



**te manawa**  
TE PAPAIOEA PALMERSTON NORTH

# He Pūrongo ā-tau

Twelve Month Report Against  
the Statement of Intent

1 July 2022 – 30 June 2023  
TE MANAWA MUSEUMS TRUST

## **Strategic Objectives:**

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

## 1. A collaborative and future focused organisation

Performance Measures	Result	Comments
Continue to maintain strong relationships with Rangitāne at governance levels and through activity-based approaches, such as Te Rangi Whenua redevelopment.	Achieved	Rangitāne continues to be represented at a governance level. The development of Mātauranga Māori programmes with Warren Warbrick is complete. These incorporate taonga now on display in Te Rangi Whenua. PNCC have committed additional funding to further develop Te Rangi Whenua gallery in 23/24 FY.
Develop and implement a partner-based exhibition designed to tour nationally	Achieved / Ongoing	Te Manawa is developing, with the NZ Portrait Gallery, a significant exhibition ( <i>Robyn Kahukiwa</i> ) that will tour nationally from 2024/25.  Discussions have continued with other organisations to build new partnerships for the development of joint exhibitions.
Develop short and long-term fundraising projects to realise the goal of sustainable external funding for programmes and experiences (2022- 24).	Ongoing	Te Manawa is taking a team-based strategic approach to funding applications, clearly identifying relevant projects for funding applications. In the 22/23 financial year we were successful in receiving two major grants – a CET grant of \$150,659 for gallery lighting, and a grant of \$40,000 from Lion Foundation for specialised museum cases. These will come into effect in the 23-24 FY.  We have also secured a three-year sponsorship from YORB for the Cosmodome of \$5,000 per annum and are exploring sponsorship opportunities for upcoming exhibitions.  Projects under development include the “We Museum” awareness campaign for potential sponsors and donors, and a Kids’ club membership programme for families.  Publication of the inaugural Te Manawa Museum magazine, which is available for purchase, will underpin a renewed push for awareness of, and fundraising for the Museum, with a particular focus on the collection.  A Revenue Framework will be implemented next year.
Trial and review one environmentally focused project by end of 2022/23. [project foci: solar or wind power; biodiversity garden]	Achieved	The biodiversity garden has become a valuable learning programme resource with a focus on sustainability and environmental education.
Develop a business continuity plan that responds to public health crises and the effects of climate change, and identifies their impacts on Te Manawa strategic objectives	Ongoing	A draft business continuity plan has been completed and is now in an internal consultation phase.

Mirror the PNCC carbon reduction target of 30% reduction in greenhouse gases by 2031	Ongoing	Te Manawa continues to look at all areas of sustainability. The replacement of lighting with LED has been completed. The organisation has made a commitment to reducing waste and paper by moving to a more flexible, paper-light mode of working with a full systems review being implemented. Some activities are limited by constraints of the current building complex and its configurations.
Undertake visitor and market research (VMR) so observed patterns of visitation on site, via digital channels, and off-site can inform audience focussed experience development, scheduling, and marketing approaches. [FY2022-25]	Achieved	Te Manawa monitors its digital channels through platform analytics, runs visitor surveys, takes part in the annual Museums Aotearoa National Visitor Survey and surveys teachers after school. This research informs our approaches across multiple activities. A digital visitor survey was introduced this year.
Care for, add to, and make accessible Te Manawa collections enhancing our reputation as trustworthy, and ensuring our collections development responds to societal changes in Manawatū. (FY23-24 oral history project, FY24-25 childhood in museums project & outputs) - SG 2	Achieved	The launch of collections online in November enables the community to digitally access several thousand (10%) objects from the collection.  Exhibitions, learning resources and events are being planned and developed based on items in our collection.  Five pop-up displays of collection items were exhibited throughout the year, including a collection of items featured in a Te Manawa calendar, and memorabilia relating to Her Majesty, The Queen, an ANZAC display in partnership with the Engineer Corps Memorial Centre Museum at Linton and a display for the coronation of King Charles III.
Implement the Relationship Strategy	Achieved	With a change in CEO and Management Team, Te Manawa has assessed the current state of its relationships and has incorporated its findings in its strategic business plan to meet the business and cultural needs of the organisation going forward. Consultation on the revised strategic vision has commenced with input from founding societies.

## 2. Audience focused experiences that attract & engage visitors

Performance Measures	Status	Comments
Commence redevelopment of Te Awa long-term exhibition (June 2023)	Ongoing	The project has been revised with the aim to incorporate the Te Awa experience into the planned development of a new and dedicated centre for Science, including a dedicated Education facility. Initial project meetings have been held, with a view to this project continuing after the appointment of a new Science Curator.
Implement high profile international exhibition that drives local and national visitation and results in economic benefit to Manawatū (2023-24)	Achieved	Australian exhibition <i>Codebreakers</i> was exhibited in MacDiarmid Gallery from April-July 2023, it attracted 18,292 visitors and was the basis for a number of events including a Tech Week in collaboration with UCOL Te Pūkenga and ManawaTech and a VR weekend. The exhibition was also offered as part of our Science Night attractions.

Commence development of new Te Manawa-developed touring experience (2023-24)	Achieved	As outlined above, Te Manawa has commenced development of the Robyn Kahukiwa touring exhibition in partnership with the NZ Portrait Gallery. The exhibition will tour nationally from 2024/25.
Implement collections online (2022-25)	Achieved	Collections online is now live with 10% of the Te Manawa collection accessible. 100% of the Art Collection is online.
Develop a five-year plan of enhancements to collections online.	Achieved	<p>With 5000 browsable items from our collection now accessible online, a long-term enhancement plan has been to ensure its growth.</p> <p>The collection has been divided into logical groupings. With plans to upload approximately 1500-3000 new items per year during the next five years.</p> <p>The enhancement plans also includes additions to the information that will be accessible through collections online. Examples of this would be provenance (history) and person associations for Social History and artist biographies for Art.</p>
Evaluate success of Exhibitions Strategy and application of 'Culture segments' or similar audience development programme	Not Achieved	The new Senior Management Team has prioritised completing the strategic business plan, new Strategic Vision and Business Plan, Revenue Framework and Business Continuity Plan this year. The Exhibitions Strategy has been deferred until next year pending the appointment of a new Curatorial and Collections Manager, and a new Exhibitions Manager.
Develop two new digital creative projects (by end of 2022/23) and two more by end of 2023/24	Not Achieved / Ongoing	<p>A series of vlogs and artist interviews were released online via temanawa.nz, Facebook and Youtube to grow interest in the collection.</p> <p>A Te Manawa podcast – is still being developed to grow storytelling, extend our collection beyond the region, highlight expertise and potentially grow revenue through sponsorship.</p>
Develop one innovative experience that will enhance either visitor numbers or community wellbeing	Achieved	<p>Te Manawa offered new visitor experiences in 22/23 including the Sunday Science Squad – a monthly science learning programme for children and Halloween events including a treat-trail for families that saw more than 500 people explore the Museum from a different perspective.</p> <p>Te Manawa also offered holiday programme activities that were free of charge or gold coin donations making them accessible to all.</p>
Continue discussions with PNCC to address previously identified risks and problems to ensure the art gallery building is brought up to minimum international standards for climate control, display infrastructure, storage, and security by 24/25	Achieved	<p>Te Manawa will work with PNCC towards a new, purpose-built, accessible and sustainable Te Manawa complex.</p> <p>Elected representatives and officers from PNCC were toured through the facility and were able to see some of the challenges posed by back-of-house spaces first-hand. We appreciate the continued commitment from Council to address these and assist in the maintenance of the complex as we look towards developing an enhanced cultural precinct for the City.</p>
<b>3. Curiosity focused learning and engagement experiences</b>		

