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TE MANAWA MUSEUMS TRUST
TE PŪRONGO Ā TAU | ANNUAL REPORT

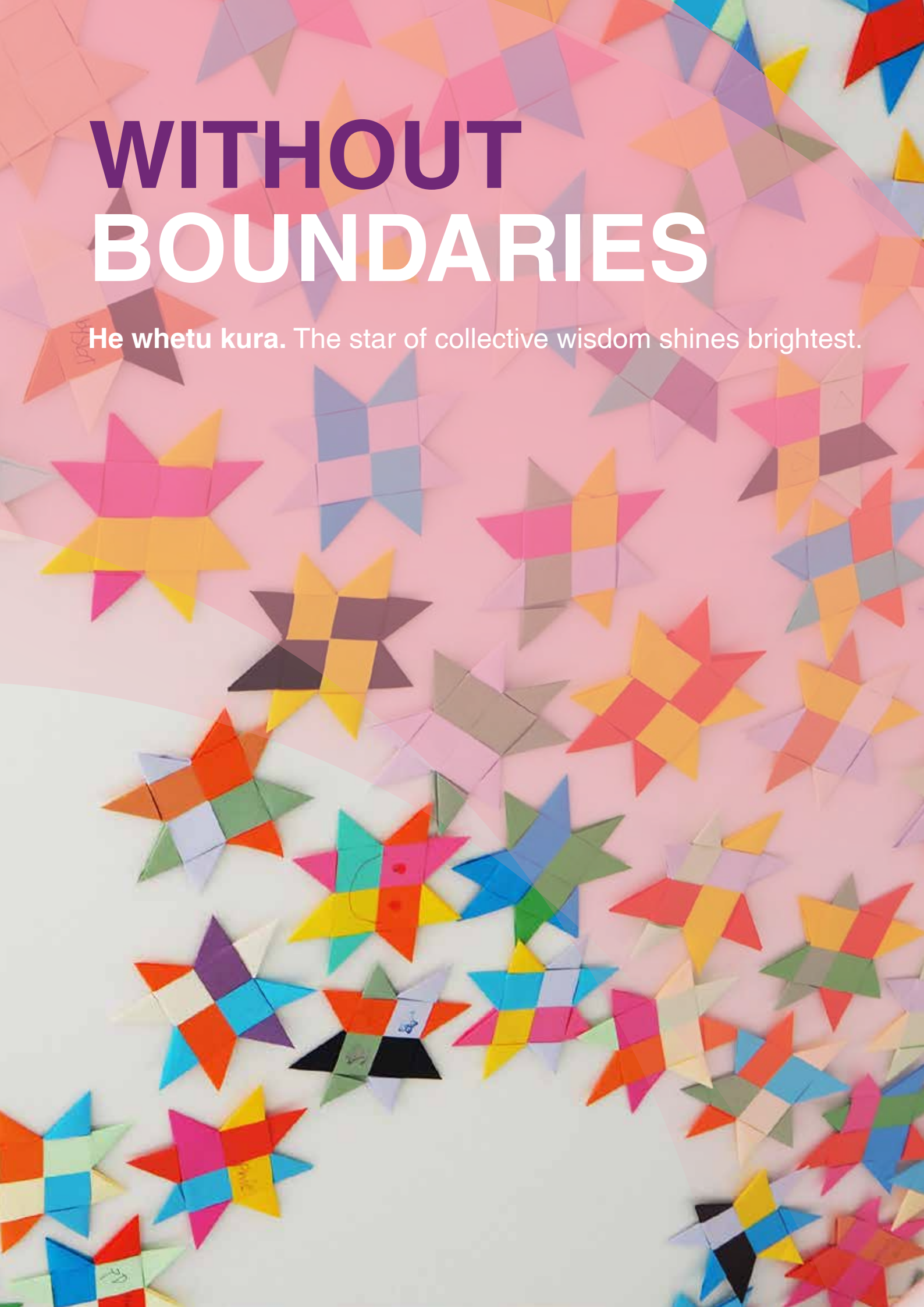
For the year ended 30 June 2017

Te manawa
art science history PALMERSTON NORTH



WITHOUT BOUNDARIES

He whetu kura. The star of collective wisdom shines brightest.



SUPPORTERS

Te Manawa gratefully acknowledges the support of the following sponsors/grantors for the year ended 30 June 2017

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ABOVE + FRONT COVER DETAIL:

Textile detail from Camp Mother costume, recreated for the *Topp Twins Exhibition* by students of Toi Whakaari, Wellington.

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Prepared by Te Manawa Museums Trust, August 2017.

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TANGATA WHENUA

Pukaea te matahi o te tau e te putanga o Matariki. Te mihi o ngai tawi Pipiri ao nui te ahi kaea, te karanga o hotoke ki a koutou e te hapori whānui e akiaki tonu mai ki a Te Manawa i tēnei tau 2017.

Tangihia ngā nehe rongonui kua haere ki tua o te ārai, ko Waitohi, ko Iwikatea, nei te apakura e, ngā poroporoākitanga - moe ake ra i roto i te rangimārie.

Houhare ana e ngā ringa tōhau nui o Te Manawa ki te whakatūtuki i te rautaki, ahakoa niania he pounamu! He kupu whakawhetai hoki kia Rangitāne, e tauwhiro tonu mai. **Mauri ora!**

Ngā Kete Toi celebrated the graduates of Te Wānanga o Aotearoa Bachelor of Māori Art degree in three art forms: Rāranga (weaving); Whakairo (carving); and Rauangi (visual). The exhibition highlighted a new relationship between our two organisations.

Our relationship with Massey University Toi Oho Ki Apati Māori Visual Arts ensured the annual Matatau exhibition displayed the exceptional art for which the school is renowned. Te Manawa is committed to further nurturing and supporting the development of Māori artistic aspirations.

The creation of the NOA Open Studio kaupapa culminated in Te Manawa receiving an award for outstanding commitment to inclusive practice by engaging more people with disabilities and the Deaf community – demonstrating resourcefulness, innovation and vision. Ka wani kē te whakaaro nui!

Bilingual text for Te Manawa exhibitions has become standard practice and the quality of text presentations is elevating the unique contribution Te Reo Māori is making to our communities.

Te Kāhui Kaitiaki hui, hosted by Te Manawa in collaboration with Te Rangimārie marae this year, enabled a range of kaupapa to be presented and discussed, opening up more opportunity for the unique style that Māori bring to the ever-changing world within which museums exist. A feature of the hui was the abundance of leadership, museum knowledge and willingness to collaborate.

Waitangi Day 2017 was another community celebration and a day of fostering understanding about Te Tiriti O Waitangi. With many new cultures finding their way to Aotearoa New Zealand, Te Manawa plays an important role facilitating positive relationships while providing a safe environment to experience, discuss

and share the wide parameters of Te Tiriti O Waitangi.

Mokonui! Mokoroa! Tamariki and their whānau came to see the Dinosaurs exhibition and in doing so Te Manawa came to a new understanding of public experience and engagement, which will have had a positive effect on all involved and was another expression of “A Museum Without Boundaries”

He tau hou! He tau tohe! He tau ora! A year of new experiences! A challenging year! A year of vitality and invigoration! 2017 te tau e!



COLLAB IS KEY TO MOVING FORWARD

“ I am pleased to report on another successful year for Te Manawa. We have continued to reach out to our communities and endeavoured to again expand the ways in which we surprise, educate and delight the people who visit us; be that on-line, in person or at our travelling exhibitions such as *Sunlight - Ihi Komaru* that take the Te Manawa and Manawatu brand beyond our borders.

As Andy will expand upon in his CEO's report, we have continued to develop the concept of a museum without boundaries and taken the flexibility that this gives us further again this year.

In a literal sense Andy took the Te Manawa concepts to Berlin after he was invited to speak at an international conference; a very significant compliment to and recognition of him and also of the work and innovation of our team. We also drew sector professionals in to our boundaries when we hosted the Museums Aotearoa conference, MA17, here. This was the first time the conference was held outside a 'major' city - another coup.

Our exhibitions continue to draw attention and visitor numbers from the natural history of *Dinosaur Encounter* to the thought-provoking *Frida Kahlo - Her Photos*. In fact '*Dinos*' – as it became known – was almost a victim of its own success. Two hour waits are not the norm in the Manawātū! The entertainment provided to the people waiting was another innovation. Entertainment and social history were then mixed in *Topp Twins - An Exhibition for New Zealand*, a bold title that is well and truly lived up to by the exhibition and its subjects.

The inclusive nature of Te Manawa was reaffirmed when at MA17 we were presented with an award for the *Inspired By* exhibition and the NOA programme and we continue to work alongside our communities to expand this work.

Te Manawa has been generously provided for in the past and present by its societies who assist with funding and expert help as well as the legacies we have inherited. We have added significantly to the art collection this year and '*Dinos*' benefitted from the input of the societies as of course did *Sunlight - Ihi Kōmaru*, our current star tourer.

As we reflect on PNCC's new vision and as we close on the end of another decade we are preparing to further develop our planning and strategies.

We have formed a strategic planning group in addition to our other board activities with the leadership team, and this group is leading us to expand our ways of thinking and delivery.

Inherent in that is a celebration of the 40 year anniversary of our Art Gallery building and a refreshing of the facilities that we have and the ways they are used. The visible sculpture store is a harbinger of that thinking and a promise of more to come. We are pleased that our elected representatives at PNCC are challenging us to break new boundaries and challenge the norm further - we are up to that task which will go beyond seismic strengthening to make the vision physical.

We continue to receive great support and affirmation from Rangitāne, our Iwi partners. We are guardians of many of their taonga and Te Manawa is made richer and more relevant by their participation at all levels in our team and organisation. Their guidance will be key as we move forward.



Back row: John Fowke – Chairperson, Geoffrey Jameson, Sheridan Hickey.
Front row: Joseph (Hohepa) Isaac-Sharland – Iwi Representative, Nuwyne Te Awe Awe Mohi – Iwi Representative, Tyson Schmidt. Absent: Paul McElroy

Our team and volunteers at Te Manawa have had another very hard-working year and their knowledge, creativity, skill and above all their welcoming smiles for our visitors are truly a key asset. Twice this year they have been stretched by huge numbers over sustained periods, for 'Dinos' and for the recent invasion by British and Irish Lions supporters by the bus- and camper van-load.

Collaboration is a key concept as we move forward - we are grateful to and will further reach out to our societies our cornerstone funders at PNCC, Manawatu District Council, Globe Theatre, our board members and the other great sponsors and supporters who assist us to deliver on our promises.

 John Fowke
Chairman

MUSEUMS IN A WORLD OF EXTREMES

“ Over the past year we have been advancing the Museum without Boundaries concept. Juxtaposing concepts, peoples and spaces is becoming our modus operandi.

We are thrilled that Te Manawa won a National award this year: the inaugural National Arts Access Aotearoa award, for the *Inspired By* exhibition and the NOA Open Studio programme.

Inspired By, an exhibition by artists with disabilities responding to works in the Te Manawa collection, opened in Gallery 1 and was very well received by local, national and international visitors. Based on this concept I was invited to speak at 'Communicating the Museum', an international museums conference at the Deutsches Historisches Museum in Berlin in July 2016, where I presented our work to institutions from around the world, including The Metropolitan Museum in New York, The Louvre, the British Museum, Tate Modern and the new Garage Museum of Contemporary Art in the Russian Federation.

NOA is a facilitated art studio open to all people to make art together. It is held right in the main foyer of Te Manawa and is becoming a dynamic, multi-faceted vehicle for social change, like the fora and marae, or the airport lounge; a space where ideas are dreamed up and discussed, and plans drawn. Here, people with disabilities and deaf people inform and co-author the Te Manawa spaces.

We are very grateful to the contribution by IHC Idea Services of \$15,000 to Te Manawa this year towards the NOA programme.

Te Manawa won the tender for and hosted the national New Zealand Museums conference *He Waka Eke Noa* – MA17 in May 2017. With the theme of inclusivity this was

a huge event for Te Manawa. Over 300 delegates and their families descended on Palmerston North from all over New Zealand and that was just for the conference proper. MA17 included two associated conferences held at Rangimarie Marae (the EMP – Emerging Museum Professionals' conference and the Kahui Kaitiaki conference) ensuring a full seven days of conference.

For Palmerston North this was significant as these conferences are usually held at the main centres; it's set for Christchurch next year.

The major international exhibitions – *Frida Kahlo: Her Photos*, an exhibition from La Casa Azul (Frida Kahlo Museum) in Mexico, attracted around 13,000 visitors; *Dinosaur Encounter* from the Natural History Museum in London attracted over 45,000 people to Palmerston North. The results of *Frida Kahlo: Her Photos* and *Dinosaur Encounter*, as well as data from smaller Te Manawa exhibitions over the past few years, provide evidence to support the notion that people will make the effort to come from beyond the Manawatū to experiences at Te Manawa. Future international exhibitions are now in the pipeline, and Te Manawa and the New Zealand Rugby Museum have a great as-yet undeveloped opportunity to create packages together, as most visitors to the New Zealand Rugby Museum within Te Manawa are international and from out of the region. The numbers to the New Zealand Rugby Museum have increased this year to around 12,000 visitors with the Lions tour.

A first for New Zealand art museums, the Visible Sculpture Store opened in the Art Gallery and this has been widely

appreciated along with *Nova – New Additions to the Collection*, an exhibition of items added to the collection over the past five years.

Other significant exhibitions and events held over the year: *Topp Twins – An exhibition for New Zealand*, about two of New Zealand's most iconic entertainers, opened just before the MA17 national museums conference, with a weekend of carnival that took over George St Palmerston North much like the Viva la Vida Frida Carload fiesta. The Topp Twins parked their 'Stinky' outside Te Manawa and generously spent the day interacting with the public between Te Manawa and George St, judging cake competitions, throwing gumboots and even playing on stage before heading off to sound check for their Feilding concert. The Twins had arranged their 'Heading for the Hills' North island tour around the exhibition and played another concert in Dannevirke over the exhibition opening weekend. The exhibition has a number of venues confirmed to take it after Te Manawa. To support the kaupapa, the Charlotte Museum was installed at Te Manawa over the opening weekend and on into the MA17 conference.

Some of the work we do is about celebrating the less populist and more invisible and giving that a voice.

Sometimes that kind of experience will attract big numbers and sometimes it will fly under the radar but it is all about exposure of difference working towards an inclusive society.

Ata- A Third Reflection, an exhibition by Robert Jahnke and toured by Pātaka Art Museum, along with Ara-I-Te Uru, the work by Israel Birch recently purchased for the Te Manawa collection, opened in December 2016 together with the Bachelor of Māori Visual arts exhibition *Matatau* for its 21st year. The second year of Te Manawa's formal relationship with Te Wānanga o Aotearoa yielded *Ngā Kete Toi*, an exhibition of weaving by the students along with a very popular Matariki fashion show.

