENTITY		PARENT ENTITY	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current assets</b>					
Cash and cash equivalents	C1	21,102	21,254	13,671	14,189
Receivables	C2	503	515	761	571
Inventories		208	248	208	248
Prepayments	C3	841	1,142	841	1,142
<b>Total current assets</b>		<b>22,654</b>	<b>23,159</b>	<b>15,481</b>	<b>16,150</b>
<b>Non-current assets</b>					
Intangible assets	C4-4	13,379	12,259	13,379	12,259
Property, plant and equipment	C5-6	122,890	123,079	122,890	123,079
<b>Total non-current assets</b>		<b>136,269</b>	<b>135,338</b>	<b>136,269</b>	<b>135,338</b>
<b>Total assets</b>		<b>158,923</b>	<b>158,497</b>	<b>151,750</b>	<b>151,488</b>
<b>Current liabilities</b>					
Payables	C6	2,334	2,303	2,334	2,297
Accrued employee benefits	C7	2,788	3,449	2,788	3,449
Contract liabilities	C8	332	272	176	272
<b>Total current liabilities</b>		<b>5,454</b>	<b>6,024</b>	<b>5,298</b>	<b>6,018</b>
<b>Total liabilities</b>		<b>5,454</b>	<b>6,024</b>	<b>5,298</b>	<b>6,018</b>
<b>Net assets</b>		<b>153,470</b>	<b>152,473</b>	<b>146,452</b>	<b>145,470</b>
<b>Equity</b>					
Contributed equity		1,465	1,465	1,465	1,465
Accumulated surplus		83,792	82,795	76,774	75,792
Asset revaluation surplus	C9-2	68,213	68,213	68,213	68,213
<b>Total equity</b>		<b>153,470</b>	<b>152,473</b>	<b>146,452</b>	<b>145,470</b>

The accompanying notes form part of these financial statements.

LIBRARY BOARD OF QUEENSLAND AND CONTROLLED ENTITY

**STATEMENTS OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 30 JUNE 2021

	ECONOMIC ENTITY \$'000	PARENT ENTITY \$'000
<b>ACCUMULATED SURPLUS</b>		
<b>Balance 1 July 2019</b>	83,763	77,345
Operating result from continuing operations	(968)	(1,553)
<b>Balance 30 June 2020</b>	82,795	75,792
Operating result from continuing operations	996	981
<b>Balance 30 June 2021</b>	<b>83,791</b>	<b>76,773</b>
<b>ASSET REVALUATION SURPLUS (NOTE C8)</b>		
<b>Balance 1 July 2019</b>	68,566	68,566
Decrease in asset revaluation surplus	(353)	(353)
<b>Balance 30 June 2020</b>	68,213	68,213
<b>Balance 30 June 2021</b>	<b>68,213</b>	<b>68,213</b>
<b>CONTRIBUTED EQUITY</b>		
<b>Balance 1 July 2019</b>	1,465	1,465
<b>Balance 30 June 2020</b>	1,465	1,465
<b>Balance 30 June 2021</b>	<b>1,465</b>	<b>1,465</b>
<b>TOTAL</b>		
<b>Balance 1 July 2019</b>	153,794	147,376
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>	152,473	145,470
Operating result from continuing operations	996	981
<b>Balance 30 June 2021</b>	<b>153,469</b>	<b>146,451</b>

*The accompanying notes form part of these financial statements.*

## LIBRARY BOARD OF QUEENSLAND AND CONTROLLED ENTITY

**STATEMENTS OF CASH FLOWS**

FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	ECONOMIC ENTITY		PARENT ENTITY	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>					
<i>Inflows:</i>					
User charges		3,746	4,271	3,546	4,268
Grants and other contributions		67,512	68,232	67,811	67,998
GST collected from customers		392	508	352	459
GST input tax credits from ATO		1,394	1,531	1,395	1,530
Interest receipts		253	549	200	444
Other		516	20	516	20
<i>Outflows:</i>					
Employee expenses		(31,373)	(29,999)	(31,373)	(29,999)
Supplies and services		(12,613)	(15,844)	(12,614)	(15,849)
Grants and subsidies		(25,940)	(26,067)	(26,371)	(26,364)
GST paid to suppliers		(1,303)	(1,690)	(1,300)	(1,691)
GST remitted to ATO		(378)	(528)	(342)	(484)
Other		(329)	(343)	(311)	(335)
<b>Net cash provided by/(used in) operating activities</b>	CF-1	1,877	640	1,509	(3)
<b>Cash flows from investing activities</b>					
<i>Outflows:</i>					
Payments for valuables		(453)	(421)	(453)	(421)
Payments for library collection		(146)	(208)	(144)	(208)
Payments for property, plant and equipment		(373)	(690)	(374)	(690)
Payments for intangibles		(1,057)	(846)	(1,057)	(846)
<b>Net cash used in investing activities</b>		(2,029)	(2,165)	(2,027)	(2,165)
<b>Net decrease in cash and cash equivalents</b>		(152)	(1,525)	(518)	(2,168)
<b>Cash and cash equivalents – opening balance</b>		21,254	22,779	14,189	16,357
<b>Cash and cash equivalents – closing balance</b>	C1	<b>21,102</b>	<b>21,254</b>	<b>13,671</b>	<b>14,189</b>