Performance Measures	Status	Comments
Increase the impact of learning programmes and activities in formal and informal environments through Te Rangahau Curiosity Centre (2022-24).	Achieved	Te Manawa has worked with Warren Warbrick to develop Mātauranga Rangitāne learning programmes to assist local schools in the delivery of the new Aotearoa New Zealand Histories Curriculum. It has also continued to offer key programmes of relevance to the curriculum.
Implement a communications and marketing plan for learning activities (2022-23)	Achieved	A comprehensive Marketing Strategy has been developed which forms a foundation for the promotion and communication of learning activities. Improved information was added to the website this year and the distribution of direct newsletters to teachers was expanded with a particular focus on new learning offerings and activities.
Deliver two creative Te Rangahau Curiosity Centre linked events (by end of 2022/23)	Achieved	The Learning Team collaborated with Sport Manawātū to celebrate Active Transport in March 2023.  Te Manawa also provided a professional development session for teachers around the new Mātauranga Rangitāne learning programmes.
Trial a curiosity-based outreach learning offer in a formal education setting.	Achieved	Heirloom Boxes is an outreach initiative that has been trialled to be used as part of a 'Ko Wai Au – Who Am I?' learning programme. This trial was successful and the programme is being fully developed to be added to our suite of learning programmes.  This project was completed digitally with a series of videos released through <a href="http://temanawa.nz">temanawa.nz</a> , Youtube and social media.
Evaluate our learning response to regional and national priorities including NZ Histories and Matariki	Achieved	Staff have attended regional hui with other museum educators related to the new Aotearoa New Zealand Curriculum and have identified programmes that are relevant to this, along with piloting the Mātauranga Rangitāne programmes. They undertook professional development through this process with new pedagogy learning,  The StarLab learning programme was offered to schools over Matariki.  Reflection and evaluation of our learning programmes is ongoing.
Support implementation of phase 1 of Rangimārie project, a dual venue cultural tourism project undertaken by Rongomau Productions Ltd (by end of 2022/23). - Phase 1 includes training for Front of House staff to confidently engage with visitors, and cocreation of activities linked to Te Rangi Whenua.	Not achieved	This project relied on an external delivery provider and receiving a substantial grant from the Ministry for Culture and Heritage. This application was not successful.  Te Manawa has worked with Rangitāne to revitalise the Te Rangi Whenua gallery using the collection, and to support the delivery of Mātauranga Māori learning programmes.

Targets	22/23 Target	Status	Comment
Visitor Numbers	130,000	Not Achieved	121,914: 94% of overall target. Post-lockdown recovery is evident and encouraging. <i>(22/23: 77,319 - 52% of overall target of 150,000)</i>
Te Manawa Experiences offsite	25,000	Achieved	42,519: 170% of overall target. <i>(22/23: 8,537 – 34% of overall target of 25,000)</i>
Online Engagement	90,000	Achieved	121,966; 136% of overall target of 90,000 <i>(22/23: Not measured during a review of analytics data reporting)</i>
External Revenue Target	\$947,180	Not Achieved	\$416,062 (43.92% of target) A change in focus with the appointment of a new CEO means that the funding applications for the redevelopment of Te Awa did not proceed in this financial year. <i>(22/23: 324,722 (49.52% of target))</i>
KPI's – Audience Satisfaction	99%	Achieved	99% of respondents rated their experience as Good/Very Good/Excellent against a target of 95%. 316 surveys were completed <i>(22/23: 98% 218 surveys completed)</i>

## COVID-19 Statement

The past year, while impacted by COVID to a lesser degree than previous reporting periods, was affected none-the-less, particularly at the tail-end of traffic-light restrictions (in which mask-wearing was a compulsory Government requirement) and the continued challenge of managing staff-absences due to illness.

# Summary

## Chair's & Chief Executive's Report – Annual Report

The past 12 months have been a period of change for Te Manawa, with the appointment of a new Chair, Chief Executive and Senior Management Team. As we transitioned out of the Covid-19 national protection framework, venue restrictions and mask mandates ended, leading to an increase in visitor numbers – a positive sign of ongoing post-lockdown recovery. In the second quarter of the financial year, multiple art exhibitions opened, ranging from the 10th anniversary of the Women's Art Initiative to an exhibition of works by artist Douglas MacDiarmid. They were joined by our annual graduate exhibitions Matatau and BCM, developed in partnership with Massey University and UCOL Te Pūkenga.

The year, the first under our ten-year business plan, has been a busy one. Te Manawa has made some significant changes to its operation, with a view to building a more responsive, engaging, and sustainable organisation. The Trust Board and the management team are working closely together to ensure the best implementation of this new strategy.

The organisation strives to give its staff the best work environment and culture possible. A new collaborative structure was implemented to promote working across teams and maximising the effectiveness of all team members.

To encourage staff wellbeing, sustainability, and a positive team culture, we are moving towards an activity-based work environment. This will promote better collaboration and efficiency.

A systems review was initiated; Te Manawa will become a much more sustainable organisation by streamlining and simplifying its processes, and by moving away from paper-based administration to a digital office system. This will improve effectiveness and reduce wastage.

To grow connections with our communities and outside organisations, we have reprioritised our activities to further raise the profile of Te Manawa and reach an even wider audience.

As the financial year closes, we embrace a future that is far from clear, facing the shadow of the COVID pandemic and levels of inflation that have not been seen in Aotearoa in a generation. The war in Ukraine, unprecedented weather events due to climate change, and other geopolitical and economic issues mean we continue to see significant supply chain disruption. The time ahead is challenging for any business, and this is also true for Te Manawa Museums Trust.

While it is difficult to secure additional revenue in the current environment, public support and our visitor satisfaction remain high, and we enjoy a position as one of our region's most popular cultural institutions.

