



2019/20

Te Manawa  
Museums Trust  
He Pūrongo ā Tau  
Annual Report

FOR THE YEAR ENDED 30 JUNE 2020



**te manawa**  
TE PAPAIOEA PALMERSTON NORTH



# EXPERIMENTAL PLANT PHYSIOLOGY FOR BEGINNERS

BY  
LUCY M. COX,  
LECTURER IN PHYSIOLOGY



LONGMANS GREEN  
39, PATERNOSTER ROW;  
FOURTH AVENUE & 23rd STREET;  
BOMBAY, CALCUTTA, AND MADRAS  
1915

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## 10. The Fruit

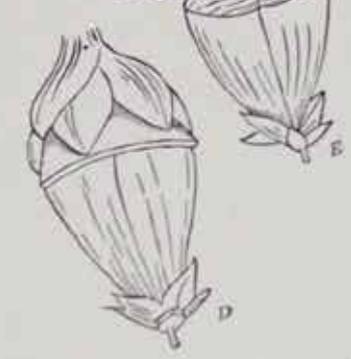
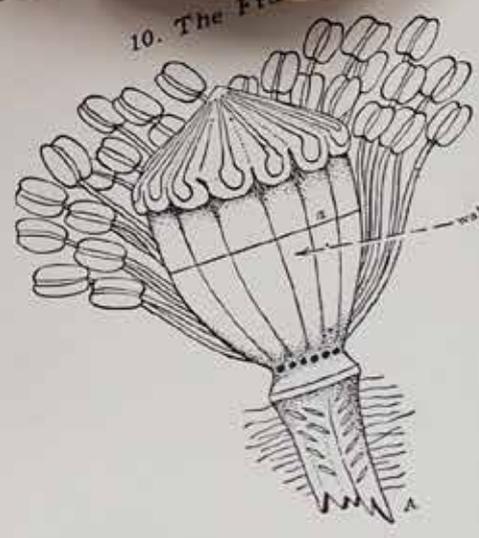


FIG. 105. Types of dry fruits derived before dehiscence: B, mature poppy pod; C, immature poppy capsule, showing its many cells opening by transverse lid; F, capsule B.

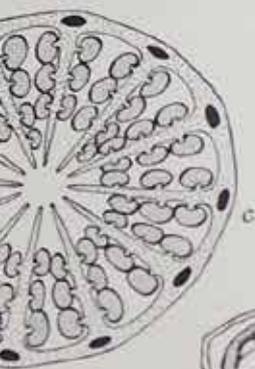
Aim.—To show  
shoot in response to  
Metabolism.—A large  
of water and  
minate. When  
has reached  
atomy

the cork in  
the cork  
with par  
he

Seedlings



EXPERIMENT 63  
 the curves taken by the  
 gravitational stimulus.  
 the axis suspended over



from a compound ovary. A, poppy capsule, side view  
 capsule detaching by pores at the top; C, cross section of  
 capsule; D, mature capsule of plantain; E, capsule of plantain  
 at the time of tulip detaching lengthwise; G, cross section of ovary; (A,  
 and C, redrawn from Korovin)



Fig. 106. Anomalous growth of plant  
 view; B, cross section  
 bins, Botany of Crop Plants

ley, oats, rye, corn, and rice. Like  
 the grain is a dry one-seeded fru-  
 it (Fig. 107). It differs from  
 the achene in that the pericarp  
 and the seed coat are firmly united  
 way around and it is difficult to separate  
 the two except by special milling processes.  
 Samaras or Key Fruit. This is a dry, in-  
 delhiscent fruit, which may be one-seeded,  
 as in the elm, and "tree heaven"  
 (Ailanthus), or two-seeded, as in maple  
 (Fig. 108) and box elder. These fruits are  
 typified by an outgrowth of the ovary wall  
 which forms a winglike structure  
 Schitocarp  
 side of the  
 which incl  
 rot, par  
 corianda  
 that ex



Fig. 107. Median length of wheat grain  
 wheat grain. (Redrawn from Pope in Extension  
 Circular, U. S. Dept. of Agriculture)





**ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2020**

Prepared by Te Manawa Museums Trust, November 2020.



# Ngā ihirangi

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# Rise to the occasion

## As many organisations will be

commenting, the 2019/20 year has been dominated by the COVID crisis and its after effects. Te Manawa is no exception to this. We remain in a state of uncertainty as to the final effect of this pandemic and its ramifications for New Zealand and Palmerston North. One thing we have in our favour is that the leadership of our country and city rose to the occasion, regardless of politics and individual interest.

For Te Manawa that meant that, although we were required to close for a considerable time, our team was able to work on projects remotely and also keep our facilities safe and ready to re-open when able. We owe our team a sincere vote of thanks for their efforts during this time and in the re-opening period.

Andy will expand on the activities we have been able to engage in and deliver both prior to and subsequent to 'lock down' and I don't propose to repeat those. The restricted level of activity we were able to deliver has however had a significant financial effect. While visitor income was of course down, expenditure was also, as a number of projects have been delayed into the 2020/21 year. This is reflected in the bottom-line surplus we are reporting for this year and subsequently in the projections for 2020/21.

PNCC initiated improvements to the Letter of Expectation and Statement of Intent process which culminated in a very productive workshop with Councillors and Officers. We are pleased that this process clarified the areas that we are to concentrate on into the future and the clear guidance given to us. Areas the councillors highlighted were:

- Supporting inclusivity in our community
- Getting the collections out – using the assets we have

- Maintaining a turnover of exhibitions to engage our audiences
- Reviewing and publishing the exhibition programme – local, national and international
- Growing physical and digital visitation numbers
- Maintaining and enhancing connections and relationships
- Working with the Ministry of Education on the future of the LEOTC programme and its funding
- Sourcing sustainable external funding for programmes and exhibitions

**"One thing we have in our favour is that the leadership of our country and city rose to the occasion, regardless of politics and individual interest."**

Our new SOI reflects these aims as we move forward. We have also begun a planning process within the Trust Board with the aim of initially clarifying our overall vision statement and then engaging in a strategic planning process leading into our business plan later in the year. I am conscious that, in asking our Trust Board to participate in this level of detail, we must remember that these are volunteer members and they give freely of their time for the good of the organisation. We must never take that for granted.

With respect to the team at Te Manawa, a new wellbeing committee has been formed reporting through to the Audit and Risk committee. This group has the objective of checking in on and monitoring staff wellbeing generally

and its first action has been to initiate a regular staff survey so team members can give confidential feedback to the organisation, and the leadership team in particular. We will watch its progress closely.

The Science, Art and Museum societies now have full representation on our collection committee and increased communication with all three is critical as we move forward and revitalise our exhibition programme. Their joint and individual input remains an asset to us and helps maintain the intellectual independence so important to our success.

Rangitāne, our Iwi partners, continue to guide us and work closely with us and there are developments in the planning phase for the next few years that will further enhance this as the vision for 'Rangimārie', the cultural centre within Te Manawa comes to realisation.

Again, I must acknowledge our team and volunteers at Te Manawa – particularly in the strange and new COVID environment we found ourselves in they continued to remain committed to Te Manawa. We could not function as we do without them. Our societies, our funders at PNCC, the New Zealand Rugby Museum, Manawatu District Council, Globe theatre, Centrepoint and our many sponsors and fellow CCOs continue to support us and offer encouragement and advice.

We thank you all and hope for a better and more prosperous financial year for all of us moving forward.



**John Fowke**  
Chair  
Te Manawa Museums Trust Board



# Resilience in extraordinary times!

## COVID-19

Visitor numbers to Te Manawa started to decrease from January 2020 onwards as news of Covid-19 spread on an international scale.

As well as this, some of the national venues that were confirmed to take our own touring exhibitions like the Forrester Gallery had to pull out. All large events, exhibitions and functions that were planned from Feb – June 2020 were cancelled or postponed until further notice. Our online reach increased from 634,221 in 18/19 to 664,932 19/20 which was an indication of our strong online presence particularly with innovative learning programmes delivered digitally during the lockdown.

As museums closed and continue to close around the world due to Covid-19 we are fortunate to continue to be supported by the Palmerston North City Council and I want to acknowledge the council for their support, in particular over the lockdown 20 March - 20 May 2020. The communication and interest in the well-being of our staff was noted and appreciated.

## TE PAPA CONNECTION

I was appointed to the Te Papa Trust Board, which is an acknowledgement of the work the Te Manawa team has been doing especially around inclusivity on the international stage. The results of this work can be seen in various ways such as the Santa's Cave exhibition being presented in sign language to members of Deaf Aotearoa (Manawatū), NOA open studio artist Malachi Oldridge being selected as a finalist in the IHC art awards and the Ngā Toa Patrick Bronte interviews. Exhibitions we have developed in response to the Covid-19 pandemic like "Common...Pause" are also breaking new ground.

## EXHIBITIONS

22 exhibitions opened over the year including *Colin McCahon - A Centenary*

*Exhibition* (part of the national McCahon commemorative trail); Award winning nano science focused exhibition 'Mighty Small Mighty Bright' developed by MOTAT in Auckland; *Te Hā-o-Hine-Ahu-One* (Palmerston North Women's Health Collective) –fundraiser exhibition (art auction proceeds around \$25k); Ngā Kete Toi- Wānanga exhibition; Melissa Laing- *Controlled Environment Laboratory*; *Mirror Magic*; United Arab Emirates; Animalia and Ngā Toa. The first stage of the refresh of the ever-popular KidsTM space was completed with funds donated by a range of local companies.

## COLLECTION

The Collection continues to grow and gather support from our community. We were excited to receive a 100-year-old time capsule from St Paul's Methodist Church, a significant financial donation from an anonymous donor for a sculptural work for Te Manawa and

**"The Collection continues to grow and gather support from our community."**

the offer of a significant art collection from a private donor. Manawatū sculpture *Falling Waters* (Fred Graham) was refurbished and installed on the Conference & Function Centre, a joint project between PNCC, the Sculpture Trust and Te Manawa – a real asset for the City!

## EVENTS

Over 100 events both on site and off site enabled communities to interact with Te Manawa in different ways including Māori Language week; Chamber Music NZ; Haunted Museum at the Esplanade; Te Manawa after Dark; Laser Tag, Nerf Wars, Spotlight; Family Festival; Te Manawa Takeover- collaboration with Centrepoint and scientist and heritage displays and talks.

## LEARNING

Despite the ongoing impacts of Covid-19 on engagement with face-to-face learning experiences, we had a strong year with a total of 21,316 people participating in learning programmes and activities. We had visitors travel to attend learning experiences from Feilding, Levin, Pahiatua, Whanganui, Masterton, Dannevirke, Waikanae, Halcombe, Marton, Taihape and our local Palmerston North district.

## VISITORS

End of year visitor numbers still achieved over 100,000 visitors through the door, which is quite extraordinary given that numbers decreased or were non-existent for half of the year- January to June.

## FEEDBACK

In feedback collected from our visitors during the 2019/20 year, 99 per cent rated their Te Manawa experience "Excellent" or "Good".

## ENHANCING PARTNERSHIPS AND BUILDING PROFILE

It was excellent to see some of the projects in which Te Manawa was instrumental in the early stages like large scale street art and Urban Eels come to fruition. Partnerships were strengthened with our tertiary sector - UCOL, Massey University, Te Wānanga o Aotearoa and IPU; and our community sector - Alzheimers NZ, Red Cross Manawatū Association, Manawatu Multi-Cultural Society, Skilled Migrants Network, Deaf Aotearoa (Manawatū), Rainbow Tick NZ, Idea Services, Women's Art Initiative (WAI), Manawatū Refugee Voice and, MALGRA.

## IN A NUTSHELL...

- Te Manawa awarded accreditation as an organisation 'Working towards Becoming Dementia Friendly', believed to be the first NZ museum to have such recognition from Alzheimers NZ.

- Physical Visitor numbers were severely impacted from January 2020 as news of Covid-19 spread. Many projects that Te Manawa was working on were postponed or cancelled due to Covid-19 including off-site events and touring exhibitions.
- Tamariki exhibition first stage refresh completed end of June - funds donated by a range of companies including Beca. Second stage will take place late in the year with Westpac donating \$20k.
- Budget: the operating surplus, after collection movements for the 12 months until end of June is \$278,012 compared with a budgeted surplus of \$109,144. This was due to roles not being filled and projects not being able to be carried out due to Covid-19.
- Feedback - 99% good to excellent
- Significant Manawatu sculpture Falling Waters (Fred Graham) refurbished and installed on the Conference & Function Centre – joint project between PNCC, Sculpture Trust and TM
- Te Manawa ran a fundraiser art auction with proceeds (around \$25k) going to Te Hā-o-Hine-ahu-one/ The Palmerston North Women's Health Collective
- 100-year-old time capsule from St Paul's Methodist Church came to TM
- Significant financial donation received from an anonymous donor(\$30k) for an Andrew Drummond sculptural work for TM
- Significant collection of art offered by a private collector.
- Street Prints Papaeoia project - There was a loop back to the beginning of large scale street art in Palmerston North with the inclusion of the original designer Ariana Te Aweawe, Neil Wallace and Te Arohanoa artists who created the TM Courtyard mural 7 years ago.

