

6

He Pūrongo Pae Wehe

Six Month Report Against
the Statement of Intent

1 July 2023 – 31 December 2023
TE MANAWA MUSEUMS TRUST



te manawa
TE PAPAIOEA PALMERSTON NORTH

Te Manawa acknowledges the people of Rangitāne. We are thankful for the ongoing guidance of mana whenua and are grateful for the continued support of Palmerston North City Council, the people of Palmerston North City, Manawatū, and our founding partners.

The six-month report encompasses activity undertaken in the period 1 July 2023 – 31 December 2023 and reports against agreed objectives as set in the annual Statement of Intent.

“Whakatō ngā kakānō o te ao marama, kia puawai.”
Plant the seeds of tomorrow through the stories that we share.

Strategic objectives:

- (a) Innovative experiences that engage visitors
- (b) Enhanced learning and development
- (c) A collaborative and future-focused organisation

Baseline progress:

Performance Measures	23/24 Target	Status	Comment
Visitation Baseline (Physical visits to the Te Manawa complex)	130,000	84,401	65%
Outreach (TM experiences offsite)	25,000	2,584	9% . Lower than projected due to lack of outgoing touring exhibitions.
Online engagement	90,000	32,333	36% Lower than projected due to staffing changes
External Revenue Target	\$510,250	290,037	57% - On track as at 31 December
Visitor Satisfaction	95%	98%	

1. Innovative experiences that engage visitors

Performance Measure	Status	Comments
<p>Work in partnership with Rangitāne in the development of exhibitions, learning resources and programmes within the Museum with a focus on embedding biculturalism in everything we do.</p>	On track and ongoing	<p>Discussions have begun with Rangitāne around the refresh of the Te Rangi Whenua gallery.</p> <p>There is ongoing kōrero around learning programmes and we are planning to highlight recently developed programmes during Local Heritage Month in March 2024.</p>
<p>Engage with, and enable participation by, the city's less-represented communities.</p> <p>Collaborate with PNCC for the New Migrant Welcome.</p> <p>Provide at least two extra-curricular learning-based activities for children of these communities.</p>	On track and ongoing	<p>We have successfully relaunched NOA, an inclusive art initiative that creates a safe environment for people with different needs.</p> <p>Te Manawa was again the venue for the New Migrant Welcome on 2 September.</p> <p>Te Manawa has reinstated after school art classes at a very affordable rate, encouraging uptake across the community.</p>
<p>Investigate and plan development of a Pūtaiao Science Space with designs and concepts finalised to initiate budget, fundraising and sponsorship.</p> <p>Investigate and develop partnership and collaboration opportunities.</p>	On track and ongoing	<p>In late September a Science Curator was recruited who is leading this project.</p> <p>Discussion with Science Centre Inc has indicated that they have a strong desire to collaborate with Te Manawa on this project.</p>
<p>Begin discussions with other museums/venues to collaborate on the development of new, shared touring interactives in Science and Heritage.</p>	In progress	<p>Ongoing research, discussions and collaboration around sharing interactives and touring exhibitions with other museums and venues. This has led to hosting ACMI's <i>Codebreakers – Women in Games</i> and Otago Museum's <i>Tuhura Tuarangi - Aotearoa in Space</i> during September and October.</p>

Develop and begin to implement an annual calendar of activity to activate additional engagement through events and outreach with a focus on partnership with other organisations.

On track and ongoing

During the next few years, we will focus our resources on developing a new Science Centre for Te Manawa. However, ongoing networking and discussions will continue with our colleagues nationwide to share and host (interactive) experiences.

Holiday Programmes over July and October school holidays connected with significant dates (Matariki) and touring exhibitions (*Codebreakers* and *Tūhura Tuarangi – Aotearoa in Space*) attracting 1,708 attendees in July and 2,858 in September/October.

For one week in December we offered Christmas activities including karaoke which proved popular attracting 832 and Christmas Craft drop-in sessions which attracted 435, a total of 1,267 participants across four days.

Other Christmas events included Kai & Cave, Santa's Cave Seniors Day, Santa Paws, PJ's in the Cave with 494 participants in total and we collaborated with Manawatu Chamber of Commerce to host the BA5 Christmas Party. – 85 attendees,

We continue to support PNCC events, offering activities at the Puanga Festival (14 July), Palmy Play Festival (11 November),

We hosted the Night Market at the Museum on 18 August in partnership with Palmy Bid, attracting 1,600 attendees.

The Halloween Fright nights and Tamariki Trails (in partnership with Linton Community Group) attracted 1,971 attendees across four nights and provided a safe alternative to trick or treating.

NOA inclusive art sessions restarted in Term three attracting higher numbers with the change to a morning session and through strong links to Awatapu College and support organisations.

Provide access to our collections through exhibitions, offsite displays, Collections Online and other digital projects and public programmes, this will include a cycle of exhibitions of new acquisitions.

On track and ongoing

Highbury Weavers have reinstated a regular schedule to be on-site and engage with the public.

Exhibition Opening events and Artist talks attracted strong attendance numbers including;

Art Gallery

Brigham Anderson – *Te Whare Tukutuku* (70+31)

Brian Elliott- 55 Years of Architecture (70+25)

Paul Dibble – *Continuum* (145)

Forsyth Barr Paul Dibble Sponsor Event (50)

Toioho ki Āpiti - Māori Visual Arts Matatau 2023 (110)

UCOL BCM 2023 (63)

Museum

Six Extinctions opening (67)

He Ara Whāriki, presenting the work of graduating students and tutors of the Maunga Kura Toi weaving programme at Te Wānanga o Aotearoa was installed on 13 October.

New Acquisitions display was on display until 24 October.