Nearly 130,000 visitors enjoyed our offerings. Santa's Cave attracted more than 16,000 visitors during the seven weeks it was open to the public. We saw an increase in attendance during the year, with school holidays marking a turning point. This was enhanced by a series of events offered. Halloween weekend alone attracted almost 3000 visitors, mainly children and youth. Mention should be made of the programme of education and learning activities that has drawn upwards of 10,000 participants to Te Manawa. In online spaces, our presentations of video and photography, together with our website, engaged people more than 120,000 times.

The care of, and access to, the collection is at the heart of our museum. Our collection is held in perpetuity for the people of Manawātū and beyond, and it will be a strong focus of our exhibitions and programmes going forward.

By the end of 2022, we launched the Collections Online project, making public more than 5000 items from the Te Manawa collection in a browsable online database that will grow during the next few years.

In the past 12 months, we have acquired 281 items for the collection. These represent 281 stories to tell and 281 connections and relationships with the donors and artists. Nurturing these relationships and preserving these objects for current and future generations is the core of our role in the community.

Highlights from these acquisitions include the Swainson piu piu and Soroptimist Pendant; two large ceramics by Māori artists Wi Taepa and Baye Riddell; and the joint acquisition between the Art Society and Te Manawa of Ka Whakaahua o Hinetītama kia a Hinenuitepō (Hinetītama becomes Hinenuitepō) by Robyn Kahukiwa.

We launched our first annual magazine featuring a variety of stories inspired by the Te Manawa collection, and we began rolling out more multimedia storytelling through video content featuring behind-the-scenes videos, collection objects and gallery interviews with both artists and students. We have also had a number of loans to other organisations, including internationally to Berlin and the Sharjah Biennale in UAE.



The disruptions of COVID and its flow-on effects have meant some of our targets were not reached. However, during 2022-23, Te Manawa staged a total of 30 exhibitions and displays, including a much-needed refresh for the Conservatory and the popular Dino Dig.

We have opened up Manawatū Journeys, creating a more inviting entry that allows for regularly changing displays, and completed our Biodiversity Garden, educating visitors about sustainable backyards and food production. The Biodiversity Garden offers a space for experimentation, leading the way in urban sustainability and providing us with ideas and numerous education opportunities.

We were able to secure a three-year contract with the Ministry of Education for providing the Enriching Learning Curriculum (ELC) education programme. We have invested in professional staff development and development of resources to provide new education offerings for Mātauranga Māori and the new history curriculum.

Earlier this year, we began to offer our learning programmes free of charge to local tamariki. In addition, Science Centre Inc., one of our three Founding Societies, provides a transport subsidy that is of great benefit to those schools with less funding available.

With societal change happening on an unprecedented level, museums and galleries are more relevant today than they have ever been. Te Manawa brings art, science, and heritage to life. The taonga that we collect, preserve and share are our stories – and they help us understand our place in the world.

There will be a number of challenges facing us in future, but we also strongly feel that challenges provide great opportunities that we may have otherwise not explored.

As a Museum of Art, Science and Heritage, it is critical that we recover our capacity to develop our own content and start building on our reputation and legacy. By strengthening our offerings, we will be in a much better position to develop a robust sponsorship programme to actively seek and attract funding from local businesses. An immediate future focus will be developing an exciting new science centre for Te Manawa in partnership with Science Centre Inc., collaborating with science museums and centres nationwide.

We will continue to look for engaging international touring shows, and thanks to the support of Palmerston North City Council, we can work with other national museums to bring these exhibitions to our region.

Partnerships like these represent the way forward for Te Manawa. We are grateful for the strong longstanding relationships we treasure with UCOL Te Pūkenga, Massey University and the New Zealand Rugby Museum.

We have taken on a leadership role by supporting local volunteer-run museums with administration support and displays, including the David Warnock Medical Museum, which had to vacate its premises, and the Engineer Corps Memorial Centre Museum at Linton.

We wish to express our sincere appreciation to the Museum Trust Board members, particularly to former Chair John Fowke, our iwi representatives, and the founding societies of Te Manawa. The time they invest to provide governance, guidance and encouragement is crucial to the Museum's success.

Our gratitude goes to PNCC, our principal funder, for their support and guidance. Sincere thanks to our fellow CCOs: the Globe Theatre and the Regent on Broadway; the New Zealand Rugby Museum; Manawatū District Council; and our many supporters and our sponsors.

Finally, we must acknowledge the hard work and dedication of the Te Manawa staff. Their enthusiasm and passion for the work of the Museum is a constant inspiration, especially given the particular challenge of these unprecedented and uncertain times. It is an honour to work with such a talented team of people.

We have a great deal of work to do to ensure we make the most of the many opportunities that await us. We are excited about this prospect and welcome the challenges that lie ahead with them.

Kia ora rawa atu. Ngā manaakitanga

Caroline Tate  
Chair

Susanna Shadbolt  
Chief Executive

# He Pūrongo Pūtea Tuhinga Hukihuki

Draft Financial Report  
for the 12 months  
ended 30 June 2023

1 July 2022 – 30 June 2023  
TE MANAWA MUSEUMS TRUST

Te Manawa Museums Trust

Statement of Comprehensive Revenue and Expense  
For the Year Ended 30 June 2023

	Note	Actual 2023 \$	Budget 2023 \$	Actual 2022 \$
<b>OPERATING REVENUE</b>				
PNCC Operating Grant	4	3,352,361	3,329,511	3,264,227
MDC Operating Grant	4	20,000	20,000	20,000
Interest Revenue	4	30,383	8,400	8,192
Other Operating Revenue	3, 4	365,896	918,780	296,361
<b>Total Revenue</b>	<b>4</b>	<b>3,768,640</b>	<b>4,276,691</b>	<b>3,588,780</b>
<b>OPERATING EXPENDITURE</b>				
Employee Expenses	5	2,197,522	2,403,587	2,053,668
Other Operating Expenses	6	1,463,093	1,585,351	1,346,238
Depreciation and Amortisation Expense	7	289,836	302,550	279,984
Loss/(Gains) on Disposal of Property, Plant and Equipment		(433)	-	903
Impairment of Property, Plant and Equipment		-	-	0
<b>Total Operating Expenditure</b>	<b>2</b>	<b>3,950,017</b>	<b>4,291,488</b>	<b>3,680,792</b>
<b>Net Surplus/(Deficit) before Movement in Collection Assets</b>		<b>(181,377)</b>	<b>(14,797)</b>	<b>(92,012)</b>
<b>Movement in Collection Assets</b>				
<b>Revenue from</b>				
Recognition of Donated Collection Assets	4	39,573	15,000	16,971
Recognition of Custodial Collection Assets	4	-	-	-
		39,573	15,000	16,971
<b>less Expense from :</b>				
Derecognition of Custodial Collection Assets		101,106	-	-
Derecognition of Owned Collection Assets		-	-	10
		101,106	-	10
<b>Total Net Movement in Collection Assets</b>		<b>(61,533)</b>	<b>15,000</b>	<b>16,961</b>
<b>TOTAL REVENUE</b>		<b>3,808,213</b>	<b>4,291,691</b>	<b>3,605,751</b>
<b>TOTAL EXPENSE</b>		<b>4,051,123</b>	<b>4,291,488</b>	<b>3,680,802</b>
<b>Net surplus/(deficit) for the period</b>		<b>(242,910)</b>	<b>203</b>	<b>(75,052)</b>
<b>Other Comprehensive Revenue and Expense</b>				
Revaluation of Owned Heritage Collection Assets		-	-	-
Revaluation of Custodial Heritage Collection Assets		-	-	-
Revaluation of Owned Art Collection Assets		-	-	-
Revaluation of Custodial Art Collection Assets		-	-	-
<b>Other Comprehensive Revenue and Expense for the Period</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Revenue and Expense for the Period</b>		<b>(242,910)</b>	<b>203</b>	<b>(75,052)</b>