The accompanying notes form part of these financial 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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Operating result	996	(968)	981	(1,553)
Non-cash items included in operating result:				
Depreciation and amortisation expense	411	354	411	354
Donation of intangibles	(64)	(31)	(64)	(31)
Donation of valuables	(143)	(287)	(143)	(287)
Loss on collection revaluation	888	223	888	223
Loss on disposal of assets	5	6	5	6
<i>Changes in assets and liabilities</i>				
(Increase)/decrease in GST input tax credits receivable	91	(159)	94	(160)
(Increase)/decrease in LSL reimbursement receivable	(97)	84	(97)	84
(Increase)/decrease in trade and other receivables	5	198	(198)	153
(Increase) in inventories	40	(16)	40	(16)
(Increase)/decrease in prepayments	301	(356)	301	(356)
Increase in accounts payable	32	897	38	890
Increase/(decrease) in contract liabilities	60	(65)	(96)	(65)
Increase/(decrease) in accrued employee benefits	(661)	780	(661)	780
Increase/(decrease) in GST payable	13	(20)	10	(25)
<b>Net cash provided by/(used in) operating activities</b>	<b>1,877</b>	<b>640</b>	<b>1,509</b>	<b>(3)</b>

## CF-2 NON-CASH INVESTING

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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

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

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

In 2020–21 it also received revenue from sources including:

- building rentals
- network and internet services
- library professional services
- preservation and reproduction services
- donations
- Library Shop and The Library Cafe
- 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 Foundation).

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

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

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

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

### A2-2 Compliance with prescribed requirements

The Library Board has prepared these financial statements in compliance with section 39 of the *Financial and Performance Management Standard 2019* (Qld). The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on and after 1 July 2020.

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

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

### A2-3 Presentation

#### Currency and rounding

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

#### Comparatives

Comparative information reflects the audited 2019–20 financial statements.

#### Current/non-current classification

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

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

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

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

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

## A2 BASIS OF FINANCIAL STATEMENT PREPARATION CONT'D

### A2-5 Basis of measurement

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

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

#### Historical cost

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

#### Fair value

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

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

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

#### Present value

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

#### Net realisable value

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

### A2-6 The Reporting Entity

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

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

## A3 CONTROLLED ENTITIES

#### Basis of control

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

#### Purpose and principal activities

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

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

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 2020-21 financial statements are estimated to be \$6,000 (2020: \$6,000). There are no non-audit services included in this amount.

#### Audited financial transactions and balances

NAME OF CONTROLLED ENTITY	TOTAL ASSETS \$'000		TOTAL LIABILITIES \$'000		TOTAL REVENUE \$'000		OPERATING RESULT \$'000	
	2021	2020	2021	2020	2021	2020	2021	2020
Queensland Library Foundation	7,434	7,086	417	82	1,209	1,763	13	587

