

He Pūrongo Pae Wehe

Six Month Report Against
the Statement of Intent

1 July 2022 – 31 December 2022
TE MANAWA MUSEUMS TRUST

Strategic Objectives:

1. A collaborative and future focused organisation
2. Audience-focused experiences that attract and engage visitors
3. Curiosity focused learning and engagement experiences

1. A collaborative and future focused organisation

Performance Measures	Status	Comments
Continue to maintain strong relationships with Rangitāne at governance levels and through activity-based approaches, such as Te Rangi Whenua redevelopment.	On track	Rangitāne is represented at governance level and Te Manawa is currently working with Rangitāne on selecting taonga for display in the Te Rangi Whenua gallery. The display will also support Mātauranga Rangitāne learning resources being developed.
Develop and implement a partner-based exhibition designed to tour nationally	On track & ongoing	<p>Te Manawa is working in partnership with the NZ Portrait Gallery on developing a significant touring exhibition (<i>Robyn Kahukiwa</i>) that will tour nationally from 2024/25.</p> <p>We have also begun building relationships and collaboration opportunities for touring exhibitions with other museums, galleries and science centres.</p>
Develop short and long-term fundraising projects to realise the goal of sustainable external funding for programmes and experiences (2022- 24).	On hold	<p>As Te Manawa currently has no dedicated fundraiser, there is a team-based decision-making approach which coordinates fundraising, sponsorship, and grant applications.</p> <p>Projects under development include the “We Museum” awareness campaign for potential sponsors and donors, and a Kids’ club membership programme for families.</p> <p>Publication of the inaugural Te Manawa Museum magazine, which is available for purchase, will underpin a renewed push for awareness of, and fundraising for the Museum, with a particular focus on the collection.</p>
Trial and review one environmentally focused project by end of 2022/23. [project foci: solar or wind power; biodiversity garden]	On track & ongoing	<p>The biodiversity garden has become a valuable learning programme resource with a focus on sustainability and environmental education.</p> <p>We are looking at all areas of sustainability, such as technology, communications, consumables and energy use.</p>

Develop a business continuity plan that responds to public health crises and the effects of climate change, and identifies their impacts on Te Manawa strategic objectives	In progress	Covid-19 response provided a template for Public Health Crisis planning, while the effects of climate change and their impacts on strategic objectives are being assessed, with particular focus on the security and structural integrity of collection stores and galleries
Mirror the PNCC carbon reduction target of 30% reduction in greenhouse gases by 2031	On track	Te Manawa continues to look at all areas of sustainability, but is limited by constraints of the current building complex and its configurations.
Undertake visitor and market research (VMR) so observed patterns of visitation on site, via digital channels, and off-site can inform audience focussed experience development, scheduling, and marketing approaches. [FY2022-25]	On track	Te Manawa monitors our digital channels through platform analytics, runs visitor surveys, takes part in the annual Museums Aotearoa National Visitor Survey and surveys teachers after school. This research informs our approaches across multiple activities.
Care for, add to, and make accessible Te Manawa collections enhancing our reputation as trustworthy, and ensuring our collections development responds to societal changes in Manawatū. (FY23-24 oral history project, FY24-25 childhood in museums project & outputs) - SG 2	On track	The launch of collections online in November enables the community to digitally access several thousand (10%) objects from the collection. Exhibitions, learning resources and events are being planned and developed based on items in our collection. Two pop-up displays of collection items were exhibited in Q1 and Q2 2022, including a collection of items featured in a Te Manawa calendar, and memorabilia relating to Her Majesty, The Queen.
Implement the Relationship Strategy	Under review	With a change in CEO and Management Team, Te Manawa is assessing the current state of relationships and will develop an appropriate strategy to meet the business and cultural needs of the organisation going forward.

