te manawa
TE PAPAIOEA PALMERSTON NORTH

Six Month Report

1 July 2020 to 31 December 2020

Te Manawa Museums Trust

Goals:

- Te Manawa’s profile as a place with which to engage is maintained and enhanced
- Te Manawa’s relationship with Rangitāne is a priority
- Third party revenue generation and excellent visitor feedback statistics are a priority
- Te Manawa is focussed on developing for the future
- Prioritise staff development

1. Enhanced learning and engagement

Performance Measures	2020/2021 Target	Status	Result	Comments
Visitor satisfaction (good/very good/ excellent)	>96%	On track	99% as at 31 Dec (2019/20 Achieved: 99% against a target of >96%)	99% rating for Good to Excellent 1% rating for average 0% below average Feedback from 529 visitors received to date
Participation in learning programmes [1]	30,000	On track	11,012 as at 31 Dec. (36.7% of full year target) (2019/20 Not Achieved: 21,316 against a target of 30,000, due to COVID-19 Pandemic constraints)	Strong bookings in the second quarter brought the visit numbers up sharply, in part due to 'BUGS! Our Backyard Heroes' exhibition. Overall learning visitation and participation is now tracking just under ytd target%. Contracted LEOTC visits are at 71% achieved for the financial year to date (2130/3000). A review of the Learning Strategy has been completed, and implementation planning is well under way. We are awaiting notification from the Ministry of Education of their intentions for the future of Learning Outside the Classroom. This is expected during May 2021.
In-person visits to Rangimarie activities	Under Development	On track	(2019/20 – Not Measured)	This was awaiting the completion of the contract with Rongomau Productions which was approved and signed on the 22nd of December.

[1] Learning programme participation in accordance with Te Rangahau Curiosity Centre. Includes LEOTC visits of 3,000 (10%) per annum

2. Innovative experiences that attract visitors

Performance Measures	2020/2021 Target	Status	Result	Comments
Likelihood of visitors to positively endorse Te Manawa to others [2]	Under development	On track	(2019/20 Not measured)	Visitor market research to start in March 2021.
In-person visits to Te Manawa	150,000	On track	75,463 as at 31 December 20 (Target 75,000 at 31 Dec) (2019/20 Not Achieved: 100,599 at fye against a target of 170,000 due to COVID-19 Pandemic constraints)	In person visitor numbers are on track to meet the target at this stage.
Visits to Te Manawa experiences off-site [3]	50,000	At risk	10,578 at 31 Dec (2019/20 Not Achieved: 16,303 against a target of 50,000)	This figure is a total visitor number to external events. The target of 50,000 includes out- touring exhibition visitors. We have not toured any of our existing exhibitions due to the impact of COVID-19 with reduced numbers of interested participating venues. No new touring shows because we are moving to a three-year cycle for development, fabrication and touring of new Te Manawa developed touring packages. We currently do not have the resource to develop these but recruitments over 2021 will allow us to move back into this space.

[2] As measured by Net Promoter Score (NPS). Target will be set once baseline established.
[3] Includes both touring exhibitions and people participating in Te Manawa activities at events.
[4] Includes both unique e-visits to Te Manawa website and online reach of social media

On-line reach [4]	500,000	On Track	297,686 (60% of annual target) (2019/20 Achieved: 664,932 against a target of 400,000)	

3. A collaborative and future-focussed organisation

Performance Measures	2020/2021 Target	Status	Result	Comments
Strength of relationships with strategic partners [5]	Under development	On track	(2019/20 Not Measured)	Closer working relationship with PNCC established. Relationship development strategy expected to commence in February.
Revenue secured from sources outside of PNCC [6]	574,154	On track	$274,625 received by 31st Dec-47.8% of annual target (19/ 20- $238,546k achieved in first half (73% of first half target of $326,760 – 34.7 % of 19/20 annual target of $687,443) (2019/20 Not Achieved: $447,179 (65%) against annual target of $687,443)	Third party revenue strategy to be developed. Third party revenue to 31st Dec 2020: • $1k from FMG • $28k anonymous donation for purchase of Andrew Drummond sculpture • MDC $20k • $14.8k from Science Centre Trust for Bugs exhibition cases and other costs for Bugs • PNPST $24k for Head of John Doe Sculpture • Shop and other sales $40k • Learning $58k • Donations from public visiting Bugs and Santa's cave $15.4k • Donations from Westpac, Beca and Vitae for Tamariki $26k

				• Methodist Church $13k Cost of Window extraction • Venue Hire and other activities $20.8 • Public Events $9.6K • Interest $4k • Received notification from CET that we are to receive $172,500k for exhibition lighting upgrade on purchase of the lighting before FYE. Notification has also been received of tagged grants amounting to @102,500 from Clevely Trust and Lotteries to be received during Q3 and a bequest of $90k.