ECONOMIC ENTITY		PARENT ENTITY	
2021	2020	2021	2020
\$'000	\$'000	\$'000	\$'000

## B1 REVENUE

### B1-1 User charges

#### Accounting policy – user charges

Total user charges revenue continues to be impacted by COVID-19 in 2020–21, 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 charges (excluding venue hire and Anzac Square Memorial Galleries)	State Library also receives revenue in the form of user charges. Most user charges are received as per service-level agreements (SLAs) with customers as well as on an ad hoc basis. In either case there is no enforceable contract and the revenue is out of scope of AASB 15 <i>Revenue from Contracts with Customers</i> (AASB 15). State Library will continue to invoice customers as per these SLAs or as services are provided.	User charges are recognised upon receipt as per AASB 1058 <i>Income of Not-for-Profit Entities</i> (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 contract liabilities and recognised as revenue once the performance obligations have been met and thus in the scope of AASB 15.	Deposits on venue hire are recognised as revenue once performance obligations satisfied.  The full value of venue hire charges (including deposits) are recognised as revenue once performance obligations satisfied.			
Anzac Square Memorial Galleries	State Library receives funding from an agreement with the Department of the Premier and Cabinet and Brisbane City Council to operate Anzac Square Memorial Galleries. State Library has determined that the revenue is within scope of AASB 15 due to sufficiently specific obligations included in the operating deed.	Anzac Square Memorial Galleries revenue is recognised as performance obligations are met under AASB 15.			
Library Shop		347	526	347	526
The Library Cafe		415	89	415	89
Building rentals		94	307	94	307
Research services		1,163	1,281	1,163	1,281
Network and internet services		122	350	122	350
Anzac Square		816	505	816	505
Venue hire		330	661	330	661
Other		395	428	374	413
<b>Total</b>		<b>3,682</b>	<b>4,147</b>	<b>3,661</b>	<b>4,132</b>

ECONOMIC ENTITY		PARENT ENTITY	
2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000

## B1 REVENUE CONT'D

### B1-2 Grants and contributions

#### Accounting policy — grants and contributions

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

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

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

Type	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Administered grants	State Library receives the majority of its revenue in the form of 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 are reviewed on a case by case basis.
Sponsorships and donations	The 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 are recognised upon receipt.

State government grants	66,464	65,883	66,464	65,883
Commonwealth grants	151	150	151	150
Queensland Library Foundation projects	-	-	1,185	1,159
Donations and industry contributions	897	2,201	11	808
Goods received below fair value	809	1,252	809	1,252
Lease rental - received below fair value	7,101	7,082	7,101	7,082
<b>Total</b>	<b>75,422</b>	<b>76,568</b>	<b>75,721</b>	<b>76,334</b>

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

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

### B1-3 Other revenue

Interest received	253	549	200	444
Miscellaneous revenue	14	20	14	20
Insurance compensation - QGIF	502	-	502	-
<b>Total</b>	<b>769</b>	<b>569</b>	<b>716</b>	<b>464</b>

#### Disclosure — insurance compensation

As a result of COVID-19, the Library Board has received insurance compensation from the Queensland Government Insurance Fund (QGIF) for business interruption claims in the 2020-21 year.

ECONOMIC ENTITY		PARENT ENTITY	
2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'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	22,474	23,000	22,474	23,000
Employer superannuation contributions	3,080	3,074	3,080	3,074
Long service leave levy	563	545	563	545
Annual leave expenses	2,257	2,251	2,257	2,251

#### Employee-related expenses

Payroll tax	1,425	1,399	1,425	1,399
Other employee expenses	570	594	570	594

<b>Total</b>	<b>30,369</b>	<b>30,863</b>	<b>30,369</b>	<b>30,863</b>
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	2021 no.	2020 no.
Full-time equivalent employees	277*	287

\*This figure is FTE data as at 30 June 2021 (based upon the fortnight ending 2 July 2021).

ECONOMIC ENTITY		PARENT ENTITY	
2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000

## B2 EXPENSES CONT'D

### B2-2 Supplies and services

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

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

#### Disclosure — office accommodation

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

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

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

#### Lease rental — below fair value

The Library Board also has a peppercorn lease with Arts Queensland (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 Queensland Treasury, State Library has measured this right-of-use asset as both an expense and a revenue item in the financial statements, as has been the case in previous years.

Advertising and graphic design	275	564	275	564
Library Shop and merchandising expenses	415	348	415	348
Communications	265	239	265	239
Professional services	1,131	2,218	1,131	2,218
Corporate service charges	928	1,012	934	1,012
Library subscriptions and memberships	1,481	1,684	1,481	1,684
Travel and vehicle costs	128	241	128	241
Materials, equipment and repairs	689	1,621	689	1,621
Freight and postage	398	481	398	481
Furniture and equipment	363	242	363	242
Goods provided below fair value	603	936	603	936
Lease rental – provided below fair value	7,101	7,082	7,101	7,082
Office accommodation	605	540	605	540
Information technology	571	905	571	905
Library collections – new and existing	2,410	1,972	2,410	1,972
Printing, stationery and office supplies	271	298	271	298
Property services	2,684	2,675	2,684	2,675
Sundries	618	1,329	619	1,328
<b>Total</b>	<b>20,936</b>	<b>24,387</b>	<b>20,943</b>	<b>24,386</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.