Over 150 events were held over the year from 'Sleeping with Dinosaurs' to 'Viva Frida', a Frida Kahlo-inspired drag cabaret.

To note also over the year: *Visible: 60 women at 60* by Wellington Photographer Jenny O' Connor; *The Human Expression* by Dannevirke-based artist John Lawrence; *Reflections*, the national exhibition of New Zealand Porcelain Artists association; *The Generous Heart*, works by local retired art teacher Bruce Rennie, with hundreds of former students, colleagues and family attending from the Manawātū and all over the country; *The Exquisite Wound* by Rebecca Swan in partnership with S+ART with an experimental bubble/ smoke machine developed with funding from S+ART; *Rembrandt Remastered*; *The Horses Stayed Behind* toured by The Sarjeant gallery, Victorian-style mourning rosettes made from horse hair by Cat Auburn to commemorate the horses that served their country in WW1 and could not return to New Zealand.

Our major touring exhibition *Sunlight Ihi Komaru* opened at Rotorua and Waikato Museums and MOTAT.

A number of collection items were acquired by Te Manawa including the Shane Cotton commission River Diamond Blue, which was completed and delivered to Te Manawa in November, the result of several years' work.

Work continued on the Rangitāne Cultural Centre concept as well as the Art Gallery which turns 40 in 2017. The Te Manawa Art Gallery has a reputable collection of modernist art that is known throughout New Zealand. Te Manawa will be showing much of this collection in the coming year in the form of a long term installation.

Waitangi Day and International Women's Day were again hosted by Te Manawa.

The Rangiwāhia Environmental Arts Centre Trust received funding from UNESCO to make giant International Women's Day puppets in Wellington and other parts of the country based on what started at Te Manawa five years ago.

Partnerships are growing. S+ART (Science and Technology and Art) and MALGRA (Manawātū Lesbian and Gay Rights Association) took up residency at Te Manawa during the year, both assisting with Te Manawa projects. A review of the education offer at Te Manawa has meant that school visits and revenue to Te Manawa are down but this will be rectified in the coming year. However Te Manawa still provided formal education programmes to around 18,000 children.

A number of significant collections have been donated to Te Manawa and we are grateful for the work of the Te Manawa Collections Committee in assessing potential objects.

We are grateful for the support of Te Manawa Museum Society Inc., Science Centre Inc. and Te Manawa Arts Society. The Science Centre Trust must be acknowledged for their contribution to ensuring the arrival of the *Dinosaur Encounter* exhibition from the Natural History Museum in London.

We thank PNCC and our many collaborators, supporters, sponsors, artisans, artists and volunteers, UCOL, Massey Museum Studies, Te Wānanga o Aotearoa to work together in the future.

In this world of extremes of wealth and poverty where do museums fit? How can we be of use? We have the opportunity to make a difference. The Te Manawa team is committed to amplifying the possibilities for Te Manawa and our communities; to surprise, to provide connection and excitement.

We look forward to bringing you all with us over the coming year as we create a bold new future for Te Manawa that will take us into the next century and perhaps the next galaxy!

Andy Lowe
Chief Executive



Leadership Team*

Andy Lowe	Chief Executive
Maggie Vine	Executive Assistant
Claudia Dianu	Assets and Systems
Janet Ellery	People and Partnerships
Henare Kani	Kaiārahi
Tahi Gotty	Concepts and Engagement
	Kaitaunaki: Strategic
	Partnerships Advisor (Māori)

Assets and Systems*

Collections and Knowledge Assets

Jeff Fox	Manager
Cindy Lilburn	Collections - Humanities
Toni Edmeades	Collections - Art
Pru Pim	Museum in a Box Coordinator

Facilities

Neil Martin	Facilities Officer
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Finance

John Seymour	Accountant
Alison Mullins	Payroll Officer
Jane Rainbow	Accounts Administrator

Concepts and Engagement*

Amber Ahmu	Programme Delivery Manager
Tony Rasmussen	Programme Developer
Roma Potiki	Programme Developer

Rohan Kidd	Exhibition Designer
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Bis Beatson	Technician
Brent Robinson	Technician
Graeme Slimin	Technician
Markham Wightman	Technician
Warren Warbrick	Technician
Glenn Murray	Maintenance Technician

People and Partnerships*

Marketing and Communications

Graeme Beal	Manager
Rob Mildon	Communications Coordinator

Community Engagement and Learning

Kirsty Porter	Programme Developer, Education
Pip Steel	Programme Developer, Education

Himani Samarakoon	Weekend Educator
Natasha Bansal	Keeper, Live Exhibits
Izzabelle Flores	Keeper, Live Exhibits

Events

Thérèse McCrea	Events Developer
Juliet Thomas	Events Developer

Visitor Engagement

Jenny Ngan	Manager
Anne-Marie Langvad	Bookings Officer
Jaqueline Todd	Health & Safety Officer

Matt Crehan	Senior Visitor Host
Anne-Marie Langvad	Senior Visitor Host
Pru Pim	Senior Visitor Host
Jamie Coombs	Visitor Host
Chantelle Potroz	Visitor Host
Brian Shieffelbein	Visitor Host
Hannah Southward	Visitor Host
Logan Thompson	Visitor Host
Emma Timmins	Visitor Host

Volunteer Programme

Juliet Thomas	Volunteer Coordinator
Cynthia Cooper	Assistant Coordinator

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.

* As at 30 June 2017



Proud to receive the inaugural Arts Access Aotearoa award for the *Inspired By* exhibition, and NOA Open Studio public programme. Pictured from left: Richard Benge (Arts Access Aotearoa), Juliet Thomas, Andy Lowe, Janet Ellery, Trieste Te Awe Awe, Rohan Kidd, Wiremu Te Awe Awe, Henare Kani and Maggie Vine.



THE T-REX LOOMS OVER VISITORS TO *DINOSAUR ENCOUNTER*



CULTURAL ACTIVITIES ON WAITANGI DAY



COMMUNITY HAPORI WHĀNUI



REACT Big Girls Puppets on International Women's Day - March 2017



Lynda and Jools Topp perform at the opening of *The Topp Twins Exhibition* - May 2017



Marilyn Kohlhasse, Philip Patston, Andy Lowe and Phillipa Tocker at the opening night event of the Museums Aotearoa Conference - May 2017

MAHI | EVENTS: An active programme of events and activities ensures that Te Manawa continues to provide a range of experiences to enrich our core activities in the fields of art, science and social history. Our events provide opportunities to participate in the overall museum experience in exciting, innovative or uniquely personal ways.

The events team has provided ongoing support to visiting community groups such as the Highbury Weavers, the Spinners and Weavers, the Woodworkers' Guild, The Embroiderers' Guild, and our newest group, the Upcycling Club. Internal and external exhibitions such as NOVA, UCOL's BAVI, Massey University's BMVA, Te Wananga's Nga Kete Toi, Bruce Rennie, Let's Face It and Rebecca Swan have all had their openings supported, or run, by the events team.

Offsite activities such as Esplanade Day, the IPU Spring Festival, Festival of Cultures, International Women's Day, the George Street Carnival and the Winter Festival have also been supported by the events team.

The premium exhibition *Dinosaur Encounter* was a highlight for us, with numerous events focused on this popular theme. Over the exhibition period we provided the following: a successful lecture series; dinosaur days with fossil digging and make-your-own dinosaur gadgets; a day at the IPU Spring Festival with staff members dressed as dinosaurs. Stand-out events were the 'Night at the Museum' sleepovers, where children and their carers slept in the exhibition area and enjoyed an evening of dino activities, a movie and dinner.

Waitangi Day was again facilitated by Te Manawa with a focus on promoting cultures and youth within the community. This event attracted around 3500 people. The organising team incorporated pōwhiri and a ceremony in

the Square leading into civic ceremony and community activities at Te Manawa. A rearranged front area provided seating and dining areas, food and market stalls, children's entertainment, information stalls and buskers. Working again this year with the Youth Space, a talent quest was organised and proved very popular, with 11 finalists aged 11-17.

Rembrandt Remastered, a touring exhibition, allowed us to offer visitors themed afternoon tea within the exhibition space itself. About 70 people took part in this event over a four week period.

The Topp Twins Exhibition opened with a music-filled evening and, like *Dinosaur Encounter*, events inspired by the exhibition are being run. Scone and pikelet afternoon teas, a kiwi-themed quiz, and an open mic night for female performers; a lecture series is also underway.

Museums Aotearoa hosted their annual conference in Palmerston North this year, with Te Manawa acting in a support role. The events team developed a social event for more than 200 guests and assisted with organising the awards dinner.

We look forward to strengthening our current relationships, supporting our local community groups and encouraging new ones to join us.



Travellers get to meet a velociraptor at Palmerston North Airport, promoting the opening of *Dinosaur Encounter* - September 2016



Irreverent wayfinding signage guides visitors to *The Topp Twins Exhibition*, using the humour for which their characters are so loved - May 2017

WHAKATAIRANGA | MARKETING AND COMMUNICATIONS: The popularity of *Dinosaur Encounter* was indicative of the success of a larger than usual social media campaign, and an engaging and unique experience on offer. The animatronic models' first appearance in the Southern Hemisphere was a particularly newsworthy event, and was featured on TVNZ's *Seven Sharp*.

A large amount of work was undertaken to ensure that sponsors and supporters felt connected to the exhibition.

This included a comprehensive social media campaign, public talks, named events, competitions and joint initiatives, such as a partnership with City Partner Fly Palmy to promote the exhibition in the Palmerston North Christmas Parade.

Sunlight – Ihi Kōmaru also gained national television coverage, featuring in the TVNZ *Breakfast* weather segments while on show at MOTAT in Auckland.

Social media this year has been steady, and offers excellent indications of audience appetite for programmes and exhibitions. Engagement was particularly high during the months leading up to *Dinosaur Encounter*. A key strategy for engagement is 'sharing' and understanding the importance of creating content to be shared by others, while also sharing the articles of others that may be of interest or relevant to our own audience.

A renewed focus on telling the story of *Santa's Cave* through editorial, promotional material and signage has helped donation amounts continue to rise, with 2016 recording our highest per-person donation amount since the cave was relocated to Te Manawa. The *Santa's Cave* Centenary brand was launched in 2016, marking a two-year period of development and celebration for a very popular annual attraction.



Events Developer Juliet Thomas watches a 3D printer in action at Ricoh during the lead-up to Dinosaur Encounter - August 2016



Collections Manager Toni Edmeades with Museum Studies students on their condition reporting practicum

AKORANGA | LEARNING: There have been opportunities aplenty for Learning at Te Manawa in 2016/17 – a year in which we’ve expanded upon our tried and treasured programmes, and developed new and exciting content.

The highlight of the first six months was the *Dinosaur Encounter* exhibition, a once-only education opportunity for nearly 3000 people from 46 schools and early childhood centres. Building on this theme we offered learning programmes with a science and technology focus. With the assistance of the Earle Creativity Trust and ComputerCare, Te Manawa purchased twelve VexIQ robot kits. Since their first outing in the spring school holidays, technology and robotics programmes have been in hot demand. We’ve also worked with the Central Robotics Trust to present public scrimmage activities. With the help of Hokowhitu School we piloted an in-class introductory VexIQ programme for Years 4 and 5.

Other highlights of the year include:

- Weekend Discovery Time – an increasingly popular informal, hands-on learning activity of choice for visitors of all ages
- NOA – the award-winning open art studio for people with diverse abilities. This programme runs twice weekly in the foyer at Te Manawa, and is available to anyone who wishes to drop in
- A trial of programmes for early childhood learning
- New art and art history programmes, inspired by the exhibition *Rembrandt Remastered*.
- New social science and history programmes, inspired by the *Topp Twins* exhibition.

- Another busy season of Matariki-related programmes, including the ever-popular Starlab and ComputerCare-sponsored Cosmodome
- More robots are intended for technology programmes aimed at students from early childhood to Year 4

The technology and games focus of this year’s holiday programmes has been well received, with record attendances and fully subscribed learning sessions. New, informal, hands-on learning resources include Imagination Playground – large soft building blocks for pre-school aged children to let their imaginations run wild and build, use, dismantle and reimagine structures.

Efforts to actively network with other institutions have borne fruit. We have worked with:

1. S+ART (Science, Technology and Art Interdiscipline) Trust New Zealand to host the ‘S+ART Something’ Festival – a highlight on the Trust’s annual calendar. The festival allowed schools and the public to view and interact with the work of 2016 S+ART Grant winners artist Rebecca Swan (*The Exquisite Wound*, featuring *Becoming Sky* – an especially invented bubble machine that produced as you watched, large bubbles filled with smoke, onto which were projected selected exhibition images. This was installed in the Dark Room). Year 8 student Sean MacDonald-Hill (*Emotion-Immersion*, also created an interactive exhibition that produced visual and musical art to reflect people’s feelings about the health of our waterways).
2. Manawatu Art Teachers’ Association to support the biennial *Untitled Futures* conference for secondary school students .



MAKING MICROCOSMS ON WAITANGI DAY



Artists busy creating works at Noa Open Studio



Cultural Performance at Waitangi Day
- February 2017

WHEAKO MANUHIRI | VISITOR EXPERIENCE:

Physical visitor numbers to the museum and art galleries for the year 1 July 2016 to 30 June 2017 exceeded our target. This was helped by the unprecedented numbers visiting the animatronic *Dinosaur Encounter* exhibition, which captured the imaginations of young and old. The number of people through the exhibition created an energetic, fun-filled and dynamic atmosphere within Te Manawa and the front of house staff enjoyed the increased opportunity to interact with the public.

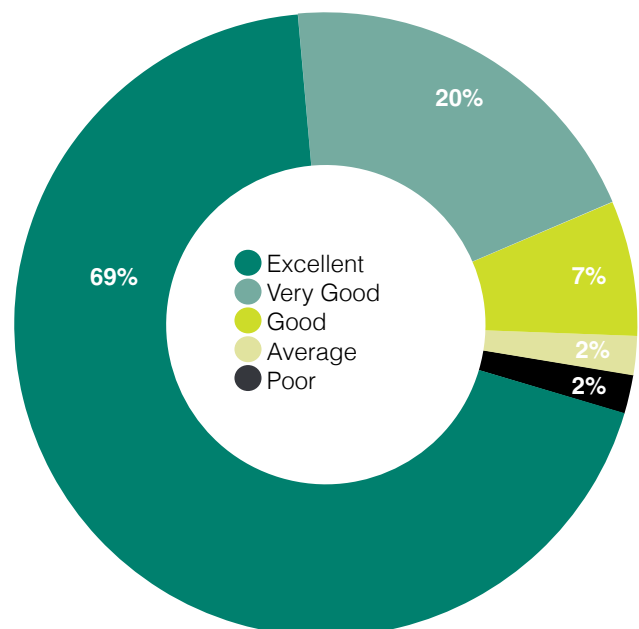
The introduction during the year of a coffee cart generously provided by Ebony Coffee Roasters, offering barista-made coffees to enhance the visitor experience, has been well received.