Matariki-themed objects displayed in *Manawatū Journeys* for Matariki (22 June to 27 July).

Bones for Halloween (24 October to 8 November). A Waka Huia shown for a School Visit (16 September) and shells for a family visit (16 September).

We added 344 items to collections online. Currently there are 5,687 items online.

A small moa skeleton, restored huia taxidermy and moa footprints were

Deliver a programme of balanced, exciting and frequently changing exhibitions.

On track and ongoing

added to the 'Six Extinctions' touring exhibition (from Australia) ensuring local content.

Five Paul Dibble sculptures featured in his survey exhibition *Paul Dibble: Continuum*.

Art Gallery

1. *Sandy Adsett – Toi Koru*
2. *Richard Wotton – Overlooked Ordinary*
3. *Top Art*
4. *Brigham Anderson – Te Whare Tukutuku*
5. *Brian Elliot – 55 Years of Architecture*
6. *Paul Dibble: Continuum*
7. *Toioho ki Apiti - Māori Visual Arts*
8. *Sweet & Sour – UCOL/Te Pūkenga BCM*
9. *Rita Angus – New Zealand Modernist*

Museum

1. *Mātauranga Māori objects (Taonga Māori - STEM)*
2. *Te Ara Whariki – Te Wānanga o Aotearoa (Taonga Māori)*
3. *Raranga display from the collection (Taonga Māori)*
4. *Codebreakers, Women in Gaming (STEM, touring)*
5. *Tūhura Tuarangi – Aotearoa in Space (Science, touring)*
6. *Six Extinctions (Science. Touring) – attracted 12,814 visitors in first two weeks.*
7. *Halloween Skeletons display (Science)*
8. *Santa's Cave (Heritage)*
9. *Recent Acquisition display (Heritage)*

Total:

Art – 9 exhibitions including 3 Toi Māori

Science/STEM – 4 including 1 Mātauranga Māori

Heritage – 4 including displays of recent acquisition items (*He Ara Whāriki, New Acquisitions, Matariki* - themed objects and bones.

Investigate and trial an electronic visitor monitoring system to understand visitor interactions with Te Manawa

On track

Electronic visitor counters are being trialled in the *Six Extinctions* exhibition along with a visitor survey (through Event Insights) from which we can generate economic impact reports

Develop a "Delivery of Excellence" Visitor Experience Strategy that incorporates physical spaces.

In progress

The visitor experience strategy incorporating physical spaces is being developed as part of a broader 'roadmap for 2030' project and updated business plan

2. Enhanced learning and development

Performance Measure	Status	Comments
Implement three new Mātauranga Māori learning programmes aligned with the Aotearoa New Zealand Histories Curriculum.	Under review	After advice from <i>THEN: Histories of Pāmutana</i> , this was reduced to two programmes. These are now being offered.
Provide free education programmes to schools within the Palmerston North and Manawatū District Council boundaries. Seek external revenue to assist in cost of education programmes.	Achieved	Te Manawa has provided free education programmes to 59 school groups within the Palmerston North and Manawatū District Council boundaries. While external revenue has been sought from two providers, both applications were unsuccessful. We continue to seek funding.
4,000 students will participate in ELC Learning programmes.	In progress	1,640 students have participated in ELC learning programmes from 1 July – 31 December 2023.
Develop a sector leadership role by providing opportunities for interns partnering with Massey University Museum Studies.	In progress	Over the past six months, Te Manawa has provided opportunities for a Marketing Intern from IPU and a Museums Studies Intern from Victoria University, Wellington.
Implement staffed public programmes for visitors during weekends and peak visitor periods.	Complete and ongoing	23 staffed weekend public programmes delivered.
Develop networks with other non-school education programme providers.	On track and ongoing	In August we partnered with Horizons Regional Council to host a sustainability hui for local teachers, attracting 40 teachers to the day-long event.

3. A collaborative and future-focused organisation

Performance Measure	Status	Comments
Continue to maintain strong relationships with Rangitāne at governance levels.	Ongoing	Peter Te Rangi and Terry Hapi serve as Rangitāne representatives on the Te Manawa Trust Board.
Continue to honour and implement Te Tiriti o Waitangi partnerships with Rangitāne and other iwi of the region.	Ongoing	CEO now meets regularly with members of Te Whirikōkō advisory group via PNCC.
Develop clear kaupapa Māori direction and strategy for Te Manawa, incl. training and development opportunities.		Regular staff waiata practice held to bolster tikanga confidence and participation.
Implement two new Rangitāne Mātauranga Māori Learning Programmes.		Staff-initiated fellowship group for tāngata whenua, supported by management. Two new Mātauranga Māori programmes are being delivered as in section one.
Collaborate with founding societies on two new initiatives to grow support for Te Manawa and generate donations.	Ongoing	TMAS Manawatū Art Review partnership: a community arts engagement exercise and opportunity to develop stronger relationships with local businesses for funding. TMMS is shoulder tapping members and historians to research items in and for the collection relating to childhood (toys, games etc) in the Manawatū. They are writing and initiating articles for publication while providing input into the development of a related exhibition. SCI is enthusiastic to provide monetary and support, as well as contacts and potential funding opportunities for work on a new science centre.
Strengthen the relationship with the New Zealand Rugby Museum through a collaborative project or partnership.	In progress/Ongoing	Te Manawa acquired the Peter Bush Archive and will document and