### B2-3 Grants and subsidies

#### Grants and subsidies

Public Library Grants	21,994	21,833	21,994	21,833
First Five Forever Grants	3,899	3,860	3,899	3,860
Other grants paid	47	374	47	374
Queensland Library Foundation subsidy	-	-	250	250
<b>Total</b>	<b>25,940</b>	<b>26,067</b>	<b>26,190</b>	<b>26,317</b>



ECONOMIC ENTITY		PARENT ENTITY	
2021	2020	2021	2020
\$'000	\$'000	\$'000	\$'000

## B2-4 Other expenses

### Accounting policy – other expenses

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

Total external audit fees for the Economic Entity relating to the 2020–21 financial year are estimated to be \$47,000 (2020: \$46,000). These fees, paid to the Queensland Audit Office, relate to the audit of the financial statements only.

The balance of the fees reported as external (\$1,200 in 2020–21) relate to the assurance audit of a Commonwealth Grant Program.

External audit fees	48	46	42	40
Internal audit fees	66	67	66	67
Insurance premiums	101	81	101	81
Bad and doubtful debts	2	44	2	44
Board fees and expenses	50	43	50	43
Loss on disposal of assets	5	6	5	6
Collection revaluation loss	888	223	888	223
Other	61	71	50	59
<b>Total</b>	<b>1,221</b>	<b>581</b>	<b>1,204</b>	<b>563</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 received but not banked at 30 June as well as deposits at call with the Queensland Treasury Corporation.

Imprest accounts	6	5	6	5
Cash at bank and on hand	407	1,330	181	1,227
Cash deposit accounts	20,689	19,919	13,484	12,958
<b>Total</b>	<b>21,102</b>	<b>21,254</b>	<b>13,671</b>	<b>14,189</b>

## C2 RECEIVABLES

### Accounting policy – receivables

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

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

The closing balance of receivables arising from contracts with customers for the Economic Entity at 30 June 2021 is nil (2020: nil).

Trade debtors	158	206	158	184
Less: allowance for impairment loss	-	(44)	-	(44)
	<b>158</b>	<b>162</b>	<b>158</b>	<b>140</b>
GST receivable	228	319	228	322
GST payable	(23)	(10)	(18)	(8)
	<b>205</b>	<b>309</b>	<b>210</b>	<b>314</b>
Long service leave reimbursements	140	43	140	43
Queensland Library Foundation receivables	-	-	253	72
Other	-	1	-	1
	140	44	393	117
<b>Total</b>	<b>503</b>	<b>515</b>	<b>761</b>	<b>571</b>

ECONOMIC ENTITY		PARENT ENTITY	
2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000

## C2 RECEIVABLES CONT'D

### C2-1 Impairment of receivables

#### Accounting policy — impairment of receivables

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

All receivables (including trade debtors) are considered for impairment once they reach 90 days. This consideration includes the nature of both the debtor and goods and services provided. No receivables were impaired in 2020-21.

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

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

#### Disclosure — credit risk exposure of receivables

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

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

## C3 OTHER CURRENT ASSETS

Prepayments wage-related	247	-	247	-
Prepayments subscription services	594	1,142	594	1,142
<b>Total</b>	<b>841</b>	<b>1,142</b>	<b>841</b>	<b>1,142</b>

#### Accounting policy — other current assets

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

## C4 INTANGIBLES

### C4-1 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. Costs associated with the internal development of computer software are capitalised and amortised and 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.

#### Heritage Digital Collections

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

For in-house developed digital collection items (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.

### C4-2 Amortisation expense

#### Accounting policy

Following a review of conditions and circumstances under which digital collections are stored and maintained, it is considered that there is a sufficiently high standard to retain indefinite life status. Under AASB 138 *Intangible Assets*, these assets are not amortised.

The standard amortisation rate for software is 14 per cent. All current software assets are fully amortised down to their residual value, but are still in use.

### C4-3 Impairment

#### Accounting policy

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

Impairment for the digital collection is assessed annually based on factors such as current market values and technological considerations (see also Note C5-5).