The addition of the Noa Open Studio each Tuesday and Thursday has allowed our visitors to participate in facilitated drawing sessions regardless of age, experience or ability. It is an inclusive programme that has added a breath of fresh air to the public foyer.

The Manawatū Embroiderer's Guild, Woodworkers' Guild, Spinners and Weavers, Upcycling Club, Lacemakers and Highbury Weavers continue to demonstrate their craft in our public spaces. The contribution they make to the life of the Museum, and their interaction with the public, adds great value to the experience and brings artistic and creative practice out into the open.

Visitor numbers for the 2016-17 financial year were 175,853 against a target of 170,000. Additional to this is the 57,732 visitors who actively engaged with the museum via e-visits.

VISITOR SATISFACTION SURVEY FEEDBACK:





PERFORMERS AT THE 'VIVA FRIDA' CABARET - AUGUST 2016





EXHIBITIONS WHAKAATURANGA



Nova - New additions to the Te Manawa Collection on show in the Gallery - September 2016



Performer Ken Benn embodies Rembrandt's assistant Ferdinand Bol for a series of public talks and performances during the *Rembrandt Remastered* exhibition - April 2017

WHAKAATURANGA | EXHIBITIONS: Te Manawa hosted 18 exhibitions this year, offering a diverse range of experiences. Whether through touring, local artist and community shows or collection-based exhibitions, there was a rich choice.

The examination of image through the ceramic faces in John Lawrence's *The Human Expression* led Te Manawa into a year where personal explorations and reflection were often centre stage.

Visible: 60 Women at 60 allowed a glimpse of the experiences of women in their 60s, while *Expressions of the Heart* was a celebratory exhibition with community creativity at its core.

ATA - A Third reflection by Bob Jahnke was a visually stunning installation in neon text and pattern. Israel Birch's *Ara-i-te-uru* (2011) in ground, polished and lacquered stainless steel was encompassed in the same gallery as *ATA*, with both artists' works echoing off each other. *Nova* showcased 100 pieces collected by Te Manawa over the previous five years, which highlighted stories and people behind the chosen acquisitions.

Rembrandt Remastered gave visitors a chance to get up close to digitally remastered and life-size paintings by Rembrandt, while *Ngā Kete Toi 2017* offered an encounter with contemporary Māori weaving. The quiet resolve of Cat Auburn's comment on horses that served their country in WWI, in *The Horses Stayed Behind*, shared nuances with *The Exquisite Wound*, Rebecca Swan's meditation on what remains after the physical body is empty of life.

Almost 50,000 tamariki (children) and adults shared in the excitement of the animatronic dinosaurs from the Natural History Museum of London with the exhibition *Dinosaur Encounter*.

The exhibition took over the city for almost four months of roaring activity, with visitors coming from all over the country.

There was a resounding yodel for New Zealand's much-loved national icons Lynda and Jools Topp; these inspiring women are celebrated in *The Topp Twins*, a touring exhibition developed by Te Manawa.

Finally, we wish to honour Bruce Rennie (1929 – 2017) an artist, art teacher and mentor. Bruce made a huge contribution to his community and a positive difference in the lives of many. His exhibition *Bruce Rennie - The Generous Heart* provided a distilled survey of his works across the years. Moe mai rā e te rangatira, moe mai, moe mai.



BRUCE RENNIE AND DAUGHTER SARAH

EXHIBITION SUMMARY 2016/2017

EXHIBITIONS DEVELOPED BY TE MANAWA

The Human Expression by John Lawrence **22 Jul – 30 Oct 2016**

Influenced by Picasso and other artists' portraiture and interpretations of the human expression, Dannevirke-based artist John Lawrence's ceramics celebrate the human body as art, exploring the idea of 'The face being the mirror of the soul' and its relevance in today's world.

Expressions from the Heart **11 Aug – 2 Oct 2016**

Emerging artists, service users of Idea Services the support arm of IHC, staged their first exhibition at Te Manawa in the newly refurbished Atrium. Idea Services assists adults with intellectual disabilities to participate in their local communities.

NOVA **3 Sep – 12 Mar 2017**

From the everyday to the extraordinary, the Te Manawa collection is full of treasures that reflect past and present life in the Manawātū. Nova showcased the stories and people behind selected art, taonga and objects acquired by Te Manawa between 2010 and 2015.

Visible: Women at 60 **3 Sep – 27 Nov 2016**

Jenny O'Connor's powerful portraits provided a personal glimpse into the experiences of women in their 60's in today's world. The exhibition challenged stereotypes and some of the myths around ageing.

Reflections

10 Sep – 24 Oct 2016

A national exhibition of the New Zealand Porcelain Artists Association, which for the past 28 years has represented the interests of its members and supported the art of porcelain painting.

Dinosaur Encounter

24 Sep 2016 – 26 Feb 2017

Proudly supported by city partner Fly Palmy, *Dinosaur Encounter* brought our favourite prehistoric beasts into a modern, in fact Palmerston North, environment. The gallery was transformed into an 'urban jungle' and reproductions of skeletons, skulls and fossil remains added breadth to the experience. Developed and brought to Te Manawa - the first and only venue in New Zealand by London's Natural History Museum, *Dinosaur Encounter* featured nine moving dinosaur models brought to life by state-of-the-art animatronics, giving visitors a thrilling glimpse at the 'terrible lizards' of 70 million years ago.

ATA – A Third Reflection by Bob Jahnke

3 Nov 2016 – 6 Feb 2017

'Ata,' meaning form or reflection in Te Reo Māori, explored connections between light and perception, history and retrospection. Jahnke translated neon forms into diamonds, triangles crosses and clubs, and words such as 'ATA' and 'TUKU' into spatial reflections that appeared endless.



Bob Jahnke's *Ata, A Third Reflection* - November 2016



Rangitikei College "Dry Rot" production poster by Bruce Rennie

Ara-I-Te-Uru by Israel Birch

3 Nov 2016 – 6 Feb 2017

The installation *Ara-i-te-uru* (2011) is a way of portraying the intangible elements of te ao Māori, in this case summoning the ancestral guardian taniwha of the Hokianga harbour, Ara-i-te-uru, in visible form as a river of lacquered steel and light.

The Generous Heart by Bruce Rennie

17 Nov 2016 – 28 May 2017

For 33 years, Bruce Rennie devoted himself to cultivating art and drama activities at Rangitikei College in Marton. *The Generous Heart* collects half a lifetime of creative output, from posters announcing the next school production to unique, personalised envelopes and letters sent to friends. It's an exhibition highlighting the joy and energy that comes from encouraging an unabashed love of the arts.

Whakaari/BAVI - Up Out Onward

18 Nov 2016 – 19 Feb 2017

Selected works from the graduates of the UCOL Bachelor of Applied Visual Imaging course. Combining traditional forms like photography and illustration with new directions, such as board games or bacterial cultures – *Whakaari Up Out Onward* showcases the bold directions a new generation of artists is taking.

Matatau

26 Nov 2016 – 19 Feb 2017

An exhibition of work by the graduating students, Bachelor of Māori Visual Arts, Toioho ki Āpiti, Toi Rauwhāangi College of Creative Arts, Massey University.

Rembrandt Remastered

11 Mar – 25 Apr 2017

A remarkable collection of digitally remastered and life size paintings from one of the world's greatest painters, Rembrandt van Rijn. Fifty-seven paintings were reproduced as they may have looked upon leaving the master's studio 400 years ago. Exhibited in collaboration with the Rembrandt Research Project Foundation.

The Horses Stayed Behind by Cat Auburn

10 Mar – 14 Jun 2017

Victorian-style mourning rosettes made from horse hair commemorate the horses that served their country in WWI, and could not return to New Zealand with troops. Each horse and rider who donated hair was recognised in the work. The exhibition is toured by Sarjeant Gallery Te Whare o Rehua Whanganui and was the winner of Best Exhibition Regional Art at the Service IQ 2016 New Zealand Museum Awards.

MATA - Excellence

23 Mar – 17 Apr 2017

Folios from Manawatū high school students who attained Excellence marks in NCEA Level three in 2016. Te Manawa and the Manawatū Art Teachers Association were proud to present the work of these young artists and designers.

The Exquisite Wound by Rebecca Swan

12 May – 8 Oct 2017

An interdisciplinary installation that included a new invention the 'Smoke Bubble Machine' by visual artist Rebecca Swan in collaboration with composer Charlie Ha, engineer Peter Swan, light artist Peter Stoneham and scientist David Shillington with the support of the S+ART Trust. The works contemplate on how we relate to the disappearance of our physical bodies, which gives rise to the question, 'what are we without them?'



Artist Rebecca Swan with visitors to her exhibition *The Exquisite Wound*
- May 2017



Jools and Lynda Topp try on the 'Ken and Ken' costumes in *The Topp Twins Exhibition* - May 2017

Topp Twins

20 May – 5 Nov 2017

The Topp Twins and the characters they have developed over the years epitomise the vision we hold of ourselves as down-to-earth, hard-working and resourceful New Zealanders. This exhibition looks at the Topp Twins from their childhood to the present day; their lives as performers, as political activists, as roving yodelling musicians and advocates for truth, LGBT rights and social justice. He wahine toa ēnei tokorua he wahine pumau i te aroha hoki.

Butch

20 May – 2 Jul 2017

A photographic exhibition by Rachel Hoskins capturing the normalcy of Butch culture in current society and studying the human reaction to this.

Ngā Kete Toi

9 Jun – 24 Sep 2017

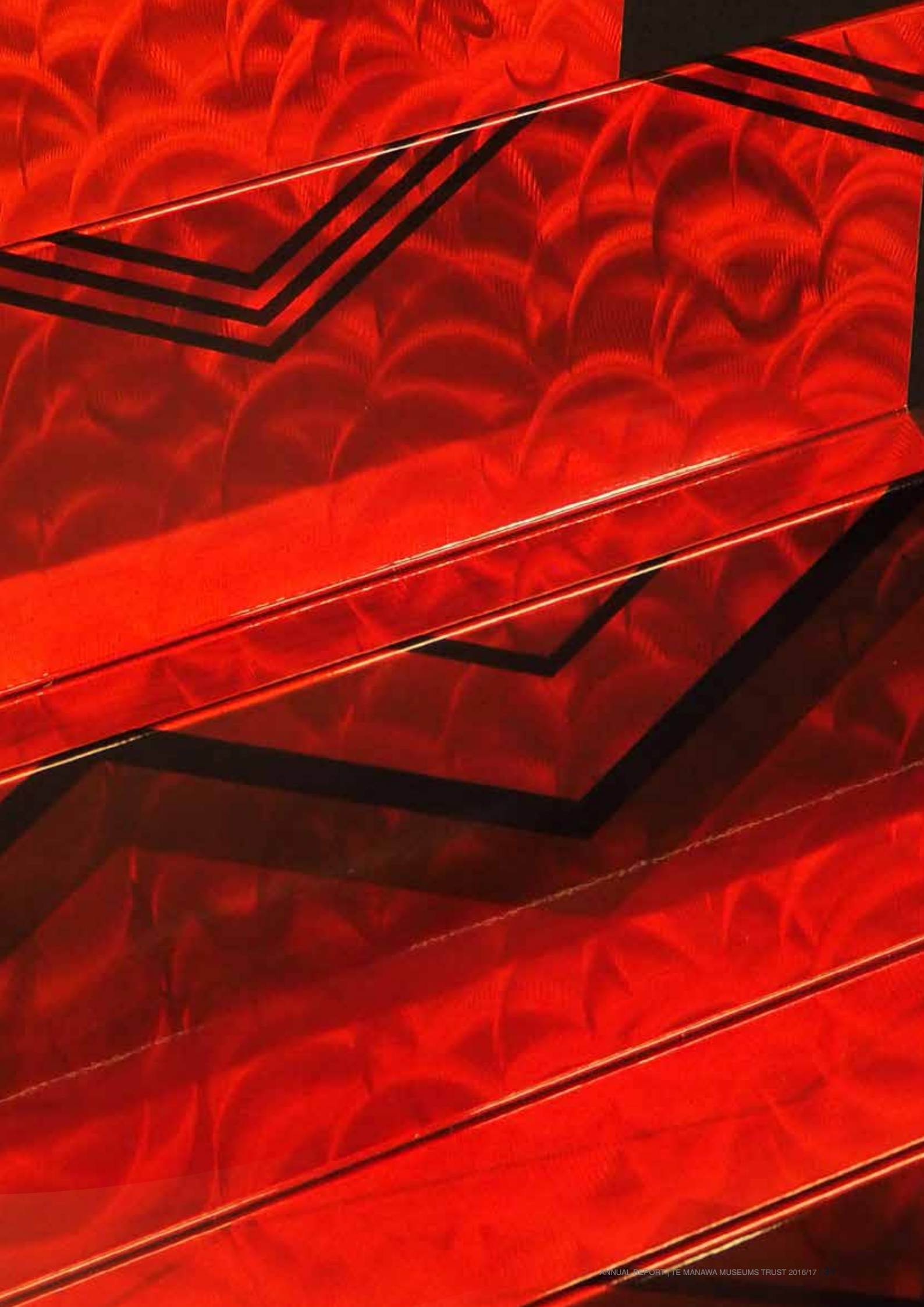
An exhibition of works by graduates and tutors of the Bachelor of Māori Arts degree in weaving at Te Wānanga o Aotearoa, in Palmerston North. Combining the customary Māori forms rāranga (weaving), tukutuku (woven panels) and whatu (main technique used to weave cloaks) to reveal creativity, quality and innovation.



"RAWR!!" T-REX MENACES VISITORS TO *DINOSAUR ENCOUNTER*

COLLECTIONS PUNA TAONGA

DETAIL FROM ARA-I-TE-URU BY ISRAEL BIRCH





Dolls furniture, home-made from tobacco tins, circa 1940s.



Embroidered handkerchief, a World War II souvenir from Egypt:

COLLECTIONS AND KNOWLEDGE ASSETS:

Te Manawa Museums Trust Board has approved the acquisition of 80 items and 20 deaccessions; overall increasing the permanent collection to 48,868 items at 30 June 2017. Approved acquisitions are detailed in Appendix One. Acquisitions have been made to the social history collection (71 items) and art collection (9 items).