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

**Te Manawa Museums Trust  
Statement of Changes in Equity  
For the Year Ended 30 June 2023**

	<b>Note</b>	<b>Actual 2023 \$</b>	<b>Budget 2023 \$</b>	<b>Actual 2022 \$</b>
<b>Equity as at 1 July</b>		<b>18,441,303</b>	<b>18,137,253</b>	<b>18,515,875</b>
<b>Comprehensive Revenue and Expense</b>				
Net Surplus / (Deficit) for the Period		(242,910)	203	(75,051)
Other Comprehensive Revenue and Expense			-	479
<b>Total Comprehensive Revenue and Expense</b>		<b>(242,910)</b>	<b>203</b>	<b>(74,572)</b>
<b>Equity as at 30 June</b>	<b>8</b>	<b>18,198,393</b>	<b>18,137,456</b>	<b>18,441,303</b>

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



Te Manawa Museums Trust

Statement of Financial Position

As at 30 June 2023

	Note	Actual 2023 \$	Budget 2023 \$	Actual 2022 \$
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	9	265,459	401,874	454,000
Receivables from Non-Exchange Transactions	10	10,514	2,000	1,071
Receivables from Exchange Transactions	11	19,743	18,000	2,968
Prepayments		69,546	25,000	77,211
Short Term Deposit	12	685,364	340,358	671,317
Inventories	13	26,153	32,000	33,508
<i>Total Current Assets</i>		<u>1,076,779</u>	<u>819,232</u>	<u>1,240,075</u>
<b>NON CURRENT ASSETS</b>				
Intangible Assets	17	6,953	6,029	8,148
Property, Plant and Equipment	"	768,895	1,115,423	891,753
Collection Assets	19	17,079,397	17,019,901	17,065,485
<i>Total Non-Current Assets</i>		<u>17,855,244</u>	<u>18,141,353</u>	<u>17,965,386</u>
<b>TOTAL ASSETS</b>		<u><b>18,932,024</b></u>	<u><b>18,960,585</b></u>	<u><b>19,205,461</b></u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Payables under Exchange Transactions	14	335,076	477,552	366,596
Deferred Non -Exchange Revenue	15	125,124	30,000	147,454
Employee Benefit Liabilities	16	273,431	260,619	246,817
<i>Total Current Liabilities</i>		<u>733,631</u>	<u>768,171</u>	<u>760,867</u>
<b>NON CURRENT LIABILITIES</b>				
Employee Benefit Liabilities	16	-	3,266	3,293
<i>Total Non-Current Liabilities</i>		<u>-</u>	<u>3,266</u>	<u>3,291</u>
<b>TOTAL LIABILITIES</b>		<u>733,632</u>	<u>771,437</u>	<u>764,158</u>
<b>NET ASSETS</b>		<u><b>18,198,393</b></u>	<u><b>18,189,148</b></u>	<u><b>18,441,303</b></u>
<b>TRUST EQUITY</b>				
Contributed Capital		145,565	145,565	145,565
Retained Earnings		10,279,936	10,578,879	10,555,917
Reserves		7,772,891	7,464,704	7,739,821
<b>TOTAL TRUST EQUITY</b>	8	<u><b>18,198,393</b></u>	<u><b>18,189,148</b></u>	<u><b>18,441,303</b></u>

Caroline Tate  
Trustee

Adrian van Dyk  
Trustee

Date

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

**Te Manawa Museums Trust**  
**Statement of Cash Flows**  
**For the Year Ended 30 June 2023**

	Note	Actual 2023 \$	Budget 2023 \$	Actual 2022 \$
<b>Cash flows from operating activities</b>				
PNCC grant		3,352,361	3,329,511	3,264,227
Interest received		22,837	8,400	7,080
Receipts from other revenue		344,894	938,780	336,009
Payments to suppliers		(1,471,529)	(1,503,283)	(1,492,354)
Payments to employees		(2,174,200)	(2,403,587)	(2,048,040)
Interest paid		-	-	-
Goods and services tax (net)		(8,064)	(58,000)	59,500
<b>Net cash inflow/(outflow) from operating activities</b>		<b>66,299</b>	<b>311,821</b>	<b>126,422</b>
<b>Cash flows from investing activities</b>				
Proceeds from Investments		671,317	(500,000)	665,728
Proceeds from sale of assets		695	-	-
Purchase of intangibles assets		(4,200)	0	(4,335)
Purchase of property, plant and equipment		(161,843)	(424,910)	(175,997)
Purchase of collection assets		(75,445)	(50,000)	(62,003)
Purchase of Investments		(685,364)	0	(671,317)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(254,840)</b>	<b>(974,910)</b>	<b>(247,924)</b>
Effect of foreign exchange rates on cash		-	-	-
Net (decrease)/increase in cash and cash equivalents		(188,541)	(663,089)	(121,682)
Cash and cash equivalents at the beginning of the year		454,000	1,064,963	575,682
<b>Cash and cash equivalents at the end of the year</b>	<b>9</b>	<b>265,459</b>	<b>401,874</b>	<b>454,000</b>

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



**Te Manawa Museums Trust**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

**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 2023 and were approved by the Board of Trustees on **XXXXXXX 2023**.

**Basis of Preparation**

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

**Statement of Compliance**

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

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

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

**Measurement Base**

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

**Functional and Presentation Currency**

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

**Standards issued and not yet effective that have been early adopted**

There are no standards early adopted this year.

**Other changes in accounting policies**

There have been no other changes in accounting policies.



## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Revenue**

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

### **Revenue from Non-exchange transactions**

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

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

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

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

### ***Grants***

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

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

### ***Rendering of services***

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

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

### ***Vested or donated physical assets***

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

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

### ***'In Kind' Sponsorship***

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

### ***Volunteer Services***

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

## **Revenue from Exchange transactions**

### ***Sales of goods***

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

### ***Interest Income***

Interest income is recognised using the effective interest method.