Collaborate with NZRM on a joint national marketing campaign.	Ongoing	provide access to the collection in partnership with the Rugby Museum.
Grow philanthropic and sponsorship contributions to grow external revenue against strategic targets.	Ongoing	External revenue targets for the year are on track at 57%. This reflects only income that has been received to date and does not include any other grant funding for which receipt is pending.
Implement a fundraising programme that communicates the vitality of Museums and Galleries as essential to community identity and wellbeing.	In progress	Our 'We Museum' campaign will form the basis of our fundraising and vitality campaign. Two videos and a dedicated webpage for recruitment have been developed and will contribute to this. A revenue strategy is in development and will include funding, sponsorship, and retail activities
Identify and nurture emerging artists and museum professionals to invest in the future of art and cultural expression and provide links to professional practice and advice.	Achieved	Exhibition projects with Massey University, Te Pūkenga/UCOL in the tertiary sector and MATA and Top Art in secondary sector, enabling students to experience what it's like working with museum professionals such as curators, exhibition technicians and designers.
Continued commitment to environmental sustainability. Work closely with PNCC, as landlord, to understand plans to help the facility function in a more sustainable manner. Review systems with the aim to become digitised and reduce paper use by 30%.	In progress	Replacement of all lighting with LED is complete Worked with PNCC to renovate office space to make them more efficient, creating dedicated work-spaces vs storage. This includes reducing our printers from four to one and reducing our heat pumps by four. Paper towel recycling programme underway, paper reduction targets set as part of workspace redevelopment.

Work with PNCC towards a new, purpose-built, energy efficient and sustainable Te Manawa complex.

In progress and ongoing

CEO is part of the steering group for the city cultural precinct and will continue to be proactive about identifying opportunities, and advocating, for efficiency, vibrancy and cultural design considerations.

Ongoing collaboration with tertiary partners.

On track and ongoing

Hosted an IPU intern,
Hosted a Victoria University intern,
Hosted the Matatau Massey University Toioho Ki Āpiti Graduate Massey exhibition,
Host the UCOL/Te Pūkenga Graduate exhibition,
Hosted a Massey intern.

Maintain a Gold Qualmark standard through Tourism NZ (Hospitality and sustainability).

In progress

Te Manawa maintains its gold status. The 2024 assessment is due in April.

COVID-19 Statement

Covid-19 continues to impact operations with additional pressure on maintaining base staffing levels (particularly at the front line with Visitor Hosts, Educators and Event staff).

Pandemic impacts on the economy including additional costs, availability of building materials and freight continue to affect our ability and decision-making around securing touring exhibitions. PNCC support enabled us to host *Six Extinctions* (currently open) – a replacement for a planned exhibition which was cancelled due to proximity and affordability.

Summary

The organisation continues to undergo a period of renewal. Changes are designed and implemented to respond to increased financial pressures, the ongoing pandemic and international political instability. The new management team has now spent one year in the role and has:

- **Finalised an initial business plan, with a view to updating it this year**
- **Reviewed and developed a new strategy, including vision and values, with the Trust Board, to more closely align activity, purpose and practice with the Trust Deed and its strategic goals.**
- **Reviewed the staffing structure and aligned jobs as part of a transition to the Strategic Pay remuneration system**
- **Implemented activity-based workspaces**
- **Begun work on new Visitor Experience and Revenue strategies**
- **Increased external revenue by 46% (compared to December 2022)**
- **Commenced development of a roadmap for 2030 to include upgraded public spaces, semi-permanent galleries, better sustainability and new touring products as we look toward a new facility as part of the city's cultural precinct aspirations.**

We have reviewed our learning programmes following the successful application for ELC Funding (formerly LEOTC) from the Ministry of Education of \$60,000 per year for a period of three years and continue to offer these for free.

More than 5000 items are now available to be viewed online through the Vernon catalogue. This includes the art, Pasifika and childhood toys and games collections. This has been a mammoth undertaking and the work here continues as we seek to unlock new ways to explore, search and engage with our unique and extensive collection.

Te tāhua Finance

For the six months ended 31 December 2023

Contents

Introduction to Reports	14
Statement of Financial Performance:	
• Activity View	15
• Category View	16
Statement of Financial Position	17-18
Statement of Cash Flows	19
Analysis of Third-Party Income	20
Notes to Financial Statements and Accounting Policies	21-23

Introduction to reports:

Statement of Financial Performance

Two versions of the Statement of Financial Performance have been presented to provide different views of the same data. The Activity Report is based on internal Management Reports and provides summary income and expenditure information for each reporting activity.

The Income/Expenditure Category Report adopts a more traditional view detailing income and expenditure by category, which follows on to the Statement of Financial Position and Cash flows, providing information on the sources of income and expenditure relating specifically to the type of revenue or cost.

Statement of Financial Position

The Statement of Financial Position provides information about the assets, liabilities and equity of the Trust for the current reporting period and current year end forecast and the relationship of these elements to each other at a point in time.

Statement of Cash flows

The Statement of Cash Flows reflects the Trust's cash receipts and cash payments during the period and provides useful information about the Trust's activities in generating cash from operations, investing and financing activities.