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

	ECONOMIC ENTITY		PARENT ENTITY	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>C4-4 Intangible Assets — balances and reconciliations of carrying amount</b>				
<b>Intangible Assets</b>				
Heritage Digital Collections				
At cost	13,070	12,218	13,070	12,218
Work in progress	22	38	22	38
Computer software				
At cost	3	3	3	3
Work in progress	284	-	284	-
<b>Total</b>	<b>13,379</b>	<b>12,259</b>	<b>13,379</b>	<b>12,259</b>
<b>Intangible reconciliation</b>				
<b>Computer software</b>				
Carrying amount at 1 July 2020	3	3	3	3
Work in progress	284	-	284	-
<b>Computer software carrying amount as at 30 June 2021</b>	<b>287</b>	<b>3</b>	<b>287</b>	<b>3</b>
<b>Heritage Digital Collections</b>				
Carrying amount at 1 July 2020	12,218	11,379	12,218	11,379
Acquisitions/internally developed items	788	808	788	808
Donations	64	31	64	31
<b>Heritage Digital Collections total as at 30 June 2021</b>	<b>13,070</b>	<b>12,218</b>	<b>13,070</b>	<b>12,218</b>
<b>Heritage Digital Collections – work in progress</b>				
Carrying amount at 1 July 2020	38	-	38	-
Movement in work in progress*	(16)	38	(16)	38
<b>Heritage Digital Collections work in progress as at 30 June 2021</b>	<b>22</b>	<b>38</b>	<b>22</b>	<b>38</b>
<b>Heritage Digital Collections carrying amount as at 30 June 2021</b>	<b>13,092</b>	<b>12,256</b>	<b>13,092</b>	<b>12,256</b>
<b>Total intangibles carrying amount at 30 June 2021</b>	<b>13,379</b>	<b>12,259</b>	<b>13,379</b>	<b>12,259</b>

\*Heritage Digital Collections work in progress represents purchases made but not yet catalogued.

State Library has software with an original cost of \$0.555 million (2020: \$0.555 million) that has been written down to a residual value of \$3,000 (2020: \$3,000) and is still being used in the provision of services.

## C5 PROPERTY, PLANT AND EQUIPMENT

### C5-1 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 C4.

## C5 PROPERTY, PLANT AND EQUIPMENT CONT'D

### C5-1 Recognition and measurement CONT'D

#### Accounting policy — cost of acquisition

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

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

### C5-2 Measurement using historical cost

#### Accounting policy

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

### C5-3 Measurement using fair value

#### Accounting policy — heritage and cultural assets

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

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

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

#### Accounting policy — library collections

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

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

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

#### Accounting policy — revaluations

##### *Use of specific appraisal*

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

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

##### *Use of indices*

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up to date via the application of relevant indices. The Library Board ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. No index has been applied in 2020-2021 based on advice received from Pickles Valuation Services. This advice was received on 31 March 2021.

##### *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.

## C5-4 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.

## C5-5 Impairment

### Accounting policy

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

Property, plant and equipment and intangible assets are assessed for indicators of impairment on an annual basis or, where the assets 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* (AASB 13). If an indicator of possible impairment exists, the Library Board determines the asset's recoverable amount.

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

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

#### *Recognising impairment losses*

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

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

#### *Reversal of impairment losses*

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

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

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

	ECONOMIC ENTITY		PARENT ENTITY	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000

## C5 PROPERTY, PLANT AND EQUIPMENT CONT'D

### C5-6 Property, plant and equipment

John Oxley Library and Australian Library of Art Collections	82,113	81,518	82,113	81,518
Artworks at fair value	35	35	35	35
<b>Total heritage and cultural assets at fair value</b>	<b>82,148</b>	<b>81,553</b>	<b>82,148</b>	<b>81,553</b>
<b>Total library collections at fair value</b>	<b>39,414</b>	<b>40,157</b>	<b>39,414</b>	<b>40,157</b>
Plant and equipment:				
At cost plant and equipment	4,765	4,502	4,765	4,502
Less: accumulated depreciation plant and equipment	(3,437)	(3,133)	(3,437)	(3,133)
<b>Total plant and equipment</b>	<b>1,328</b>	<b>1,369</b>	<b>1,328</b>	<b>1,369</b>
<b>Total</b>	<b>122,890</b>	<b>123,079</b>	<b>122,890</b>	<b>123,079</b>

The library has property, plant and equipment with an original cost of \$2.580 million (2020: \$2.062 million) that has been written down to a residual value of \$48,567 (2020: \$44,287) and still being used in the provision of services.