2. Audience focused experiences that attract & engage visitors

Performance Measures	Result	Comments
Commence redevelopment of Te Awa long-term exhibition (June 2023)	Under review	The project has been revised with the aim to incorporate the Te Awa experience into

		the planned development of a new and dedicated centre for Science.
Implement high profile international exhibition that drives local and national visitation and results in economic benefit to Manawatū (2023-24)	On track	Australian exhibition <i>Codebreakers</i> is scheduled for April-July 2023, creating opportunities for collaboration with UCOL and ManawaTech.
Commence development of new Te Manawa-developed touring experience (2023-24)	On track	Te Manawa is exploring and developing opportunities to create shared touring experiences in partnership with other museums, galleries and science centres.
Implement collections online (2022-25)	Complete	Collections online is now live with 10% of the Te Manawa collection accessible. 100% of the Art Collection is online.
Develop a five-year plan of enhancements to collections online.	On track	<p>Collections online is now live. A long-term enhancement plan is being drafted.</p> <p>The Te Manawa collection consists of approximately 45,000 items. The collection has been divided into logical groupings. We expect to upload approximately 1500-3000 per year.</p> <p>The enhancement plan will also include additions to the information that will be accessible through collections online. Examples of this would be provenance (history) and person associations for Social History and artist biographies for Art.</p>
Evaluate success of Exhibitions Strategy and application of 'Culture segments' or similar audience development programme	Under review	With a change in leadership, a new business plan has been completed to better meet the expectations and priorities agreed to by PNCC and the Trust Board. As a result, the Exhibitions Strategy is under review to reflect the vision, priorities and capabilities of the organisation going forward.
Develop two new digital creative projects (by end of 2022/23) and two more by end of 2023/24	On track	<p>The Te Urungi Project was cancelled. It relied on receiving a substantial grant from the Ministry for Culture and Heritage. This application was not successful.</p> <p>To enhance creative storytelling in the digital sphere a multimedia programme has been developed with two key projects being delivered or developed:</p> <p>A series of vlogs and artist interviews as part of a 'Te Manawa Studio' umbrella to grow interest in the collection, and;</p> <p>A Te Manawa podcast - being developed to grow storytelling, extend our collection beyond the region, highlight expertise and</p>

		potentially grow revenue through sponsorship.
Develop one innovative experience that will enhance either visitor numbers or community wellbeing	Complete & ongoing	Te Manawa offered some new visitor experiences including Sunday Science Squad monthly learning programmes for children and families, and Halloween events including a treat-trail for families that saw more than 500 people explore the Museum from a different perspective.
Continue discussions with PNCC to address previously identified risks and problems to ensure the art gallery building is brought up to minimum international standards for climate control, display infrastructure, storage, and security by 24/25	On track & ongoing	Te Manawa will work with PNCC towards a new, purpose-built, accessible and sustainable Te Manawa complex.

3. Curiosity focused learning and engagement experiences

Performance Measures	Result	Comments
Increase the impact of learning programmes and activities in formal and informal environments through Te Rangahau Curiosity Centre (2022-24).	On track	Te Manawa has developed Mātauranga Rangitāne resources to assist local schools in the delivery of the new Aotearoa New Zealand Histories Curriculum.
Implement a communications and marketing plan for learning activities (2022-23)	In progress	A comprehensive Marketing Strategy has been developed which will form a foundation for the promotion and communication of learning activities.
Deliver two creative Te Rangahau Curiosity Centre linked events (by end of 2022/23)	On track	The learning team are collaborating with Sport NZ to celebrate Active Transport in March 2023. Te Manawa is also offering a professional development session for teachers around the new Mātauranga Rangitāne resources being created.
Trial a curiosity-based outreach learning offer in a formal education setting.	On track	Heirloom boxes is a more recent outreach initiative that has been used as part of the summer holiday activities. It is also being adapted to be trialled as a 'Ko Wai Au – Who Am I?' school programme with a school in March.
Evaluate our learning response to regional and national priorities including NZ Histories and Matariki	On track	Staff have attended regional hui with other museum educators related to the new Aotearoa New Zealand Curriculum and will continue to pursue professional development in this area while focusing

		on the unique heritage items in our collection that tell our local stories.
Support implementation of phase 1 of Rangimārie project, a dual venue cultural tourism project undertaken by Rongomau Productions Ltd (by end of 2022/23). - Phase 1 includes training for Front of House staff to confidently engage with visitors, and cocreation of activities linked to Te Rangī Whenua.	On track	<p>This project relied on receiving a substantial grant from the Ministry for Culture and Heritage. This application was not successful. As a result, this project will need to be re-evaluated.</p> <p>Te Manawa is working with Rangitāne to revitalise the Te Rangī Whenua gallery using the collection, and to support the delivery of Mātauranga Māori learning programmes.</p>