Other Information

Other reports have been provided with commentary to supplement the financial information. These include:

Note 1	- Payroll costs
Note 2	- Details of Cash and Cash Equivalents
Note 3	- Short Term Deposits
Note 4	- Specific Reserves
Note 5	- Endowment Funds
Note 6	- Fixed Assets

Te Manawa Museum Trust
Entity (by Activity)

Statement of Financial Performance
for the Month Ended 31 December 2023

	Dec-23			Year to Date			Year End		
	Actual	Budget	Var to Bud fav/(unfav)	Actual	Budget	Var to Bud fav/(unfav)	Forecast	Budget	Var to Bud fav/(unfav)
Revenue									
Collection Management	55	1,500	(1,445)	21,228	6,000	15,228	22,023	15,000	6,228
Corporate Services	4,602	1,730	2,872	44,481	10,380	34,101	54,861	20,760	34,101
Learning	4,850	5,221	(371)	36,948	51,324	(14,376)	68,274	82,650	(14,376)
Exhibitions	18,612	18,500	112	53,490	24,500	28,990	60,990	32,000	28,990
Executive	313,048	313,048	(1)	1,898,285	1,898,286	(1)	3,776,569	3,776,570	(1)
Marketing & Comms	-	-	-	-	-	-	-	-	-
Public Programmes & Events	256	500	(244)	6,454	11,000	(4,546)	7,654	17,000	(9,346)
Sponsorship	693	-	693	45,743	-	45,743	200,743	239,000	(38,257)
Visitor Experience	23,037	13,460	9,577	69,877	55,915	13,962	119,092	98,240	20,852
Volunteers	-	-	-	-	-	-	-	-	-
Total	365,153	353,959	11,194	2,176,507	2,057,405	119,102	4,310,207	4,281,220	28,192
Operating									
Collection Management	46,135	43,198	(2,937)	229,699	255,615	25,916	558,665	537,115	(21,550)
Corporate Services & Facilities	48,396	66,065	17,669	342,954	357,076	14,122	771,450	770,112	(1,338)
Learning & Outreach	21,623	21,224	(399)	136,532	143,510	6,978	276,336	285,801	9,465
Exhibitions	133,690	124,375	(9,315)	365,981	395,642	29,661	709,686	759,537	49,851
Executive	26,697	45,503	18,806	214,453	257,668	43,215	532,840	530,921	(1,919)
Marketing & Comms	36,467	36,991	524	194,428	201,868	7,440	352,308	388,908	36,600
Public Programmes & Events	4,962	10,733	5,771	47,131	64,714	17,583	96,183	123,188	27,005
Sponsorship	75	-	(75)	295	-	(295)	295	-	(295)
Visitor Experience	46,175	46,094	(81)	222,569	240,892	18,323	456,375	473,553	17,178
Volunteers	-	-	-	-	-	-	-	-	-
Depreciation	21,081	28,113	7,032	126,312	168,678	42,366	277,662	337,356	59,694
Net loss/(gain) on disposal of fixed assets	-	-	-	(224)	-	224	(224)	-	224
Custodial Assets Returned	-	-	-	-	-	-	-	-	-
Collection Assets Deaccessioned	-	-	-	19,018	-	(19,018)	19,018	-	(19,018)
Total	385,300	422,296	36,996	1,899,149	2,085,663	186,514	4,050,595	4,206,491	155,896
Surplus/(Deficit) Pre Unusual Items	(20,148)	(68,337)	48,189	277,358	(28,258)	305,616	259,612	74,729	184,883

Te Manawa Museum Trust
Entity (by Category)

Statement of Financial Performance
for the Month Ended 31 December 2023

	Dec-23			Year to Date			Year End		
	Var to			Var to			Var to		
	Actual	Budget	Bud	Actual	Budget	Bud	Forecast	Budget	Bud
	fav/(unfav)			fav/(unfav)			fav/(unfav)		
Revenue									
PNCC Operating Grant	313,048	313,048	(1)	1,878,285	1,878,286	(1)	3,756,569	3,756,570	(1)
MDC Grant	-	-	-	20,000	20,000	-	20,000	20,000	-
Interest Received	4,556	1,730	2,826	24,243	10,380	13,863	34,623	20,760	13,863
Other Income	47,494	37,681	9,813	245,794	142,739	103,055	490,830	468,890	21,940
Total	365,098	352,459	12,639	2,168,322	2,051,405	116,917	4,302,022	4,266,220	35,802
Operating									
Payroll	215,679	217,190	1,511	1,144,357	1,184,670	40,313	2,386,739	2,420,805	34,066
Operating	144,175	170,180	26,005	571,077	691,447	120,370	1,292,353	1,366,592	74,239
PNCC Leases & SLA's	4,365	6,813	2,447	38,609	40,868	2,259	75,047	81,738	6,691
Depreciation	21,081	28,113	7,032	126,312	168,678	42,366	277,662	337,356	59,694
Gain/(loss) on disposals	-	-	-	(224)	-	224	(224)	-	224
Total	385,300	422,296	36,995	1,880,131	2,085,663	205,532	4,031,577	4,206,491	174,914
Surplus/(Deficit) Pre Colln Mvmts	(20,203)	(69,837)	49,633	288,191	(34,258)	322,449	270,445	59,729	210,716
Unbudgeted Colln Mvmt Income									
Custodial Assets Received	-	-	-	-	-	-	-	-	-
Donated Assets	55	1,500	(1,445)	8,185	6,000	2,185	8,185	15,000	(6,815)
Unbudgeted Colln Mvmt Expense									
Custodial Assets Returned	-	-	-	-	-	-	-	-	-
Collection Assets Deaccessioned	-	-	-	19,018	-	19,018.00	19,018	-	(19,018)
Net Collection Movements	55	1,500	(1,445)	(10,833)	6,000	(16,833)	(10,833)	15,000	(25,833)
Surplus/(Deficit) Incl Colln Mvmts	(20,148)	(68,337)	48,188	277,358	(28,258)	305,615	259,612	74,729	184,883