Heneriata Te Whata worked with the artists which enabled the work to be finessed and augmented.

We are grateful for the support of Te Manawa Museum Society Inc, Science Centre Inc, Te Manawa Arts Society and the Collections Committee.

**"This is the time when the experimental and collaborative drivers of the Museum without Boundaries concept will be at the forefront of thinking in museums."**

We thank Rangitāne Iwi, PNCC and our many collaborators, supporters, sponsors including UCOL, Westpac, YORB, Inspire Net, FMG, Vitae Services, the Crozier family, artists and volunteers, UCOL, Massey University, Te Wānanga o Aotearoa, IPU, DOC, Dept. of Internal Affairs, National Services Te Paerangi, IHC and community organisations. I want to thank the Te Manawa team for their commitment and creativity over the past year.

**PLANNING**

Te Manawa has come through some lengthy review processes and will now be focussing on developing a robust Business Plan to include solid stakeholder relationship management and inclusion, fundraising and a 3 year and onward programme of exhibitions, upgrades and key events supported by innovative learning programmes.

Te Manawa has some exciting family friendly and interactive exhibitions coming up and is planning to connect into PN150, Massey Māori Arts Toioho-ki-Apiti 25th year anniversary with a particular focus on science, technology and the environment.

**FUTURE**

The future impact of Covid-19 on arts and cultural facilities across the world and the country is not yet known. We do know that there will be an increased focus on the local, regional and national markets.

Apart from the times we host exhibitions from international venues, and in the case of the Dinosaurs exhibition from London when we saw visitors came from Bluff to Kaitaia; the primary visitor demographic is local and regional.

With the severe reduction in international exhibition movement there are opportunities to collaborate with other facilities and organisations both national and regional. This is the time when the experimental and collaborative drivers of the Museum without Boundaries concept will be at the forefront of thinking in museums. There is general acceptance in museum circles that things are going to have to be done differently. The United Nations has listed anti-racism, increasing marginalisation, loneliness and climate change as key challenges for our world. Museums need to be acutely aware of these as we move forward.

Te Manawa's awareness of the potential for ongoing Covid-19 related issues has called for more urgent pivoting towards digital experiences and towards new opportunities that arise from the community needing human connection and optimism, and a trusted place to go for information.

Naku noa



**Andy Lowe**  
Chief Executive

# Staff

\*as at 30 June 2020

## Leadership Team

Andy Lowe BA, NZTCAE, CMI **Chief Executive**  
Maggie Vine **Executive Assistant**  
Henare Kani **Kaihautū**  
Catherine Parsons CA, BBS **Assets and Systems**  
Janet Ellery NZDip Bus Studies **People and Partnerships**  
Jeff Fox **Collections and Exhibitions**

## Collections

Cindy Lilburn BA, DipMusStud **Collections - Humanities**

## Facilities

Neil Martin **Facilities Manager**  
Barry Parker **Health and Safety Officer**

## Finance and Corporate Services

Graeme Beal BA **Marketing and Communications Manager**  
Rob Mildon BA **Marketing and Communications Coordinator**

Alison Mullins GTCL **Payroll Officer**  
Martine Macdonald **Accounts Administrator**

## Exhibitions

Gary Collins **Programme Developer**  
Roma Pōtiki **Programme Developer**  
Imogen Stockwell **Programme Developer**  
Graeme Slimin **Production Manager**

## Venues and Events

Anne-Marie Langvad BA, GradDipTchg (Secondary)  
**Programmes Support Officer**

Jamie Coombes **Events Developer**  
Matt Creahan **Events Developer**

## Te Rangahau Curiosity Centre

Jaime Court NCALNE, BA, PGDipEd **Curiosity Experience Manager**  
Kirsty Porter BTech (Hons), DipVA, Grad DipFA  
**Coordinator- Learning Development and Delivery**  
Pip Steel BA(Hons), DipTchg, PGDipMHST  
**Coordinator- Learning Development and Delivery**  
Himani Samarakoon BSc, MSc, MPhil  
**Coordinator- Learning Development and Delivery**

Mirjam de Oude B AT  
**Coordinator- Learning Development and Delivery**  
Natasha Bansal **Keeper, Live Exhibits**  
Izzabelle Flores **Keeper, Live Exhibits**

Pru Pim **Museum in a Box/Inclusion & Accessibility Coordinator**

## Visitor Engagement

Jenny Ngan BBS DipBS **Manager**  
Hannah Blake **Senior Visitor Host**  
Matty Green **Senior Visitor Host**  
Brian Shieffelbien **Senior Visitor Host**  
Andi Liepst **Visitor Host**  
Nicola Miller **Visitor Host**  
Kelsey Parkinson **Visitor Host**  
KC Sadlier **Visitor Host**  
Simona Watkinson **Visitor Host**

## Volunteers and Interns

Volunteers play an integral role at Te Manawa, their skills and enthusiasm animating its spaces as they make links to our collections and care for our guests. This year Te Manawa continued to work with Palmerston North's tertiary providers to incorporate students into many areas within Te Manawa: assisting with visitor market research; events assistance; weekend activities; community outreach and hosting. For international students, the Te Manawa experience is a great opportunity to experience 'Kiwi' culture, and to help shape a shared regional story that supports the organisation's vision for its communities.





# Exhibitions Summary

2019/2020

## Gallery 1

### **Colin McCahon: A Centenary Exhibition**

27 July-Dec 2019

Collection • Art

Te Manawa celebrated the 100th anniversary of New Zealand icon Colin McCahon with a centenary show of all of his works in our collections. This was the first time all 18 works had been on display together in our galleries.

### **Controlled Environment Laboratory**

27 July-28 Oct 2019

External • Art/heritage/science

Through film, archival material and sculpture Melissa Laing tells the story of a unique intersection of science, technology and social history in Palmerston North, New Zealand.

### **A Songless Land**

12 Dec 2019-19 Jul 2020

External • Art

Whanganui-based artist Sue Cooke brought her large-scale print based exhibition to Te Manawa. *A Songless Land* remembers the forests of the past, highlights the dangers of the present, and invites contemplation of a future rich in native trees.

### **Multiples**

Nov 2019-19 July 2020

Collection • Art

A request to display Gerda Leenards *Roaring 40s* work gave us the opportunity to pull together a small number of works from our collection that complemented the work. The collection had the unifying theme of all works being in multiple parts.

## Gallery 2

### **The Racks**

July, Oct and Feb

Collection • Art

Our 'democracy of the racks' display had three changes in FY19/20.

## Gallery 3

### **Taku P'eu Tupuna**

5 April-28 Oct 2019

Community

"The culture of my ancestors is also mine." Te Manawa worked with Vainetini o Manawatū, a group of Cook Islands women, to bring together this exhibition. The women have together created a distinctive tivaivai manu tātaura (appliqué and embroidered quilt) to represent coming to Aotearoa New Zealand and making the Manawatū their home.

### **Behind Closed Doors** (also in Atrium Foyer and Atrium)

1 Nov-8 Dec

Community

The Women's Art Initiative Collective took over our spaces again in 2019, filling G3, the Atrium and Atrium foyer with works that spoke to their advocacy for ending violence and collective creative processes.

### **Breakout** (Collection curios)

9 Dec 2019-19 July 2020

Collection • Art

Four works on display from our collections, chosen for being outside the square. The change out of this space was delayed due to COVID.

### **Top art**

March

Touring • Art

Every year the best art portfolios from NCEA students tour galleries countrywide, featuring painting, photography, printmaking and design from our next generation of promising young artists. Te Manawa only gets the portfolios for 3 days, but it is always a popular popup.



## Gallery 4

### **WOP**

**July-Oct 2019; Feb-June 2020**

**Collection • Art/digital**

The Art Gallery redevelopment gave us the opportunity to display the first part of our project to photograph our works on paper. The projections of these works and the fun furniture provide visitors a space to sit and experience a part of our collection and have a giggle.

### **Make me**

**16 Nov 2019-16 Jan 2020**

**Stakeholder**

Our annual UCOL exhibition that showcases the work of the final year BCM students. The show for 2019 displayed the work of 10 students and showed the diversity of creative media that is taught at UCOL.

## Gallery 5

### **How Green was my Trevally**

**9 March-1 Sept 2019**

**External • Art**

John Tarlton is a Californian-born New Zealand artist whose work shows his mastery of artistic techniques, his pervasive sense of humour and his talent for storytelling. This exhibition was a survey of twenty years of Tarlton's output, each piece imbued with a story that leads the viewer on a journey of discovery.

### **Ngā Kete Toi**

**14 Sept-1 Dec 2019**

**Stakeholder**

Our biannual exhibition that showcases the work of students, graduates and tutors of the Bachelor of Māori Arts degree in weaving at Te Wānanga o Aotearoa, in Palmerston North.

### **Animalia**

**7 Dec 2019-Covid.**

**Collection • Art**

This colourful exhibition of works from our collections that feature animals as subjects brought G5 to life. The theme pulled together glazed works from across our collections.

### **Excellence 2019**

**25 May-25 Oct 2020**

**External/Community • Art**

Our annual MATA show, exhibits' the Excellence portfolios of year 13 students from across Manawatū. This year we have 32 artists work on display, representing painting, drawing, printmaking, and design. The opening of this exhibition was delayed due to COVID.

## MacDiarmid Gallery

### **Women's Health Collective Art Auction**

**9-20 Sept 2019**

**External/Community**

Te Manawa worked with the Women's Health Collective to host an art exhibition for an auction to help raise money for the organisation.

### **Mighty Small Mighty Bright**

**23 Nov 2019-19 Sept 2020**

**Touring • Science**

A touring show from MOTAT in Auckland is an interactive exploration into applications of photonics, advanced materials, and nanotech. These are some of the world's most exciting scientific fields, and *Mighty Small, Mighty Bright* explains what they are and how they get used outside the lab.



## Atrium Foyer

### **Ngā Toa Many Warriors**

**25 May-27 Sept 2020**

**External/Community • Heritage**

There are millions of stories from the Second World War, but Ngā Toa – Many Warriors, focused on just two of them. Hugh Nairn and Cedric Young lived in this region and, though they fought in the same theatres, had very different experiences of the war – experiences that are communicated in their own words, art and photographs.

## Atrium

### **Mirror magic**

**14 Dec-16 May 2020**

**Te Manawa touring • Science**

This Te Manawa-developed touring science exhibition is a perennial favourite and it had another run in the sun over summer in the Atrium and Atrium Foyer.

## Semi-permanent

### **Tamariki – phase 1**

**Installed 11 May-30 Jun 2020**

Phase 1 of KidsTM refresh was completed in time for July school holidays, seeing a renaming to *Tamariki*, the removal of Ahi into a larger mobile enclosure, and the refresh of the kitchen and bedroom. Phase 2 design work is in process and due to be completed December 2020.

### **Totaranui historic house**

**Installed 2 Mar 2020**

Three new colonial-inspired display cases installed with relevant themed collection items in the Parlour and children's bedroom; as well as new wall-hung works in the Parlour and kitchen.

### **Te Rangi Whenua - Connecting Heritage UAE and Aotearoa**

**Nov 2019-Jan 2020**

**External • International Heritage**

This exhibition was toured by the United Arab Emirates through the Embassy of the UAE in Wellington and was displayed in *Te Rangi Whenua*.