### ***Advertising Costs***

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

### ***Borrowing Costs***

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

## **Depreciation and amortisation**

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

## **Leases**

### ***Finance Leases***

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

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

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

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

### *Operating Leases*

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

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

### **Cash and cash equivalents**

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

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

### **Debtors and other receivables**

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

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

### **Financial Assets**

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

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

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

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

#### **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*

Expected credit loss 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 March 2021. The Trust's policy is to revalue the Art Collection assets every three years.

The Heritage Collections assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by *Ashley Associates* Auckland at March 2020. Trust's policy is to revalue the Heritage Collection assets every five years to ensure that their carrying amount does not differ materially from fair value.

All other asset classes are carried at depreciated historical cost.

### *Accounting for Revaluations*

The results of revaluing are credited or debited to an asset revaluation reserve. Where this results in a debit balance in the asset revaluation reserve, this balance is charged to the surplus or deficit. Any subsequent increase on revaluation that 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.

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

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

### **Creditors and Other Payables**

Creditors and other payables are measured at the amount payable.

### **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 the 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 2023.

**Te Manawa Museums Trust**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

**2 Summary of Operating Expenses by Activity**

	Actual 2023 \$	Actual 2022 \$
<b>Corporate</b>		
Employees' Costs	693,707	752,063
Other Operating Costs:		
- Facilities	306,806	250,421
- Corporate Services & Executive	499,993	442,051
	<u>1,500,506</u>	<u>1,444,535</u>
<b>Collections</b>		
Employees' Costs	254,137	109,128
Collection Operating Costs	119,397	132,010
	<u>373,534</u>	<u>241,138</u>
<b>Exhibitions</b>		
Employees' Costs	300,819	338,418
Exhibitions Operating Costs	274,535	323,502
	<u>575,354</u>	<u>661,920</u>
<b>Education and Outreach</b>		
Employees' Costs	354,664	351,328
- Education	56,455	25,448
- Public Programmes and Events	24,215	17,657
	<u>435,334</u>	<u>394,433</u>
<b>Customer services</b>		
Employees' Costs	374,515	384,530
- Visitor Hosting and Shop	52,447	52,605
- Volunteers	0	0
	<u>426,962</u>	<u>437,135</u>
<b>Marketing</b>		
Employees' Costs	216,864	118,201
Other Operating Costs	131,144	93,333
	<u>348,008</u>	<u>211,534</u>
<b>Depreciation/Amortisation</b>	289,836	289,836
<b>Loss ( Gain) on Disposals of Fixed Assets</b>	433	262
<b>Impairment of Fixed Assets</b>	50	0
<b>Total Operating Expenditure</b>	<u><u>3,950,017</u></u>	<u><u>3,680,793</u></u>

	Actual 2023 \$	Actual 2022 \$
<b>3 Other Operating Revenue</b>		
<i>From Exchange Transactions</i>		
Merchandise / Shop	72,733	44,273
Venue Hire	6,797	3,020
Sundry Income Public Programmes Events and Activities	12,485	28,691
Other	32,647	5,711
<b>Other Operating Revenue (from Exchange Transactions)</b>	<b>124,662</b>	<b>81,695</b>
<i>From Non-Exchange Transactions</i>		
Bequests & Distributions	-	24,191
Community Grants	115,911	106,810
Donations - General	22,839	9,987
Education Programme Fees	10,973	8,093
Sponsorship	30,701	5,000
Hire of Education Kits	696	471
Ministry of Education LEOTC	60,114	60,114
<b>Other Operating Revenue (from Non-Exchange Transactions)</b>	<b>241,235</b>	<b>214,666</b>
<b>Total Other Operating Revenue</b>	<b>365,896</b>	<b>296,361</b>

**4 Revenue Classification in accordance with PBE IPSAS:**

	Actual 2023		
Revenue from:	Non-Exchange Transactions \$	Exchange Transactions \$	Total Revenue as per Statement of Comprehensive Revenue and Expense \$
Palmerston North City Council Operating Grant	3,352,361	-	3,352,361
Manawatu District Council Operating Grant	20,000	-	20,000
Interest Revenue	-	30,383	30,383
Other Operating Revenue (refer Note 3 above)	241,235	124,662	365,896
<b>Subtotal Operating Revenue</b>	<b>3,613,596</b>	<b>155,045</b>	<b>3,768,640</b>
Revenue from Donated/Custodial Collection Assets			
Recognition of Donated Collection Assets	28,474	-	28,474
Recognition of Custodial Collection Assets	11,099	241,235	252,334
<b>Total Revenue classified as Revenue from:</b>	<b>3,653,168</b>	<b>396,279</b>	<b>4,049,448</b>

	Actual 2022		
Revenue from:	Non-Exchange Transactions \$	Exchange Transactions \$	Total Revenue as per Statement of Comprehensive Revenue and Expense \$
Palmerston North City Council Operating Grant	3,264,227	0	3,264,227
Manawatu District Council Operating Grant	20,000	0	20,000
Interest Revenue	-	8,192	8,192
Other Operating Revenue (refer Note 3 above)	222,374	88,262	310,636
<b>Subtotal Operating Revenue</b>	<b>3,506,601</b>	<b>96,454</b>	<b>3,603,055</b>
Revenue from Donated/Custodial Collection Assets			
Recognition of Donated Collection Assets	16,971	0	16,971
Recognition of Custodial Collection Assets		0	-
<b>Total Revenue classified as Revenue from:</b>	<b>3,523,572</b>	<b>96,454</b>	<b>3,620,026</b>

	Actual 2023 \$	Actual 2022 \$
<b>5 Employee Expenses</b>		
Salaries and Wages	2,093,400	2,004,797
Employer Contributions to Kiwisaver	58,305	52,817
Employee Entitlements Increase / (Decrease)	45,816	(3,946)
<b>Total Employee Expenses</b>	<b>2,197,522</b>	<b>2,053,668</b>

	Actual 2023 \$	Actual 2022 \$
<b>6 Other Operating Expenses</b>		
Fees to Audit New Zealand for audit of financial statements	55,700	38,130
ACC	5,243	6,572
Advertising & Promotion	98,337	79,278
Bad Debts	53,747	-
Collection Revaluation Fees	22,650	850
Computer & IT Support	57,866	53,066
Communication/Social Media	7,564	11,455
Contractors	410,479	387,577
Cost of Sales - Merchandise	43,664	25,797
Freight	52,160	11,974
Foreign Exchange Loss	2,988	-
Hire fees - Exhibitions	27,768	80,346
Insurance - Material Damage	20,886	20,568
Insurance - Collections	32,679	31,508
Inventory Write Down	2,841	3,054
Legal Fees	623	8,775
Materials/Consumables	61,755	81,794
Occupancy Costs	192,474	153,692
Repairs & Maintenance	48,465	38,437
Subscriptions	14,430	7,209
Training & Travel	32,129	13,661
Trust Board Remuneration	22,378	28,510
Trust Board Expenses	4,636	4,099
Operating Leases	55,738	55,738
Other Operating Expenses	135,893	204,147
<b>Total Other Operating Expenses</b>	<b>1,463,093</b>	<b>1,346,238</b>