Te Manawa Museums Trust
Statement of Financial Position
As at 31 December 2023

		Actual	Actual	Budget
		30/06/2023	31/12/2023	\$
Assets				
Current Assets				
Cash and Cash Equivalents	2	265,459	1,016,281	514,047
Stock of Merchandise		26,153	23,825	28,000
Debtors and Sundry Receivables		19,743	2,536	15,000
Interest Receivable		10,514	13,417	4,000
Prepayments		69,546	50,646	25,000
Short Term Deposits	3	685,364	156,853	330,422
Total Current Assets		1,076,779	1,263,557	916,469
Non-Current Assets				
Intangible Assets		6,953	5,197	3,816
Property Plant & Equipment:				
<i>Computer Hardware</i>		50,827	36,274	55,708
<i>Exhibitions</i>		173,159	213,510	411,221
<i>Furniture & Fittings</i>		74,590	99,932	112,668
<i>Leasehold Improvements</i>		30,068	56,828	42,608
<i>Plant & Equipment</i>		364,200	312,626	450,070
<i>Work in Progress</i>		76,050	255,352	15,000
Collection Assets - Owned		9,302,607	9,382,344	8,124,615
Collection Assets - Custodial		10,674,031	10,591,110	9,044,114
Total Non-Current Assets	6	20,752,485	20,953,173	18,259,820
Total Assets		21,829,264	22,216,731	19,176,289

Te Manawa Museums Trust				
Statement of Financial Position				
As at 31 December 2023				
		Actual	Actual	Budget
		30/06/2022	\$	\$
Current Liabilities				
Creditors, Provisions & Payables		303,523	159,002	387,614
Employee Liabilities		276,431	288,269	345,800
Provisions		-	-	-
GST Payable (Receivable)		28,553	98,632	62,000
Income received in advance		125,124	297,838	30,000
Total Current Liabilities		733,631	843,741	825,414
Non-Current Liabilities				
Employee Benefit Liabilities		-	-	3,310
Total Non-Current Liabilities		-	-	3,310
Total Liabilities		733,631	843,741	828,724
Equity				
Trust Equity		10,668,411	10,425,502	10,467,292
Retained Surplus (Deficit) Current Year		(242,910)	277,357	74,727
Asset Revaluation Reserve		10,224,686	10,224,688	7,327,447
Specific Reserves	4	434,572	434,569	467,225
Endowment Funds	5	10,874	10,874	10,874
Total Equity		21,095,633	21,372,989	18,347,565
Total Equity & Liabilities		21,829,264	22,216,731	19,176,289

Te Manawa Museums Trust				
Statement of Cash flows				
For the 6 Months Ended 31 December 2023				
Description	Actual	Actual Year-to-Date	Budget	
		\$		\$
Cash Flows from Operating Activities				
Cash was provided from:				
PNCC Grants	3,352,361	1,878,285		1,878,286
Other Revenue	344,894	265,794		162,739
Reduction in Reserves				
Interest	22,837	24,243		10,380
	3,720,092	2,168,322		2,051,405
Cash was disbursed to:				
Payroll	2,174,200	1,144,357		1,184,670
Suppliers	1,471,529	609,686		732,315
Net GST Outflow (Inflow)	8,064	70,079		3,000
	3,653,793	1,824,122		1,919,985
Net Cash Flows from Operating Activities	66,299	344,200		131,420
Cash Flows from Investing Activities				
Cash was provided from:				
Proceeds from Investments	671,317	1,101,104		360,468
Sale of Assets	695	-		-
Cash was disbursed to				
Purchase of Intangible Assets - Software	(4,200)	-		-
Purchase of Property Plant & Equipment	(161,843)	151,137		213,300
Purchase of Collection Assets	(75,445)	15,834		30,000
Net reduction of short term deposit	(685,364)	527,511		-
Total	(926,852)	694,482		243,300
Net Cash Flows from Investing Activities	(254,840)	406,622		117,168
Cash Flows from Financing Activities				
Cash was provided from:				
PNCC Long-Term Exhibition Development Grant		-		-
Capital Introduced		-		-
Proceeds of Term Loans/Finance Leases		-		-
		-		-
Cash was disbursed to:				
Net Cash Flows from Financing Activities	-	-		-
Net Increase/(Decrease) in Cash Held	(188,541)	750,822		248,588
Opening Cash Balances	454,000	265,459		265,459
Closing Total Cash Balances	4	265,459	1,016,281	514,047

Analysis of 3rd Party Revenue for the Six months ended 31 December 2023

3rd Party Revenue	Actual Month	Budget Month	Actual YTD	Annual Budget	Last Year	Comments
Grants Distributions - Heritage	-	-	13,043	-	41,249	Grant from Peter Bush Collection towards costs
Enriched Learning Curriculum Contract	5,010	5,000	30,057	60,000	60,114	This is the second year of a 3 year contract
Other Education programmes	(160)	221	6,891	22,650	70,450	The sum for 2022/2023 included the grant to develop some Mātauranga resources
Public programmes & Events	256	500	6,454	17,000	12,477	
In Kind Sponsorship	-	-	5,050	-	25,701	Advisory services donated by Darren Shadbolt per his advice
Touring Revenue	-	-	-	-	16,791	The 2022/2023 year income arose from donations from visitors to Curious Contraptions in other centres.
Sponsorship	4,680	-	36,550	-	-	
Donations	13,932	18,500	16,940	32,000	17,112	Santa's Cave donations of \$13,821 are less than budget.
Fundraising (Grants- no restriction No GST	-	-	40,693	239,000	5,000	\$5k last year was sponsorship from YORB. The sum this year to date is a portion of the grant from Lion for caseware.
Grants	693	-	-	-	1,012	
Front of House Revenue, including Shop Sales and Venue Hire (Not including front of house donations)	21,970	13,040	66,955	92,800	92,092	Shop sales exceeded budget for December by \$8,742.
Inhouse donation received	1,067	420	2,922	5,440	5,727	The Christmas shop sales were good and sales receipts were helped by steady sales of the Paul Dibble book.
Interest Revenue	4,556	1,730	24,243	20,760	30,383	
Sundry Income	46	-	20,238	-	18,093	Contribution from PNCC towards removal of walls.
Grant MDC	-	-	20,000	20,000	20,000	Grant for 2023-2024 year
Total Third Party Revenue (excluding Collection Donations)	52,050	39,411	290,038	509,650	416,201	