Targets	22/23 Target	Status	Comment
Visitor Numbers	130,000	On track	69,303 (106% of 6-month target of 65,000)
Te Manawa Experiences offsite	25,000	Not on track	5,455 (43% of 6-month target of 12,500)
Online Engagement	90,000	On track	84,777 (188% of 6-month target) Web impressions and social media participation)
External Revenue Target	\$947,180	Not on track	External Revenue to date \$197,940 (20.89% of target) (2021/22 achieved \$324,722 full year) The target of \$947,180 was set to redevelop Te Awa and Te Rangi Whenua galleries. It was envisaged that sponsorship and grant funding would be sought to assist with these upgrades. The focus has changed since the arrival of the new CEO so those projects and the accompanying funding applications will not proceed in this financial year.
KPI's – Audience Satisfaction	95%	On track	98% 218 surveys completed

COVID-19 Statement

The six-month period from 1 July 2022 – 31 December 2022, while impacted by COVID to a lesser degree than previous reporting periods, was affected none-the-less.

Key issues encountered were working at Orange Traffic Light level until September, meaning that visitors were required to wear masks, event numbers were limited by the requirements of the Covid framework, and overall well-being of staff, particularly front of house staff, was affected by the ongoing restrictions and the response of some visitors to these restrictions.

During the November/December period another wave of COVID in the community affected education numbers, with several large groups cancelling due to sickness, and several Te Manawa staff contracting the illness.

Summary

Te Manawa is undergoing a period of change and rebuilding as we renew our focus on engaging our communities with inclusive and exciting experiences with art, science and heritage through an increased emphasis on the collection, and the development of professional museum and art gallery practice.

Our new CEO, Susanna Shadbolt commenced the role on 25 July 2022. The Business Plan was completed and approved by the Trust Board on 29 September 2022 and a new organisational structure was implemented on 21 November to lead the development and delivery of activities supporting this.

Some of those activities include the publication of our first collections-based annual magazine to re-energise storytelling and donations, and a review of 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.

A successful funding application allowed for the contracting of 'THEN Histories of Pāmutana' and Dr Viv Aitken to develop Mātauranga Rangitāne learning resources and undertake professional development work with staff to support these resources. This will grow our cultural capacity.

Three gallery spaces/exhibitions have undergone a refresh: The removal of the boat in Manawatū Journeys creates a more open and inviting space to accommodate rotating displays, the addition of educational interactives and plant labels to the Conservatory has made a more engaging learning space to visit, and Mirror Magic has been revamped for summer with a view to it returning to our roster of touring experiences to other venues.

The Art Gallery hosted several high-quality exhibitions including the *Iny People of Central Brazil*; *Ngā Hau Ngākau, Edith & George*, *WAI 10th Anniversary* and *Douglas MacDiarmid* while our ongoing partnership with UCOL/Te Pūkenga and Massey University again saw the installation of the dynamic *Matatau* and *Artmosphere* (BCM) exhibitions.

Santa's Cave was open for an extended period, into January, and attracted high numbers of visitors. The pop-up shop has proved a successful addition to the exhibition.

Ten per cent of our collection (approx. 4000 items) are now available to be viewed online through the Vernon catalogue. This includes the art, Pasefika 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.

22/23



Financial Report

For the six months ended 31 December 2022

Contents

	Page Number
Introduction to Reports	12
Statement of Financial Performance:	
• Activity View	13
• Category View	14
Statement of Financial Position	15-16
Statement of Cash Flows	17
Analysis of Third-Party Income	18
Notes to Financial Statements and Accounting Policies	19-34

Financial Reports for Te Manawa Museums Trust Board

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.

Statement of Cash flows, Cash Balances, and Reserves

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

Te Manawa Museum Trust
Entity (by Activity)