# Collection acquisitions and deaccessions

2019 - 2020

## AUGUST 2019 ACQUISITIONS APPROVED BY THE TRUST BOARD

### Art Collection

|         |   |
|---------|---|
| 2020.14 | Tracy Te Hemi; <i>Ngā Hua o Papatūānuku (Earth)</i> , 2018; muka, horoeka, pīngao, corn husk. Purchase              |
| 2020.15 | Tracy Te Hemi; <i>Te Hau Angiangi o Tāwhiri-mātea (Wind)</i> , 2018; muka, leaf skeletons, seeds. Purchase          |
| 2020.16 | Tracy Te Hemi; <i>Te Pānga o Mahuika (Fire)</i> , 2018; muka, pine cone florettes, palm tree husk, leaves. Purchase |

### Heritage and Science Collection

|           |  |
|-----------|--|
| 2019/16/1 | Fossil scallop shell from Palmerston North. Donation                           |
| 2019/17/1 | Carpet strip c.1920s from Collinson & Cunninghame, Palmerston North. Donation  |
| 2019/66/1 | NZ soldier's kit bag, World War I. Donation                                    |
| 2019/66/2 | Autograph album c.1930s, Palmerston North. Donation                            |
| 2019/68/1 | Trench art ring made c.1944 at Ohakea air base. Donation                       |
| 2019/68/2 | Boer War souvenir. Miniature stone book, taken from Laings Nek, 1900. Donation |
| 2019/70/1 | Piupiu. Donation   |
| 2019/70/2 | Taaniko headband. Donation   |
| 2019/75/1 | Gold fob, presented 1919 to returned soldier at Ashhurst. Donation             |

## OCTOBER 2019 ACQUISITIONS APPROVED BY THE TRUST BOARD

### Art Collection

|         |   |
|---------|---|
| 2019.84 | Charles Allen (George) Newton-Broad; <i>Casserole Dish</i> , not dated, ceramic. Donation         |
| 2019.85 | Charlotte Newton-Broad; <i>Ginger jar with lid</i> , not dated, ceramic. Donation                 |
| 2019.96 | Rebecca Swan, Bruce Ha; <i>I am here</i> , 2017, two-channel video work. Donation                 |
| 2019.97 | Rebecca Swan; <i>What are you building?</i> , 2017, QuickTime Movie + MP4 digital files. Donation |

### Heritage and Science Collection

|                |   |
|----------------|---|
| 2019/72/1 – 5  | Spice containers c.1950s in red & white plastic. Donation                 |
| 2019/73/1      | Box Brownie Starlet camera c.1960s. Donation                              |
| 2019/76/1      | Waiata Poi sheet music c.1920s. Donation                                  |
| 2019/77/1, 2   | School textbooks related to stories of disability. Donation               |
| 2019/79/1 – 11 | Scouting uniform pieces, membership and bob-a-job cards c.1950s. Donation |
| 2019/82/1 – 3  | Four Square commemorative tea-towels, 2019. Donation                      |
| 2019/83/1      | Glass rolling pin given as wedding gift c.1900s. Donation                 |

### Deaccessions

|               |
|---------------|
| 74/329/1 – 34 |
| 83/17/1 – 79  |
| 2017/46/1 – 5 |

Three collections of archival material relating to the Neilson family and Eileen Savell nee Neilson of Pohangina. To be passed to Palmerston North City Council Archives and united with their Savell archives.

DECEMBER 2019

ACQUISITIONS APPROVED BY THE TRUST BOARD

Art Collection

|          |   |
|----------|---|
| 2019.105 | H. Linley Richardson; <i>Sunlight</i> , c.1938-1942, watercolour on paper, framed. Donation |
| 2019.106 | Charles Allen (George) Newton-Broad; Vase, late 20th century, ceramic. Donation             |
| 2019.107 | Charles Allen (George) Newton-Broad; Saucer, late 20th century, ceramic. Donation           |
| 2019.108 | John Lawrence; <i>Small pot</i> , c.1970s, ceramic. Donation                                |
| 2019.109 | John Lawrence; <i>Milk jug</i> , c. 1970s, ceramic. Donation                                |
| 2019.110 | John Lawrence; <i>Short vase</i> , c. 1970s, ceramic. Donation                              |
| 2019.111 | John Lawrence; <i>Canister with cork stopper</i> , c.1970s, ceramic. Donation               |
| 2019.112 | John Lawrence; <i>Canister with cork stopper</i> , c.1970s, ceramic. Donation               |

Heritage and Science Collection

|               |  |
|---------------|--|
| 2019/88/1     | Handwritten recipe book c.1950s. Donation  |
| 2019/89/1-60  | Slides of the 1971 Palmerston North Centennial parade. Donation  |
| 2019/93/1     | Card printing press c.1880, used by local printer. Donation  |
| 2019/94/1     | Ventilator grille c.1911 from St Pauls Methodist Church, Palmerston North, demolished 2020. Donation           |
| 2019/95/1     | 'Sweetnook' tin c.1950s from Palmerston North confectioner. Purchase   |
| 2019/98/1, 2  | Cordial bottles c.1890s from Feilding aerated water manufacturers, William Summers and Walter Hodren. Donation |
| 2019/98/3, 4  | Beer bottles c.1950s from Tui Brewery, Pahiatua. Donation  |
| 2019/99/1     | Home-built motorised Meccano 'tank' c.1940s-1950s. Donation  |
| 2019/103/1    | Queen Elizabeth II Coronation loving cup c.1953 by Royal Doulton. Donation                                     |
| 2019/103/2    | Basketball uniform c.1940s for Watchorns business team, Palmerston North. Donation                             |
| 2019/103/3, 4 | Solomon Islands paddle clubs x 2. Donation   |
| 2020/7/1      | Woman's suede hat c.1960s made by Amner & Kneebone, milliners, Palmerston North. Donation                      |
| 2020/7/2      | Kermit the Frog fancy dress from 1983, worn to Kairanga School ball. Donation                                  |
| 2020/7/3, 4   | Rocking horse, rocker made c. 1950s by Owen Mildon of Kairanga. Donation                                       |
| 2020/7/5, 6   | Toy snare drum, toy cat with ball c.1950s. Donation  |
| 2020/7/7, 8   | Rag doll with clothing, doll stroller c.1980s. Donation  |
| 2020/7/9, 10  | Home-made toy chainsaw and battleship c.1980s. Donation  |

|               |  |
|---------------|--|
| 2020/7/11, 12 | Kairanga Scouts flag, Kairanga Cubs wolf's head emblem. Donation                               |
| 2020/7/13     | Roll of honour for Kairanga, World War I. Donation   |
| 2020/7/14     | Table tennis paddle, 1932 used by champion Kairanga player. Donation                           |
| 2020/7/15     | Bottle c.1906-1930 of Claphams Electric Pain Oil. Donation                                     |
| 2020/7/16, 17 | Medicine glasses from Leary's Pharmacy, Palmerston North and Baxter's Cough Medicine. Donation |
| 2020/7/18     | Farex baby food box c.1940s/1950s made by Glaxo, Bunnythorpe. Donation                         |
| 2020/7/19     | Specialist knife for Vacola preserving jars. Donation  |
| 2020/7/20     | Large white ceramic jelly mould. Donation  |
| 2020/7/21     | Cartridge loader for shotgun cartridges. Donation  |
| 2020/7/22     | Minimax fire extinguisher c.1900s-1950s. Donation  |
| 2020/7/23     | Branding iron for Kairanga farm. Donation  |
| 2020/7/24     | Alfa petrol-powered home lighting system. Donation   |
| 2020/7/25     | Silens Messor lawnmower c.1918. Donation   |
| 2020/7/26     | Shanks Rajah lawnmower c.1936. Donation  |

FEBRUARY 2020

ACQUISITIONS APPROVED BY THE TRUST BOARD

Art Collection

|          |   |
|----------|---|
| 2020.23  | Andrew Drummond; <i>Kowhai (Leaf Form series)</i> , 2020, stainless steel. Purchase |
| 2020/4/1 | Palmerston North Borough Council crested jug. Purchase                              |

APRIL 2020

ACQUISITIONS APPROVED BY THE TRUST BOARD

Meeting cancelled due to Covid-19 lockdown and Collecting Moratorium; no new acquisitions for consideration

JUNE 2020

ACQUISITIONS APPROVED BY THE TRUST BOARD

Art Collection

|                  |   |
|------------------|---|
| 2020.17          | Adrienne Spratt; <i>Pōtae tauā</i> , 2019, muka and seaweed. Purchase   |
| 2020.18          | Adrienne Spratt; <i>Pōtae muka</i> , 2019, muka. Purchase   |
| Acc. no. pending | Sean Crawford; <i>The head of John Doe</i> , 2019, corten steel and steel. Joint Purchase between Te Manawa Museums Trust and Palmerston North Public Sculpture Trust |

# Collection outward and inward loans

2019 - 2020

## OUTWARD COLLECTION LOANS

### JULY 2019, continued from 2018-2019

- L1504** **Christchurch Art Gallery Te Puna o Waiwhetu** Eileen Mayo, nine works, (two Te Manawa Art Society Inc; seven Te Manawa Museums Trust); for the exhibition *Eileen Mayo: Nature, Art and Poetry*; loan period 30 July 2018 – 31 July 2019
- L1505** **Waikato Museum Te Whare Taonga o Waikato** Melvin Day, two works 2017.26 *Mazzocchio (Uccello Series)*, and 2017.27 *The Discovery of the True Cross* (both Collection Te Manawa Museums Trust). For the exhibition *Melvin Day: a Modernist perspective*; loan period 15 May – 30 November 2019

### August 2019

- L1506** **Waikato Museum Te Whare Taonga o Waikato** 83.1 Robyn Kahukiwa, 1980, Hinetitama, Collection Te Manawa Art Society Incorporated. For the exhibition *E Hine e! E Hine e!*; loan period 23 August 2019 – 14 September 2020

### September 2019

- L1508** **Tauranga Art Gallery**: 2009.44 Kelcy Taratoa, *Replicant 36*, 2009, Collection Te Manawa Museums Trust. For the exhibition *Kelcy Taratoa: Who am I? Episode 1*. Loan period 23 September 2019 – 1 April 2020
- L1509** **Tauranga Art Gallery**: 2014.26 Greg Semu, *Kupapa Wars*, 2007-2008, Collection Te Manawa Art Society Incorporated. For the exhibition *Te Rangi Haupapa – a woven history*. Loan period 23 September 2019 – 1 April 2020

### October 2019

- L2019.9** **Central Baptist Church**: Pulpit Bible, 5 x items of Baptist Church ephemera, Collection Te Manawa Museums Trust. For the 125th anniversary of the church in Palmerston North. Loan period 24 – 29 October 2019

### November 2019

- L2019.10** **Waitangi National Trust**: 28th [Maori] Battalion drum, Collection Te Manawa Museums Trust. For their new museum: 'The price of citizenship'. Loan period: 16 November 2019 – 1 November 2022 with right of renewal for further two years.

### February 2020

- L2020.1** **Rangitāne**: Tanenuiarangi flag, on loan to Te Manawa Museums Trust. For Waitangi Day. Loan period: 5 – 7 February 2020
- L2020.2** **Palmerston North City Library**: book – Brazil, its history and peoples from 1865, for research purposes. Loan period: 10 February – 11 November 2020

### March 2020

- L2020.4** **Palmerston North City Council**: samurai armour, Collection Te Manawa Museums Trust. For Festival of Cultures Day. Loan period: 6 March 2020

## INWARD COLLECTION LOANS

### October 2019

- 2019.113 - 115 Maire Sewell, c/o Marion Dixon**: three local portraits by Margaret A. Waters, 1969 – 1985, duration of loan: July 2019 – June 2021

### February 2020

- 2020.1** **Malcolm Nairn**: photos, sketchbooks by Hugh Nairn, World War II, for Nga Toa exhibition, duration of loan: January – April 2020 [extended to September 2020 due to Covid 19 lockdown]
- 2020.2** **Malcolm Nairn**: kitbag, compass, sketches by Hugh Nairn, World War II, for Nga Toa exhibition, duration of loan: January – April 2020 [extended to September 2020 due to Covid 19 lockdown]

# Independent auditor's report

To the readers of Te Manawa Museums Trust's financial statements and performance information for the year ended 30 June 2020

The Auditor-General is the auditor of Te Manawa Museums Trust (the Trust). The Auditor-General has appointed me, Chris Webby, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

## Opinion

We have audited:

- the financial statements of the Trust on pages 24 to 48, that comprise the statement of financial position as at 30 June 2020, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 20 to 23.

In our opinion:

- the financial statements of the Trust on pages 24 to 48:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2020; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- the performance information of the Trust on pages 20 to 23 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2020.

Our audit was completed on 25 November 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to the impact of Covid-19 on the Trust. In addition, we outline the responsibilities of the Trust Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

## Emphasis of matter – Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Trust as set out in note 25 to the financial statements and page 23 of the statement of service performance.

## Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of the Trust Board for the financial statements and the performance information

The Trust Board is responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trust Board is also responsible for preparing the performance information for the Trust.