### C5-7 Property, plant and equipment – balances and reconciliations of carrying amount

#### Heritage and cultural assets (valuables), level 3

Carrying amount at 1 July – at cost	1,098	678	1,098	678
Carrying amount at 1 July – at valuation	80,455	80,168	80,455	80,168
Acquisitions	452	420	452	420
Donations received	143	287	143	287
<b>Carrying amount at end of financial year</b>	<b>82,148</b>	<b>81,553</b>	<b>82,148</b>	<b>81,553</b>

#### Library collections, level 3

Carrying amount at 1 July – at cost	203	323	203	323
Carrying amount at 1 July – at valuation	39,954	40,207	39,954	40,207
Acquisitions	144	203	144	203
Net revaluation increments/(decrements)	(887)	(576)	(887)	(576)
<b>Carrying amount at end of financial year</b>	<b>39,414</b>	<b>40,157</b>	<b>39,414</b>	<b>40,157</b>

#### Plant and equipment, level 3

Carrying amount at 1 July – at cost	1,369	1,033	1,369	1,033
Acquisitions	373	695	373	695
Disposals	(3)	(5)	(3)	(5)
Depreciation expense	(411)	(354)	(411)	(354)
<b>Carrying amount at end of financial year</b>	<b>1,328</b>	<b>1,369</b>	<b>1,328</b>	<b>1,369</b>

#### Total

Carrying amount at 1 July – at cost	2,670	2,034	2,670	2,034
Carrying amount at 1 July – at valuation	120,409	120,375	120,409	120,375
Acquisitions	969	1,318	969	1,318
Donations received	143	287	143	287
Disposals	(3)	(5)	(3)	(5)
Net revaluation increments/(decrements)	(887)	(576)	(887)	(576)
Depreciation expense	(411)	(354)	(411)	(354)
<b>Carrying amount at end of financial year</b>	<b>122,890</b>	<b>123,079</b>	<b>122,890</b>	<b>123,079</b>

	ECONOMIC ENTITY		PARENT ENTITY	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>C6 PAYABLES</b>				
Current				
Trade creditors	828	909	828	903
Accrued expenses	1,506	1,394	1,506	1,394
<b>Total</b>	<b>2,334</b>	<b>2,303</b>	<b>2,334</b>	<b>2,297</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.

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

**C7 ACCRUED EMPLOYEE BENEFITS**

Annual leave	2,571	2,670	2,571	2,670
Long service leave levy payable	155	155	155	155
Wages outstanding	62	624	62	624
<b>Total</b>	<b>2,788</b>	<b>3,449</b>	<b>2,788</b>	<b>3,449</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*.

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

**C8 CONTRACT LIABILITIES**

Venue hire deposits	24	85	24	85
Management fees for Anzac Square Memorial Galleries	103	187	103	187
Indigenous Languages Project	49	-	49	-
Other grants	156	-	-	-
<b>Total</b>	<b>332</b>	<b>272</b>	<b>176</b>	<b>272</b>

**Accounting policy – contract liabilities**

Contract liabilities arise from contracts with customer. Of the amount included in the contract liability balance at 1 July 2020, \$0.145 million has been recognised as revenue in 2020-21.

Contract liabilities at 30 June 2021 relate to instalments received for which the milestone deliverables which have not yet been achieved. This amount will be recognised as revenue over the next 12 months.

## C9 EQUITY

### C9-1 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.

### C9-2 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>Balance 1 July 2019</b>	353	68,213	68,566
Revaluation increment/(decrement)	(353)	-	(353)
<b>Balance 30 June 2020</b>	-	68,213	68,213
<b>Balance 1 July 2020</b>	-	68,213	68,213
Revaluation increment/(decrement)	-	-	-
<b>Balance 30 June 2021</b>	-	68,213	68,213

## 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 C5-7.

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.

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



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

### Heritage and cultural assets

**Effective date of last specific comprehensive valuation:** 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. See Note C5-3.

### Library collections

**Effective date of last specific appraisal:** 31/03/2021

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

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

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

## D2 FINANCIAL RISK DISCLOSURES

### D2-1 Accounting policy

#### Recognition

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

#### Classification

Financial instruments are classified and measured as follows:

- cash and cash equivalents — held at amortised cost;
- receivables — held at amortised cost;
- payables — held at amortised cost.