Statement of Financial Performance
for the Month Ended 31 December 2022

	Dec-22			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	3,733	1,500	2,233	33,749	6,000	27,749	64,353	15,000	49,353
Corporate Services	2,990	1,284	1,706	19,872	7,700	12,172	27,572	15,400	12,172
Learning	5,906	8,520	(2,614)	62,605	56,970	5,635	106,930	111,340	(4,410)
Concepts & Engagement	12,150	1,300	10,850	25,532	1,300	24,232	40,682	100,050	(59,368)
Executive	279,363	277,459	1,904	1,696,181	1,684,757	11,424	3,372,360	3,349,511	22,849
Marketing	-	-	-	-	-	-	-	-	-
Public Programmes & Events	484	1,333	(849)	11,872	7,998	3,874	16,872	16,000	872
Sponsorship	-	43,775	(43,775)	1,012	175,100	(174,088)	6,012	597,050	(591,038)
Customer Services	17,630	10,650	6,980	54,721	46,990	7,731	93,210	87,340	5,870
Volunteers	-	-	-	-	-	-	-	-	-
Total	322,257	345,821	(23,564)	1,905,544	1,986,815	(81,271)	3,727,991	4,291,691	(563,700)
Operating									
Collection Management	26,557	30,413	3,856	126,288	138,254	11,966	344,765	271,740	(73,025)
Corporate Services & Facilities	47,438	60,456	13,018	330,033	346,125	16,092	738,164	748,376	10,212
Learning	21,139	18,108	(3,031)	133,375	121,564	(11,811)	266,998	245,328	(21,670)
Concepts & Engagement	53,216	92,490	39,274	334,778	375,051	40,273	569,241	976,503	407,262
Kaihautū	9,167	9,167	(0)	55,000	54,999	(1)	110,001	110,000	(1)
Executive	73,164	53,240	(19,924)	311,956	311,002	(954)	580,736	653,292	72,556
Marketing	35,294	27,476	(7,818)	167,798	159,826	(7,972)	340,698	331,672	(9,026)
Public Programmes & Events	7,411	14,836	7,425	76,024	87,347	11,323	157,708	171,400	13,692
Sponsorship	(1,316)	1,000	2,316	3,050	6,000	2,950	3,050	12,000	8,950
Customer Services	40,143	39,475	(668)	225,134	234,453	9,319	437,622	468,087	30,465
Volunteers	-	45	45	50	270	220	320	540	220
			-						-
Depreciation	25,038	25,280	242	148,273	150,870	2,597	299,953	302,550	2,597
Net loss/(gain) on disposal of fixed assets	-	-	-	(433)	-	433	(433)	-	433
Custodial Assets Returned	-	-	-	800	-	(800)	800	-	(800)
Collection Assets Deaccessioned	-	-	-	286	-	(286)	286	-	(286)
			-						-
Total	337,252	371,986	34,734	1,912,412	1,985,761	73,349	3,849,910	4,291,488	441,578
Surplus/(Deficit) Pre Unusual Items	(14,996)	(26,165)	11,169	-6,867	1,054	(7,921)	(121,919)	203	(122,122)

**Te Manawa Museum Trust
Entity (by Category)**

**Statement of Financial Performance
for the Month Ended 31 December 2022**

	Dec-22			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	279,363	277,459	1,904	1,676,181	1,664,757	11,424	3,352,360	3,329,511	22,849
PNCC Waitangi Day Grant	-	-	-	-	-	-	-	-	-
MDC Grant	-	-	-	20,000	20,000	-	20,000	20,000	-
Interest Received	2,407	700	1,707	10,451	4,200	6,251	14,651	8,400	6,251
Other Income	40,177	66,162	(25,985)	168,588	291,858	(123,270)	304,656	918,780	(614,124)
Total	321,948	344,321	(22,373)	1,875,219	1,980,815	(105,596)	3,691,666	4,276,691	(585,025)
Operating									
Payroll	216,629	213,358	(3,271)	1,076,228	1,104,253	28,025	2,188,342	2,403,587	215,245
Operating	88,774	126,535	37,761	646,388	689,770	43,382	1,279,222	1,503,613	224,391
Interest	-	-	-	-	-	-	-	-	-
PNCC Leases & SLA's	6,811	6,813	1	40,869	40,868	(1)	81,740	81,738	(2)
Depreciation	25,038	25,280	242	148,273	150,870	2,597	299,953	302,550	2,597
Net loss on FOREX	-	-	-	-	-	-	-	-	-
Gain/(loss) on disposals	-	-	-	(433)	-	433	(433)	-	433
Total	337,252	371,986	34,733	1,911,326	1,985,761	74,435	3,848,824	4,291,488	442,664
Surplus/(Deficit) Pre Colln Mvmts	(15,305)	(27,665)	12,359	(36,106)	(4,946)	(31,160)	(157,158)	(14,797)	(142,361)
Unbudgeted Colln Mvmt Income									
Custodial Assets Received	-	-	-	-	-	-	-	-	-
Donated Assets	309	1,500	(1,191)	30,325	6,000	24,325	36,325	15,000	21,325
Unbudgeted Colln Mvmt Expense									
Custodial Assets Returned	-	-	-	800	-	(800)	800	-	(800)
Collection Assets Deaccessioned	-	-	-	286	-	286	286	-	(286)
Net Collection Movements	309	1,500	(1,191)	29,239	6,000	23,239	35,239	15,000	20,239
Surplus/(Deficit) Incl Colln Mvmts	(14,996)	(26,165)	11,168	-6,867	1,054	(7,922)	(121,919)	203	(122,122)