The Trust Board is responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Trust Board is responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trust Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trust Board intends to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The Trust Board's responsibilities arise from the Local Government Act 2002 and other relevant Act or document (such as a Trust Deed).

## Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether

the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Trust's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trust Board.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trust Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date

of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trust Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### Other Information

The Trust Board is responsible for the other information. The other information comprises the information included on pages 5 to 17, but does not include the financial statements and the performance information, and our auditor's report thereon.

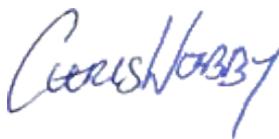
Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.



Chris Webby  
Audit New Zealand  
On behalf of the Auditor-General  
Palmerston North, New Zealand

# Statement of service performance

1 July 2019 to 30 June 2020

| PLANNED ACTIVITIES   | 2019/2020<br>(Target) | STATUS  | RESULT   | COMMENTS  |
|--|-----------------------|---|--|---|
| <b>1. Te Manawa's profile as a place to visit is maintained</b>                        |                       |   |  |   |
| A high number of visitors to Te Manawa experiences                                     | 170k                  |  | 100,599 (59% achieved against the annual target).<br>As a result of Covid-19 anticipated visits of 2,573 were cancelled for March 2020<br><br>(See notes on Covid 19 effect on visitors on attached note below)<br><br>(2018/2019: Not Achieved - 126,666 visits in person against a target of 178,000)  | Mighty Small Mighty Bright visits 16,124<br>1 Nov 19 – 30 June 20.<br>LEOTC contracted service levels for Sci Tech Maths and Art Health PE were achieved for the 2019 calendar year.<br>Total Learning visits: 21,316 against an annual target of 30,755 (70% achieved)<br>Total onsite event visits YTD: 9,870 against an annual target of 7,000 (140% achieved)<br>*Measured electronically<br>Covid-19 affected visitor numbers Jan-Jun 2020   |
| Exhibitions and products increase Te Manawa's profile across New Zealand and the world | 50k                   |  | 16,303 (33% achieved against the annual target).<br>No further venues took up the offer of Topp Twins and due to Covid-19 multiple events, functions and programmes that were booked to be held at or with Te Manawa were cancelled by external organisers.<br><br>Venues that were supposed to take our other touring exhibitions were cancelled due to Covid-19<br><br>(2018/2019: Achieved - 103,589 against a target of 100,000) | This category includes visit numbers for touring exhibitions, off-site events, and other Te Manawa activities occurring off-site<br>Topp Twins Exhibition was at Ashburton Museum<br>TM CEO selected for Te Papa Trust Board in recognition of work TM does<br>Te Manawa awarded accreditation as an organisation 'Working Towards Becoming Dementia Friendly' – believed to be the first museum in New Zealand to have such recognition from Alzheimer's New Zealand<br>Renewed membership to international change network OFBYFOR ALL |
| On-line presence attracts increasing interest  | 400k                  |  | 664,932 (166% achieved against the annual target)<br>Shows the potential of ON-LINE engagement<br>(2018/2019: Achieved - 634,221 against a target of 200,000)  | Total e-visits 54,544 against an annual target of 60,000  |
| <b>TOTAL VISITS to TM Experience</b>   | 620k                  |  | 781,834 (126% achieved against the annual target)<br>(2018/2019: Achieved - 864,476 against a target of 478,000)   |   |

| PLANNING ACTIVITIES   | 2019/2020 (Target)                      | STATUS  | RESULT                          | COMMENTS  |
|---|---|---|---------------------------------|---|
| Partner with Rangitāne to create more opportunities for Rangitāne with Te Manawa  |   |  | 2 Rangitāne members on TM Board | UAE exhibition opened on 15 Nov in Te Rangi Whenua and closed 31 Jan 2020.                |
| Develop Rangimārie (a Māori tourist attraction based on stories of Rangitāne told and performed at Te Manawa and marae) | 2,000 visitors to Rangimārie activities | Not measured 2019/20  | (Not measured: 2018/2019)       | Rangimārie Project Plan in development and PGF proposal brief submitted. Marae activities |

### 3. Third party revenue and visitor satisfaction ratings underpin Te Manawa's reputation and activities

|  |                |  |  |  |
|--|----------------|--|--|--|
| Develop and implement a strategy to increase third party revenue | \$651k         |   | Achieved \$337,060 for twelve months to 30 June 2020 (51.78% of end of year target). (2018/19: Not achieved) | Projects cancelled due to Covid-19<br>Venue hire of \$7,159 cancelled because of TM closure during Covid-19  |
| Maintain high levels of visitor satisfaction                     | >96% satisfied |  | 99% Good/Very Good/Excellent<br>(2018/2019: Achieved 99% against a target of >96%)                           | Results based on visitor feedback collected by customer services at time of visit: Example comments include: <ul style="list-style-type: none"> <li>• "It's (Gallery 4) a very cool little immersive room"</li> <li>• "Staff are very friendly and approachable. Areas are very clean and tidy. 10/10"</li> <li>• "It's a really great space, so great for kids"</li> <li>• "We didn't realise how great this museum was for kids! Way better than a museum with only old things to look at"</li> <li>• "Loved the Sue Cooke exhibition and the spinning chairs"</li> <li>• "Visiting from Scotland. Great collection"</li> <li>• "Love that you got toys outside as well to keep kids occupied. Such a cool museum"</li> <li>• "The water room was a real hit"</li> <li>• "The students work is really amazing" (Top Art exhibition)</li> </ul> |

### 4. The long-term vision and service levels are supported by future-focussed public engagement and project implementation practices

|  |  |   |  |  |
|--|--|---|--|--|
| Develop foundational principles and establish a programme of projects that demonstrate community participation and experimentation | Develop and deliver two examples that explore and test 'out-of-the-box' thinking, and new approaches |  | Three initiatives delivered<br>One initiative in planning<br>(2018/19: Achieved) | Climate Change Theatre Action - delivered. See Quarter 1 Report for details.<br>UAE exhibition in TRW.<br>NOA PasteUp 3 Project exhibition opened 26 June 2020. This multi-site community art project received financial and in-kind support from PNCC, and IHC. The timeframe for the project was delayed as a result of Covid-19.<br>Oral Histories Project for people living with disabilities. In planning – an exhibition-style project to celebrate the achievements and lives of people living with disabilities in Manawatu, which is being supported with funding from Department of Internal Affairs. The project is working towards an Aug/September 2020 timeframe, but is subject to developments relating to Covid-19. |
|  | Debrief and document learnings   |  | (2018/19: Achieved)  | Climate Change Theatre Action Initiative successfully debriefed.   |

| PLANNING ACTIVITIES  | 2019/2020 (Target)  | STATUS | RESULT  | COMMENTS  |
|--|---|--------|---|---|
| Develop and manage Human Resource systems aligning with and supporting the Te Manawa model and culture | All appropriate staff have annual Performance Reviews and agreed Development Plans for 2019/2020 in place | ✓      | Development plans for 20/21 are under way<br>(2018/2019: Achieved)  | Completed   |
| Provide Te Reo Māori training  | Provide Te Reo Māori training   | ✓      | (2018/2019: Achieved)   | Weekly Te Reo Sessions for all staff<br>Weekly Waiata Sessions for all staff        |
| Provide contemporary museum training   | Provide contemporary museum training  | ✓      | 5 staff members are completing Service IQ training in: <ul style="list-style-type: none"> <li>NZ Cert in Business Level 3 (Intro to Team Leadership) x3 pers</li> <li>NZ Cert in Retail Level 3 x1 per</li> <li>NZ Cert in Tourism (Visitor Experience) Level 3 – x1 per</li> </ul> Conferences and meetings attended include: <ul style="list-style-type: none"> <li>Museum Educators Forum – New Plymouth July 2019. All TM Educators attended</li> <li>Symposium on community and commercial crafting of textiles, old and new. Attended by Collections Manager (Heritage)</li> </ul> OFBYFORALL Third Wave Registration Training completed for Front-of-House staff in the following areas: <ul style="list-style-type: none"> <li>Vulnerable Children's Act, and the impacts on interactions with Visitors</li> <li>Conflict Resolution</li> <li>Dementia Awareness (completed by all Te Manawa Staff)</li> </ul> (2018/2019 Achieved) | Marking delayed during Covid-19 and practical assessments could not be carried out. |
| Strengthen Staff engagement  | Staff engagement survey carried out   | ✓      | Staff survey carried out June 20<br>(2018/2019: Not measured)   |   |

## Covid-19 Statement

Visitor numbers to Te Manawa started to decrease from January 2020 onwards as international news spread of Covid-19.

As well as this, some of the New Zealand museums that had confirmed or were considering hiring Te Manawa developed touring exhibitions revoked their requests e.g. Forrester Gallery, Oamaru and Nelson Museum.

All large and many smaller events, exhibitions and functions that were planned from 1 February until 20 March 2020 were cancelled or postponed until further notice. Examples of these include: Museum After Dark (estimated numbers 600-1200); Alzheimers NZ run Dementia friendly accreditation event (estimated numbers 200)

The museum closed on 20 March and reopened at Covid-19 Alert Level Two on 18 May. Visitors were slow to return until the end of June.

Due to the variation year to year in Te Manawa's offer visitor numbers can fluctuate, so it can be challenging to try to compare year against year. With the number of planned events that were cancelled from Jan- June 2020, visitor numbers should have been tracking higher this year than they did last year over this period.

We have however tried to estimate the effect on visitor numbers as per below:

| Monthly Visit Counts* | 2018-19            |                   |               | 2019-20            |                   |               | Difference (=2019-2020) |
|-----------------------|--------------------|-------------------|---------------|--------------------|-------------------|---------------|-------------------------|
|                       | Physical TM visits | Off-site Physical | Total         | Physical TM visits | Off-site Physical | Total         |                         |
| Mar                   | 7,379              | 2,069             | 9,448         | 4,465              | 1,102             | 5,567         | 3,881                   |
| Apr                   | 10,546             | 1,775             | 12,321        | 0                  | 0                 | 0             | 12,321                  |
| May                   | 8,297              | 808               | 9,105         | 1,051              | 0                 | 1,051         | 8,054                   |
| Jun                   | 9,185              | 1,938             | 11,123        | 5,206              | 0                 | 5,206         | 5,917                   |
| <b>TOTAL</b>          |                    |                   | <b>41,997</b> |                    |                   | <b>11,824</b> | <b>30,173</b>           |

\*Excludes on-line

## Statement of Comprehensive Revenue and Expense For the Year Ended 30 June 2020

|   | Note | Actual<br>2020 (\$) | Budget<br>2020 (\$) | Actual<br>2019 (\$) |
|---|------|---------------------|---------------------|---------------------|
| <b>Operating Revenue</b>  |      |                     |                     |                     |
| PNCC Operating Grant  | 4    | 3,199,909           | 3,199,909           | 3,131,026           |
| MDC Operating Grant   | 4    | 20,000              | 20,307              | 20,360              |
| Interest Revenue  | 4    | 15,486              | 6,236               | 13,892              |
| Other Operating Revenue   | 3, 4 | 301,577             | 640,890             | 415,924             |
| <b>Total Revenue</b>  | 4    | <b>3,536,972</b>    | <b>3,867,342</b>    | 3,581,202           |
| <b>Operating Expenditure</b>                                      |      |                     |                     |                     |
| Employee Expenses   | 5    | 2,017,312           | 2,239,966           | 2,091,061           |
| Finance Costs   |      | -                   | -                   |                     |
| Other Operating Expenses  | 6    | 1,010,251           | 1,273,280           | 1,341,677           |
| Depreciation and Amortisation Expense                             | 7    | 259,017             | 269,952             | 267,885             |
| Loss/(Gains) on Disposal of Property, Plant and Equipment         |      | 615                 | -                   | (1,017)             |
| Impairment of Property, Plant and Equipment                       |      | -                   | -                   |                     |
| <b>Total Operating Expenditure</b>                                | 2    | <b>3,287,195</b>    | <b>3,783,198</b>    | <b>3,699,605</b>    |
| <b>Net Surplus/(Deficit) before Movement in Collection Assets</b> |      | <b>249,777</b>      | <b>84,144</b>       | <b>(118,403)</b>    |
| <b>Movement in Collection Assets</b>                              |      |                     |                     |                     |
| <b>Revenue from</b>   |      |                     |                     |                     |
| Recognition of Donated Collection Assets                          | 4    | 28,419              | 20,000              | 74,426              |
| Recognition of Custodial Collection Assets                        | 4    | -                   | 5,000               | -                   |
|   |      | 28,419              | 25,000              | 74,426              |
| <b>less Expense from :</b>  |      |                     |                     |                     |
| Derecognition of Custodial Collection Assets                      |      | -                   | -                   | -                   |
| Derecognition of Owned Collection Assets                          |      | 184                 | -                   | 115                 |
|   |      | <b>184</b>          | <b>-</b>            | <b>115</b>          |
| <b>Total Net Movement in Collection Assets</b>                    |      | <b>28,235</b>       | <b>25,000</b>       | <b>74,311</b>       |
| <b>TOTAL REVENUE</b>  |      | <b>3,565,391</b>    | <b>3,892,342</b>    | <b>3,655,628</b>    |
| <b>TOTAL EXPENSE</b>  |      | <b>3,287,379</b>    | <b>3,783,198</b>    | <b>3,699,720</b>    |
| <b>Net surplus/(deficit) for the period</b>                       |      | <b>278,012</b>      | <b>109,144</b>      | <b>(44,092)</b>     |
| <b>Other Comprehensive Revenue and Expense</b>                    |      |                     |                     |                     |
| Revaluation of Owned Heritage Collection Assets                   |      | (1,094,239)         | -                   | -                   |
| Revaluation of Custodial Heritage Collection Assets               |      | (178,845)           | -                   | -                   |
| Revaluation of Owned Art Collection Assets                        |      | -                   | -                   | -                   |
| Revaluation of Custodial Art Collection Assets                    |      | -                   | -                   | -                   |
| <b>Other Comprehensive Revenue and Expense for the Period</b>     | 19   | <b>(1,273,084)</b>  | <b>-</b>            | <b>-</b>            |
| <b>Total Comprehensive Revenue and Expense for the Period</b>     |      | <b>(995,072)</b>    | <b>109,144</b>      | <b>(44,092)</b>     |

The accompanying accounting policies and notes form an integral part of these financial statements.