[5] Measure to be developed. Target will be set once baseline established.
[6] Includes private and corporate sponsorship, grants, event and shop proceeds, and Ministry of Education contracts

COVID-19 Statement

Te Manawa was closed to the public at Alert levels 3 and 4.

Te Manawa moved to operate under COVID-19 level 2 on August 12th. The July school holidays were busy, but numbers slowed down in August and rose again in September. Te Manawa moved to Alert level 1 on the 21st of September and visitors started to return.

Other Progress/ Highlights:

Consolidation of forward exhibition programme through to December 2021, including securing two international touring exhibitions for 2021, opening a trio of exhibitions celebrating 25 years of the Toioho ki Apiti Bachelor of Maori Visual arts programme at Massey University, and completion and opening of a redeveloped Tamariki/ TM Kids experience in December 2020.

Wellbeing is a focus at Te Manawa. Chard Consultants have developed a programme for Leadership team and staff that is being implemented in February.

Financial Report

(Six monthly Report against SOI)

31 December 2020

Contents

Financial Reports for Te Manawa Museums Trust Board

Statement of Financial Performance

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

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

Statement of Financial Position

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

Statement of Cash flows

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

EXECUTIVE SUMMARY

The operating surplus, after Collection Movements, for the six months ended 31 December, is **$324,649** compared with the budgeted surplus of **$288,536**
Year to date revenue is below budget by **$184,131.** One of the reasons is that $200,000 grant from CET, budgeted to be received during December, will not be received until the project is completed. The actual grant is only $172,500, so less than budgeted.
The funds from the Clevely Trust, and the bequest from the Dear Estate have been received but have been held as income in advance. The Clevely funds are tagged to a project which has not yet commenced and projects for the Dear bequest have not yet been finalised.
The interest rates on the deposits held by the trust are so low that forecast interest income has been reduced,

Operating costs are currently $195,780 below budget. Payroll is $88,801 below budget as the result of unfilled positions. Contractors will be used as needed to cover this work.

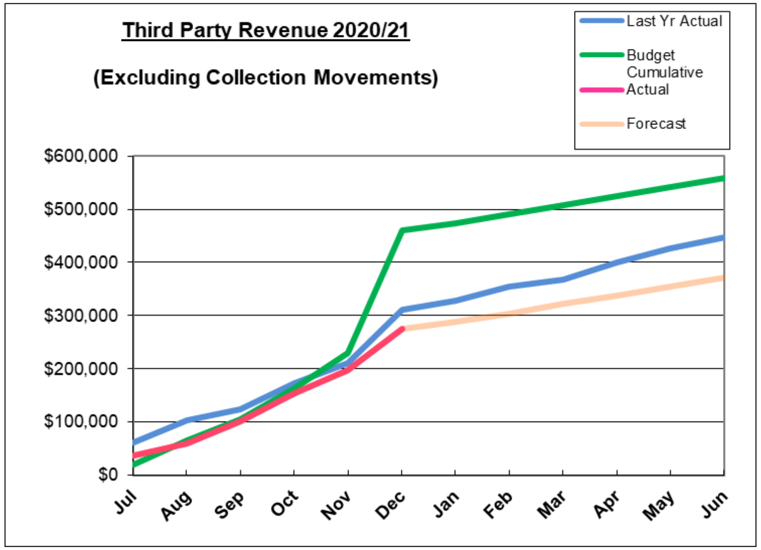
There are other expenditure timing costs and at this stage of the year no major expenditure savings have been identified.