Note 1: Payroll costs

Te Manawa Museums Trust
Payroll Analysis
As at 31 December 2023

Payroll Analysis	Actual 31 December 2023	Budget 31 December 2023	Variance Actual from Budget	Forecast 30 June 2024	Budget 30 June 2024	Variance Annual Forecast from Annual Budget	Comments	Actual FTE's	2023/24 Budget FTE's	Variance Actual from Budget
Finance, Facilities	85,682	92,236	6,554	170,769	186,505	15,736		2.43	3.35	0.93
Collections & Curatorial	196,218	191,991	(4,227)	428,805	398,575	(30,230)		5.16	3.59	(1.57)
Learning and Outreach	131,123	129,127	(1,996)	258,107	261,568	3,461		3.52	3.00	(0.52)
Events	37,225	47,094	9,869	68,217	87,688	19,471		1.00	1.50	0.50
Visitors' Engagement	187,962	204,906	16,944	390,316	406,505	16,189	At year end includes 1.41 Santos and elves for sSantia's Cave	8.50	5.80	(2.70)
Communications/ Marketing	110,963	124,622	13,659	212,519	251,408	38,889		2.80	3.49	0.69
Exhibitions	204,915	167,642	(37,273)	425,220	340,937	(84,283)	Exhibition manager role remains vacant	5.90	6.90	1.00
Executive	158,542	195,503	36,961	354,224	406,500	52,276		3.00	3.00	-
Plus Annual Leave movement in provision and KiwiSaver Employer's contribution	31,727	31,549	(178)	78,562	73,807	(4,755)		0.00		-
Total Operational Payroll	1,144,357	1,184,670	40,313	2,386,739	2,413,493	26,754		32.31	30.63	(1.68)

Note 2: Cash and Cash Equivalents

Te Manawa Museums Trust			
Details of Cash & Cash Equivalents			
As at 31 December 2023			
Cash & Cash Equivalents		Interest Rate	31 December 2023
Term Investments	Maturity date		
Term Investment - BNZ0001 CCE	13/03/2024	4.20%	\$142,954
Term Investment - Westpac 0023 CCE	3/02/2024	2.65%	\$164,635
Term Investment - Westpac 0024 CCE	3/02/2024	5.75%	\$131,950
Term Investment - Westpac 0022	31/03/2024	5.75%	\$190,801
			\$630,340
Westpac Cheque Account			\$92,636
Westpac Online Saver Account			\$290,925
BNZ Cheque Account			\$12
Petty Cash / Cash Floats			\$2,369
			\$1,016,281

Note 3: Short Term Investments

Te Manawa Museums Trust			
Short term Investment			
As at 31 December 2023			
Short Term Deposit		Interest Rate	31 December 2023
	Maturity date		
Term Investment - WP0025	13/03/2024	4.20%	\$156,853
			\$0
			\$156,853

Note 4: Specific Reserves

Specific Reserves

	Balance at 01/07/23	Transfers from Retained Earnings	Disbursements / Release of Funds	Balance as at 31 December 2023	Forecast transfers in/(out)	Year-End Forecast Balance	Comments
Specific Reserves							
Collection Development Fund - General	14,229	-	-	14,229	-	14,229	These are funds tagged for art and/or heritage collection items purchases.
Historical Building Maintenance	22,082	-	-	22,082	-	22,082	
Exhibition Revitalisation/Development Fund	398,261	-	-	398,261	-	398,261	
Unspent Santa's Cave Funds	-	-	-	-	-	-	
Total Specific Reserves	434,572	-	-	434,572	-	434,572	

Note 5: Endowment funds

Te Manawa Museums Trust

Endowment Fund	Balance at 01/07/23	Additional Endowments	Disbursements / Release of Funds	Balance as at 31 December 2023	Forecast transfers in/(out)	Year-End Forecast Balance
*Clevely Fund	10,874	-	-	10,874	-	10,874
Total Endowment Funds	10,874	-	-	10,874	-	10,874

Note 6: Fixed Assets

Fixed Asset Additions - At 31 December 2023						
Asset Description	Closing Book Value 30 JUNE 2023 / Opening Book Value 01 July 2023	Additions to 31 December 2023	Disposals	Depreciation / Amortisation	Impairment Losses/Depn on disposals	Closing Book Value 31 December 2023
Information Technology	51,350	- 0	-12,020	-14,822	11,766	36,274
Exhibitions	173,158	80,923	-1,713	-40,571	1,713	213,510
Furniture & Fittings	74,588	35,439	-5,331	-10,095	5,331	99,932
Leasehold Improvements	30,069	32,341	0	-5,582	-	56,828
Plant & Equipment	363,678	2,433	0	-53,486	-	312,626
Work in Progress	76,050	179,303	0	0	-	255,353
Total Property, Plant & Equipment Assets	692,844	151,137	-19,064	124,555	18,810	974,524
Collections						
- Collection Assets - Owned	9,367,509	15,835	-1,000	-	-	9,382,344
- Collection Assets - Custodial	10,609,128	-	-18,018	-	-	10,591,110
Total Collection Assets	19,976,637	15,835	-19,018	-	-	19,973,454
Intangibles	6,954	-	-4,965	1,757	-	5,197
Work in Progress	-	-	0	-	-	0
Total Intangible Assets	6,954	-	-4,965	1,757	-	5,197
Total Fixed Assets	20,676,435	166,972	-43,047	122,798	18,810	20,953,174

Statement of Accounting Policies

REPORTING ENTITY

Te Manawa Museums Trust (the Trust) is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 1957 and is domiciled in New Zealand. The Trust is controlled by Palmerston North City Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint more than 50% of the Board of Trustees.