Significant purchases include Shane Cotton's painting *River Diamond Blue*, commissioned by Te Manawa in the 2015-2016 financial year, and Israel Birch's sculptural installation *Ara-i-te-uru*, regarded by the artist as one of his most significant works. *Ara-i-te-uru* was displayed in the exhibition *ATA – a third reflection*, and *River Diamond Blue* will be displayed in the exhibition *Supernova*, opening in July 2017. Te Manawa Art Society Inc. purchased a textile work *Tupaia's paintbox – Barter* by Jo Torr for their collection, cared for by Te Manawa.

There have been no major collections of multiple items donated as for previous years, but a diverse range of locally made objects has been gifted: from a wool classing book to doll's furniture hand-made from tobacco tins.

More than 130 objects acquired by Te Manawa between December 2010 and December 2015 featured in the exhibition *Nova*, which opened in September 2016 for 9 months. The exhibition showcased the stories and people behind selected art, taonga and objects acquired over that period. Te Manawa collections also featured in several 'pop-up' displays during Waitangi Day, the Festival of Cultures, Local History Week and more. The visible sculpture store window display was changed over to a 'flying figure' theme, and works continue to be featured in Fran Dibble's monthly column on the art collection in the *Manawatū Standard*.

In July 2016 Te Manawa partnered with National Services Te Paerangi, Te Manawa Museum Society and the National Preservation Office Te Tari Tohu Taonga to run a 1-day workshop on the care and preservation of whanau / family photographs at Te Manawa. The Collections team continues to work closely with Massey University's Museum Studies Programme, running two 3-day contact courses providing hands-on training in condition-reporting, object handling and box-making in September 2016 and April 2017. The Collections team has developed a draft Collections Disaster Recovery Plan in the wake of the Kaikoura earthquake of 14 November 2016, although no collection items at Te Manawa were damaged as a result of that magnitude 7.8 M_w event.

32 back-of-house tours and collection-based public talks were provided to community and education groups involving 292 people; and 170 collections-related public and professional enquiries were researched and responded to.

Twenty 'Museum in a Box' interactive presentations were conducted for senior citizens at 15 rest homes, retirement and aged care facilities in Palmerston North and Feilding, with 412 participants.



STAFF PLACING ITEMS ON DISPLAY DURING FESTIVAL OF CULTURES - MARCH 2016

COLLECTION ACQUISITIONS AND DEACCESSIONS

ACQUISITIONS TO THE PERMANENT TE MANAWA MUSEUMS TRUST COLLECTION

ACQUISITIONS APPROVED BY THE TRUST BOARD –
JUNE 2016

ART COLLECTION

No artworks for consideration this month

SOCIAL HISTORY & TAONGA MĀORI COLLECTION

2016/25	British royalty scrapbook circa 1953-54. Donation
2016/26	Red Ensign naval flag, from Robert Embroideries, Palmerston North. Donation
2016/27	Communicant's certificate, St Andrews Presbyterian Church, Palmerston North, circa 1950. Donation
2016/39	Dolls furniture, home-made circa 1940s from tobacco tins. Donation
2016/40/1-4	Products made by Ralta, Palmerston North, circa 1970s; electric blanket, hairdryer, fan, battery clock. Donation

ACQUISITIONS APPROVED BY THE TRUST BOARD –
AUGUST 2016

ART COLLECTION

No artworks for consideration this month

SOCIAL HISTORY & TAONGA MĀORI COLLECTION

2015/66/1	Carpet piece, sold by Collinson & Cunninghame department store, Palmerston North circa 1910s. Donation
2015/66/2	Thermette, used by local farmer circa 1970s. Donation
2015/66/3	Advertising items from local businesses: Spence & Spence men's outfitters, Feilding, circa 1884-1918; Odilins Timber ruler, circa 1975-1988. Donation
2015/66/4	Post & Telegraph uniform buttons circa 1881 – 1959. Donation
2016/43	Palmerston North mayoral robes, circa 1960. Long-term fixed-term loan
2016/44	Māori canoe paddle, probably from Hokowhitu, Palmerston North. Donation

DEACCESSIONS

90/95/1	Piu-piu, sent anonymously to this institution in 1990. Identified and returned on request to descendent of original donor.
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Wool samples book, compiled as part of Massey Agricultural College wool classing course, circa 1961

ACQUISITIONS APPROVED BY THE TRUST BOARD – OCTOBER 2016

ART COLLECTION

2016.72 John Lawrence, *A Child's View of the Human Condition*, 2013, hand formed paper clay. Purchase

SOCIAL HISTORY & TAONGA MĀORI COLLECTION

2016/54/1-12 Twelve slides of the Palmerston North railway yards, circa early 1960s. Donation

DEACCESSIONS

80.188 James Greig, *Faceted Pot*, c.1980, ceramic. Historical damage

ACQUISITIONS APPROVED BY THE TRUST BOARD – DECEMBER 2016

ART COLLECTION

No TMMT artworks for consideration this month

2017.15 Jo Torr, *Tupaia's Paintbox – Barter (coat)*, 2007, cotton on tape (barkcloth). Purchased by TMAS

SOCIAL HISTORY & TAONGA MĀORI COLLECTION

2016/59 Palmerston North Technical School cup. Donation

2016/60 Personal computer, sold by Viscount Electronics, Palmerston North circa 1988. Donation

2016/61/1 Two paint concretions from local car painter, showing paint colours circa 1945-1965. Donation

2016/61/2 Wood sample from Palmerston North firm, Pegdens furniture manufacturers. Donation

2016-61/3 Print-out of wedding telegrams, circa 1950s. Donation

2016-61/4 Educational scroll from a Chautauqua desk, circa 1910s. Donation

2016/63 Artwork: *Yellow roses*, pastel by Robert Billens, Palmerston North/Levin. Donation

2016/70 Palmerston North Technical School branded cup & saucer. Purchase

2016/79 Glaxo brand drink mixer [glass with plunger]. Donation

2017/4 Receipts book, Dannevirke branch of Palmerston North firm, Barraud & Abraham, circa 1922-1924. Wages book, Barraud & Abraham, circa 1935 – 1945. Purchase



One of 12 slides of the Palmerston North railway yards (circa early 1960s)

ACQUISITIONS APPROVED BY THE TRUST BOARD – FEBRUARY 2017

ART COLLECTION

2017.25	Melvin Day (1923-2016), <i>Red Rock</i> , 1960, oil on canvas. Donation
2017.26	Melvin Day (1923-2016), <i>Mazzocchio (Uccello Series)</i> 1969, oil on canvas. Donation
2017.27	Melvin Day (1923-2016), <i>The Discovery of the True Cross (Piero della Francesca Series)</i> , 1970, oil on canvas. Donation

SOCIAL HISTORY & TAONGA MĀORI COLLECTION

2016/58/1-15	Fifteen local Pony Club ribbons, circa 1950s from Dorothy Tew. Donation
2016/58/16	Diary circa 1953-1954 of Dorothy Tew's courtship with future husband. Donation
2016/71/1-3	Education ephemera from Dorothy Tew, circa 1949-1951: Primary school certificate for Dorothy, Clydesdale School; Palmerston North Girls' High School book prize and magazine, 1951. Donation
2016/71/4-5	Dorothy Tew, high school clothing exercise book and sampler of embroidery stitches, circa 1951. Donation

2016/74/1	Notebook with preaching notes for member of the Feilding Open Brethren, late 1920s. Donation
2016/74/2-3	Two bicycle / motorcycle catalogues, 1920s. Donation
2016/75/1-4	World War II souvenirs from Egypt: embroidered handkerchiefs, postcard
2017/2	Wool samples book, compiled as part of Massey Agricultural College wool classing course, circa 1961. Donation.

DEACCESSIONS

96/129	Contemporary Maori artworks x 18: kete, belt, headbands, hats, bone carvings, print, pounamu piece, piu-piu, koauau, ceramics by Wi Taepa and Denise Tohiariki.
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ACQUISITIONS APPROVED BY THE TRUST BOARD – APRIL 2017

ART COLLECTION

2017.18	Kirsty Gardiner, <i>@newnormal (with huia)</i> , 2016, earthenware and collage. Purchase
2017.19	Matt Pine, <i>Number 1 (Open Series)</i> , 1985, painted aluminium. Purchase



John Lawrence, *A Child's View of the Human Condition* (2013) hand formed paper clay

- | | |
|---------|--|
| 2017.20 | <i>Matt Pine, Stadium (Pacific Pieces Series)</i> , 1989, steel rod and cast aluminium. Purchase |
| 2017.21 | Peter Butler, <i>Police Force</i> , 1981, black and white photograph. Purchase |

SOCIAL HISTORY & TAONGA MĀORI COLLECTION

- | | |
|-------------|---|
| 2017/3 | Vacuum pump, made by McCulloch Products, Rongotea, circa 1968. Donation |
| 2017/5/1-2 | Toilet training items: plastic potty and potty box, from the 1950s. Donation |
| 2017/10/1-2 | Baby highchair and commode chair, the commode chair is from about 1953; the highchair 1970s. Donation |
| 2017/12 | Palmerston North City Council crested saucer, pre 1989. Donation |

COLLECTION OUTWARD LOANS

AUGUST 2016

L394 – Manawatū Museum Services – assessment and consolidation of carved frame of oil on canvas by unknown artist, no date, portrait of unknown sitter. 74.75 (Te Manawa Art Society work)

L2016.7 – Kayak paddle for repair, to Manawatū Museum Services – kayak paddle for repair, returned August

OCTOBER 2016

L396 – Pataka Art + Museum – Ngahina Hohaia *Te kahu o te Karauna* / This is why I won't stand for the National Anthem; for inclusion in the exhibition *Ngahina Hohaia - Tools of oppression and liberation*. 9 October 2016 – 12 February 2017

L397 – The Dowse Art Museum – *James Greig Ceramic form*; for inclusion in the exhibition *James Greig - Defying Gravity*. 10 December 2016 – 12 March 2017

L.2016.8 – Palmerston North City Library – cameras and photos for Local History Week display, returned November 2016

L2016.9 – descendants of Ihakara Tokomaru – Kahu Kiwi said to belong to Ihakara Tokomaru to a tangi in Auckland and Tolaga Bay

FEBRUARY 2017

L2017.1 – Aratoi Museum of History, Masterton – 3 x Māori taonga [adze head, fish hook, cloak pin]; for inclusion in Ngāti Kahungunu exhibition, until 3 September 2017

L2017.3 – Rangiotu Marae Trustees – Tanenuiarangi flag for display in the Square, Waitangi Day 6 February 2017.

APRIL 2017

L2017.2 – Manawatū Museum Services – Pike's Quality Furniture Co., china display cabinet, c. 1930s, to have frame re-assembled so the door of the cabinet can be closed. Returned June 2017.

L2017.4 – Rangiotu Marae Trustees – Tanenuiarangi flag for display in Rangiotu Hall, Anzac Day 25 April 2017.

JUNE 2017

L2017.5 – Hare Arapere – Mauri stone for Waitangi Tribunal Hearing on Rangitikei Iwi Claims, Palmerston North Showgrounds, 1 June 2017



KIRSTY GARDINER, @NEWNORMAL (WITH HUIA), 2016, EARTHENWARE AND COLLAGE.

INDEPENDENT AUDITOR'S REPORT

To the readers of the Te Manawa Museums Trust's financial statements and statement of service performance for the year ended 30 June 2017

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

Opinion

We have audited:

- the financial statements of the Trust on pages 54 to 79, that comprise the statement of financial position as at 30 June 2017, 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 statement of service performance of the Trust on pages 42 to 51.

In our opinion:

- The financial statements of the Trust:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2017; 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 statement of service performance of the Trust presents fairly, in all material respects, the Trust's achievements measured against the performance targets adopted for the year ended 30 June 2017.

Our audit was completed on 31 August 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Basis for 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 Board for the financial statements and the statement of service performance

The 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 Board is also responsible for preparing the statement of service performance for the Trust.

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

In preparing the financial statements and the statement of service performance, the Board are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Board are also responsible for disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless the Board intend to wind up the Trust or to cease operations, or have no realistic alternative but to do so.

The Board's responsibilities arise from the Local Government Act 2002 and the Trust Deed.

Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, 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 statement of service performance.

For the budget information reported in the financial statements, 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 statement of service performance.

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 risk of material misstatement of the financial statements and the statement of service performance, 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 Board.
- We evaluate the appropriateness of the reported service performance 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 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 statement of service performance, 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, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 4 to 39 but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance 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 statement of service performance, 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 statement of service performance 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 requirement of the Professional and Ethical Standard 1 (revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Trust.