Te Manawa Museums Trust

Summary Statement of Financial Performance for December 2020

		A	B	C	D	E	F	G		I
		Dec-20			**Year to Date (December) 20)**			**Year End**		
		Actual	**Budget**	**Variance A - B**	**Actual**	**Budget**	**Variance D - E**	**Forecast**	**Budget**	**Variance H - G**
		$	**$**	**fav/(unfav)**	**$**	**$**	**fav/(unfav)**	**$**	**$**	
Operating Income	**1**	345,141	496,637	(151,496)	1,890,579	2,074,710	(184,131)	3,877,708	3,806,062	71,646
Operating Expenditure	**2**	270,663	317,183	46,521	1,596,394	1,792,174	195,780	3,901,543	3,818,122	(83,421)
Surplus/(Deficit) before Collection Movement		**74,479**	**179,454**	**(104,975)**	**294,185**	**282,536**	**11,649**	**(23,835)**	**(12,060)**	**(11,775)**
Collection Movement Income		500	1,500	(1,000)	33,942	6,000	27,942	38,442	15,000	23,442
Collection Movement Expense		-	-	-	3,478	-	3,478	3,498	-	(3,498)
Net Collection Movements		**500**	**1,500**	**(1,000)**	**30,464**	**6,000**	**24,464**	**34,944**	**15,000**	***19,944***
Surplus/(Deficit) Including Collection Movements		**74,979**	**180,954**	**(105,975)**	**324,649**	**288,536**	**36,113**	**11,109**	**2,940**	**8,169**

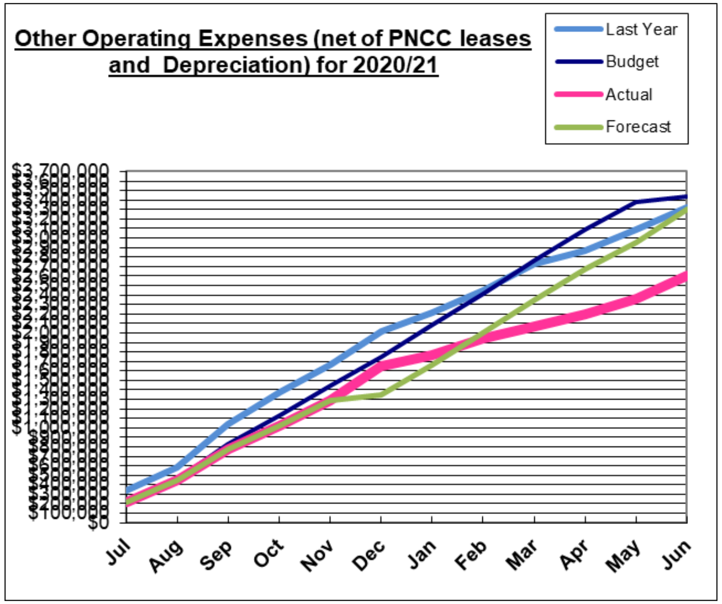
Key Result Indicators as at 31 December 2020



Third Party Revenue (excluding Collection Movements):

Actual year-to-date third-party revenue (including interest revenue) amounts to **$274,625** compared to a budgeted **$458,756** for the period.

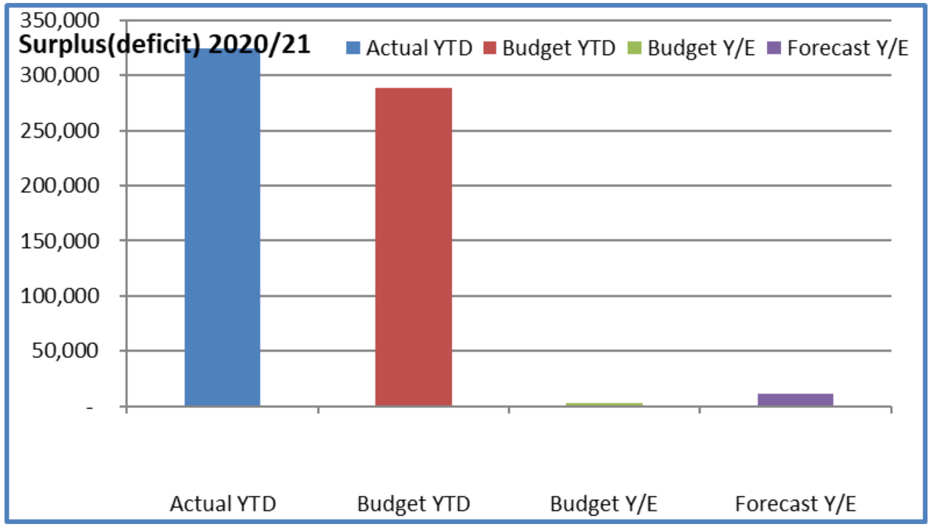
The lower than budgeted third party revenue arises from timing change for the receipt of funds from CET, budgeted to be received in December but now to be received when the project is complete.