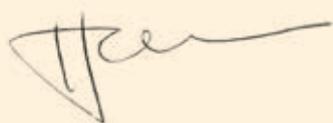
## Statement of Changes in Equity For the Year Ended 30 June 2020

|  | Note | Actual<br>2020 (\$) | Budget<br>2020 (\$) | Actual<br>2019 (\$) |
|--|------|---------------------|---------------------|---------------------|
| <b>Equity as at 1 July</b>                     |      | <b>17,851,060</b>   | <b>17,841,556</b>   | <b>17,895,152</b>   |
| <b>Comprehensive Revenue and Expense</b>       |      |                     |                     |                     |
| Net Surplus / (Deficit) for the Period         |      | 278,012             | 109,144             | (44,092)            |
| Other Comprehensive Revenue and Expense        |      | (1,273,084)         | -                   |                     |
| <b>Total Comprehensive Revenue and Expense</b> |      | <b>(995,072)</b>    | <b>109,144</b>      | <b>(44,092)</b>     |
| <b>Equity as at 30 June</b>                    | 8    | <b>16,855,988</b>   | <b>17,950,700</b>   | <b>17,851,060</b>   |

The accompanying accounting policies and notes form an integral part of these financial statements.

## Statement of Financial Position As at 30 June 2020

|  | Note | Actual<br>2020 (\$) | Budget<br>2020 (\$) | Actual<br>2019 (\$) |
|--|------|---------------------|---------------------|---------------------|
| <b>ASSETS</b>                              |      |                     |                     |                     |
| <b>Current Assets</b>                      |      |                     |                     |                     |
| Cash and Cash Equivalents                  | 9    | 694,163             | 411,151             | 582,450             |
| Receivables from Non-Exchange Transactions | 10   | 6,095               | 45,000              | 1,106               |
| Receivables from Exchange Transactions     | 11   | 6,436               | 1,600               | 13,625              |
| Prepayments                                |      | 8,125               | 57,000              | 63,767              |
| Short Term Deposit                         | 12   | 614,245             | 282,988             | 150,000             |
| Inventories                                | 13   | 51,472              | 50,000              | 50,070              |
| <i>Total Current Assets</i>                |      | <b>1,380,536</b>    | <b>847,739</b>      | <b>861,018</b>      |
| <b>Non Current Assets</b>                  |      |                     |                     |                     |
| Intangible Assets                          | 17   | 12,713              | 27,752              | 15,777              |
| Property, Plant and Equipment              | 18   | 833,696             | 920,479             | 964,533             |
| Collection Assets                          | 19   | 15,326,840          | 16,598,615          | 16,542,055          |
| <i>Total Non-Current Assets</i>            |      | <b>16,173,249</b>   | <b>17,546,846</b>   | <b>17,522,365</b>   |
| <b>TOTAL ASSETS</b>                        |      | <b>17,553,785</b>   | <b>18,394,585</b>   | <b>18,383,383</b>   |
| <b>LIABILITIES</b>                         |      |                     |                     |                     |
| <b>Current Liabilities</b>                 |      |                     |                     |                     |
| Payables under Exchange Transactions       | 14   | 371,902             | 160,000             | 292,166             |
| Deferred Non -Exchange Revenue             | 15   | 82,858              | 30,000              | 35,873              |
| Provisions                                 |      | -                   | 55,000              | -                   |
| Employee Benefit Liabilities               | 16   | 239,573             | 195,619             | 199,140             |
| <i>Total Current Liabilities</i>           |      | <b>694,333</b>      | <b>440,619</b>      | <b>527,179</b>      |
| <b>Non Current Liabilities</b>             |      |                     |                     |                     |
| Employee Benefit Liabilities               | 16   | 3,464               | 3,266               | 5,144               |
| <i>Total Non-Current Liabilities</i>       |      | <b>3,464</b>        | <b>3,266</b>        | <b>5,144</b>        |
| <b>TOTAL LIABILITIES</b>                   |      | <b>697,798</b>      | <b>443,885</b>      | <b>532,323</b>      |
| <b>NET ASSETS</b>                          |      | <b>16,855,988</b>   | <b>17,950,700</b>   | <b>17,851,060</b>   |
| <b>TRUST EQUITY</b>                        |      |                     |                     |                     |
| Contributed Capital                        |      | 145,565             | 145,565             | 145,565             |
| Retained Earnings                          |      | 10,561,326          | 10,507,774          | 10,343,694          |
| Reserves                                   |      | 6,149,097           | 7,297,361           | 7,361,801           |
| <b>TOTAL TRUST EQUITY</b>                  | 8    | <b>16,855,988</b>   | <b>17,950,700</b>   | <b>17,851,060</b>   |



John Fowke  
Chairman



Geoffrey Jameson  
Trustee

Date 25 November 2020:

The accompanying accounting policies and notes form an integral part of these financial statements.

## Statement of Cash Flows For the Year Ended 30 June 2020

|  | Note | Actual<br>2020 (\$) | Actual<br>2019 (\$) |
|--|------|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                |      |                     |                     |
| PNCC grant   |      | 3,199,909           | 3,131,026           |
| Interest received  |      | 16,191              | 14,129              |
| Receipts from other revenue                                |      | 349,862             | 395,647             |
| Payments to suppliers                                      |      | (875,274)           | (1,164,417)         |
| Payments to employees                                      |      | (1,978,563)         | (2,085,662)         |
| Interest paid  |      | -                   | -                   |
| Goods and services tax (net)                               |      | 19,198              | 14,793              |
| <b>Net cash inflow/(outflow) from operating activities</b> |      | <b>731,323</b>      | <b>305,516</b>      |
| <b>Cash flows from investing activities</b>                |      |                     |                     |
| Proceeds from investments                                  |      | 150,000             | 0                   |
| Purchase of intangibles assets                             |      | (3,345)             | 0                   |
| Purchase of property, plant and equipment                  |      | (122,386)           | (212,656)           |
| Purchase of collection assets                              |      | (29,634)            | (31,369)            |
| Purchase of Investments                                    |      | (614,245)           | 167,275             |
| <b>Net cash inflow/(outflow) from investing activities</b> |      | <b>(619,610)</b>    | <b>(76,750)</b>     |
| Effect of foreign exchange rates on cash                   |      | -                   | -                   |
| Net (decrease)/increase in cash and cash equivalents       |      | 111,713             | 228,766             |
| Cash and cash equivalents at the beginning of the year     |      | 582,450             | 353,684             |
| <b>Cash and cash equivalents at the end of the year</b>    | 9    | <b>694,163</b>      | <b>582,450</b>      |

The accompanying accounting policies and notes form an integral part of these financial statements.



# Notes to the financial statements

## 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 year ended 30 June 2020 and were approved by the Board of Trustees on 25 November 2020.

### 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 not large, 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.

### Other changes in accounting policies

There have been no other changes in accounting policies.

### 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 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 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 and Equipment    | 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 January 2018. 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 Associates, Auckland at March 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 offsets 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.

For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also 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'.

### Foreign currency transactions

PBE IPSAS 4.24.32 Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ\$ (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

### 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 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 30 June 2020.

## 2. Summary of Operating Expenses by Activity

|  | Actual<br>2020 (\$) | Actual<br>2019 (\$) |
|--|---------------------|---------------------|
| <b>Assets &amp; Systems:</b>                     |                     |                     |
| Employees' Costs                                 | 461,497             | 414,812             |
| Other Operating Costs:                           |                     |                     |
| - Collection                                     | 149,022             | 133,614             |
| - Facilities                                     | 238,326             | 242,267             |
| - Corporate Services                             | 173,231             | 168,827             |
|  | <b>1,022,076</b>    | <b>959,520</b>      |
| <b>Concepts &amp; Engagement:</b>                |                     |                     |
| Employees' Costs                                 | 315,001             | 446,337             |
| Exhibitions Operating Costs                      | 164,285             | 366,961             |
|  | <b>479,286</b>      | <b>813,298</b>      |
| <b>People &amp; Partnerships:</b>                |                     |                     |
| Employees' Costs                                 | 815,397             | 744,658             |
| Other Operating Costs:                           |                     |                     |
| - Education                                      | 21,513              | 28,113              |
| - Public Programmes and Events                   | 29,140              | 27,820              |
| - Communications/Advertising                     | 73,442              | 76,882              |
| - Sponsorship                                    | 3,810               | 10,013              |
| - Visitors' Host                                 | 34,620              | 42,317              |
| - Volunteers                                     | 215                 | 850                 |
|  | <b>978,137</b>      | <b>930,653</b>      |
| <b>Executive:</b>                                |                     |                     |
| Employees' Costs                                 | 425,417             | 485,253             |
| Other Operating Costs                            | 122,647             | 244,012             |
|  | <b>548,064</b>      | <b>729,265</b>      |
| <b>Depreciation/Amortisation</b>                 | 259,017             | 267,885             |
| <b>Loss ( Gain) on Disposals of Fixed Assets</b> | 615                 | -1,017              |
| <b>Impairment of Fixed Assets</b>                | 0                   | -                   |
| <b>Total Operating Expenditure</b>               | <b>3,287,195</b>    | <b>3,699,605</b>    |

### 3. Other Operating Revenue

|   | Actual<br>2020 (\$) | Actual<br>2019 (\$) |
|---|---------------------|---------------------|
| <b>Other Operating Revenue</b>                                  |                     |                     |
| From Exchange Transactions                                      |                     |                     |
| Merchandise / Shop  | 42,643              | 50,031              |
| Venue Hire  | 6,546               | 8,242               |
| Sundry Income Public Programmes Events and Activities           | 66,533              | 27,282              |
| Other   | 5,896               | 12,581              |
| <b>Other Operating Revenue (from Exchange Transactions)</b>     | <b>121,618</b>      | <b>98,136</b>       |
| From Non-Exchange Transactions                                  |                     |                     |
| Admission Fees - General  | 3,521               | 15,319              |
| Bequests & Distributions  | -                   | 3,000               |
| Community Grants  | 45,600              | 110,078             |
| Donated Fixed Assets  | -                   | -                   |
| Donations - General   | 23,764              | 25,674              |
| Education Programme Fees  | 14,659              | 12,824              |
| Sponsorship   | 5,000               | 34,697              |
| Hire of Education Kits  | 1,834               | 809                 |
| Ministry of Education LEOTC                                     | 68,947              | 36,688              |
| Public Programmes, Events & Activities                          | 5,349               | 2,151               |
| Sponsorship 'In Kind'   | -                   | 13,970              |
| Touring Revenue   | 10,000              | 59,368              |
|   | -                   | -                   |
| Other   | 1,285               | 3,210               |
| <b>Other Operating Revenue (from Non-Exchange Transactions)</b> | <b>179,959</b>      | <b>317,788</b>      |
| <b>Total Other Operating Revenue</b>                            | <b>301,577</b>      | <b>415,924</b>      |