Te Manawa Museums Trust
Statement of Financial Position
As at 31 December 2022

		Actual	Actual	Budget
		30/06/2022	\$	\$
Assets				
Current Assets				
Cash and Cash Equivalents	2	454,000	345,669	401,874
Stock of Merchandise		33,508	27,793	32,000
Debtors and Sundry Receivables		1,071	54,800	18,000
Interest Receivable		2,968	5,144	2,000
Prepayments		77,211	91,451	25,000
Short Term Deposits	3	671,317	609,328	340,358
Total Current Assets		1,240,075	1,134,186	819,232
Non-Current Assets				
Intangible Assets		8,148	9,943	6,029
Property Plant & Equipment:	6			
<i>Computer Hardware</i>		45,494	54,699	43,708
<i>Exhibitions</i>		248,809	209,461	490,814
<i>Furniture & Fittings</i>		73,908	64,460	70,097
<i>Leasehold Improvements</i>		38,877	33,793	46,555
<i>Plant & Equipment</i>		442,565	414,363	452,144
<i>Work in Progress</i>		42,100	6,578	12,105
Collection Assets - Owned		8,021,370	8,072,279	7,975,767
Collection Assets - Custodial		9,044,115	9,043,314	9,044,114
Total Non-Current Assets		17,965,386	17,908,889	18,141,333
Total Assets		19,205,461	19,043,075	18,960,565

Te Manawa Museums Trust				
Statement of Financial Position				
As at 31 December 2022				
		Actual	Actual	Budget
		30/06/2022	\$	\$
Current Liabilities				
Creditors, Provisions & Payables		329,979	201,419	419,552
Employee Liabilities		246,817	218,160	260,619
Provisions		-	-	-
GST Payable (Receivable)		36,617	54,475	58,000
Income received in advance		147,454	131,293	30,000
Total Current Liabilities		760,867	605,347	768,171
Non-Current Liabilities				
Employee Benefit Liabilities		3,292	3,295	3,266
Total Non-Current Liabilities		3,292	3,295	3,266
Total Liabilities		764,159	608,642	771,437
Equity				
Trust Equity		10,776,532	10,701,480	10,722,221
Retained Surplus Current Year		(75,052)	(6,867)	2,203
Asset Revaluation Reserve		7,327,447	7,327,447	7,073,190
Specific Reserves	4	401,501	401,499	380,640
Endowment Funds	5	10,874	10,874	10,874
Total Equity		18,441,302	18,434,433	18,189,128
Total Equity & Liabilities		19,205,461	19,043,075	18,960,565

Te Manawa Museums Trust				
Statement of Cash flows				
For the 6 Months Ended 31 December 2022				
Description	Actual 30 June 2022	Actual Year-to-Date \$	Budget Year-to-Date \$	
Cash Flows from Operating Activities				
Cash was provided from:				
PNCC Grants	3,264,227	1,676,181	1,664,757	
Other Revenue	316,361	188,588	311,858	
Interest	8,192	10,451	4,200	
	3,588,780	1,875,219	1,980,815	
Cash was disbursed to:				
Payroll	1,963,631	1,104,885	1,104,253	
Suppliers	1,439,707	829,652	730,638	
Interest	-	-	-	
Net GST Outflow (Inflow)	(82,928)	17,878	3,000	
	3,320,410	1,952,416	1,837,891	
Net Cash Flows from Operating Activities	268,370	(77,196)	142,924	
Cash Flows from Investing Activities				
Cash was provided from:				
Withdrawal from deposits	5,589	61,989	-	
Cash was disbursed to:				
Purchase of Intangible Assets - Software	-	4,200	-	
Purchase of Property Plant & Equipment	333,638	37,730	213,300	
Purchase of Collection Assets	62,003	51,194	50,000	
Net reduction of short term deposit	-	-	-	
Total	395,641	93,124	263,300	
Net Cash Flows from Investing Activities	(390,052)	(31,135)	(263,300)	
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	(121,682)	(108,331)	(120,376)	
Foreign Exchange movements	-	-	-	
Opening Cash Balances	575,682	454,000	660,130	
Closing Total Cash Balances	4	454,000	345,669	539,754