Andrew Clark
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

STATEMENT OF SERVICE PERFORMANCE 2016 – 2017

1. TO EXPAND AND DIVERSIFY PARTNERSHIPS AND RELATIONSHIPS

2. TO CLARIFY, DEVELOP AND PROMOTE AN ORGANISATIONAL MODEL WHICH WILL SUPPORT THE REALISATION OF THE STRATEGIC PLAN

3. TO CLARIFY AND DEVELOP THE PROGRAMMES OFFERED IN RESPONSE TO A BETTER UNDERSTANDING OF OUR COMMUNITIES





4. TO PROFESSIONALLY MANAGE AND MAINTAIN ALL ASSETS

5. TO CONSOLIDATE AND BUILD THE SEPARATE AND COLLECTIVE CAPABILITY OF STAFF, GOVERNANCE AND CORE STAKEHOLDERS








6. TO MAINTAIN, GROW AND DIVERSIFY REVENUES SOURCES

TE MANAWA EXPERIENCE				
TE MANAWA EXPERIENCE	2016/17 BUDGET	STATUS	RESULT	COMMENTS
Number of visits to TM	170,000	✓	175,853 visits in person, 57,732 e-visits (2015/2016: – 169,318 visits in person and e-visits of 44,223. Full year target was 168,000.	The <i>Dinosaurs Encounters</i> Exhibition brought 45,271 visitors through Te Manawa doors.
Number of visits to TM exhibitions at other venues	100,000	✗	75,240 Less touring venues than anticipated. (2015/2016: achieved 350,360)	Sunlight: Rotorua 24,032 Waikato 4,000 MOTAT 20,854 Mirror Magic Museum of South Taranaki 1,026 Farewell Zealandia Waiouru 23,596 Millennium 1,732
On line reach	158,000	✓	581,129 (including e-visits) (2015/2016 = 449,312)	
Total visits to TM Experience	428,000	✓	832,222 (2015/2016 = 968,990)	Lower total number of visitors due to less touring venues than anticipated
FINANCIAL				
Third party revenue	\$546k	✓	\$972k actual versus budget of \$546k (excludes revenue from donated collection assets) (2015/2016: achieved \$746k versus budget \$655k)	The actual revenue from donated collection assets is \$8k compared to a budget of \$25k (2015/2016: \$46k actual revenue from donated collection assets compared to \$25k budget)
SATISFACTION				
Visitor satisfaction (TM surveys)	>96%	✓	96.3% satisfied (2015/2016: 96.4% satisfied)	
Community satisfaction (PNCC Communitrak survey)	85%	✗	84% Satisfied (+/- 5%)	Results of survey of 400 residents - 12-21 Aug 2016. (Margin of error 5%)

1. TO MAINTAIN, CLARIFY, EXPAND AND DIVERSIFY PARTNERSHIPS AND RELATIONSHIPS				
PLANNED ACTIVITIES	2016/17	STATUS	RESULT	COMMENTS
Develop a Te Manawa partnership and relationship strategy and plan- including social, cultural, economic and environmental sectors – and supporting protocols and processes	Annual review of relationships and partnerships undertaken		New People & Partnerships Leader commenced in role December 2016. Immediate resourcing priorities for Education and Front of House took precedence. (2015/2016: Not measured)	Review of Strategic engagement plan commenced. New relationships established with S+ART and MALGRA. Relationships re-confirmed with Centrepont Theatre, and Central Robotics Trust
Prioritised partnerships & relationships developed and progressed	1 new prioritised partnership developed		New relationships with IHC and S+ART NZ Trust are working. (2015/2016: Achieved)	Development of NOA programme continuing Science, Technology and Art initiatives being planned, including a 'S+ART Transforming' Science Camp (25, 26 Sept 2017)
	95% of external partners recognise benefit from their relationship with Te Manawa		New People & Partnerships Leader commenced in role December 2016. Immediate resourcing priorities for Education and Front of House took precedence (2015/2016: Not achieved)	Although not formally quantified due to procedure not yet developed, material benefits have been offered to and accepted by external partners of Te Manawa.
Consolidate and increase the value of Te Manawa to Council and vice versa	Assess existing MOU against main KPIs and develop 1 additional MOU		Achievements and value reported as part of routine quarterly reporting. To date KPIs have been reported as substantively achieved. MOU with MALGRA being developed (2015/2016: Not achieved)	Te Manawa is now part of City Vibrancy working group
Consolidate and expand Rangitāne partnership and relationship across social, cultural, economic and environmental sectors	MOU in place with social and cultural development outcomes 1 major partnership project reviewed and 1 new project based on outcomes confirmed with Rangitāne		Te Rangimarie Agreement Kahui Kaitiaki hui 25th/26th May 2017 (part of the MA17 conference programme) (2015/16: Achieved- Rangitāne cultural centre supported)	
Facilitate partnerships with other Iwi / Māori across social, cultural, economic and environmental sectors	Review outcomes of 2015/16 with a focus on 'making a difference' with/for Māori communities		Robotics education Kahui Kaitiaki hui (2015/2016: Not measured)	Rangitāne and TM education team
	Review existing and develop MOU with 1 additional Kaupapa Māori based organisation to advance Kaupapa Māori based Te Manawa outcomes		Contract with Toi Ora Enterprises Limited in place to provide education services delivered in Te Reo Māori. Options for developing in-house capability are being identified (2015/2016: Achieved – MOU with Te Wānanga o Aotearoa)	

PLANNING ACTIVITIES	2016/17	STATUS	RESULT	COMMENTS
Maintain and expand the value of Te Manawa to educational agencies and vice versa (including LEOTC, UCOL, Wānanga, schools, pre-schools etc.	100% compliance with Ministry of Education LEOTC contractual agreement (with additional outputs reported in all key activities)		Target education visit volumes not achieved due to reallocation of resources to other activities (6,149 vs. target of 8,500). All other compliance requirements achieved, including: quality of service, and satisfaction ratings. Achievement rate is higher than last year. (2015/2016: Not achieved (5921 vs. target of 8500))	Service developments have been implemented: <ul style="list-style-type: none"> The successful completion of a robotics pilot programmes for Yr 4/5 Commencement of further development of a Yr 1-7 Robotics and Technology programmes. The commencement of a development programme for Early Childhood, which will enable Te Manawa to target this market. Sector engagement included: NZ Technology Teachers Association; Manawatu Art Teachers Association; Tatai Angitu e3@Massey; Palmerston North City Library Commencement of engagement targeted at local school Communities of Learning The development of new marketing and reporting systems with LEOTC is progressing.
Deliver 1 new educational project partnership to expand Te Manawa's learning outcomes			S.T.E.A.M. (science, technology, engineering., art, mathematics) programmes at Te Manawa (2015/2016: Achieved)	Worked with S+ART (Science, Technology and Art Trust of New Zealand) to host the school-focussed component of the festival 'S+ART Something' Worked with the Robotics Trust using VEX Robot Kits. Robotics and technology have been included in holiday programmes
Confirm revised portfolio/ foci in relationship with evolving LEOTC options and/ or evolving Te Manawa value proposition.			A review of the Education Service was completed. Recommendation to develop a Learning Hub has been adopted, of which LEOTC delivery is one of several learning services to be implemented. Scoping and development of the Learning Hub is scheduled for 2017/2018 (2015/2016: Achieved)	The Ministry of Education is implementing an annual procurement process for LEOTC Services. A tender for LEOTC funding for Technology, Science and Mathematics for the period 1 July 2018 to 30 June 2021 was submitted in May 2017. The next tender round will be for different subjects, and is scheduled for approximately May 2018
Contribute to connecting Te Manawa and Massey University to Palmerston North and the wider region.	Work with Massey University to develop, preserve and present its products, research, stories and collections.		Annual Massey Māori Arts exhibition. Discussions in development re exhibitions and other projects for the future. (2015/ 2016: Not measured)	Massey School of Humanities; Museum Studies, Latin American studies, Massey Māori Arts, Drama, Engineering.

2. TO CLARIFY, DEVELOP AND PROMOTE THE TE MANAWA ORGANISATIONAL MODEL AND THE TE MANAWA POINT OF DIFFERENCE				
PLANNING ACTIVITIES	2016/17	STATUS	RESULT	COMMENTS
Develop an environmental strategy and incorporate sustainable practices across all activities	1 partnership project with environmental sustainability party	✓	Reel Earth (2015/2016: <i>Achieved- Urban eels project</i>)	Reel Earth ran an environmental film festival with support from Te Manawa
Align all aspects of Te Manawa operation to new strategic framework	1 major initiative to improve Te Manawa environmental performance	✓	Recycle bins are now located in staff and general public areas. Waste food from staff room and events is used for the worm farm (2015/2016: <i>Achieved</i>)	Recycling bins replaced general rubbish bins in public areas
	Awards scoped and entry requirements considered against Te Manawa values and priorities	✓	Arts Access Aotearoa Museums award for NOA open studio and <i>Inspired By</i> . (2015/2016: <i>Achieved</i>)	Award received from Arts Access Aotearoa for NOA open Art studio programme using sustainable and recycled materials
Ensure Te Manawa story/ brand is strategic and clear, and is effectively communicated and promoted	The 'Te Manawa Story' is featured on 3 front-page stories in the local print media, 2 national print media stories and 1 prime time TV story	✓	<ul style="list-style-type: none"> Prime Time TV: - TVNZ1 <i>Seven Sharp</i> – <i>Dinosaur Encounter</i>, 26 September 2016 National Media: - <i>Frida Kahlo</i>, <i>Dominion Post</i>, July 15 2016 – <i>Six Frida Kahlo-inspired activities for Wellington's Kahlo Fans</i> - <i>Dinosaur Encounter On Board Magazine</i> – <i>Kiwi Rail</i>, September 2016 - <i>Topp Twins</i> – <i>NZ Life and Leisure Magazine</i> – June 2017 Local print front-page stories: - <i>Dinosaur Encounter</i> – <i>Manawatu Standard</i> – 16 Sept 2016 - <i>Dinosaur Encounter</i> – <i>Tribune</i>, Sept 14, 2016 - <i>Waitangi Day</i> – <i>Manawatu Standard</i>, 17 Feb 2017 (2015/2016: <i>Achieved</i>)	Examples include: <i>Robotics</i> - PN Kids bring robots to life (22 Mar, Manawātū Standard) <i>Museum in a Box</i> - Museum Boxes trigger plenty of fond memories (11 Mar, Manawātū Standard) <i>Dinosaur Encounter</i> - Dino Encounter smashes attendance records (3 Mar, Manawātū Standard) <i>Back-of-house Tours</i> - Stepping through the back door of Te Manawa (15 Feb, Manawātū Standard) <i>Waitangi Day</i> - Waitangi Day in Palmerston North (30 Jan, Manawātū Standard)
	1 innovative online 'Te Manawa story' initiative is liked and/ or followed by 3,000 people	✓	<i>Dinosaur Encounter</i> posts featured on Facebook and Twitter (2015/2016: <i>Not measured</i>)	<i>Dinosaur Encounter</i> story - 6,696 people engaged on Facebook. This is a combination of likes, clicks and comments.

3. TO CLARIFY AND DEVELOP THE TE MANAWA PROGRAMME OFFER AND APPROACH IN RESPONSE TO BETTER UNDERSTANDING COMMUNITIES				
PLANNING ACTIVITIES	2016/17	STATUS	RESULT	COMMENTS
Better understand the needs, preferences and values of the communities	Develop visitor market research strategy		Visitor feedback routinely collected, evaluated and reported (2015/2016: Not measured)	Planning is under way to complete this task as part of an organisation-wide review of marketing activities
	Partnership with a leading customer service organisation supports Te Manawa staff development		Museums Aotearoa Conference in Partnership with Museums Aotearoa and Arts Access Aotearoa (2015/2016: Not measured)	MA17 Museums conference on Museums without Boundaries concept hosted by Te Manawa, provided great opportunities for Te Manawa staff. Usually only one or 2 staff can participate in these conferences as they are too expensive for more staff to travel to and register for.
Develop a range of experience products (including exhibition, virtual, online, events, education etc)	Implement digital strategy		Digital Strategy adopted and infrastructure (i.e. "Vernon on-line" collection platform) purchased and installed (2015/2016: Not measured)	Digital strategy completed and some work in progress with Museum Society On-line "display" of collection items is work in progress and very much dependent on available resources Education: a collaboration with schools around digital exhibitions is being investigated
	A minimum of 20,000 visitors participate in activities during the year, and participation in two events attracting at least 3,500 visitors		Achieved 23,576 against target of 20,000 with the following two events attracting at least 3,500 visitors each: 1. Waitangi day (3,500) 2. May 2017 -Cuba St Carnival with <i>Topp Twins</i> (5,000) (2015/2016: Achieved- 26,384 visitors against target of 19,500)	Te Manawa at IPU Spring festival (5,000). This is an estimate based on 10,000 fliers being printed of which approximately half of these were handed out to festival attendees. IPU confirm between 7,000-7,500 through the gate. Festival of Cultures (1,307 at Te Manawa)
	Develop new educational product		New education content has been developed for technology (Robotics – in-school and holiday programme); premium exhibitions – <i>Dinosaurs</i> , <i>Rembrandt</i> , <i>Topp Twins</i> ; and Early Childhood Education (2015/2016: Achieved)	
	Total formal education visits achieve 23,150		Achieved 18,853 against target of 23,150 (81%) (2015/2016: Not achieved- total of 16,777 visits against target of 22,600)	Balance of anticipated visits was not achieved due to reduction in overall resourcing levels for the financial year
Review and replenish all long term galleries	Concepts for long term galleries prepared		Visible Sculpture store – a long term interactive with Te Manawa stored art objects was opened in July 2016 All long term galleries reviewed. No further replenishments undertaken this financial year. (2015/2016: Not measured)	Journeys Manawātū exhibition community consultation for concept development has been held; further planning for concept development for refresh in FY 2017-18 is underway.

PLANNING ACTIVITIES	2016/17	STATUS	RESULT	COMMENTS
	Additional interactive activities installed in Kids TM	✓	(2015/2016: <i>Achieved</i>)	Completed one new interactive in Kids TM as at end of second Quarter; Ball Race Wall was installed in Kids TM in December 2016
Increase access to the collections both physically and virtually	A minimum of two (2) temporary exhibitions from Te Manawa collection are held to reflect the distinctive characteristics of our community and its collections	✓	2016/17 –achieved with: <ul style="list-style-type: none"> • NOVA • Inspired By • Six pop-up displays using TM collections to support events at TM (2015/2016: <i>Achieved</i>)	Concept development of collections based exhibitions – <i>Super Nova</i> - an extension for the Nova exhibition based on acquisitions over the last five years; and concept development for <i>Golden Dreams</i> – 40th anniversary of the art gallery Joint exhibition project ' <i>Inspired by</i> ' with Creative Journeys utilised 24 works from Te Manawa art collection
	Review of innovative interpretive engagement initiatives to identify best options for a signature Te Manawa approach	✓	"Inspired By" received the Arts Access Aotearoa award (2015/2016: <i>Not measured</i>)	Innovative Interpretive Engagement initiative reviewed was <i>Inspired By</i> - Artists with disabilities working inside the exhibition. Reviewed by Arts Access Aotearoa- this initiative received an award
Upgrade art gallery	Scope art gallery/ cultural centre opportunities	✓	Achieved : <ul style="list-style-type: none"> • Visible sculpture store opened in July 2016 • New security system in art gallery (May 2017) (2015/ 2016: <i>Not measured</i>)	Strategic projects committee has been established. TM filed a submission to PNCC to be considered in the new Annual Plan regarding the request for support of a new facility

4. TO PROFESSIONALLY MANAGE AND MAINTAIN ALL TE MANAWA ASSETS

PLANNING ACTIVITIES	2016/17	STATUS	RESULT	COMMENTS
Ensure appropriate collection development, management and research standards are achieved and maintained	All items are acquired in accordance with TM policy and processes	✓	All collection items have been acquired in accordance with TM policy and processes (2015/2016: <i>Achieved</i>)	
	Quality of care and preservation of collections in TM's care demonstrated by no irreparable losses or damages caused as a result of handling by staff, and minimal (<5) cases of irreparable damage occurring as a result of public access	✓	Achieved with no incidents (2015/2016: <i>Achieved - No incidents recorded</i>)	

PLANNING ACTIVITIES	2016/17	STATUS	RESULT	COMMENTS
Develop and manage the facilities in a way that optimises community value, access, safety and use while meeting all mandatory standards	Develop in conjunction with PNCC, a staged plan around seismic strengthening	✓	Staged plan around seismic strengthening has been incorporated into thinking for new facility (2015/16: not measured)	PNCC commitment to seismic strengthening has been confirmed however consideration as to what level of funding they will commit to for a new facility is still to be addressed in their Long Term Plan.
Develop and manage Human Resources systems in a way that aligns with and supports the new Te Manawa model and culture	All appropriate staff have annual Performance Reviews and agreed Development Plans for 2016/17 in place by 15 September 2016	✗	70% of Performance reviews were in place (by 15th Sep 2016) (2015/2016: Not Achieved)	Change of staff and working towards change of PDS system created delays New system in place for FY 2017/2018
	Annual staff workplace survey undertaken	✓	Survey completed in November 2016 (2015/2016: Not Achieved)	Feedback, suggestions and issues have been addressed