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

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

ECONOMIC ENTITY		PARENT ENTITY	
2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000

## D2 FINANCIAL RISK DISCLOSURES CONT'D

### D2-2 Financial instrument categories

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

CATEGORY	NOTE				
<b>Financial assets</b>					
Cash and cash equivalents	C1	21,102	21,254	13,671	14,189
Receivables	C2	503	515	761	571
<b>Total financial assets</b>		<b>21,605</b>	<b>21,769</b>	<b>14,432</b>	<b>14,760</b>
<b>Financial liabilities</b>					
Payables	C6	2,334	2,303	2,334	2,297
<b>Total financial liabilities</b>		<b>2,334</b>	<b>2,303</b>	<b>2,334</b>	<b>2,297</b>

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

### D2-3 Risks arising from financial instruments

#### Risk exposure

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

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

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

Risk exposure	Definition	Exposure
Credit risk	Credit risk exposure refers to the situation where the Library Board may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The Library Board is exposed to credit risk in respect of its receivables (Note C2).
Liquidity risk	Liquidity risk refers to the situation where the Library Board may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The Library Board is exposed to liquidity risk in respect of its payables (Note C6).
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	
2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000

## 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.

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## 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	1,519	2,221	833	1,378
Later than one year and not later than five years	3,950	3,712	3,235	3,458
Later than five years	625	1,188	625	1,188
	<b>6,093</b>	<b>7,121</b>	<b>4,693</b>	<b>6,024</b>

## D5 EVENTS AFTER THE BALANCE DATE

There were no significant events occurring after the balance date.

## D6 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

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

	2021	2020
	\$'000	\$'000

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

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

The following significant transactions were recognised by State Library during the 2020-21 financial year in response to the COVID-19 pandemic.

#### Operating Statement

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

Refunds of venue hire deposits	-	52
Rental relief	40	36
Salaries and wages	2	33
Property, equipment and maintenance costs	52	13
Other supplies and services	44	16
	<b>138</b>	<b>150</b>

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

Payroll tax relief received	-	265
Business interruption insurance recovery – QGIF	502	-
	<b>502</b>	<b>265</b>

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

State Library has waived the collection of rental revenue during 2020-21 for the Queensland Writers Centre. The amount of revenue forgone from 1 July 2020 to 30 September 2020 is calculated to be approximately \$0.040 million 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 received funds under its business interruption insurance policy from QGIF. The assessed amount in 2020-21 was \$0.502 million less \$0.010 million charges. A further claim has been lodged but as at 30 June 2021 had not been assessed.

#### 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 years to calculate an average purchase price.

2021 ACTUAL \$'000	2021 ORIGINAL BUDGET \$'000	BUDGET VARIANCE \$'000
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This section contains explanations of major variances between the Library Board's actual 2020–21 financial results and the original budget presented to Parliament.

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

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### Income from Continuing Operations

#### Revenue

User charges	3,682	4,088	(406)
Grants and other contributions	75,422	75,316	106
Other	769	445	324

### Total Income from Continuing Operations

79,873	79,849	24
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### Expenses from Continuing Operations

Employee expenses	30,369	30,901	(532)
Supplies and services	20,936	22,287	(1,351)
Grants and subsidies	25,940	26,196	(256)
Depreciation and amortisation	411	283	128
Other expenses	1,221	182	1,039

### Total expenses from Continuing Operations

78,877	79,849	(972)
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### Operating result from Continuing Operations

996	-	996
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### Total Comprehensive Income

996	-	996
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## E1-3 Explanation of major variances — Statement of Comprehensive Income

#### User charges

The decrease in user charges is reflective of the ongoing effects of COVID-19 on State Library operations and a decrease in the supply of services to other state government agencies.

#### Other revenue

Other revenue is higher than expected due to the receipt of insurance revenue from the effects of COVID-19. This is offset by lower than expected interest revenue.

#### Supplies and services

Supplies and services are lower than expected due to delays in the delivery of some projects, particularly projects funded by the Foundation and projects funded by other state government entities.

#### Other expenses — decrease in asset revaluation

During 2020–21, the average purchase prices over the past seven years for the Information Collection reduced leading to a reduced value of that collection.

## F1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

### F1-1 Details of Key Management Personnel

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

The following details for non-Ministerial KMP include those positions that had authority and responsibility for planning, directing and controlling the activities of the agency during 2019-20 and 2020-21 as part of the Executive Management Team. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

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

No KMP remuneration packages provide for performance or bonus payments.