The Trust was incorporated on 20 August 1999. From that date, the Trust assumed responsibility for art works and heritage assets transferred to its care but held on behalf of others. From 1 July 2000 the Trust commenced leasing the premises and managing the institution under agreements entered into with the Palmerston North City Council. The principal place of business is 326-336 Main Street, Palmerston North.

The primary objective of the Trust is to provide interactive experience in art, science and history through acquiring, conserving, researching, developing, communicating and exhibiting material evidence of people and their environment, rather than making a commercial return. Accordingly, the Trust has designated itself as a public sector public benefit entity for the purposes of Public Benefit Entity Accounting Standards (PBE Standards), in accordance with the Financial Reporting Act (2013).

The financial statements of the Trust are for the six months ended 31 December 2023 and were approved by the Board of Trustees on 15 February 2024.

BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of Compliance

The financial statements of the Trust have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The financial statements comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards, as appropriate for Tier 2 public sector public benefit entities, for which all reduced disclosure regime exemptions, have been adopted.

The Trust qualifies as a Tier 2 Public Sector PBE reporting entity as it is not publicly accountable and as for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure.

Measurement Base

The measurement basis applied is historical cost, modified by the revaluation of collection assets as identified in this summary of significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars (NZ\$).

Standards issued and not yet effective that have been early adopted

There are no standards early adopted this year.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue

Revenue is measured at fair value of consideration received or receivable. Revenue may be derived from either exchange or non-exchange transactions.

Revenue from Non-exchange transactions

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. In non-exchange transactions, the Trust either receives value from or gives value to another party without directly giving or receiving approximately equal value in exchange.

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller. Many of the services that the Trust provides for a fee are charged at below market value as they are subsidised by Palmerston North City Council operational grant, sponsorship, government/non-government grants. Other services operate on a cost recovery or breakeven basis and are not considered to reflect a market return. Most of the Trust's revenue is therefore categorised as non-exchange.

This includes PNCC grants, transfers from government/non-government entities, donations, donated/vested and custodial collection items, sponsorship, "in kind" sponsorship, revenue from services supplied at subsidised price.

Specific accounting policies for major categories of revenue from non-exchange transactions are outlined below:

Grants

Grants received from PNCC are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust's trust deed.

Revenues from non-exchange transactions with Council/other government/non-government entities are measured at fair value and recognised when the event occurs and the asset recognition criteria are met, if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Trust and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount if conditions of the grant are not met, deferred income is recognised instead of revenue, and recognised as revenue when conditions of the grant are satisfied.

Rendering of services

Revenue from the rendering of services is recognised when the transaction occurs to the extent that a liability is not also recognised. For these transactions the revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

All revenues from rendering of services are non-exchange, with the exception of revenue from Venue Hire which is classified as exchange transaction.

Vested or donated physical assets

Where a physical asset is gifted to or vested in the Trust for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Such income is recognised when control over the asset is obtained, unless there is a use or return condition attached to the asset.

The fair value of vested or donated physical assets is determined by reference to the market value of comparable assets available.

'In Kind' Sponsorship

The Trust receives sponsorship 'in kind' by way of goods and services provided at discounted or nil charge. Where the fair value of these goods and services can be reliably measured, the income (and expense) is recognised as 'sponsorship - in kind' in the period in which the goods or services are received or there is a binding arrangement to receive the goods.

Volunteer Services

Volunteer services received are not recognised as revenue or expenditure as the Trust is unable to reliably measure the fair value of the services received.

Revenue from Exchange transactions**Sales of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Trust.

Interest Income

Interest income is recognised using the effective interest method.

Advertising Costs

Advertising costs are expensed when the related service has been rendered.

Borrowing Costs

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

Depreciation and amortisation

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

Leases*Finance Leases*

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Trust will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit over the lease term as an integral part of the total lease expense.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are presented within borrowings as a current liability in the statement of financial position.

Debtors and other receivables

Debtors and other receivables are recorded at the amount due, less an allowance for expected credit losses.

A expected credit loss of a receivable is established when there is objective evidence that the Trust will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the receivable is unlikely to be collected in full. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of an impaired receivable is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Financial Assets

Financial assets are categorised into the following four categories: financial assets at fair value through surplus or deficit; held-to-maturity investments; loans and receivables; and financial assets at fair value through other comprehensive revenue and expense. The classification depends on the purpose for which each investment was acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

The fair value of financial instruments traded in active markets is based upon the quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows are used to determine fair value for the remaining financial instruments.

Financial Assets

Financial assets are categorised into the following four categories: financial assets at fair value through surplus or deficit; held-to-maturity investments; loans and receivables; and financial assets at fair value through other comprehensive revenue and expense. The classification depends on the purpose for which each investment was acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

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The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows are used to determine fair value for the remaining financial instruments.

a) Financial Assets at Fair Value through Surplus or Deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading. After initial recognition they are measured at their fair values. Gains or losses due to change in fair value are recognised in the surplus or deficit.

Currently, the Trust does not hold any financial assets in this category.

b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

c) Held to Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets. After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Currently, the Trust does not hold any financial assets in this category.

d) Financial Assets at Fair Value through Other Comprehensive Revenue and Expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into this category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Currently, the Trust does not hold any financial assets in this category.

Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and receivables and held-to-maturity investments

Impairment is established when there is evidence that the Trust will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable, for any loss of service potential.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

Property, Plant and Equipment

Items of property, plant and equipment are stated at historical or deemed cost, less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are presented net in the surplus or deficit.

Work in Progress

All assets constructed by the Trust are initially recorded as work in progress. Work in progress is recognised at cost less impairment and it is not depreciated. Upon completion, these assets are transferred to their relevant asset class and depreciation commences.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised as an expense as they are incurred.

(a) Furniture, Equipment and Exhibits

Furniture, equipment and exhibits (excluding art and heritage collections) are valued at cost less accumulated depreciation and impairment losses.

Depreciation

Assets are depreciated on a straight-line basis at rates that will write off their cost less any estimated residual value over the expected useful life of the asset. The useful lives of major classes of assets have been estimated as follows:

Computer Hardware	1 to 5 years
Exhibitions	2 to 10 years
Furniture & Fittings	4 to 10 years
Leasehold Improvements	4 to 10 years
Office Equipment	4 to 10 years
Plant	4 to 20 years

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

(b) Collection Assets

As the Heritage Collection and Art Collection assets are intended to have an indefinite life, they are held in trust in perpetuity for the benefit of the public.

The Heritage Collection and Art Collection have not been depreciated, as it is the Trust's policy to maintain the collections in their current state, in accordance with the Trust's Collection Policies.

All additions to the Heritage and Art Collection are recorded at cost. These additions will be revalued in accordance with the Trust's Valuation Policy. Donated objects are recorded at fair value, or depreciated replacement cost, or nil value if considered unrealisable or irreplaceable.

Custodial Collection Assets are objects within the Heritage and Art Collections not formally owned by the Trust, where the Trust has assumed all the rights and obligations of ownership. Within the Heritage Collection this is limited to items on loan for an indefinite period, excluding works on loan from other Museums and Cultural organisations. In relation to the Art Collection, the nature of artworks and anecdotal evidence suggests that there is a high likelihood of request for return of loaned assets, irrespective of the loan period, therefore only items on loan from the Te Manawa Art Society Inc. are recognised as custodial assets. These assets are held and maintained by the Trust by agreement with the owners.

Revaluation

The Art Collection assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Art + Object Auckland as at 30 June 2023. Trust's policy is to revalue the Art Collection assets every three years.

The Heritage Collections assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Ashley and Associates, Auckland as 30 June 2023. Trust's policy is to revalue the Heritage Collection assets every five years to ensure that their carrying amount does not differ materially from fair value.

All other asset classes are carried at depreciated historical cost.

Accounting for Revaluations

The results of revaluing are credited or debited to an asset revaluation reserve. Where this results in a debit balance in the asset revaluation reserve, this balance is charged to the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in a previous year surplus or deficit, will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve.

Intangible Assets

Recognition and measurement

Intangible assets are initially measured at cost, except for Intangible assets acquired through non-exchange transactions (measured at fair value).

All of the Trust's intangible assets are subsequently measured in accordance with the cost model, being cost (or fair value for items acquired through non-Exchange transactions) less accumulated amortisation and impairment, except for the items which are not amortised and instead tested for impairment such as Intangible assets with indefinite useful lives, or not yet available for use. The Trust has no intangible assets with indefinite useful lives.

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Trust's website are recognised as an expense when incurred.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in surplus or deficit as incurred.

Amortisation

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each amortisable intangible asset. Amortisation begins when the asset is available for use and ceases at the date that the asset is disposed of.

The estimated useful lives are as follows:

Software	1 to 7 years
Website	3 to 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment of property, plant and equipment and intangible assets

For the purpose of impairment of Property, plant and equipment and intangible assets, which are carried at cost less accumulated depreciation and impairment losses, the Trust classifies its items of property plant and equipment and intangibles as non-cash generating assets, as these are not held with the primary objective of generating a commercial return, but rather for service delivery purposes and to deliver to Trust's public benefit objectives. Property, plant, and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use for non-cash-generating assets

For Trust's non-cash generating assets, value in use is determined based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows. The Trust does not currently hold property plant and equipment and intangible assets in this category.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Creditors and Other Payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at their fair value plus transaction costs, if any. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are not expected to be settled within 12 months of balance date.

Employee Entitlements*Short-term employee entitlements*

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken at balance date. Sick leave has not been included, as the amount of accumulated sick leave that is anticipated to be taken in future periods is not considered to be material.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave have been calculated on an actuarial basis. The calculations are based on:

likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and

the present value of the estimated future cash flows.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in 'finance costs'.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for trade receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

The Trust is exempt from Income Tax by virtue of its charitable status.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Trust's contributed capital;
- Retained earnings;
- Restricted reserves;
- Collections revaluation reserve;

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Trust.

Restricted reserves include those that are subject to specific conditions accepted as binding by the Trust and which may not be revised by the Trust without reference to the Courts or a third party (i.e. endowment funds). Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Trust's decision. The Trust may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Trust.

Budget figures

The budget figures are derived from the Statement of Intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board of Trustees in preparing these financial statements

Critical Accounting Estimates and Assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Property, Plant and Equipment Useful Lives and Residual Values

The Trust reviews the useful lives and residual values of its property, plant and equipment annually. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Trust to consider a number of factors including the physical condition of the asset, expected period of use of the asset by the Trust, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the surplus or deficit and the carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programmes;
- review of second-hand market prices for similar assets; and
- analysis of prior asset sales.

The Trust has not made significant changes to past assumptions concerning useful lives and residual values.

Critical Judgements in applying the Trust's accounting policies

There have been no specific areas requiring management or Trustees to exercise critical judgement in applying the Trust's accounting policies for the period ended 31 December 2023.