5. TO CONSOLIDATE AND BUILD THE SEPARATE AND COLLECTIVE CAPABILITY OF STAFF, GOVERNANCE AND CORE STAKEHOLDERS

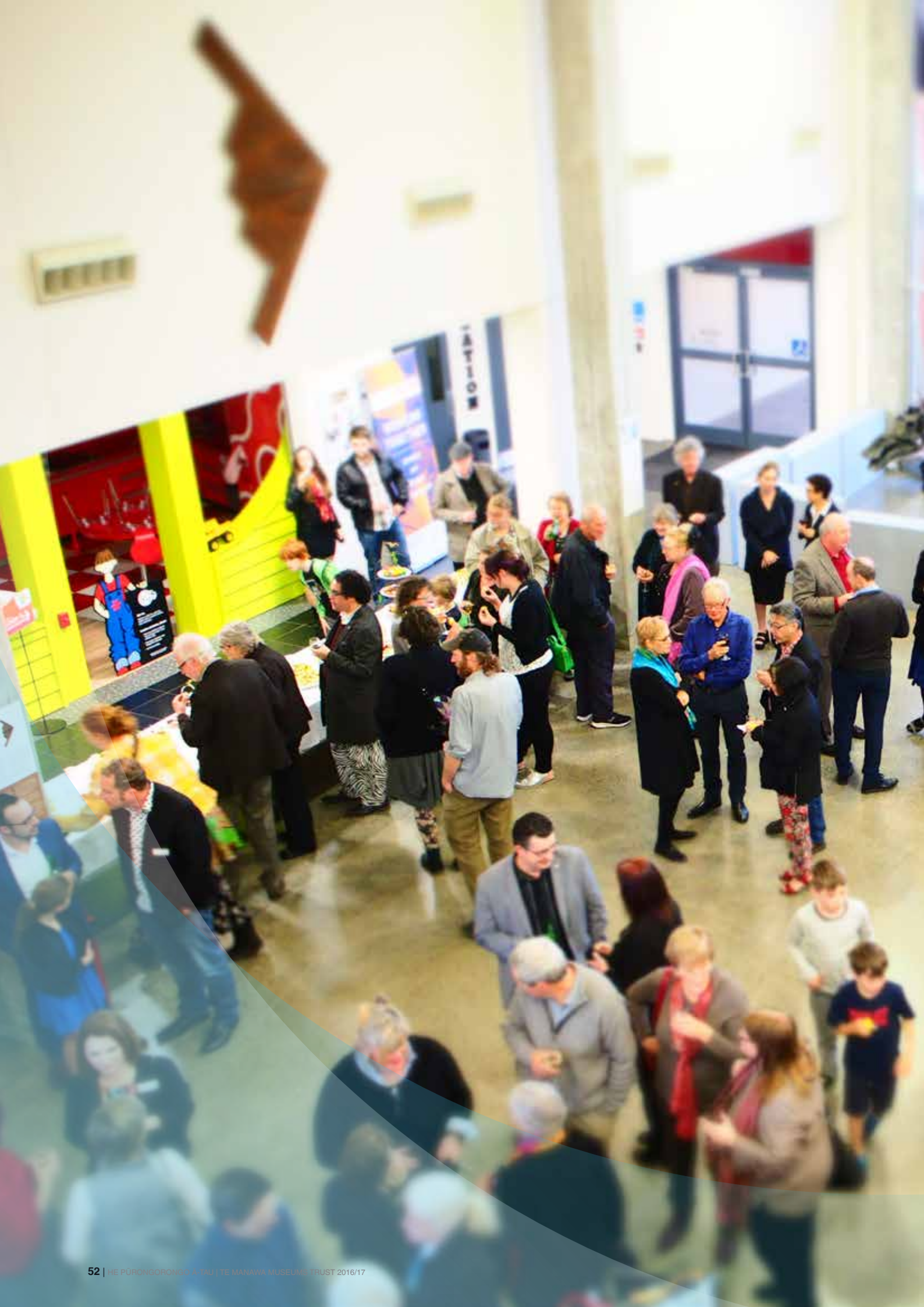
PLANNING ACTIVITIES	2016/17	STATUS	RESULT	COMMENTS
Build staff capability to deliver and build the value of the new Te Manawa model	90% of priority one development plans achieved	✓	100% achieved Ngutu Te Reo Māori support group implemented Te Kapa Waiata (2015/2016: Achieved)	2016/17 Te Reo and Kaupapa Māori focus included the following: <ul style="list-style-type: none"> 10 staff know the Te Manawa waiata – Goal for all staff to be able to Waiata at hui 10 staff learning Te Reo over the year 10 staff attend MA17 National Museums conference focussed on inclusion 5 staff attend Waitangi Day Prioritise employment of skilled Maori staff Management coaching for 1 Leadership Team member
Enhance bicultural practices across all activities	All staff attend a bicultural training programme	✓	Treaty of Waitangi introduction and Tikanga Māori seminars (2015/2016: Not Achieved)	Internal programmes developed for staff
	New staff attend bicultural development training and one other key training	✓	Bicultural Induction programme and Introduction to Tikanga Māori short courses (2015/2016: Achieved)	

PLANNING ACTIVITIES	2016/17	STATUS	RESULT	COMMENTS
Consolidate and build the value of Te Manawa to the Societies and vice versa	Ensure involvement by societies in one project	✓	2016/17 TMAS - 40 year Gallery anniversary exhibition 'Golden Dreams' event and new acquisitions for the collection purchased by TMAS Science Centre - <i>Dino Encounter</i> Museum Society - Collections on line (research and photograph toys and games in the TM collection); and Santa's cave (2015/2016: Achieved)	
Develop the volunteer base	Review strategy and process for volunteer involvement at Te Manawa	✓	Strategy reviewed. Recommended changes being implemented (2015/2016: Not measured)	Implementation plan for the review of Volunteers developed. Volunteer survey completed 30 June 2017. Results convey largely positive perceptions of Te Manawa among the current pool of volunteers.

6. TO MAINTAIN, GROW AND DIVERSIFY THE REVENUE SOURCES

PLANNING ACTIVITIES	2016/17	STATUS	RESULT	COMMENTS
Develop and implement a fundraising strategy that secures ongoing funding for Te Manawa activities	Annual strategy, plan and budgets are developed and agreed by 1st March 2017	✓	Draft Statement of Intent and Budget for the next three years submitted to Council for approval within the statutory deadlines (2015/2016: Achieved)	
Develop and implement Fundraising strategy	Fundraising strategy developed and implemented	✓	Fundraising strategy adopted and implemented (2015/2016: Not measured)	Sponsorship and Fundraising Committee set up to manage grant applications and sponsorship contracts. Fundraising priorities and revenue generating streams identified.
Consolidate and grow income from current funders	Initiate funder partnership strategy to maximise relationship, awareness of value and potential to increase funding and/ or deliver greater value	✓	Sponsorship and Funding Grant Strategy developed (2015/2016: Achieved)	MoU re-signed with our main funders
Ensure fundraising and sponsor-partnership is integrated into operational planning and priorities	1 sponsor of single project moved to being multiple project partnership	✓	2016/2017 - ComputerCare sponsorship of <i>Dinosaur Encounter</i> exhibition, and the Technology programme funded by the Earle Creativity Trust (2015/2016: Achieved)	

PLANNING ACTIVITIES	2016/17	STATUS	RESULT	COMMENTS
	Sponsorship and fundraising budgets are met	✓	Actual \$229k versus budget of \$100k (2015/16: Achieved actual \$200k versus budget \$100k)	
	Sponsorship and fundraising revenue is secured across a range of activities including exhibitions, events and capital expenditure	✓	<i>Dinosaur Encounter</i> exhibition secured \$96k in sponsorship and fundraising Visible Sculpture Store project secured \$14,280 grant from CET Waitangi Day Event funded by PNCC (\$21k) and Ministry of Culture & Heritage (\$6.3k) <i>Frida Kahlo</i> closing exhibition event funded by the Embassy of Mexico Security alarm system upgrade funded by Lion Foundation (\$20k) \$15k from IHC for the NOA programme \$3k from Forsyth Barr for <i>Rembrandt Remastered</i> \$3k event management support for Festival of Cultures \$10k Lotteries for <i>Topp Twins</i> (2015-2016: Achieved)	
Maximise the value of Te Manawa generated revenue-producing projects and products	Retail, Venue hire and other Front of House charges including criteria for free-of-charge use reviewed to achieve 2% increase on 2015/16 budget	✗	Retail Venue Hire and Other Front of House revenue of total \$76k being 11% decrease on 2015/16 budget of \$85k (2015/ 2016: Not achieved. Actual shop sales revenue of \$49k against a target of \$56k. Actual venue hire revenue of \$10k against a target of \$24k)	Target achieved for Retail with actual sales of \$67k being 19% increase on last year's budget of \$56k. Target not achieved for venue hire due to lower market demand than budgeted. Actual revenue from Venue Hire/other Front of House sits at \$9k, being 69% decrease on 2015/16 budget of \$29k.
	Touring exhibition revenue targets are met and exceed 2015/16 actual results	✗	Actual revenue from Touring for the year of \$124k versus budget of \$156k (2015/2016: Achieved actual revenue of \$198k)	Two venues pulled out at late notice due to extenuating circumstances.
	2% increase in programme revenue from 2015/16 actual results	✓	Increase by 71% from last year's actuals i.e. actual of \$36k compared to prior year actual of \$21k (2015/2016: Not measured)	Significant interest was shown in programmes developed around the Dinosaurs Encounters exhibition
Ensure costs are effectively managed to ensure the high value use and minimal waste of resources	Create capacity to fund assets renewal/ growth	✓	\$33k allocated to fund the design and build of future touring exhibitions (2015/2016: Achieved \$37k)	\$139k used from the Exhibition development reserve during the current year to fund the design and build of the <i>Topp Twins</i> touring show





FINANCIALS TETĀHUA

This section of the Annual Report contains the following information:

- Financial Statements
- Notes to the Financial Statements

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2017

	Note	Actual 2017 (\$)	Budget 2017 (\$)	Actual 2016 (\$)
OPERATING REVENUE				
Palmerston North City Council Operating Grant	4	3,003,555	2,965,049	2,962,086
Manawatu District Council Operating Grant	4	20,000	-	-
Interest Revenue	4	27,407	20,000	30,891
Other Operating Revenue	3, 4	924,308	526,306	715,189
Total Revenue	4	3,975,270	3,511,355	3,708,166
OPERATING EXPENDITURE				
Employee Expenses	5	2,048,201	2,141,195	2,108,766
Finance Costs		54	-	88
Other Operating Expenses	6	1,648,501	1,071,839	1,116,020
Depreciation and Amortisation Expense		334,906	327,114	319,740
Loss/(Gains) on Disposal of Property, Plant and Equipment		1,960	-	2,352
Impairment of Property, Plant and Equipment		-	-	-
Total Operating Expenditure	2	4,033,622	3,540,148	3,546,966
Net Surplus/(Deficit) before Movement in Collection Assets		(58,352)	(28,793)	161,200
Movement in Collection Assets				
Revenue from				
Recognition of Donated Collection Assets		7,700	20,000	45,884
Recognition of Custodial Collection Assets		-	5,000	-
	4	7,700	25,000	45,884
less Expense from :				
Derecognition of Custodial Collection Assets		50	-	-
Derecognition of Owned Collection Assets		1,744	-	-
		1,794	-	-
Total Net Movement in Collection Assets		5,906	25,000	45,884
TOTAL REVENUE		3,982,970	3,536,355	3,754,050
TOTAL EXPENSE		4,035,416	3,540,148	3,546,966
Net surplus/(deficit) for the period		(52,446)	(3,793)	207,084
Other Comprehensive Revenue and Expense				
Revaluation of Owned Heritage Collection Assets		-	-	-
Revaluation of Custodial Heritage Collection Assets		-	-	-
Revaluation of Owned Art Collection Assets		-	-	-
Revaluation of Custodial Art Collection Assets		-	-	-
Other Comprehensive Revenue and Expense for the Period	19	-	-	-
Total Comprehensive Revenue and Expense for the Period		(52,446)	(3,793)	207,084

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 2017

	Note	Actual 2017 (\$)	Budget 2017 (\$)	Actual 2016 (\$)
Equity as at 1 July		16,422,100	16,273,134	16,215,016
Comprehensive Revenue and Expense				
Net Surplus / (Deficit) for the Period		(52,446)	(3,793)	207,084
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense		(52,446)	(3,793)	207,084
Equity as at 30 June	8	16,369,654	16,269,341	16,422,100

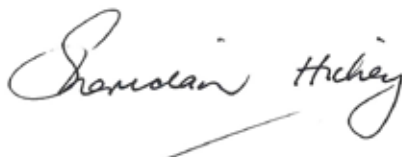
The accompanying accounting policies and notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	Actual 2017 (\$)	Budget 2017 (\$)	Actual 2016 (\$)
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	9	591,347	1,011,514	807,640
Receivables from Non-Exchange Transactions	10	42,199	41,500	96,759
Receivables from Exchange Transactions	11	15,683	700	3,802
Prepayments		76,879	-	189,603
Short Term Deposit	12	305,236	-	203,293
Inventories	13	36,413	30,000	28,356
<i>Total Current Assets</i>		<i>1,067,757</i>	<i>1,083,714</i>	<i>1,329,453</i>
NON CURRENT ASSETS				
Intangible Assets	17	28,449	42,991	17,152
Property, Plant and Equipment	18	1,042,945	879,845	1,082,553
Collection Assets	19	14,647,786	14,631,791	14,545,848
<i>Total Non-Current Assets</i>		<i>15,719,180</i>	<i>15,554,627</i>	<i>15,645,553</i>
TOTAL ASSETS		16,786,937	16,638,341	16,975,006
LIABILITIES				
CURRENT LIABILITIES				
Payables under Exchange Transactions	14	209,621	202,000	307,382
Deferred Non -Exchange Revenue	15	4,067	-	57,653
Employee Benefit Liabilities	16	198,983	167,000	185,862
<i>Total Current Liabilities</i>		<i>412,671</i>	<i>369,000</i>	<i>550,897</i>
NON CURRENT LIABILITIES				
Employee Benefit Liabilities	16	4,612	-	2,009
<i>Total Non-Current Liabilities</i>		<i>4,612</i>	<i>-</i>	<i>2,009</i>
TOTAL LIABILITIES		417,283	369,000	552,906
NET ASSETS		16,369,654	16,269,341	16,422,100
TRUST EQUITY				
Contributed Capital		145,565	145,565	145,565
Retained Earnings		10,636,557	10,397,944	10,535,826
Reserves		5,587,532	5,725,832	5,740,709
TOTAL TRUST EQUITY	8	16,369,654	16,269,341	16,422,100



John Fowke
Chairman



Sheridan Hickey
Trustee

Date: 31 August 2017

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	Actual 2017 (\$)	Budget 2017 (\$)	Actual 2016 (\$)
Cash flows from operating activities				
Palmerston North City Council Operating Grant		3,003,555	2,965,049	2,962,086
Interest received		19,323	20,000	30,392
Receipts from other revenue		920,595	526,305	741,054
Payments to suppliers		(1,571,457)	(1,071,838)	(1,236,715)
Payments to employees		(2,032,477)	(2,141,195)	(2,161,508)
Interest paid		(54)	-	(88)
Goods and services tax (net)		(15,975)	-	13,472
Net cash inflow/(outflow) from operating activities		323,510	298,321	348,693
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		174	-	-
Purchase of intangibles assets		(18,697)	(23,000)	(5,447)
Purchase of property, plant and equipment		(327,179)	(138,500)	(285,063)
Purchase of collection assets		(96,031)	(67,000)	(27,633)
Acquisition of investments		(96,707)	-	(203,293)
Net cash inflow/(outflow) from investing activities		(538,440)	(228,500)	(521,436)
Effect of foreign exchange rates on cash		(1,363)	-	-
Net (decrease)/increase in cash and cash equivalents		(216,293)	69,821	(172,743)
Cash and cash equivalents at the beginning of the year		807,640	941,693	980,383
Cash and cash equivalents at the end of the year	9	591,347	1,011,514	807,640

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 2017 and were approved by the Board of Trustees on 31 August 2017.