Other Operating Expenses (net of PNCC leases) and Depreciation) for 2020/21

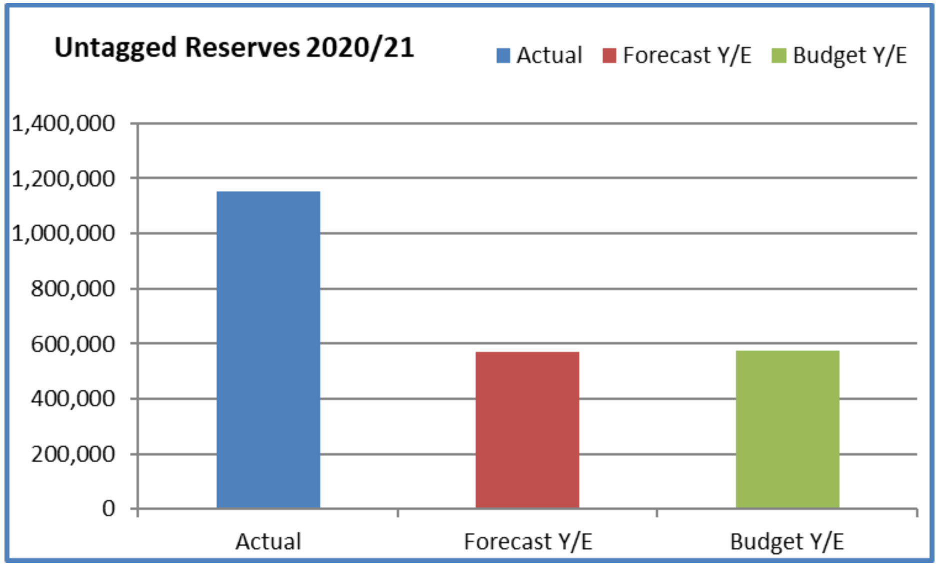
Currently these are below budget by $195,780. $88k of this is the result of payroll savings and unfilled positions.

Also some projects in The Collections and Exhibitions area have been delayed to the latter half of the year and the funds budgeted for these activities are yet to be spent.



Year-End Surplus/ (Deficit) (excluding Collection Movements):

The half year net operating surplus, prior to Collection movements) is **$294,185**, compared to a budgeted operating surplus of **$282,536**. Although revenue is $184,131 less than budget there have been savings from unfilled positions (a collection manager, a designer and two technicians) as well as the project timing referred to above.



Untagged Reserves:

Year-to-date Untagged Reserves are $1,153,580.

Te Manawa Museums Trust
Statement of Comprehensive Revenue and Expenditure *(classification of expenses by activity)*
for the Six Months Ended 31 December 2020