#### 4. Revenue Classification in accordance with PBE IPSAS:

|  | ACTUAL                         |                            |  |
|--|--------------------------------|----------------------------|--|
|  | 2020                           |                            |  |
| Revenue from:                                    | Non-Exchange Transactions (\$) | Exchange Transactions (\$) | Total Revenue as per Statement of Comprehensive Revenue and Expense (\$) |
| Palmerston North City Council Operating Grant    | 3,199,909                      | -                          | 3,199,909  |
| Manawatū District Council Operating Grant        | 20,000                         | -                          | 20,000   |
| Interest Revenue                                 | -                              | 15,486                     | 15,486   |
| Other Operating Revenue (refer Note 3 above)     | 179,959                        | 121,618                    | 301,577  |
| <b>Subtotal Operating Revenue</b>                | <b>3,399,868</b>               | <b>137,104</b>             | <b>3,536,972</b>   |
| Revenue from Donated/Custodial Collection Assets |                                |                            |  |
| Recognition of Donated Collection Assets         | 28,419                         | -                          | 28,419   |
| Recognition of Custodial Collection Assets       | -                              | -                          | -  |
| <b>Total Revenue classified as Revenue from:</b> | <b>3,428,287</b>               | <b>137,104</b>             | <b>3,565,391</b>   |
|  | ACTUAL                         |                            |  |
|  | 2019                           |                            |  |
| Revenue from:                                    | Non-Exchange Transactions (\$) | Exchange Transactions (\$) | Total Revenue as per Statement of Comprehensive Revenue and Expense (\$) |
| Palmerston North City Council Operating Grant    | 3,131,026                      | -                          | 3,131,026  |
| Manawatū District Council Operating Grant        | 20,360                         | -                          | 20,360   |
| Interest Revenue                                 | -                              | 13,892                     | 13,892   |
| Other Operating Revenue (refer Note 3 above)     | 317,788                        | 98,136                     | 415,924  |
| <b>Subtotal Operating Revenue</b>                | <b>3,469,174</b>               | <b>112,028</b>             | <b>3,581,202</b>   |
| Revenue from Donated/Custodial Collection Assets |                                |                            |  |
| Recognition of Donated Collection Assets         | 74,426                         | -                          | 74,426   |
| Recognition of Custodial Collection Assets       | -                              | -                          | -  |
| <b>Total Revenue classified as Revenue from:</b> | <b>3,543,600</b>               | <b>112,028</b>             | <b>3,655,628</b>   |

## 5. Employee Expenses

|   | Actual<br>2020 (\$) | Actual<br>2019 (\$) |
|---|---------------------|---------------------|
| Salaries and Wages                          | 1,947,307           | 2,040,789           |
| Employer Contributions to Kiwisaver         | 51,193              | 45,916              |
| Employee Entitlements Increase / (Decrease) | 18,812              | 4,356               |
| <b>Total Employee Expenses</b>              | <b>2,017,312</b>    | <b>2,091,061</b>    |

## 6. Other Operating Expenses

|   | Actual<br>2020 (\$) | Actual<br>2019 (\$) |
|---|---------------------|---------------------|
| Fees to Audit New Zealand for audit of financial statements | 37,903              | 28,455              |
| ACC   | 3,872               | 8,529               |
| Advertising & Promotion                                     | 50,682              | 50,873              |
| Collection Revaluation Fees                                 | 8,400               | -                   |
| Computer & IT Support                                       | 53,238              | 40,578              |
| Communication/Social Media                                  | 14,548              | 34,041              |
| Contractors   | 172,601             | 256,493             |
| Cost of Sales - Merchandise                                 | 25,679              | 36,146              |
| Freight   | 14,654              | 22,831              |
| Hire fees - Exhibitions                                     | -                   | 130,470             |
| Impairment of Receivables                                   | -                   | -                   |
| Insurance - Material Damage                                 | 19,059              | 18,584              |
| Insurance - Collections                                     | 29,347              | 47,771              |
| Inventory Write Down  | 1,316               | -                   |
| Legal Fees  | 3,500               | 13,622              |
| Loss/Gain on Foreign Exchange Transactions                  | -                   | -                   |
| Materials/Consumables                                       | 59,460              | 51,925              |
| Occupancy Costs   | 160,796             | 218,512             |
| Repairs & Maintenance                                       | 62,452              | 39,135              |
| Subscriptions   | 10,920              | 15,123              |
| Training & Travel   | 15,606              | 42,929              |
| Trust Board Remuneration                                    | 20,720              | 22,796              |
| Trust Board Expenses  | 2,740               | 5,521               |
| Operating Leases  | 55,738              | 55,737              |
| Other Operating Expenses                                    | 187,020             | 201,606             |
| <b>Total Other Operating Expenses</b>                       | <b>1,010,251</b>    | <b>1,341,677</b>    |

## 7. Depreciation and Amortisation

|  | Actual<br>2020 (\$) | Actual<br>2019 (\$) |
|--|---------------------|---------------------|
| Depreciation expense                       | 252,608             | 260,740             |
| Amortisation expense                       | 6,409               | 7,145               |
| <b>Total Depreciation and Amortisation</b> | <b>259,017</b>      | <b>267,885</b>      |

## 8. Equity

|  | 2020 (\$)         | 2019 (\$)         |
|--|-------------------|-------------------|
| <b>Contributed Capital</b>                       |                   |                   |
| Balance at Beginning of Year                     | 145,465           | 145,465           |
| Capital Contribution                             | 100               | 100               |
| <b>Balance at End of Year</b>                    | <b>145,565</b>    | <b>145,565</b>    |
| <b>Retained Earnings</b>                         |                   |                   |
| Balance at Beginning of Year                     | 10,343,695        | 10,452,229        |
| Net Surplus/(Deficit) for the year               | 278,012           | (44,092)          |
| <b>Transfers to Retained Earnings from:</b>      |                   |                   |
| Exhibition Development Reserve                   | -                 | -                 |
| Collection Development Fund                      | 4,478             | 4,404             |
| Heritage revaluation Reserve                     | -                 | -                 |
| <b>Transfers from Retained Earnings to:</b>      |                   |                   |
| Endowment Fund                                   | -                 | -                 |
| Collection Development Fund                      | -                 | -                 |
| Historic Building Maintenance Reserve            | -                 | (3,000)           |
| Exhibition Development Reserve                   | (64,859)          | (65,846)          |
| <b>Balance at End of Year</b>                    | <b>10,561,326</b> | <b>10,343,695</b> |
| <b>Revaluation Reserve - Heritage Collection</b> |                   |                   |
| Balance at Beginning of Year                     | 1,416,264         | 1,416,264         |
| Revaluation Reserve on disposals                 | -                 | -                 |
| Revaluation of Collection Assets                 | (1,273,084)       | -                 |
| <b>Balance at End of Year</b>                    | <b>143,180</b>    | <b>1,416,264</b>  |
| <b>Revaluation Reserve - Art Collection</b>      |                   |                   |
| Balance at Beginning of Year                     | 5,656,926         | 5,656,926         |
| Revaluation Reserve on disposals                 | -                 | -                 |
| Revaluation of Collection Assets                 | -                 | -                 |
| <b>Balance at End of Year</b>                    | <b>5,656,926</b>  | <b>5,656,926</b>  |
| <b>Endowment Fund</b>                            |                   |                   |
| Balance at Beginning of Year                     | 10,873            | 10,873            |
| Transfer from Retained Earnings                  | -                 | -                 |
| <b>Balance at End of Year</b>                    | <b>10,873</b>     | <b>10,873</b>     |
| <b>Collection Development Fund</b>               |                   |                   |
| Balance at Beginning of Year                     | 20,840            | 25,244            |
| Transfer from Retained Earnings                  | -                 | -                 |
| Transfer to Retained Earnings                    | (4,478)           | (4,404)           |
| <b>Balance at End of Year</b>                    | <b>16,362</b>     | <b>20,840</b>     |
| <b>Historic Building Maintenance Reserve</b>     |                   |                   |
| Balance at Beginning of Year                     | 22,082            | 19,082            |
| Endowment for maintenance of historic house      | -                 | 3,000             |
| <b>Balance at End of Year</b>                    | <b>22,082</b>     | <b>22,082</b>     |
| <b>Exhibition Development Reserve</b>            |                   |                   |
| Balance at Beginning of Year                     | 234,815           | 168,969           |
| Transfer from Retained Earnings                  | 64,859            | 65,846            |
| <b>Balance at End of Year</b>                    | <b>299,674</b>    | <b>234,815</b>    |
| <b>Total Reserves</b>                            | <b>6,149,097</b>  | <b>7,361,800</b>  |
| <b>Total Equity</b>                              | <b>16,855,988</b> | <b>17,851,060</b> |

## 9. Cash and Cash Equivalents

|  | 2020 (\$)      | 2019 (\$)      |
|--|----------------|----------------|
| Cash at bank and on hand                           | 513,550        | 153,267        |
| Short Term Investments with maturity up to 90 days | 180,613        | 429,183        |
| <b>Total Cash and Cash Equivalents</b>             | <b>694,163</b> | <b>582,450</b> |

The carrying value of cash at bank and short -term deposits with maturities less than three months approximates their fair value. The weighted average of interest rate applicable to cash and cash equivalents is 0.962% (2019: 2.13%)

There are no restrictions over any cash and cash equivalents held by the Trust.

## 10. Receivables from Non-Exchange Transactions

|   | 2020 (\$)    | 2019 (\$)    |
|---|--------------|--------------|
| Non - Exchange Receivables                              | 6,095        | 1,106        |
| Related Party Receivables                               | -            | -            |
| Provision for Doubtful Debts                            | -            | -            |
| Interest Receivable                                     | -            | -            |
| <b>Total Receivables from Non-Exchange Transactions</b> | <b>6,095</b> | <b>1,106</b> |

## 11. Receivables from Exchange Transactions

|   | 2020 (\$)    | 2019 (\$)     |
|---|--------------|---------------|
| Trade Receivables                             | 4,414        | 10,898        |
| Related Party Receivables (Note 22)           | -            | -             |
| Interest Receivable                           | 2,022        | 2,727         |
| <b>Receivables from Exchange Transactions</b> | <b>6,436</b> | <b>13,625</b> |

**Fair Value:** The carrying value of Receivables from Exchange transactions approximates their fair value.

**Impairment:** Receivables written off during the period amounted to nil. (2019:nil)

## 12. Short Term Investments

|  | 2020 (\$)      | 2019 (\$)      |
|--|----------------|----------------|
| Term deposit with maturity less than 12 months | 614,245        | 150,000        |
|  | <b>614,245</b> | <b>150,000</b> |

The carrying value of the short -term deposit approximates its fair value.

The term deposit has a six months maturity with an interest rate of 3.45 % (2018: 3.45%)

## 13. Inventories

|  | 2020 (\$)     | 2019 (\$)     |
|--|---------------|---------------|
| Commercial Inventories – Items held for resale | 51,472        | 50,070        |
| <b>Total Inventories</b>                       | <b>51,472</b> | <b>50,070</b> |

There was no item of inventory written down during the period (2019: Nil).

There were no reversals of previously written down inventory items (2019 :\$nil).

There are no items of inventory pledged as security.