Analysis of 3rd Party Revenue as at 31 December 2022

3rd Party Revenue	Actual Month	Budget Month	Actual YTD	Annual Budget	Last Year	Comments
Grants Distributions - Heritage	-	-	3,424	-	42,500	
Enriched Learning Curriculum Contract	5,010	7,500	30,057	90,000	60,114	<i>MoE has advised that Te Manawa has been awarded a contract of \$60,000 per annum. The income shown for August covers both July & August as the July grant had not been received at the time of July reporting.</i>
Other Education programmes	4,320	1,020	32,548	21,340	38,564	<i>The sum for 2021/2022 included the Poutama grant of \$30,000. The sum for this month includes a proportion of the grant from DIA which goes covers the salary of the Fixed Term employee who delivers this project. Also, this month is some UCOL funding towards the Vitruvian tunnel.</i>
Public programmes & Events	484	1,333	11,872	16,000	4,538	
Public programmes - Education Led	-	-	-	-		
Touring Revenue	-	-	9,693	88,750	3,466	<i>The 2021/2022 year income arose from donations from visitors to Curious Contraptions</i>
Air BnB	-	-	-	10,000	189	
Donations	12,150	1,300	15,840	1,300	6,744	<i>Most of these derive from visits to Santa's Cave and are more in line with pre-covid levels of donations.</i>
Fundraising (Grants- no restriction No GST)	-	-	-	537,050	5,000	<i>The sum in 2021/2022 year was Sponsorship from YORB. This agreement has been renewed and the funds will be received during the second half of the financial year. Redevelopment projects such as Te Awa and Te RangiWhenua for which fundraising was to be sought, will not proceed.</i>
Grants	-	43,775	1,012	60,000	34,310	<i>Funds from Lotteries for Science lives here.</i>
Front of House Revenue, including Shop Sales and Venue Hire (Not including front of house donations)	17,268	10,130	51,814	81,100	54,741	<i>Front of House revenue is highly dependent on shop sales and venue hire. Shop sales for December returned to pre Covid levels.</i>
Inhouse donation received	362	520	2,906	6,240	3,244	
Interest Revenue	2,407	700	10,451	8,400	8,192	<i>These are starting to return to return to precovid levels.</i>
Sundry Income	583	584	9,422	7,000	42,951	<i>Monthly rent from Darkroom (\$583) and Covid leave support scheme)</i>
Grant MDC	-	-	20,000	20,000	20,000	<i>Grant for 2022-2023 year</i>
Total Third Party Revenue (excluding Collection Donations)	42,584	66,862	199,039	947,180	324,553	

1. Payroll Costs

Te Manawa Museums Trust
Payroll Analysis
As at 31 December 2022

Payroll Analysis	Actual	Budget	Variance Actual from Budget	Forecast	Budget	Variance Annual Forecast from Annual Budget	Comments	Actual	2022/23 Budget	Variance Actual from Budget
	31 December 2022	31 December 2022		30 June 2023	30 June 2023			FTEs	FTEs	
Finance, Facilities and Health & Safety	83,365	84,745	1,380	181,217	182,597	1,380		2.45	3.35	(0.90)
Collection & Curatorial	79,673	69,130	(10,543)	250,856	142,200	(108,656)	<i>This variance arises from the revised structure. Curators are now part of collections staff not exhibitions.</i>	4.00	3.59	0.41
Learning and Public Programmes	117,189	104,109	(13,080)	235,838	213,318	(22,520)	<i>This reflects the fixed term salary for Science Lives Here. This is a funded position so is offset by revenue included in the education section.</i>	3.68	3.00	0.68
Events	57,311	66,700	9,389	122,053	133,400	11,347	<i>Until the departure of The Curiosity Coordinator some of her salary was allocated to Events .</i>	1.65	1.50	0.15
Visitors' Engagement	193,417	203,519	10,102	374,989	407,042	32,053	<i>At the time the budget was prepared some of the salary of the curiosity coordinator was allocated to Customer Services as she had oversight of this team.</i>	7.29	6.28	1.01
Communications	97,458	87,412	(10,046)	211,108	186,422	(24,686)		2.69	1.69	1.00
Concepts & Engagement	159,905	209,531	49,626	279,258	530,673	251,415	<i>This variance is the result of both vacant positions, and the shift of curator costs to exhibitions.</i>	2.00	8.90	(6.90)
Executive	259,920	242,162	(17,758)	462,655	529,612	66,957		3.00	5.60	(2.60)
Plus Annual Leave movement in provision and KiwiSaver Employer's contribution	27,990	36,945	8,955	70,368	78,323	7,955				-
Total Operational Payroll	1,076,228	1,104,253	28,025	2,188,342	2,403,587	215,245		26.76	33.91	(7.15)