	Actual 2023 \$	Actual 2022 \$
<b>7 Depreciation and Amortisation</b>		
Depreciation expense	284,441	275,451
Amortisation expense	5,395	4,533
<b>Total Depreciation and Amortisation</b>	<b>289,836</b>	<b>279,984</b>

	2023 \$	2022 \$
<b>8 Equity</b>		
<b>Contributed Capital</b>		
Balance at Beginning of Year	145,465	145,465
Capital Contribution	100	100
<b>Balance at End of Year</b>	<b>145,565</b>	<b>145,565</b>
<b>Retained Earnings</b>		
Balance at Beginning of Year	10,555,917	10,651,830
Net Surplus/(Deficit) for the year	(242,910)	(75,051)
Transfers to Retained Earnings from:		
Exhibition Development Reserve	-	-
Collection Development Fund	-	-
Heritage revaluation Reserve	-	-
Transfers from Retained Earnings to:		
Endowment Fund	-	-
Collection Development Fund	(208)	12,002
Exhibition Development Reserve	(32,863)	(32,863)
<b>Balance at End of Year</b>	<b>10,279,936</b>	<b>10,555,917</b>
<b>Revaluation Reserve - Heritage Collection</b>		
Balance at Beginning of Year	143,180	143,180
Revaluation Reserve on disposals	-	-
Revaluation of Collection Assets	-	-
<b>Balance at End of Year</b>	<b>143,180</b>	<b>143,180</b>
<b>Revaluation Reserve - Art Collection</b>		
Balance at Beginning of Year	7,184,267	7,183,788
Revaluation of Collection Assets	-	479
<b>Balance at End of Year</b>	<b>7,184,267</b>	<b>7,184,267</b>
<b>Endowment Fund</b>		
Balance at Beginning of Year	10,873	10,873
Transfer from Retained Earnings	-	-
<b>Balance at End of Year</b>	<b>10,873</b>	<b>10,873</b>
<b>Collection Development Fund</b>		
Balance at Beginning of Year	14,021	26,023
Transfer from Retained Earnings	208	(12,002)
Transfer to Retained Earnings	-	-
<b>Balance at End of Year</b>	<b>14,229</b>	<b>14,021</b>
<b>Historic Building Maintenance Reserve</b>		
Balance at Beginning of Year	22,082	22,082
Endowment for maintenance of historic house	-	-
<b>Balance at End of Year</b>	<b>22,082</b>	<b>22,082</b>
<b>Exhibition Development Reserve</b>		
Balance at Beginning of Year	365,398	332,535
Transfer from Retained Earnings	32,863	32,863
<b>Balance at End of Year</b>	<b>398,261</b>	<b>365,398</b>
<b>Total Reserves</b>	<b>7,772,891</b>	<b>7,739,821</b>
<b>Total Equity</b>	<b>18,198,393</b>	<b>18,441,303</b>

	2023	2022
<b>9 Cash and Cash Equivalents</b>	\$	\$
Cash at bank and on hand	125,469	317,317
Short Term Investments with maturity up to 90 days	139,991	136,683
<b>Total Cash and Cash Equivalents</b>	<u>265,459</u>	<u>454,000</u>

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 4.0% (2022: 0.85%)  
There are no restrictions over any cash and cash equivalents held by the Trust.  
There has been no change to the classification of Cash and Cash Equivalents Equivalents as the result of applying PBE IPSAS 41.

	2023	2022
<b>10 Receivables from Non-Exchange Transactions</b>	\$	\$
Non - Exchange Receivables	-	-
Related Party Receivables	-	-
Interest Receivable	10,514	2,968
<b>Total Receivables from Non-Exchange Transactions</b>	<u>10,514</u>	<u>2,968</u>

	2023	2022
<b>11 Receivables from Exchange Transactions</b>	\$	\$
Trade Receivables	19,743	1,071
Related Party Receivables (Note 22)	-	-
<b>Receivables from Exchange Transactions</b>	<u>19,743</u>	<u>1,071</u>

#### Fair Value

The carrying value of Receivables from Exchange transactions approximates their fair value.  
There has been no change to the classification of Receivables as the result of as the result of applying PBE IPSAS 41.

#### Impairment

Receivables written off during the period amounted to \$57,747 (2022:nil)

	2023	2022
<b>12 Short Term Investments</b>	\$	\$
Term deposit with maturity less than 12 months	685,364	671,317
	<u>685,364</u>	<u>671,317</u>

The carrying value of the short-term deposit approximates its fair value.  
The term deposits have a six months maturity with interest rate from 4.00 % to 4.70% (2022: .045% to 0.85%)  
There has been no change to the classification of Short Term Investments as Investments as the result of applying PBE IPSAS 41.

	2023	2022
<b>13 Inventories</b>	\$	\$
Commercial Inventories – Items held for resale	26,153	33,508
<b>Total Inventories</b>	<u>26,153</u>	<u>33,508</u>

Inventory was written down during the period by \$2,083 (2022: \$3,054).  
There were no reversals of previously written down inventory items (2022 :Nil).  
There are no items of inventory pledged as security.



	2023	2022
<b>14 Payables under Exchange Transactions</b>	<b>\$</b>	<b>\$</b>
Trade Creditors	177,363	266,334
Related Party Payables (Note 22)	24,200	21,706
Accrued Expenses	103,537	40,174
GST Payable	28,553	36,617
Other Payables	1,423	1,765
<b>Total Payables under Exchange Transactions</b>	<b><u>335,076</u></b>	<b><u>366,596</u></b>

As at 30 June 2023, there is a credit card facility in place with Westpac for a limit of \$10,000 (2022: limit of \$2,000).

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.

There has been no change to the classification of payables as the result of as the result of applying PBE IPSAS 41.