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

Impairment of Revalued Assets

In April 2017, the XRB issued Impairment of Revalued Assets, which now scopes in revalued property, plant, and equipment into the impairment accounting standards. Previously, only property, plant, and equipment assets measured at cost were scoped into the impairment accounting standards. PBE IPSAS 21.83.5 The Trust has early adopted this amendment in preparing its 30 June 2017 financial statements. From the 30 June 2017 year onwards, the Trust is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, the Trust is required to assess the recoverable amount of that asset and recognise an impairment loss if the recoverable amount is less than the carrying amount. The Trust can therefore impair a revalued asset without having to revalue the entire class of asset to which the asset belongs.

Standards issued and not yet effective, and not early adopted

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Trust plans to apply this standard in preparing its 30 June 2022 financial statements. The Trust has not yet assessed the effects of the new standard.

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

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

Debtors and Other Receivables

Debtors and other receivables are 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 30 April 2015. 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 Webb's Auckland as at 30 June 2015. Trust's policy is to revalue the Heritage Collection assets every four years to ensure that their carrying amount does not differ materially from fair value.

All other asset classes are carried at depreciated historical cost.

Accounting for Revaluations

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

Intangible Assets

Recognition and measurement

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

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

Software acquisition and development

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

Costs that are directly associated with the development of software for internal use are recognised as an intangible

asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

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

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

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

Subsequent expenditure

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

Amortisation

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

The estimated useful lives are as follows:

Software	1 to 7 years
Website	3 to 5 years

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

Impairment of property, plant and equipment and intangible assets

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

Value in use for non-cash-generating assets

For Trust's non-cash generating assets, value in use is determined based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used

to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

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

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

Creditors and Other Payables

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

Borrowings

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

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

Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Provisions

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

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

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 2017.

2: SUMMARY OF OPERATING EXPENSES BY ACTIVITY

	Actual 2017 (\$)	Budget 2017 (\$)	Actual 2016 (\$)
Assets & Systems:			
Employees' Costs	463,219	510,799	433,096
Other Operating Costs:			
- Collection	62,355	75,110	61,339
- Facilities	313,023	293,980	343,554
- Corporate Services	133,575	116,888	99,890
	972,172	996,777	937,879
Concepts & Engagement:			
Employees' Costs	482,078	528,331	571,389
Exhibitions Operating Costs	642,005	295,290	267,689
	1,124,083	823,621	839,078
People & Partnerships:			
Employees' Costs	627,859	616,826	621,186
Other Operating Costs:			
- Education	42,424	22,110	9,012
- Public Programmes and Events	94,729	40,200	74,407
- Communications/Advertising	137,684	79,320	93,592
- Sponsorship	22,538	-	16,000
- Visitors' Host	53,166	34,040	45,227
- Volunteers	1,256	1,150	455
	979,656	793,646	859,879
Executive:			
Employees' Costs	475,045	485,239	483,096
Other Operating Costs	145,800	113,751	104,941
	620,845	598,990	588,037
Depreciation/Amortisation	334,906	327,114	319,740
Loss on Disposals of Fixed Assets	1,960	-	2,352
Total Operating Expenditure	4,033,622	3,540,148	3,546,965

The above classification of expenditure by activity does not include derecognition of collection assets. Comparatives for Corporate Services costs have been reclassified to include human resources related costs as part of the Executive costs. Comparatives for the Customer Services costs have been reclassified to include advertising costs as part of the Communications/Advertising costs. These reclassifications do not have any impact on the equity.

3: OTHER OPERATING REVENUE

	Actual 2017 (\$)	Budget 2017 (\$)	Actual 2016 (\$)
Other Operating Revenue			
<i>From Exchange Transactions</i>			
Merchandise / Shop	74,049	34,700	55,907
Venue Hire	9,180	25,000	9,595
Sundry Income Public Programmes Events and Activities	17,018	3,500	7,390
Other	3,235	1,200	1,514
Other Operating Revenue (from Exchange Transactions)	103,482	64,400	74,406
<i>From Non-Exchange Transactions</i>			
Admission Fees	314,660	58,174	92,185
Bequests & Distributions	500	900	265
Community Grants	142,583	-	149,696
Donated Fixed Assets	2,087	-	-
Donations	20,199	16,200	30,007
Education Programme Fees	26,255	27,000	20,691
Sponsorship	76,000	100,000	39,900
Hire of Education Kits	1,806	2,500	1,410
Ministry of Education LEOTC	82,190	82,190	82,190
Public Programmes, Events & Activities	18,934	16,000	13,454
Sponsorship 'In Kind'	10,000	-	10,000
Touring Revenue	124,119	155,942	198,188
Other	1,493	3,000	2,798
Other Operating Revenue (from Non-Exchange Transactions)	820,826	461,906	640,783
Total Other Operating Revenue	924,308	526,306	715,189

4. REVENUE CLASSIFICATION IN ACCORDANCE WITH PBE IPSAS:

ACTUAL			
2017			
	Non-Exchange Transactions (\$)	Exchange Transactions (\$)	Total Revenue as per Statement of Comprehensive Revenue and Expense (\$)
Revenue from:			
Palmerston North City Council Operating Grant	3,003,555	-	3,003,555
Manawatu District Council Operating Grant	20,000	-	20,000
Interest Revenue		27,407	27,407
Other Operating Revenue (<i>refer Note 3</i>)	820,826	103,482	924,308
Subtotal Operating Revenue	3,844,381	130,889	3,975,270
Revenue from Donated/Custodial Collection Assets			
Recognition of Donated Collection Assets	7,700		7,700
Recognition of Custodial Collection Assets	-		-
Total Revenue classified as Revenue from:	3,852,081	130,889	3,982,970
ACTUAL			
2016			
	Non-Exchange Transactions (\$)	Exchange Transactions (\$)	Total Revenue as per Statement of Comprehensive Revenue and Expense (\$)
Revenue from:			
Palmerston North City Council Operating Grant	2,962,086		2,962,086
Interest Revenue		30,891	30,891
Other Operating Revenue (<i>refer Note 3</i>)	640,783	74,406	715,189
Subtotal Operating Revenue	3,602,869	105,297	3,708,166
Revenue from Donated/Custodial Collection Assets			
Recognition of Donated Collection Assets	45,884		45,884
Recognition of Custodial Collection Assets	-		-
Total Revenue classified as Revenue from:	3,648,753	105,297	3,754,050

5. EMPLOYEE EXPENSES

	Actual 2017 (\$)	Budget 2017 (\$)	Actual 2016 (\$)
Salaries and Wages	1,990,903	2,080,694	2,066,952
Employer Contributions to Kiwisaver	46,198	51,000	47,503
Employee Entitlements Increase / (Decrease)	11,100	9,500	(5,689)
Total Employee Expenses	2,048,201	2,141,194	2,108,766

Direct Labour of \$3,462 (2016: \$3,548) is part of fixed assets (i.e. the "Topp Twins" touring exhibition) built during current financial year.

6. OTHER OPERATING EXPENSES

	Actual 2017 (\$)	Budget 2017 (\$)	Actual 2016 (\$)
Fees to Audit New Zealand for audit of financial statements	26,821	28,000	26,040
ACC	8,092	11,500	7,451
Advertising & Promotion	130,141	69,050	81,830
Collection Revaluation Fees	600	-	5,100
Computer & IT Support	43,508	45,000	37,982
Communication/Social Media	23,444	26,010	24,861
Contractors	312,312	24,570	79,486
Cost of Sales - Merchandise	40,830	18,320	29,622
Freight	114,218	26,040	51,208
Hire fees - Exhibitions	176,432	64,000	50,804
Impairment of Receivables	-	-	-
Insurance - Material Damage	21,130	28,819	18,990
Insurance - Collections	36,487	36,000	32,913
Legal Fees	4,354	-	9,684
Loss/Gain on Foreign Exchange Transactions	1,363	-	-
Materials/Consumables	122,386	160,250	76,790
Occupancy Costs	228,920	206,923	255,918
Repairs & Maintenance	40,466	47,510	63,101
Subscriptions	17,600	16,250	17,118
Training & Travel	45,961	22,400	37,298
Trust Board Remuneration	15,086	16,000	16,995
Trust Board Expenses	5,598	5,500	5,511
Operating Leases	55,738	55,738	55,738
Other Operating Expenses	177,014	163,959	131,580
Total Other Operating Expenses	1,648,501	1,071,839	1,116,020

7. DEPRECIATION AND AMORTISATION

	Actual 2017 (\$)	Budget 2017 (\$)	Actual 2016 (\$)
Depreciation expense	327,506	315,954	314,069
Amortisation expense	7,400	11,160	5,671
Total Depreciation and Amortisation	334,906	327,114	319,740

8. EQUITY		
	2017 (\$)	2016 (\$)
Contributed Capital		
Balance at Beginning of Year	145,565	145,565
Capital Contribution	-	-
Balance at End of Year	145,565	145,565
Retained Earnings		
Balance at Beginning of Year	10,535,826	10,381,689
Net Surplus/(Deficit) for the year	(52,446)	207,084
Transfers to Retained Earnings from:		
Exhibition Development Reserve	139,175	-
Collection Development Fund	52,000	13,000
Collection Revaluation Reserve on disposal	1,668	-
Transfers from Retained Earnings to:		
Endowment Fund	-	(264)
Collection Development Fund	(6,469)	(29,097)
Historic Building Maintenance Reserve	-	-
Exhibition Development Reserve	(33,197)	(36,586)
Balance at End of Year	10,636,557	10,535,826
Revaluation Reserve - Heritage Collection		
Balance at Beginning of Year	1,420,094	1,420,094
Revaluation Reserve on disposals	(54)	-
Revaluation of Collection Assets	-	-
Balance at End of Year	1,420,040	1,420,094
Revaluation Reserve - Art Collection		
Balance at Beginning of Year	3,977,199	3,977,199
Revaluation Reserve on disposals	(1,614)	-
Revaluation of Collection Assets	-	-
Balance at End of Year	3,975,585	3,977,199
Endowment Fund		
Balance at Beginning of Year	10,873	10,609
Transfer from Retained Earnings	-	264
Balance at End of Year	10,873	10,873
Collection Development Fund		
Balance at Beginning of Year	76,461	60,364
Transfer from Retained Earnings	6,469	29,097
Transfer to Retained Earnings	(52,000)	(13,000)
Balance at End of Year	30,930	76,461
Historic Building Maintenance Reserve		
Balance at Beginning of Year	19,081	19,081
Transfer to Retained Earnings	-	-
Balance at End of Year	19,081	19,081
Exhibition Development Reserve		
Balance at Beginning of Year	237,001	200,416
Transfer from Retained Earnings	33,197	36,586
Transfer to Retained Earnings	(139,175)	0
Balance at End of Year	131,023	237,001
Total Reserves	5,587,532	5,740,709
Total Equity	16,369,654	16,422,100

9. CASH AND CASH EQUIVALENTS

	2017 (\$)	2016 (\$)
Cash at bank and on hand	49,987	364,316
Short Term Investments with maturity up to 90 days	541,360	443,324
Total Cash and Cash Equivalents	591,347	807,640

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 2.54% (2016: 1.85%)

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

10. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2017 (\$)	2016 (\$)
Non - Exchange Receivables	38,533	96,759
Related Party Receivables	-	-
Provision for Doubtful Debts	-	-
Accrued Revenue	3,666	-
Total Receivables from Non-Exchange Transactions	42,199	96,759

11. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2017 (\$)	2016 (\$)
Trade Receivables		
Related Party Receivables (Note 22)	4,763	1,190
Interest Receivable	5,460	-
	5,460	2,612
Receivables from Exchange Transactions	15,683	3,802

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

Impairment: Receivables written off during the period were \$nil (2016: \$nil).

12. SHORT TERM INVESTMENTS

	2017 (\$)	2016 (\$)
Term deposit with maturity less than 12 months	305,236	203,293
Total Term deposit	305,236	203,293

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

The term deposit has a six months maturity and the weighted average of interest rate applicable to short term deposit is 3.2 % (2016: 3.2%)

13. INVENTORIES

	2017 (\$)	2016 (\$)
Commercial Inventories – Items held for resale	36,413	28,356
Total Inventories	36,413	28,356

There was no item of inventory written down during the period (2016: \$nil).

There were no reversals of previously written down inventory items (2016 \$nil).

There are no items of inventory pledged as security.