2. Cash and Cash Equivalents

Te Manawa Museums Trust Details of Short Term Deposits As at 31 December 2022

Short Term Deposits		Interest Rate	31 December 2022
Term Investments	Maturity date		
Term Investment - BNZ0001 CCE	13/03/2023	2.25%	\$137,729
Term Investment - WP0025	30/07/2023	4.00%	\$185,852
Term Investment - Westpac 0023 CCE	3/02/2023	2.65%	\$158,619
Term Investment - Westpac 0024 CCE	3/02/2023	2.85%	\$127,128
			\$609,328

3. Short Term Investments

Cash & Cash Equivalents		Interest Rate	31 December 2022
	Maturity date		
Short Term Deposits - Westpac 0022		-	\$0
Westpac Cheque Account			\$34,289
Westpac Online Saver Account			\$103,943
BNZ Cheque Account			\$11
Petty Cash / Cash Floats			\$1,903
	17/02/2023	2.30%	\$205,523
			\$345,669

4. Specific Reserves

Specific Reserves

Specific Reserves	Balance at 01/07/22	Transfers from Retained Earnings	Disbursements / Release of Funds	Balance as at 31 December 2022	Forecast transfers in/(out)	Year-End Forecast Balance	Comments
Collection Development Fund - General	14,021	-		14,021	-	14,021	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	365,398		-	365,398		365,398	
Total Specific Reserves	401,501	-	-	401,501	-	401,501	

5. Endowment Funds

Te Manawa Museums Trust

Endowment Fund	Balance at 01/07/22	Additional Endowments	Disbursements / Release of Funds	Balance as at 31 December 2022	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

6. Fixed Assets

Fixed Asset Additions - At 31 December 2022						
Asset Description	Closing Book Value 30 JUNE 2022 / Opening Book Value 01 July 2022	Additions to 31 December 2022	Disposals	Depreciation / Amortisation	Disposals + Impairment disposal	Closing Book Value 31 December 2022
Information Technology	46,279	24,870	(2,680)	(16,188)	2,418	54,699
Exhibitions	248,809	3,161	(16,890)	(42,508)	16,890	209,461
Furniture & Fittings	73,906	0	-	(9,446)	-	64,460
Leasehold Improvements	38,878	-	-	(5,084)	-	33,793
Plant & Equipment	441,783	45,221	-	(72,640)	-	414,363
Work in Progress	42,100	6,578	(42,100)	-	-	6,578
Total Property, Plant & Equipment Assets	891,754	79,830	(61,670)	(145,868)	19,308	783,353
Collections						
- Collection Assets - Owned	8,021,371	51,194	(286)	-	-	8,072,279
- Collection Assets - Custodial	9,044,114	-	(800)	-	-	9,043,314
Total Collection Assets	17,065,485	51,194	(1,086)	-	-	17,115,593
Intangibles	8,148	4,200	-	(2,406)	-	9,943
Work in Progress	-	-	-	-	-	-
Total Intangible Assets	8,148	4,200	-	(2,406)	-	9,943
Total Fixed Assets	17,965,387	135,224	(62,756)	(148,273)	19,308	17,908,889

1 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 2022 and were approved by the Board of Trustees on 23 February 2023.

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.

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 include 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 initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment 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 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. 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.

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 March 2021. 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 at May 2020. 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 2022.