## 14. Payables under Exchange Transactions

|   | 2020 (\$)      | 2019 (\$)      |
|---|----------------|----------------|
| Trade Creditors                                   | 217,602        | 135,408        |
| Related Party Payables (Note 22)                  | 19,957         | 11,798         |
| Accrued Expenses                                  | 47,067         | 44,065         |
| GST Payable                                       | 46,335         | 56,430         |
| Other Payables                                    | 40,941         | 44,465         |
| Revenue in advance (venue hire)                   | -              | -              |
| <b>Total Payables under Exchange Transactions</b> | <b>371,902</b> | <b>292,166</b> |

As at 30 June 2020, there is a credit card facility in place with Westpac for a limit of \$10,000 (2019: limit of \$10,000). Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

## 15. Deferred Non -Exchange Revenue

|   | 2020 (\$)     | 2019 (\$)     |
|---|---------------|---------------|
| Revenue Received in Advance                 | 82,858        | 35,873        |
| <b>Total Deferred Non -Exchange Revenue</b> | <b>82,858</b> | <b>35,873</b> |

## 16. Employee Benefit Liabilities

|   | 2020 (\$)      | 2019 (\$)      |
|---|----------------|----------------|
| <b>Current Portion</b>                                |                |                |
| Accrued Salaries and Wages                            | 59,814         | 39,876         |
| Annual Leave  | 169,739        | 151,986        |
| Long Service Leave                                    | 10,020         | 7,278          |
| Total Current Portion of Employee Benefit Liabilities | <b>239,573</b> | <b>199,140</b> |
| <b>Non-Current Portion</b>                            |                |                |
| Long Service Leave                                    | 3,465          | 5,144          |
| <b>Total Employee Benefit Liabilities</b>             | <b>243,038</b> | <b>204,284</b> |

## 17. Intangible Assets

|   | Website (\$)  | Software (\$) | Work in Progress (\$) | Total (\$)     |
|---|---------------|---------------|-----------------------|----------------|
| <b>Cost</b>   |               |               |                       |                |
| <b>At 1 July 2018</b>                                       | <b>10,000</b> | <b>98,374</b> | -                     | <b>108,374</b> |
| Additions - Purchased                                       | -             | -             | -                     | -              |
| Disposals/Work in Progress transferred to Intangible Assets | -             | -             | -                     | -              |
| <b>At 30 June 2019</b>                                      | <b>10,000</b> | <b>98,374</b> | -                     | <b>108,374</b> |
| Additions - Purchased                                       | -             | 3,345         | -                     | 3,345          |
| Disposals/Work in Progress transferred to Intangible Assets | -             | 4,200         | -                     | (4,200)        |
| <b>At 30 June 2020</b>                                      | <b>10,000</b> | <b>97,519</b> | -                     | <b>107,519</b> |
| <b>less Accumulated Amortisation and Impairment Losses</b>  |               |               |                       |                |
| <b>At 1 July 2018</b>                                       | <b>6,667</b>  | <b>78,784</b> | -                     | 85,451         |
| Amortisation Expense  | 2,000         | 5,145         | -                     | 7,145          |
| Impairment  | -             | -             | -                     | -              |
| Accumulated Amortisation on Disposals                       | -             | -             | -                     | -              |
| <b>At 30 June 2019</b>                                      | <b>8,667</b>  | <b>83,929</b> | -                     | <b>92,596</b>  |
| Amortisation Expense  | 1,333         | 5,077         | -                     | 6,410          |
| Impairment  | -             | -             | -                     | -              |
| Accumulated Amortisation on Disposals                       | -             | 4,200         | -                     | 4,200          |
| <b>At 30 June 2020</b>                                      | <b>10,000</b> | <b>84,806</b> | -                     | <b>94,806</b>  |
| <b>Carrying Amounts</b>                                     |               |               |                       |                |
| <b>As at 30 June 2019 and 1 July 2019</b>                   | 1,333         | 14,444        | -                     | 15,777         |
| <b>As at 30 June 2020</b>                                   | <b>0</b>      | <b>12,713</b> | -                     | <b>12,713</b>  |

There is no work in progress at balance date (2019: \$nil). There are no intangible assets pledged as security over the Trust's liabilities (2019: \$nil).

## 18. Property, plant and equipment

| Cost   | Computer Hardware (\$) | Exhibitions (\$) | Furniture & Fittings (\$) | Leasehold Improvement (\$) | Office Equipment (\$) | Plant & Equipment (\$) | Work in Progress (\$) | Total (\$)       |
|--|------------------------|------------------|---------------------------|----------------------------|-----------------------|------------------------|-----------------------|------------------|
| <b>At 1 July 2018</b>  | 133,791                | 2,013,762        | 478,610                   | 412,578                    | 23,280                | 702,677                | 37,000                | 3,801,698        |
| Additions  | 18,688                 | 30,612           | 14,180                    | 11,444                     | -                     | 153,219                | 24,515                | 252,658          |
| Disposals/Work in Progress transferred to Property Plant & Equipment | (6,288)                | -                | (2,027)                   | -                          | -                     | -                      | (37,000)              | (45,315)         |
| <b>At June 2019</b>  | <b>146,191</b>         | <b>2,044,374</b> | <b>490,763</b>            | <b>424,022</b>             | <b>23,280</b>         | <b>855,896</b>         | <b>24,515</b>         | <b>4,009,041</b> |
| Additions  | 28,044                 | 8,888            | 6,166                     | -                          | -                     | 41,995                 | 37,294                | 122,387          |
| Disposals/Work in Progress transferred to Property Plant & Equipment | (55,049)               | (5,747)          | -                         | (5,747)                    | -                     | (5,496)                | -                     | (66,292)         |
| <b>At 30 June 2020</b>   | <b>119,186</b>         | <b>2,047,515</b> | <b>496,929</b>            | <b>424,022</b>             | <b>23,280</b>         | <b>892,395</b>         | <b>61,809</b>         | <b>4,065,136</b> |
| <b>Less Accumulated Depreciation and Impairment Losses</b>           |                        |                  |                           |                            |                       |                        |                       |                  |
| <b>At 1 July 2018</b>  | 114,334                | 1,568,304        | 382,484                   | 313,297                    | 23,184                | 388,925                | -                     | 2,790,528        |
| Depreciation charge for the year                                     | 13,975                 | 105,822          | 27,997                    | 21,781                     | -                     | 91,165                 | -                     | 260,740          |
| Impairment   | -                      | -                | -                         | -                          | -                     | -                      | -                     | -                |
| less Accumulated depreciation on disposals                           | (6,287)                | -                | (473)                     | -                          | -                     | -                      | -                     | (6,760)          |
| <b>At 30 June 2019</b>   | <b>122,022</b>         | <b>1,674,126</b> | <b>410,008</b>            | <b>335,078</b>             | <b>23,184</b>         | <b>480,090</b>         | <b>-</b>              | <b>3,044,508</b> |
| Depreciation charge for the year                                     | 13,911                 | 95,107           | 24,849                    | 21,807                     | 96                    | 96,841                 | -                     | 252,611          |
| Impairment   | -                      | -                | -                         | -                          | -                     | -                      | -                     | -                |
| Accumulated depreciation on disposals                                | (54,704)               | (5,747)          | -                         | -                          | -                     | (5,230)                | -                     | (65,681)         |
| <b>At 30 June 2020</b>   | <b>81,229</b>          | <b>1,763,486</b> | <b>434,857</b>            | <b>356,885</b>             | <b>23,280</b>         | <b>571,701</b>         | <b>-</b>              | <b>3,231,438</b> |
| <b>Carrying Amounts</b>  |                        |                  |                           |                            |                       |                        |                       |                  |
| <b>As at 30 June 2019 and 1 July 2019</b>                            | 24,170                 | 370,248          | 80,755                    | 88,943                     | 96                    | 375,806                | 24,515                | 964,533          |
| <b>As at 30 June 2020</b>  | <b>37,957</b>          | <b>284,028</b>   | <b>62,071</b>             | <b>67,136</b>              | <b>-</b>              | <b>320,695</b>         | <b>61,809</b>         | <b>833,696</b>   |

No items of Property, Plant and Equipment are pledged as security as at 30 June 2020 (2019: \$nil).

## 19. Collection Assets

|   | Opening<br>Balance<br>1 July 2019 | Acquisitions  | Donated<br>Custodial<br>Collection<br>Assets | Revaluations       | Deaccessions | Closing<br>Balance<br>30 June 2020 |
|---|-----------------------------------|---------------|--|--------------------|--------------|------------------------------------|
| <b>30 June 2020</b>                         |                                   |               |  |                    |              |                                    |
| <b>Art</b>                                  |                                   |               |  |                    |              |                                    |
| Owned                                       | 4,442,511                         | 29,479        | 15,742                                       | -                  | -            | 4,487,732                          |
| Custodial                                   | 6,892,944                         | -             | -  | -                  | -            | 6,892,944                          |
| <b>Total Art</b>                            | <b>11,335,455</b>                 | <b>29,479</b> | <b>15,742</b>                                | <b>-</b>           | <b>-</b>     | <b>11,380,676</b>                  |
| <b>Heritage</b>                             |                                   |               |  |                    |              |                                    |
| Owned                                       | 3,834,333                         | 156           | 12,677                                       | (1,094,239)        | (184)        | 2,752,742                          |
| Custodial                                   | 1,372,266                         | -             | -  | (178,845)          | -            | 1,193,421                          |
| <b>Total Heritage</b>                       | <b>5,206,599</b>                  | <b>156</b>    | <b>12,677</b>                                | <b>(1,273,084)</b> | <b>(184)</b> | <b>3,946,164</b>                   |
| <b>Total Collection Assets</b>              | <b>16,542,054</b>                 | <b>29,635</b> | <b>28,419</b>                                | <b>(1,273,084)</b> | <b>(184)</b> | <b>15,326,840</b>                  |
| Owned Collection Assets                     |                                   |               |  |                    |              | 7,240,474                          |
| Custodial Collection Assets                 |                                   |               |  |                    |              | 8,086,366                          |
| <b>Total Collection Assets 30 June 2020</b> |                                   |               |  |                    |              | <b>15,326,840</b>                  |
|   |                                   |               |  |                    |              |                                    |
| <b>30 June 2019</b>                         |                                   |               |  |                    |              |                                    |
| <b>Art</b>                                  |                                   |               |  |                    |              |                                    |
| Owned                                       | 4,348,123                         | 30,831        | 63,557                                       | -                  | -            | 4,442,511                          |
| Custodial                                   | 6,892,944                         | -             | -  | -                  | -            | 6,892,944                          |
| <b>Total Art</b>                            | <b>11,241,067</b>                 | <b>30,831</b> | <b>63,557</b>                                | <b>-</b>           | <b>-</b>     | <b>11,335,455</b>                  |
| <b>Heritage</b>                             |                                   |               |  |                    |              |                                    |
| Owned                                       | 3,823,024                         | 538           | 10,886                                       | -                  | (115)        | 3,834,333                          |
| Custodial                                   | 1,372,267                         | -             | -  | -                  | -            | 1,372,267                          |
| <b>Total Heritage</b>                       | <b>5,195,290</b>                  | <b>538</b>    | <b>10,886</b>                                | <b>-</b>           | <b>(115)</b> | <b>5,206,600</b>                   |
| <b>Total Collection Assets 30 June 2019</b> | <b>16,436,358</b>                 | <b>31,369</b> | <b>74,443</b>                                | <b>-</b>           | <b>(115)</b> | <b>16,542,055</b>                  |
| Owned Collection Assets                     |                                   |               |  |                    |              | 8,276,844                          |
| Custodial Collection Assets                 |                                   |               |  |                    |              | 8,265,211                          |
| <b>Total Collection Assets</b>              |                                   |               |  |                    |              | <b>16,542,055</b>                  |

## Valuation

## Heritage Collection

The Trust's policy is to revalue the heritage collection every five years. The owned and custodial heritage collections were independently valued in May 2020 at \$2,740,094 for the owned heritage collection and at \$1,193,422 for the custodial heritage collection. The revaluation was undertaken by Ashley and Associates Auckland. The collection was valued based on fair value at the date of revaluation, by reference to price in an active market.

## Art Collection

The Trust's policy is to revalue the art collection assets every three years. The owned and custodial art collections were independently valued at 30 January 2018 at \$4,348,123 for the owned art collection and respectively at \$6,892,944 for the custodial art collection. The revaluation was undertaken by Art+ Object Auckland. The collection was valued based on fair value at the date of revaluation, by reference to price in an active market.

No Collection assets are pledged as security as at 30 June 2020(2019: \$nil).

## 20. Commitments

### Lease of the premises from the Council – Period of Agreement

The Trust has a contract with Palmerston North City Council to lease the premises in which its activities are situated, effectively on a rent-free basis.

The term of the lease has been renewed for a period of nine years, starting with 1 July 2018, with a variation to allow sub-leasing to New Zealand Rugby Museum subject to Palmerston North City Council consent.

### Other Non- Cancellable Operating Leases as a Lessee

The Trust leases property, plant and equipment/has non-cancellable operating contracts for service as part of the normal course of its business. The majority of these leases have a non-cancellable term between 12 and 48 months. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

| <b>Operating Leases with Palmerston North City Council</b> | <b>2020 (\$)</b> | <b>2019 (\$)</b> |
|--|------------------|------------------|
| Within 1 year  | 44,594           | 44,594           |
| Within 1 – 2 years   | 4,484            | 44,594           |
| Within 2 – 5 years   | 2,990            | 8,969            |
|  | <b>52,068</b>    | <b>98,157</b>    |

### Capital Commitments

Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment:

| <b>2020 (\$)</b> | <b>2019 (\$)</b> |
|------------------|------------------|
| -                | <b>10,000</b>    |

## 21. Contingencies

The Trust Board has no contingent liabilities at 30 June 2020. (2019: \$nil).