	Note	Actual YTD 31-Dec-20 Unaudited $	Budget YTD 31-Dec-20 $	*Variance* $	Last year 31-Dec-19 Unaudited $	Forecast 30-Jun-21 $	Budget 30-Jun-21 (SOI) $	*Variance* $	30 June 2020 12 Months Audited $
Operating Revenue									
PNCC Grants		1,615,954	1,615,954	-	1,599,955	3,231,908	3,231,908	-	3,199,909
MDC Grant		20,000	-	-	20,000	20,000	20,000	-	20,000
Interest Received		4,097	6,999	*(2,902)*	7,341	6,497	14,000	*(7,503)*	15,486
Other Income	*1*	250,528	451,757	*(201,229)*	211,204	619,303	540,154	*79,149*	301,577
Total Operating Revenue		**1,890,579**	**2,074,710**	***(184,131)***	**1,838,500**	**3,877,708**	**3,806,062**	***71,646***	**3,536,972**
Total Operating Expenditure									
Assets & Systems									
Collection & Knowledge		62,258	134,712	*(72,454)*	185,549	399,779	333,834	*65,945*	338,109
Corporate Services & Facilities		290,916	329,283	*(38,367)*	321,874	729,725	735,069	*(5,344)*	691,810
		353,174	***463,995***	***(110,821)***	***507,423***	***1,129,503***	***1,068,903***	***60,600***	***1,029,919***
People & Partnership									
Learning		140,563	169,721	*(29,158)*	149,474	301,706	339,444	*(37,738)*	287,251
Kaihautū		6,411	12,221	*(5,810)*	9,363	56,829	48,752	*8,077*	
Communications		*93,376*	103,194	*(9,818)*	112,941	210,992	214,910	*(3,918)*	194,788
Public Programmes & Events		*68,396*	80,770	*(12,374)*	80,199	168,658	168,993	*(335)*	144,557
Sponsorship		*-*	-	-	-	-	-	-	3,810
Customer Services		*203,948*	171,526	*32,422*	179,771	395,570	338,160	*57,410*	341,393
Volunteers		*264*	425	*(161)*	113	689	850	*(161)*	215
		512,959	***537,857***	***(24,898)***	*531,861*	***1,134,445***	***1,111,109***	***23,336***	***972,014***
Concepts & Engagement		*302,672*	***349,386***	***(46,715)***	***274,862***	***737,447***	***736,318***	***1,128***	***479,286***
Executive		*300,531*	***301,346***	***(815)***	***274,330***	***617,742***	***617,231***	***510***	***546,344***
Depreciation	*4*	*127,058*	***139,590***	***(12,532)***	***129,542***	***282,406***	***284,560***	***(2,154)***	***259,017***
Asset Write Off		***-***	***-***	***-***	***267***	***-***	***-***	***-***	***615***
Total Operating Expenditure		**1,596,394**	**1,792,174**	**(195,780)**	**1,718,285**	**3,901,543**	**3,818,122**	**83,421**	**3,287,195**
Operating Surplus/(Deficit)		**294,185**	**282,536**	**11,649**	**120,215**	**(23,835)**	**(12,060)**	**(11,775)**	**249,777**

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Collection Movement Income									
Custodial Assets	-	-	-			-	-	-	-
Donated Assets	33,942	6,000	*27,942*	25,611		38,442	15,000	*23,442*	28,419
Collection Movement Expense			-				-	-	
Custodial Assets Returned	-	-	-	-			-	-	-
Collection Assets Deaccessioned	3,478	-	*3,478*	164		3,498	-	*3,498*	184
Net Collection Movements	**30,464**	**6,000**	**24,464**	**25,447**		**34,944**	**15,000**	**19,944**	**28,235**
Net Surplus/(Deficit)	**324,649**	**288,536**	**36,113**	**145,662**		**11,109**	**2,940**	**8,169**	**278,012**
Other Comprehensive Revenue and Expense	-	-	-	-		-	-	-	-
Total Comprehensive Revenue and Expense	**324,649**	**288,536**	**36,113**	**145,662**		**11,109**	**2,940**	**8,169**	**278,012**

Te Manawa Museums Trust

Statement of Comprehensive Revenue and Expense (classification of expenses by category)