### F1-3 KMP 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	TERMINATION BENEFITS	TOTAL EXPENSES
	MONETARY EXPENSES	NON-MONETARY BENEFITS				
	\$'000	\$'000				
<b>1 July 2020 – 30 June 2021</b>						
State Librarian and CEO	276	6	6	36	-	324
Executive Director, Corporate Governance and Operations	170	2	4	19	-	195
Executive Director, Content and Client Services	195	5	4	19	-	223
Executive Director, Public Libraries and Engagement	178	4	4	20	-	206
<b>Total remuneration</b>	<b>819</b>	<b>17</b>	<b>18</b>	<b>94</b>	<b>-</b>	<b>948</b>
<b>1 July 2019 – 30 June 2020</b>						
State Librarian and CEO Current	298	6	7	36	-	347
Executive Director, Corporate Governance and Operations Current	174	6	4	17	-	201
Previous incumbent	43	-	1	6	-	50
Executive Director, Content and Client Services Current	184	6	4	20	-	214
Executive Director, Public Libraries and Engagement 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>

**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 \$50,446 (2020: \$43,433). Other fees such as fringe benefits tax, superannuation, payroll tax, insurance, travel, catering and printing totalled \$37,161 (2020: \$38,218). The total cost of Library Board operations was therefore \$87,607 (2020: \$81,651).

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 Library Board members was as follows:

<b>NAME</b>	<b>MEMBER FROM</b>	<b>MEMBER TO</b>	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Professor Andrew Griffiths (Chairperson)	March 2014	February 2023	12	12
Emeritus Professor Tom Cochrane AM (Deputy Chairperson)	March 2017	February 2023	5	5
Professor Anita Heiss	March 2017	November 2020	1	4
Professor Marek Kowalkiewicz	March 2017	February 2023	5	5
Ms Julia Leu *	September 2016	February 2023	4	1
Mr Malcolm McMillan	March 2017	February 2020	-	3
Mrs Tamara O'Shea *	May 2018	May 2021	4	1
Ms Nicola Padget	March 2020	February 2023	5	2
Associate Professor Sandra Phillips	March 2017	February 2023	4	4
Mr Bob Shead	March 2017	February 2023	6	6
Dr Jodie Siganto	March 2020	February 2023	4	1
<b>Total</b>			<b>50</b>	<b>43</b>

\* Eligible to receive remuneration from April 2020.



## F2 RELATED PARTY TRANSACTIONS

### Transactions with people/entities related to KMP

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

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

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

### Transactions with other Queensland Government-controlled entities

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

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

The Library Board's South Bank buildings are leased from Arts Queensland under concessionary lease arrangements. The Library Board measures right-of-use from concessionary leases at cost on initial recognition, and measures all right-of-use assets at cost subsequent to initial recognition.

Other buildings and motor vehicles are purchased via the Department of Energy and Public Works under commercial arrangements (Note B2-2) and therefore not recognised under AASB 16.

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

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

The Foundation is a company limited by guarantee which is wholly-owned and controlled by State Library, the parent entity. As a wholly-owned controlled entity, State Library is the main contributor of financial resources to the Foundation through grant funding. During 2020-21, grants provided by the parent entity to the Foundation totalled \$0.250 million. The Foundation also transfer funds to State Library to cover approved project costs incurred by State Library on its behalf. All inter-entity transactions between the State Library and the Foundation are eliminated in full upon consolidation. For further details, refer to Note A3.

In the 2020-21 financial year, the Library Board has received income recoveries of \$502,000 from the Queensland Government Insurance Fund due to COVID-19. For further details, refer to Note B1-3.

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

### Accounting standards applied for the first time

The Library Board has considered the impact of applying AASB 1059 *Service Concession Arrangements: Grantors* and determined that as it does not provide any public services relating to a concession asset under service concession arrangements, AASB 1059 will have no material impact on the Library Board.

No other accounting standards or interpretations that apply to the library for the first time in 2020-21 have any material impact on the financial statements.

### Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2020-21.

## 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. GST credits receivable from, and GST payable to the ATO, are recognised at Note C2. The Library Board is a deductible gift recipient for taxation purposes.

## F5 CLIMATE RISK DISCLOSURE

The Library Board has not identified any material climate related risks relevant to the financial report at the reporting date, however 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 2021, 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.

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Professor Andrew Griffiths  
Chairperson  
Library Board of Queensland  
18 August 2021

Vicki McDonald AM  
State Librarian and CEO  
State Library of Queensland  
18 August 2021

# INDEPENDENT AUDITOR'S REPORT



To the Board of the Library Board of Queensland

## REPORT ON THE AUDIT OF THE FINANCIAL REPORT

### Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement 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 entity for the financial report

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.
- Conclude on the appropriateness of the parent's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent's and group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the parent's and 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.

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 2021:

- 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.