## 22. Related Party Transactions

### (i) Controlling Entity

The Trust is a Council Controlled Organisation, controlled by Palmerston North City Council (PNCC).

|  | 2020 (\$)     | 2019 (\$)     |
|--|---------------|---------------|
| <b>Transaction carried out with PNCC are as follows:</b> |               |               |
| <b>Received from PNCC</b>                                |               |               |
| Operating Grant  | 3,199,909     | 3,131,026     |
| Waitangi Day Grant                                       | 350           | -             |
| TM 2025 Funding  | 106           | -             |
| Venue Hire   | 702           | 340           |
| <b>Purchased from PNCC</b>                               |               |               |
| Water Rates  | 2,298         | 1,972         |
|  | -             | -             |
| Rental Vehicles  | 23,938        | 23,938        |
| Hosting of Vernon Systems                                | 5,000         | 5,000         |
| Computer Support   | 21,000        | 21,000        |
| Internet Usage   | 3,000         | 3,000         |
| Telephone Support  | 31,800        | 31,800        |
| Annual Administration Charge                             | 1,250         | 5,000         |
| Assets Purchased   | 1,235         | 665           |
| Other Services   | 2,749         | 39,192        |
| Electricity and gas                                      | 88,299        | 39,192        |
| <b>Owing to PNCC at 30 June</b>                          | <b>19,957</b> | <b>11,798</b> |
| <b>Owing from PNCC at 30 June</b>                        | <b>-</b>      | <b>-</b>      |

Te Manawa provided free venue hire to PNCC Library and Community services with a market value of nil (2019 :\$945)

Te Manawa Museums Trust is a Council Controlled Organisation as defined in the Local Government Act 2002, accountable to the Palmerston North City Council. Under the Trust Deed the Board shall consist of not less than five or more than nine Trustees, of which Council may appoint up to five, Tangata Whenua may appoint up to two and the Board may co-opt up to two.

In addition to the above transactions, the premises occupied by The Trust are owned by Palmerston North City Council and effectively provided by Palmerston North City Council as an additional grant, the market value of this Grant/Rent is \$1,094,233. In addition, PNCC provides human resources advisory services free of charge to Te Manawa with a market price of \$24,000.

**(ii) Key Management Personnel**

The Trust classifies its key management personnel into:

- Trustees in the Board of Trustees as the governing body
- Chief Executive and his advisors, as members of the Leadership Team

The Trustees are paid honoraria for each Board of Trustees meeting attended during the period.

Members of the Leadership Team are employed as employees of the Trust, on normal employment terms.

The aggregate level of remuneration paid and number of persons (measured in "people" for the Trustees and "full time equivalent" (FTE's) for the members of the Leadership Team in each class of key management personnel is presented below:

|  | 2020           |                   | 2019           |                   |
|--|----------------|-------------------|----------------|-------------------|
|  | Remuneration   | Number of Persons | Remuneration   | Number of Persons |
| Trustees   | 20,720         | 7*                | 22,796         | 8*                |
| Leadership Team                                    | 372,678        | 3.2               | 426,107        | 3.68 FTE's        |
| <b>Total Key Management Personnel Compensation</b> | <b>393,398</b> |                   | <b>448,903</b> |                   |

\* Due to the difficulty in determining the full-time equivalent for Trustees, the figure is taken as the number of Trustees.

The full-time equivalent for the Leadership Team is determined on the basis of a 40-hour working week.

**(iii) Other Related Parties**

| Related Parties  | Goods/Services provided                    | Market Value of Goods/Services |
|--|--|--------------------------------|
| Palmerston North City Council  | Free Venue Use                             | \$1,630(2018/19: \$945)        |
| Palmerston North City Council- Placemaking workshop  | Free Venue Use                             | \$Nil(2018/19:\$352)           |
| Earle Creativity Trust( Sheridan Hickey - Trustee of both Te Manawa Museums Trust and Earle Creativity Trust)                    | Free Venue Use                             | \$nil( 2018/19: \$2,525)       |
| The Science Centre Inc. (Geoffrey Jameson - Trustee of Te Manawa Museums Trust and member of The Council of Science Centre Inc.) | Free Venue Use                             | \$1,035( \$2017/18 \$1,573)    |
| S+art ( Janet Ellery- PPE Leader at TeManawa Musuems Trust at Te Manawa)   | Free venue hire (2017/18: Free venue hire) | Nil(2017/18 \$1,933)           |
| Reel Earth Environmental Film Trust(Andy Lowe- CEO of Te Manawa Museums Trustand CommitteeMember of Reel Earth Film Trust        | Free Venue Use                             | Nil (2018/19:\$2,042)          |

## 23. Events After The Balance Sheet Date

There were no significant events after the balance sheet date. (2019:nil)

## 24. Categories of Financial Assets and Liabilities

The carrying amounts of financial assets and liabilities are as follows:

|  | 2020 (\$)        | 2019 (\$)      |
|--|------------------|----------------|
| <b>Loans and Receivables:</b>                                  |                  |                |
| Cash and Cash Equivalents (Note 9)                             | 694,163          | 582,450        |
| Debtors and Other Receivables (Note 10 & 11)                   | 12,531           | 14,731         |
| Short term deposits (Note 12)                                  | 614,245          | 150,000        |
| <b>Total Loans and Receivables</b>                             | <b>1,320,939</b> | <b>747,181</b> |
| <b>Financial Liabilities Measured at Amortised Cost:</b>       |                  |                |
| Creditors and Other Payables (Note 14)                         | 371,902          | 292,166        |
| <b>Total Financial Liabilities Measured at Amortised Costs</b> | <b>371,902</b>   | <b>292,166</b> |

### Financial Instruments Risks

The Trust is risk averse and seeks to minimise the exposure from its treasury activities. There has been no change in the assessment of risk from prior years.

#### Market Risk

The interest rates on the Trust's investments are disclosed in notes 9 and 12.

#### Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Trust's exposure to fair value interest rate risk is limited to its fixed interest borrowings (30 June 2020: \$nil) and bank deposits. However, because these borrowings and bank deposits are not accounted for at fair value, fluctuations in interest rates do not have an impact on the surplus / deficit of the Trust or the carrying amount of the financial instruments recognised in the statement of financial position.

#### Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Trust to cash flow interest rate risk.

The Trust currently has no variable interest rate debt.

#### Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. From time to time the Trust enters into contracts for exhibitions which require payment in overseas currency, which present limited exposure to changes in exchange rates.

#### Credit Risk

Credit risk is the risk that a third party will default on its obligation to the Trust, causing the Trust to incur a loss. Due to the timing of its cash inflows and outflows, the Trust invests surplus cash with registered banks.

Financial instruments, which potentially subject the Trust to credit risk, consist of bank balances and the current account balance with the Palmerston North City Council. No particular management strategy is in place in respect of amounts owed by Palmerston North City Council, after having regard to its financial strength as a body empowered to levy rates.

The Trust's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash equivalents (note 9), short term investments and debtors and receivables (note 10 and note 11). There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

The Trust has no significant concentrations of credit risk, as it has small numbers of typically low value credit customers (predominantly schools) and only invests funds with registered

banks which have a Standard and Poor's credit rating of at least A--.

#### Credit Quality of Financial Instruments

Cash on call and term investments were placed with Westpac New Zealand Limited, the credit ratings for Westpac and BNZ at 30 June 2017 were AA- from Standard & Poor's (2016: AA-).

There are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings

#### Liquidity Risk

Liquidity risk is the risk that the Trust will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Trust aims to maintain flexibility in funding by maintaining sufficient short-term investments.

#### Contractual maturity analysis of financial liabilities

The Trust's financial liabilities are limited to creditors and other payables (Note 14) these are payable in less than one year. The contractual cash flow is equal to the carrying amount.

## 25. The Financial Effects of Covid 19

- Te Manawa closed to the public on 20 March 2020 and reopened at Covid-19 Alert Level Two on 18 May 2020. At this level opening hours and visitor numbers were restricted.
- Opening hours returned to normal with the advent of Level 1.
- The closure resulted in a loss of revenue from venue hire of \$7,159
- The cost of cleaning services during that period decreased from \$7,290 to \$2,768
- The cost of electricity for that period is estimated to have reduced from by \$6,717
- The cost of additional health and safety related measures amounted to \$5,802
- The estimated effect on visitor numbers is a reduction of 30,173 across all visitor categories as outlined in the SSP.

## 26. Funding from Community Organisations

Te Manawa is grateful to the following organisations which have contributed with funding for various projects:

| Grantor/Donor:                    | 2020 (\$) | 2019 (\$) |
|-----------------------------------|-----------|-----------|
| Central EnCentral Energy Trust    | 0         | 23,000    |
| The Lotteries Board               | 31,925    | 69,000    |
| Westpac New Zealand               | 20,000    | 0         |
| Beca Group                        | 5,000     | 0         |
| Vitae                             | 1,000     | 0         |
| Manawatu Science Centre           | 18,000    | 0         |
| IHC Foundation                    | 0         | 10,000    |
| UCOL                              | 5,000     | 10,000    |
| Yorb                              | 5,000     | 5,000     |
| Private Donation                  | 28,000    | 6,197     |
| Eastern & Central Community Trust | 0         | 5,000     |
| Lion Foundation                   | 0         | 20,000    |
| Pub Charity Limited               | 0         | 20,000    |
| Fly Palmy                         | 0         | 5,000     |
| Crozer Family Trust               | 0         | 3,000     |

## 27. Capital Management

The Trust's capital is its equity, which comprises Trust capital and retained surpluses. Equity is represented by net assets.

The Trust Deed requires the Board of Trustees to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently. The Trust's equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities, investments and general financial dealings. There were no externally imposed capital requirements during the period (2019: \$nil).

The objective of managing the Trust's equity is to ensure the Trust effectively achieves its objectives And purpose, whilst remaining a going concern.

### Explanation of Major Variances Against Budget

Explanations for major variations from the Trust's budgeted figures in the 30 June 2020 Statement of Intent are as follows:

#### Statement of Comprehensive Revenue and Expense

##### Revenue

Other Operating Revenue is \$339,313 less than budget as planned fundraising and sponsorship did not eventuate. Other Operating Revenue from Exchange Transactions was \$23,482 greater than the previous year as Sundry income from Public Programmes, Events and Activities increased by \$39,251 as a result of a project money received.

Revenue from Non-Exchange transactions was \$137,829 less than the previous year. Community Grants and Sponsorship were \$137,829 below the previous year .

##### Expenses

Operating expenditure( before depreciation) was less than budget by \$485,068 and reduced from the previous year by \$403,543. Payroll was \$222,654 less than budget. These savings were the result of vacancies for technicians, a designer and a collections manager. Other Operating Expenses were \$263,029 below budget. Most of this is the result the reduction in sponsorship and grant income which means that the corresponding budgeted expenditure of \$268,075 did not proceed. Some savings were made on cleaning and electricity.

## FINANCIALS TE TĀHUA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### **Recognition / (Derecognition) of Collection Assets**

Donated assets amounted to \$28,419 which is \$46,007 less than the previous year, during which a significant collection was received from an estate.

### **Statement of Changes in Net Assets/ Equity**

There is a decrease in the actual net equity compared to the budget, arising from the reduction to the value of the heritage collection after the five yearly revaluation was undertaken.

### **Statement of Financial Position**

Statement of Financial Position budgets for receivables and payables are set on base numbers, the actual balance can be highly variable depending on the content and timing of scheduled activities.

The most significant movements are:

Receivables from Non-Exchange transactions are less than budget, as the result of less than expected fundraising and sponsorship income.

Short term deposits are \$331,257 greater than budget as the result of the reductions in payroll and operating expenditure.

The Collection assets have reduced in value after the revaluation of the Heritage Collection. The reduction in value amounts to \$1,273,084.

Property Plant and equipment is less than budget as the result of delayed expenditure on the refurbishment of Kids TM.

### **Statement of Cash Flows**

The variances in the Statement of Cash Flow are a direct result of the items mentioned above. Cash and cash equivalents and short-term deposits at year are above budget because of the aforementioned savings on operating expenditure as well as the delayed completion of Kids TM.

## 28. Breach of Trust Deed

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Section 7.3 of the Trust Deed requires the Trust to hold an Annual General Meeting prior to 30 September in each year.

As a result of the Covid-19 pandemic, Parliament passed legislation on 5 August to extend the statutory reporting time frames by up to two months for organisations with 30 June 2020 balance dates that report under the Local Government Act 2002.

This altered the time-frame for the holding of the Annual General Meeting.