for the Six Months Ended 31 December 2020

	Note	**Actual YTD 31-Dec-20 Unaudited $**	**Budget YTD 31-Dec-20 $**	***Variance* $**	**Last year 31/12//2019 Unaudited $**	**Forecast 30-Jun-20 $**	**Budget 30-Jun-20 (SOI) $**	***Variance* $**	**30 June 2020 12 Months Audited $**
Operating Revenue									
PNCC Grants		1,615,954	1,615,954	-	1,599,955	3,231,908	3,231,908	-	3,199,909
MDC Grant		20,000	-	-	20,000	20,000	20,000		20,000
Interest Received	1	4,097	6,999	(2,902)	7,341	6,497	14,000	(7,503)	15,486
Other Income	1	250,528	451,757	(181,229)	211,204	619,303	540,154	79,149	301,577
Total Operating Revenue		**1,890,579**	**2,074,710**	**(184,131)**	**1,838,500**	**3,877,708**	**3,806,062**	**71,646**	**3,536,972**
Operating Expenditure									
Payroll	2	979,723	1,068,524	88,801	1,055,992	2,114,941	2,303,043	188,102	2,017,312
Other Operating Expenses		448,744	543,182	94,457	491,614	1,422,467	1,148,781	(273,686)	928,513
PNCC Leases & SLA's		40,869	40,878	(9)	40,869	81,729	81,738	9	81,738
Depreciation		127,058	139,590	12,532	129,542	282,406	284,560	2,154	259,017
Asset Write-offs		-	-	-	267	-	-	-	615
Total Operating Expenditure		**1,596,394**	**1,792,174**	**195,780**	**1,718,284**	**3,901,543**	**3,818,122**	**(83,421)**	**3,287,195**
Operating Surplus/(Deficit) Before Collection Items		**294,185**	**282,536**	**11,649**	**120,216**	**(23,835)**	**(12,060)**	**(11,775)**	**249,777**
Collection Movement Income									
Custodial Assets		-	-	-	-	-	-	-	-
Donated Assets		33,942	6,000	27,942	25,611	38,442	15,000	23,442	28,419
Collection Movement Expense									
Custodial Assets Returned		-	-	-		-	-	-	-
Collection Assets Deaccessioned		3,478	-	(3,478)	164	3,498	-	(3,498)	184
Net Collection Movements		**30,464**	**6,000**	**31,421**	**25,447**	**34,944**	**15,000**	**23,442**	**28,235**
Surplus/(Deficit) Including Collection Movements		**324,649**	**288,536**	**36,113**	**145,663**	**11,109**	**2,940**	**8,169**	**278,012**

Te Manawa Museums Trust

Statement of Financial Position

As at 31 December 2020

		Actual 30/06/2020	Actual 31/12/2020	Budget $	Variance $
Assets					
Current Assets					
Cash and Cash Equivalents	**3**	694,163	1,196,295	156,105	1,040,190
Stock of Merchandise		51,472	47,969	45,000	2,969
Debtors and Sundry Receivables		10,509	15,939	50,000	(34,061)
Interest Receivable		2,022	1,257	1,600	(343)
Prepayments		8,125	40,536	57,000	(16,464)
Short Term Deposits	**3**	614,245	181,396	908,858	(727,462)
Total Current Assets		**1,380,536**	**1,483,393**	**1,218,563**	**264,830**
Non-Current Assets					
Intangible Assets		12,713	10,331	20,113	(9,782)
Property Plant & Equipment:					-
Computer Hardware		37,957	*30,990*	*75,066*	(44,076)
Exhibitions		284,028	*244,399*	*190,728*	53,671
Furniture & Fittings		62,071	*51,319*	*58,679*	(7,360)
Leasehold Improvements		67,136	*56,697*	*45,638*	11,059
Plant & Equipment		320,695	*286,890*	*308,673*	(21,783)
Work in Progress		61,809	*185,591*	*30,000*	155,591
Collection Assets - Owned		7,240,473	7,357,229	8,374,712	(1,017,483)
Collection Assets - Custodial		8,086,365	8,082,886	8,265,209	(182,323)
Total Non-Current Assets		**16,173,247**	**16,306,333**	**17,368,818**	**(1,062,485)**
Total Assets		**17,553,783**	**17,789,726**	**18,587,381**	**(797,655)**

Te Manawa Museums Trust

Statement of Financial Position

As at 31 December 2020

		Actual 30/06/2020	Actual 31/12/2020	Budget $	Variance $
Current Liabilities					
Creditors, Provisions & Payables		284,622	138,373	160,000	(21,627)
Employee Liabilities		280,515	241,070	201,860	39,210
Provisions		-	-	-	-
GST Payable (Receivable)		46,336	54,518	55,000	(482)
Income received in advance		82,858	171,664	30,000	141,664
Total Current Liabilities		694,331	***605,624***	***446,860***	***158,764***
Non-Current Liabilities					
Employee Benefit Liabilities		3,463	3,464	3,266	198
Total Non-Current Liabilities		3,463	***3,464***	***3,266***	***198***
Total Liabilities		**697,794**	**609,088**	**450,126**	**158,962**
Equity					
Trust Equity		10,428,878	10,706,889	10,712,131	(5,242)
Retained Surplus Current Year		278,012	324,649	2,942	321,707
Asset Revaluation Reserve		5,800,107	5,800,107	7,073,191	(1,273,084)
Specific Reserves	**5**	338,118	338,118	338,117	1
Endowment Funds	**6**	10,874	10,874	10,874	0
Total Equity		***16,855,990***	**17,180,637**	**18,137,255**	**(956,618)**
Total Equity & Liabilities		**17,553,783**	**17,789,726**	**18,587,381**	**(797,655)**