14. PAYABLES UNDER EXCHANGE TRANSACTIONS

	2017(\$)	2016 (\$)
Trade Creditors	57,450	124,078
Related Party Payables (Note 22)	10,999	15,032
Accrued Expenses	42,099	43,048
GST Payable	51,844	65,020
Other Payables	44,186	60,008
Revenue in advance (venue hire)	3,043	196
Total Payables under Exchange Transactions	209,621	307,382

15. DEFERRED NON -EXCHANGE REVENUE

	2017 (\$)	2016 (\$)
Revenue Received in Advance	4,067	57,653
Total Deferred Non -Exchange Revenue	4,067	57,653

As at 30 June 2017, there is a credit card facility in place with Westpac for a limit of \$10,000 (2016: 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.

16. EMPLOYEE BENEFIT LIABILITIES

	2017 (\$)	2016 (\$)
Current Portion		
Accrued Salaries and Wages	37,998	33,374
Annual Leave	155,216	143,392
Long Service Leave	5,769	9,096
Total Current Portion of Employee Benefit Liabilities	198,983	185,862
Non-Current Portion		
Long Service Leave	4,612	2,009
Total Employee Benefit Liabilities	203,595	187,871

17. INTANGIBLE ASSET

	Website (\$)	Software (\$)	Work in Progress (\$)	Total (\$)
Cost				
At 1 July 2015	10,000	71,259	1,200	82,459
Additions - Purchased	-	6,647	-	6,647
Disposals/Work in Progress transferred to Intangible Assets	-	-	-1,200	(1,200)
At 30 June 2016	10,000	77,906	-	87,906
Additions - Purchased	-	18,697	-	18,697
Disposals/Work in Progress transferred to Intangible Assets	-	-	-	-
At 30 June 2017	10,000	96,603	-	106,603
less Accumulated Amortisation and Impairment Losses				
At 1 July 2015	667	64,416	-	65,083
Amortisation Expense	2,000	3,671	-	5,671
Impairment	-	-	-	-
Accumulated Amortisation on Disposals	-	-	-	-
At 30 June 2016	2,667	68,087	-	70,754
Amortisation Expense	2,000	5,400	-	7,400
Impairment	-	-	-	-
Accumulated Amortisation on Disposals	-	-	-	-
At 30 June 2017	4,667	73,487	-	78,154
Carrying Amounts				
As at 30 June 2016 and 1 July 2016	7,333	9,819	-	17,152
As at 30 June 2017	5,333	23,116	-	28,449

There is no work in progress at balance date (2016: \$nil).

There are no intangible assets pledged as security over the Trust's liabilities (2016: \$nil).

18. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer Hardware (\$)	Exhibitions (\$)	Furniture & Fittings (\$)	Leasehold Improvement (\$)	Office Equipment (\$)	Plant & Equipment (\$)	Work in Progress (\$)	Total (\$)
At 1 July 2015	123,685	1,719,661	403,559	339,953	23,944	468,094	1,087	3,079,983
Additions	7,894	103,195	19,644	36,060	-	66,978	34,245	268,016
Disposals/Work in Progress transferred to Property Plant & Equipment	(7,804)	(8,061)	(15,285)	-	(664)	(27,353)	(1,087)	(60,254)
At 30 June 2016	123,775	1,814,795	407,918	376,013	23,280	507,719	34,245	3,287,745
Additions	6,660	158,952	28,239	36,565	-	93,862	180,639	504,917
Disposals/Work in Progress transferred to Property Plant & Equipment	(8,638)	(12,915)	(462)	-	-	(4,197)	(214,884)	(241,097)
At 30 June 2017	121,797	1,960,831	435,695	412,578	23,280	597,384	-	3,551,565

less Accumulated Depreciation and Impairment Losses

At 1 July 2015	92,663	899,555	337,650	247,008	23,471	347,594	-	1,947,941
Depreciation charge for the year	12,592	234,725	15,901	19,409	127	31,315	-	314,069
Impairment	-	-	-	-	-	-	-	-
Accumulated depreciation on disposals	(7,711)	(7,678)	(15,285)	-	(666)	(25,477)	-	(56,818)
At 30 June 2016	97,544	1,126,602	338,266	266,417	22,932	353,432	-	2,205,192
Depreciation charge for the year	12,564	228,452	19,318	24,134	126	42,912	-	327,506
Impairment	-	-	-	-	-	-	-	-
Accumulated depreciation on disposals	(8,639)	(11,478)	235	-	-	(4,197)	-	(24,080)
At 30 June 2017	101,469	1,343,576	357,819	290,551	23,058	392,147	-	2,508,620

Carrying Amounts

As at 30 June 2016 and 1 July 2016	26,231	688,193	69,652	109,596	348	154,287	34,245	1,082,553
As at 30 June 2017	20,328	617,255	77,876	122,027	222	205,237	-	1,042,945

Work in progress at balance date of \$nil (30 June 2016 total work in progress \$34,245 of which \$32,245 Leasehold Improvements and \$2,000 Computer Hardware).

No items of Property, Plant and Equipment are pledged as security as at 30 June 2017 (2016: \$nil).

19. COLLECTION ASSETS

	Opening Balance 1-Jul-16	Acquisitions	Donated/ Custodial Collection Assets	Revaluations	Deaccessions	Closing Balance 30-Jun-17
30 June 2017						
Art						
Owned	3,577,111	94,887	-		(1,739)	3,670,259
Custodial	5,780,714	-	-	-	-	5,780,714
Total Art	9,357,825	94,887	-	-	(1,739)	9,450,973
Heritage						
Owned	3,811,931	1,144	7,700	-	(5)	3,820,771
Custodial	1,376,092	-	-	-	(50)	1,376,042
Total Heritage	5,188,023	1,144	7,700	-	(55)	5,196,813
Total Collection Assets	14,545,848	96,031	7,700	-	(1,794)	14,647,786
Owned Collection Assets						7,491,030
Custodial Collection Assets						7,156,756
Total Collection Assets 30 June 2017						14,647,786
	Opening Balance 1 July 2015	Acquisitions	Donated collection Assets	Revaluations	Deaccessions	Closing Balance 30 June 2016
30 June 2016						
Art						
Owned	3,516,711	25,900	34,500	-	-	3,577,111
Custodial	5,780,714	-	-	-	-	5,780,714
Total Art	9,297,425	25,900	34,500	-	-	9,357,825
Heritage						
Owned	3,800,274	273	11,384	-	-	3,811,931
Custodial	1,376,092	-	-	-	-	1,376,092
Total Heritage	5,176,366	273	11,384	-	-	5,188,023
Total Collection Assets 30 June 2016	14,473,791	26,173	45,884	-	-	14,545,848
Owned Collection Assets						7,389,042
Custodial Collection Assets						7,156,806
Total Collection Assets						14,545,848

Valuation**Heritage Collection**

The Trust's policy is to revalue the heritage collection every four years. The owned and custodial heritage collections were independently valued at 30 June 2015 at \$3,777,513 for the owned heritage collection and respectively at \$1,376,020 for the custodial heritage collection. The revaluation was undertaken by Webb's 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 June 2015 at \$3,511,035 for the owned art collection and respectively at \$5,780,714 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 2017 (2016: \$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 2009, with a variation to allow sub-leasing to New Zealand Rugby Museum subject to Palmerston North City Council consent.

Operating Leases with Palmerston North City Council

	2017 (\$)	2016 (\$)
Within 1 year	60,800	60,800
Within 1 – 2 years	29,000	29,000
Within 2 – 5 years	-	29,000
	89,800	118,800

Other Operating Leases

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:

	2017 (\$)	2016 (\$)
Within 1 year	123,377	30,381
Within 1 – 2 years	13,628	12,013
Within 2 – 5 years	5,678	2,263
	142,683	44,657

Capital Commitments

	2017 (\$)	2016 (\$)
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment:	2,628	19,850

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

21. CONTINGENCIES

The Trust does not have any contingent liabilities as at 30 June 2017 (2016: \$nil).

The Trust does not have any contingent assets as at 30 June 2017 (2016: \$46,280).

22. RELATED PARTY TRANSACTIONS

(i) Controlling Entity

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

	2017(\$)	2016 (\$)
Transaction carried out with PNCC are as follows:		
Received from PNCC		
Operating Grant	3,003,555	2,962,086
Waitangi Day Grant	21,000	-
Other Services	5,525	1,165
Purchased from PNCC		
Water Rates	1265	2,080
Other Services	113,834	99,876
Owing to PNCC at 30 June	10,999	15,032
Owing from PNCC at 30 June	314	-

Te Manawa has also provided free venue hire to PNCC - Library and Community Services with a market value of \$3,230.

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. 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:

	2017		2016	
	Remuneration	Number of Persons	Remuneration	Number of Persons
Trustees	15,086	7*	16,995	8*
Leadership Team	435,561	4.25 FTE's	446,892	4.5 FTE's
Total Key Management Personnel Compensation	450,647		463,887	

* 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
Museum Aotearoa Board (Andy Lowe - CEO of Te Manawa Museums Trust and Board Member of Museum Aotearoa)	- Free venue hire (2015/16: no services or goods provided at a value different than the market value)	\$1,085 (2015/16: \$nil)
Active Minds Aotearoa Inc. (Andy Lowe - CEO of Te Manawa Museums Trust and Board Member of Active Minds Aotearoa Inc.)	- Free venue hire (2015/16: no services or goods provided at a value different than the market value)	\$1,475 (2015/16: \$nil)
S+ART	- Te Manawa provides Treasury and Secretary Services to S+ART free of charge, and free venue hire (2015/16: no services or goods provided)	\$2,250 (2015/16: \$nil)
Science Centre Inc. (Geoffrey Jameson - Trustee of Te Manawa Museums Trust and member of Science Centre Inc.)	- Free venue hire (2015/16: free venue hire)	\$2,210 (2015/16: \$1,522)
Palmerston North Airport (Palmerston North City Council controls both Te Manawa Museums Trust and Palmerston North Airport)	- Free advertising for the <i>Dinosaur Encounters</i> exhibition (2015/16 free advertising for the <i>Frida Kahlo</i> exhibition)	\$10,000 (2015/16: \$10,000)

23. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the balance sheet date.

24. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

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

	2017 (\$)	2016 (\$)
Loans and Receivables:		
Cash and Cash Equivalents (Note 9)	591,347	807,640
Debtors and Other Receivables (Note 10 & 11)	57,882	100,561
Short term deposits (Note 12)	305,236	203,293
Total Loans and Receivables	954,465	1,111,494
Financial Liabilities Measured at Amortised Cost:		
Creditors and Other Payables (Note 14)	206,578	307,187
Total Financial Liabilities Measured at Amortised Costs	206,578	307,187

25. FUNDING FROM COMMUNITY ORGANISATIONS

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

Grantor/Donor:

Central Energy Trust	\$44,280
Eastern & Central Community Trust	\$4,000
Infinity Foundation Limited	\$2,000
Lion Foundation	\$20,000
Mainland Foundation	\$10,000
Pub Charity Limited	\$5,000
The Lotteries Board	\$10,000

26. 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 (2016: \$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.

27. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variations from the Trust's budgeted figures in the 30 June 2017 Statement of Intent are as follows:

Statement of Comprehensive Revenue and Expense

The net deficit for the year is mostly due to a lower than expected revenue from Te Manawa touring shows, down by \$31,823 from budget due to one venue postponing the show until a later date.

Revenue

There has been a significant increase in the operating third party revenue of \$971,715 compared to a budget of \$546,306. This is the direct result of bringing internationally renowned exhibitions to Te Manawa, such as the "Dinosaurs Encounters", "Frida Kahlo - her photos" (which closed at the end of July 2016) and "Rembrandt Remastered" exhibition. As a result, there has been an increased revenue from admission fees of \$314,660k (\$256,486 over the budget), fundraising revenue including Grants and Sponsorship of \$228,583k (\$128,583 over the budget) and shop sales of \$74,049 (\$39,349 over the budget).

Te Manawa has received \$20,000 operational grant from Manawatu District Council during the year, which has not been included initially in the budget.

The revenue from touring Te Manawa built-in-house exhibitions was below the budget due to one venue postponing the show.

The revenue from venue hire, even though consistent to last year's level, was lower than budgeted due to lower market demand.

Interest Income was higher than budget due to higher average cash funds throughout the year and investing for longer terms to benefit from higher interest rates.

Expense

There has been a significant increase in the operational costs incurred with bringing significant international exhibitions at Te Manawa, reflected in an increase in the advertising costs (increase by \$61,091 from budget), freight costs (up by \$88,178 from budget), exhibition hire fees (up by \$112,432 from budget).

The savings in materials and consumables (down by \$37,864 from budget), as well as payroll costs (down by \$92,993 from budget) were offset by an increase in contractors' costs (up by \$287,742 from budget), to cover vacant positions throughout the year and to ensure the specialist skills were available to design, install and provide the materials/resources required for the installation of exhibitions. Contractors' services were also used for the concept development, production and installation of Te Manawa's *Topp Twins* exhibition and for performances during events and exhibitions, as part of Te Manawa vision to make our spaces more vibrant and

interactive (e.g. puppet show developed and performed for the *Dinosaurs Encounters* exhibition).

There has been an increase in training and related travel expenses due to an increased staff participation to the Museum Aotearoa Conference hosted by Te Manawa in May 2017.

Recognition / (Derecognition) of Collection Assets

A significant heritage collection was donated by the Hugh Russell Farquhar Estate and consists of surveying equipment which belonged to three generations of Palmerston North surveyors and valued at \$6,049.

Other Comprehensive Revenue and Expense

No revaluation of Te Manawa collection took place during the period, as Te Manawa undertakes the revaluation of its collection items every three years for art and every four years for the heritage collection. The latest revaluation took place during 2014/15 financial year for both art and heritage collection.

Statement of Changes in Net Assets/Equity

There is an increase in the actual net equity compared to the budget, as a direct result of prior year's surplus. The decrease in net assets from prior year however is due to the significant collection acquisition during the year (Shane Cotton) and the completion of Te Manawa Touring show the *Topp Twins*, both projects being partially funded from our specific strategic growth reserves.

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:

- Increase in receivables in line with an increased revenue, mostly in relation to revenue from Te Manawa branded touring exhibitions.
- Increase in Prepayments due to Collection insurance paid in advance to December 2017.
- Decrease in intangible assets due to budgeted capital expenditure being allocated to other urgent projects (mainly in the Health & Safety area).
- Increase in Property, Plant and Equipment (Exhibitions) following the completion, including design and build of Te Manawa newest touring show, the *Topp Twins*.
- Increase in the Employee Benefit Liabilities as a result of an increase in the annual leave provision.

Statement of Cash Flows

The variances in the Statement of Cash Flow are a direct result of the items mentioned above. It is significant to mention that, the cash and cash equivalent position at year end is below budget mainly due to the short term deposit set up to take advantage of better interest rate, whilst maintaining the cash availability to meet Te Manawa operating needs.



Te Manawa

art science history PALMERSTON NORTH

PREPARED BY TE MANAWA MUSEUMS TRUST **2017**

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