	2023	2022
<b>15 Deferred Non -Exchange Revenue</b>		
Revenue Received in Advance	125,124	147,454
<b>Total Deferred Non -Exchange Revenue</b>	<b><u>125,124</u></b>	<b><u>147,454</u></b>

	2023	2022
<b>16 Employee Benefit Liabilities</b>		
<b>Current Portion</b>	<b>\$</b>	<b>\$</b>
Accrued Salaries and Wages	80,621	69,023
Annual Leave	170,573	168,678
Long Service Leave	22,237	9,117
<b>Total Current Portion of Employee Benefit Liabilities</b>	<b><u>273,431</u></b>	<b><u>246,817</u></b>
<b>Non-Current Portion</b>		
Long Service Leave	-	3,292
<b>Total Employee Benefit Liabilities</b>	<b><u>273,431</u></b>	<b><u>250,109</u></b>

## 17 Intangible Assets

	Website \$	Software \$	Work in Progress \$	Total \$
<b>Cost</b>				
At 1 July 2021	10,000	88,759	-	98,759
Additions - Purchased	-	4,335	-	4,335
Disposals/Work in Progress transferred to Intangible Assets	-	(8,760)	-	(8,760)
At 30 June 2022	10,000	84,334	-	94,334
Additions - Purchased	-	4,200	-	4,200
Disposals/Work in Progress transferred to Intangible Assets	-	0	-	-
At 30 June 2023	10,000	88,534	-	98,534
<b>less Accumulated Amortisation and Impairment Losses</b>				
At 1 July 2021	10,000	80,413	-	90,413
Amortisation Expense	-	4,533	-	4,533
Impairment	-	-	-	-
Accumulated Amortisation on Disposals	-	(8,760)	-	(8,760)
At 30 June 2022	10,000	76,186	-	86,186
Amortisation Expense	-	5,395	-	5,395
Impairment	-	-	-	-
Accumulated Amortisation on Disposals	-	-	-	-
At 30 June 2023	10,000	81,581	-	91,581
<b>Carrying Amounts</b>				
As at 30 June 2022 and 1 July 2022	-	0	-	8,148
As at 30 June 2023	-	6,953	-	6,953

There is no work in progress at balance date (2022: \$nil)

There are no intangible assets pledged as security over the Trust's liabilities (2022: \$nil).

18 Property, Plant and Equipment

	Computer Hardware	Exhibitions	Furniture & Fittings	Leasehold Improvement	Office Equipment	Plant & Equipment	Work in progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>								
At 1 July 2021	144,305	2,042,470	484,416	404,830	20,783	852,150	223,149	4,172,403
Additions	17,709	6,280	25,149	-	-	307,908	-	357,046
Disposals/Work in Progress transferred to Property Plant & Equipment		(13,782)	-	-	-	(28,317)	(181,049)	(223,148)
At June 2022	162,014	2,034,968	509,565	404,830	20,783	1,131,741	42,100	4,306,301
Additions	36,674	9,223	18,132	926	-	62,938	76,050	203,943
Disposals/Work in Progress transferred to Property Plant & Equipment	(11,791)	(16,890)	-	-	-	(2,871)	(42,100)	(73,652)
At 30 June 2023	186,897	2,027,301	527,697	405,756	20,783	1,191,808	76,050	4,436,592
<b>less Accumulated Depreciation and Impairment Losses</b>								
At 1 July 2021	89,643	1,707,022	417,157	354,627	20,783	590,760	-	3,179,992
Depreciation Charge for the year	26,877	92,919	18,500	11,326	0	125,830	-	275,452
Impairment		-	-	-	-	-	-	-
less Accumulated depreciation on disposals		(13,782)	-	-	-	(27,414)	-	(41,196)
At 30 June 2022	116,520	1,786,159	435,657	365,953	20,783	689,176	-	3,414,248
Depreciation Charge for the year	31,341	84,874	17,450	9,735	-	141,042	-	284,441
Impairment	(11,791)	(16,890)	-	-	-	(2,610)	-	(31,291)
At 30 June 2023	136,070	1,854,142	453,107	375,688	20,783	827,608	-	3,667,397
<b>Carrying Amounts</b>								
As at 30 June 2021 and 1 July 2022	45,494	248,809	73,908	38,876	0	442,565	42,100	891,752
As at 30 June 2023	50,827	173,159	74,590	30,068	-	364,200	76,050	768,894

No items of Property, Plant and Equipment are pledged as security as at 30 June 2023 (2022: \$nil).

Property, Plant and Equipment

	Computer Hardware	Exhibitions	Furniture & Fittings	Leasehold Improvement	Office Equipment	Plant & Equipment	Work in progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>								
At 1 July 2021	144,305	2,042,470	484,416	404,830	20,783	852,150	223,149	4,172,403
Additions	17,709	6,280	25,149	-	-	307,908	-	357,046
Disposals/Work in Progress transferred to Property Plant & Equipment		(13,782)	-	-	-	(28,317)	(181,049)	(223,148)
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Disposals/Work in Progress transferred to Property Plant & Equipment	(11,791)	(16,890)	-	-	-	(2,871)	(42,100)	(73,652)
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Depreciation Charge for the year	26,877	92,919	18,500	11,326	0	125,830	-	275,452
Impairment								
less Accumulated depreciation on disposals		(13,782)				(27,414)	-	(41,196)
At 30 June 2022	116,520	1,786,159	435,657	365,953	20,783	689,176	-	3,414,248
Depreciation Charge for the year	31,341	84,874	17,450	9,735	-	141,042	-	284,441
Impairment								
Accumulated depreciation on disposals	(11,791)	(16,890)				(2,610)	-	(31,291)
At 30 June 2023	136,070	1,854,142	453,107	375,688	20,783	827,608	-	3,667,397
<b>Carrying Amounts</b>								
As at 30 June 2021 and 1 July 2022	45,494	248,809	73,908	38,876	0	442,565	42,100	891,752
As at 30 June 2023	50,827	173,159	74,590	30,068	-	364,200	76,050	768,894

No items of Property, Plant and Equipment are pledged as security as at 30 June 2023 (2022: \$nil).

## 20 Commitments

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

The Trust has a contract with Palmerston North City Council to lease the premises in which its activities are situated, effectively on a rent-free basis. The term of the lease has been renewed for a period of nine years, starting with 1 July 2018, with a variation to allow sub-leasing to New Zealand Rugby Museum subject to Palmerston North City Council consent.

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

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

	2023	2022
	\$	\$
Within 1 year	122,806	2,990
Within 1 – 2 years	56,087	49,286
Within 2 – 5 years	10,631	
	<u>189,524</u>	<u>52,276</u>

	2023	2022
	\$	\$
Capital Commitments		
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment:	-	-

## 21 Contingencies

The Trust Board has no contingent liabilities at 30 June 2023. (2022: \$nil).

## Related Party Transactions

### 22. Controlling Entity

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

Te Manawa Museum's 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.