Te Manawa Museums Trust

Statement of Cash flows

For the Six Months Ended 31 December 2020

Description	Actual 30/06/2020	Actual Year to date	Budget $	Variance $
Cash Flows from Operating Activities				
Cash was provided from:				
PNCC Grants	3,199,909	1,615,954	1,615,954	0
Other Revenue	349,862	270,528	451,757	(181,229)
Reducation in Reserves				
Interest	16,191	4,097	6,999	(2,902)
	3,565,962	*1,890,579*	*2,074,710*	*(184,131)*
Cash was disbursed to:				
Payroll	1,978,563	940,279	1,068,524	(128,245)
Suppliers	875,274	448,744	543,182	(94,438)
Interest	-	-	-	-
Net GST Outflow (Inflow)	(19,198)	8,182	3,000	5,182
	2,834,639	*1,397,206*	*1,614,706*	*(217,501)*
Net Cash Flows from Operating Activities	731,323	**493,373**	**460,004**	**33,370**
Cash Flows from Investing Activities				
Cash was provided from:				
Sale of Assets		-	-	-
Cash was disbursed to				
Purchase of Intangible Assets - Software	3,345	-	-	0
Purchase of Property Plant & Equipment	122,386	183,806.00	213,300	29,494
Purchase of Collection Assets	29,634	82,813.03	50,000	(32,813)
Increase deposits	464,245	(275,378)	(360,109)	(84,731)
Total	619,610	*(8,759)*	*(96,809)*	*(88,050)*
Net Cash Flows from Investing Activities	**(619,610)**	**8,759**	**96,809**	**88,049**
Cash Flows from Financing Activities				
Cash was provided from:				
PNCC Long-Term Exhibition Development Grant		-	-	-
Capital Introduced		-	-	
Proceeds of Term Loans/Finance Leases		-	-	-
		-	-	-
Cash was disbursed to:				
Net Cash Flows from Financing Activities	**-**	**-**	**-**	**-**
Net Increase/(Decrease) in Cash Held	111,713	502,132	556,813	(54,680)
Opening Cash Balances	582,450	694,163	694,163	-
Closing Total Cash Balances 3	**694,163**	**1,196,295**	**1,250,976**	**(54,680)**

1 -External Revenue

Analysis of External Revenue to 31 December 2020

3rd Party Revenue	Actual Month	Budget Month	Actual YTD	Annual Budget	Last Year	Comments
Grants Distributions - Heritage and co	13,006	-	52,000	106,500	-	*December receipt crepresents contribution from the Methodist Church towards te removal and transportation of the stained glass windows.*
LEOTC Contract	5,010	4,370	30,057	52,444	36,688	*MoE Grant . The formal agreement ceased at 31 December but the MOE has rolled this over for another calendar year.*
Other Education programmes	3,050	2,409	27,826	28,950	31,097	
Public prgrammes & Events	490	1,000	9,595	12,000	5,866	*Proceeds from activities such as laser tag, Nerf Wars and a Drag night.*
Public prgrammes - Education Led	-	-	-	-	26,180	
Touring Revenue	-	-	-	-	59,368	
Admission Fees	-	-	-	-	6,700	
Donations	11,156	10,121	15,564	11,300	17,736	*Donations re Koru warrior, Santa's cave and Bugs.*
Fundraising (Grants- no restriction No C	-	200,000	1,000	200,000	18,197	*CET awarded $172,500 to be received on completion of lighting project.*
Grants	26,000	-	53,861	35,000	123,048	*The receipts for December include the recognition of $26k funding, from Westpac, Beca and Vitae, towards Tamariki.*
Front of House Revenue, including Shop Sales and Venue Hire (Not including front of house donations)	15,487	7,038	54,269	84,460	72,584	
Inhouse donation receved	541	-	2,215	-	7,878	*These are receved at Front of House either at the Museum or Art Gallery.*
Interest Revenue	494	1,166	4,097	14,000	13,892	
Sundry Income	583	1,208	4,141	9,500	7,585	*Monthly rent from Darkroom .*
Grant MDC	-	-	20,000	20,000	20,360	
Total Third Party Revenue (excluding Collection Donations)	**75,816**	**227,312**	**274,625**	**574,154**	**447,179**	