Transactions carried out with PNCC are as follows:

	2023	2022
	\$	\$
<b>Received from PNCC</b>		
Operating Grant	3,352,361	3,264,227
Venue Hire	522	-
Other	19,644	-
<b>Purchased from PNCC</b>		
Water Rates	2,615	2,116
Rental Vehicles	24,293	23,938
Hosting of Vernon Systems	5,000	5,000
Computer Support	21,000	21,000
Internet Usage	3,000	3,000
Telephone Support	31,800	31,800
Assets Purchased	32,568	13,716
Other Services	757	-
Electricity and gas	148,545	121,002
<b>Owing to PNCC at 30 June 2023</b>	<b>24,200</b>	<b>21,706</b>
<b>Owing from PNCC at 30 June 2023</b>	<b>-</b>	<b>-</b>

Te Manawa provided free venue hire to PNCC Library and Community services with a market value of nil (2021:nil)

#### Disclosure of arms length transactions

PBE IPSAS 20 only requires disclosure for transactions that are not at arms length. Te Manawa has made extra disclosures for the sake of transparency. Water rates are paid at market rates and are disclosed for transparency purposes.

#### SLA Agreement for provision of IT services

While Te Manawa pays for this service (29k p/a), Te Manawa cannot establish that it was paid at arms length given that the service was provided due to the parent/ CCO relationship, e.g. Te Manawa did not go out to the market to tender for the service.

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

(ii) Key Management Personnel

The Trust classifies its key management personnel into:

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

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

Members of the Management 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:

	2023		2022	
	Remuneration	Number of persons	Remuneration	Number of Persons
Trustees	22,378	7*	28,510	9*
Management Team	554,260	4.2	550,476	4.2
<b>Total Key Management Personnel Compensation</b>	<b>576,638</b>		<b>578,986</b>	

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

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

(iii) Other Related Parties

Related Parties	Goods/Services provided	Market Value of Goods Services
Palmerston North City Council	Free Venue Use	\$2,648(2021/22: \$193)
Resonant Consulting Limited. (Adrian van Dyk - Trustee of Te Manawa Museums Trust and General Manager of Resonant.)	Free Venue Use	\$nil(2021/22 :\$210)
The Science Centre Inc. (Geoffrey Jameson - Trustee of Te Manawa Museums Trust and member of The Council of Science Centre Inc.)	Free Venue Use	\$414( \$2021/22 \$414)
Team Architect's Principal Darren Shadbolt, husband of the CEO	In kind Consultancy Services	\$25,701(2021/22 \$nil)
Rangimārie(Nuwynne Te Awe Awe Mohi- Trustee of Te Manawa Museums Trust and Member of Rangimārie marae)	Free Venue Use	\$4,208(2021/22:\$5,236)
Rongomau Productions Limited employs Nuwynne Te Awe Awe Mohi- Trustee of Te Manawa Museums Trust	Kaihautū Services	\$110,000 (2021/22:\$110,000)
John Fowke- Trustee of Te Manawa Museums Trust	Acting CEO/Consultant Services	\$10,400 (2021/22:\$37,175)

## 23 Events After The Balance Sheet Date

There were no significant events after the balance sheet date.(2022:nil)

## 24 Categories of Financial Assets and Liabilities

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

	2023	2022
	\$	\$
<b>Loans and Receivables:</b>		
Cash and Cash Equivalents (Note 9)	265,459	454,000
Debtors and Other Receivables (Note 10 & 11)	30,257	4,039
Short term deposits (Note 12 )	685,364	671,317
<b>Total Loans and Receivables</b>	<b>981,080</b>	<b>1,129,356</b>
<b>Financial Liabilities Measured at Amortised Cost:</b>		
Creditors and Other Payables (Note 14)	335,076	366,596
<b>Total Financial Liabilities Measured at Amortised Costs</b>	<b>335,076</b>	<b>366,596</b>

### Financial Instruments Risks

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

#### Market Risk

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

#### Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Trust's exposure to fair value interest rate risk is limited to its fixed interest borrowings (30 June 2022: \$nil) and bank deposits. However, because these borrowings and bank deposits are not accounted for at fair value, fluctuations in interest rates do not have an impact on the surplus / deficit of the Trust or the carrying amount of the financial instruments recognised in the statement of financial position.

#### Cash Flow Interest Rate Risk

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

The Trust currently has no variable interest rate debt.

#### Currency Risk

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

#### Credit Risk

Credit risk is the risk that a third party will default on its obligation to the Trust, causing the Trust to incur a loss. Due to the timing of its cash inflows and outflows, the Trust invests surplus cash with registered banks. Financial instruments, which potentially subject the Trust to credit risk, consist of bank balances and the current account balance with the Palmerston North City Council. No particular management strategy is in place in respect of amounts owed by Palmerston North City Council, after having regard to its financial strength as a body empowered to levy rates.

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

The Trust has no significant concentrations of credit risk, as it has small numbers of typically low value credit customers (predominantly schools) and only invests funds with registered banks which have a Standard and Poor's credit rating of at least A --.

Cash on call and term investments were placed with Westpac New Zealand Limited. The credit ratings for Westpac and BNZ at 30 June 2023 were AA- from Standard & Poor's (2022: AA-).

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



## Liquidity Risk

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

### *Contractual maturity analysis of financial liabilities*

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

## 25 The Effects of Covid 19

There have been no quantifiable effects on the financial outcome for the year that can be attributable to Covid 19.

### Funding from Community Organisations

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

26

Grantor/Donor	2023	2022
	\$	\$
UCOL	13,000	13,000
Yorb	5,000	5,000
Lotteries	79,255	42,500
Lion Foundation	0	8,800
Eastern and Central Community trust	5,000	0

27 Capital Management

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

The Trust Deed requires the Board of Trustees to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently.

The Trust's equity is largely managed as a by- product of managing revenues, expenses, assets, liabilities, investments and all financial dealings.

There were no externally imposed capital requirements during the period (2022: \$nil).

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

Explanation of Major Variances Against Budget

Explanations for major variations from the Trust's budgeted figures in the 30 June 2023 Statement of Intent are as follows:

Statement of Comprehensive Revenue and Expenses

Revenue

Other Operating Revenue is \$552,884 less than budget.

It was planned to seek sponsorship and grant funding to assist with upgrades to two galleries. These projects did not

Expenses

Payroll was less than budget by \$206,055 as the result of vacant positions.

Other Operating Expenses were \$147,909 below budget as the result of reduced activity.

Recognition / (Derecognition) of Collection Assets

Donated assets amounted to \$39,573 which exceeded budget by \$24,573.

Five Pou were returned to Te Papa which contributed a derecognition expense of \$100,000.

Statement of Changes in Net Assets/Equity

There is a decrease in the actual net equity compared to the budget as the Trust incurred a deficit.

Statement of Financial Position

The budgets for the Statement of Financial Position for receivables and payables are set on base numbers.

The actual balance can be highly variable depending on the content and timing of scheduled activities.

The most significant movements are:

Receivables from Non Exchange transactions are less than budget, as there were few debtors outstanding at balance date.

Short term deposits are \$345,006 above budget . Cash and cash equivalents are below budget, reflecting the operating lo

Statement of Cash Flows

The variances in the Statement of Cash Flow are a direct result of the items mentioned above.