2.Payroll

Costs

Te Manawa Museums Trust
Payroll Analysis
As at 31 December 2020

Payroll Analysis	Actual 31 December 2020	Budget 31 December 2020	Variance Actual from Budget	Forecast 30 June 2018	Budget 30 June 2018	Variance Annual Forecast from Annual Budget	Comments	Actual FTE's	20/21 Budget FTE's	Variance Actual from Budget
Finance and Facilities	79,017	88,430	(9,413)	187,606	197,019	(9,413)	*At this stage an assistant accountant has not been employed as anticipated.*	1.44	2.00	(0.56)
Collection & Knowledge	33,605	78,688	(45,083)	89,807	210,907	(121,100)	*At this stage an art collections manager and a digital person have not been recruited.*	1.00	3.00	(2.00)
Learning	127,032	155,021	(27,989)	269,684	310,064	(40,380)	*This reduction is not the result of savings but of allocating half ($44K) of the salary of the Curiosity Experience Manager to Customer Services.*	4.75	4.75	-
Events	51,702	57,828	(6,126)	114,107	123,109	(9,002)	*This is below budget as one team member elected to reduce her hours.*	1.50	2.00	(0.50)
Visitors' Engagement	176,385	143,276	33,109	345,780	286,555	59,225	*Some of this increase relates to the reallocation of 40% of the Curiosity Experience manager's salary (see above) and the balance arises from underbudgeting on the staff deployed in Customer Services.*	5.92	5.92	-
Communications	57,576	56,725	851	116,936	116,085	851		1.69	1.69	-
Concepts & Engagement	180,040	195,884	(15,844)	385,481	420,442	(34,961)	*There are still vacant positions for a designer and a technician. One technician has been employed and is to commence in February 2021*	5.14	8.00	(2.86)
Executive	260,175	263,296	(3,121)	524,761	565,213	(40,452)	*Recruitment is underway for a full time Executive assistant*	4.80	4.80	-
Plus Annual Leave movement in provision and KiwiSaver Employer's contribution	14,192	29,376	(15,184)	80,780	73,649	7,131				-
Total Operational Payroll	**979,723**	**1,068,524**	**(88,801)**	**2,114,941**	**2,303,043**	**(188,102)**	*The Actual to date and Forecast payroll does not include budgeted performance adjustments or a budgeted CPI adjustment as CCO's have been recommended to follow PNCC's lead in not increasing salaries during this financial year.*	**26.24**	**32.16**	(5.92)

3.Cash and Cash Equivalents

Te Manawa Museums Trust

Details of Cash & Cash Equivalents

As at 31 December 2020

Cash & Cash Equivalents		**Interest Rate**	**31 December 2020**
Term Investments	**Maturity date**		
Term Investment - BNZ0001 CCE	13/03/2021	0.40%	$135,630
			$0
Term Investment - Westpac 0023 CCE	5/02/2021	2.65%	$155,965
Term Investment - Westpac 0024 CCE	5/02/2021	1.50%	$124,198
Term Investment - Westpac 0025 CCE	19/02/2021	0.60%	$202,376
			$618,169
Westpac Cheque Account			$13,928
Westpac Online Saver Account			$562,986
BNZ Cheque Account			$11
Petty Cash / Cash Floats			$1,200
			$1,196,295

Short Term Deposit		**Interest Rate**	**31 December 2020**
Term Investments	**Maturity date**		
Short Term Deposits - Westpac 0022	30/07/2021	0.85%	$181,396
			$0
			$181,396

4. Fixed Asset and Intangibles Additions – at 31 December 2020

Asset Description	Closing Book Value 30 JUNE 2020 / Opening Book Value 01 July 2020	Additions to 31 December 2020	Disposals	Depreciation / Amortisation	Impairment Losses	Closing Book Value 31 December 2020
Information Technology	37,956	1,814	- 0	8,780	-	30,990
Exhibitions	284,028	5,913	-	45,542	-	244,399
Furniture & Fittings	62,070	-	-	10,751	-	51,319
Leasehold Improvements	67,138	-	-	10,440	-	56,697
Plant & Equipment	320,695	15,358	- 3,735	49,163	-	286,890
Work in Progress	61,809	123,783	-	-	-	185,591
Total Property, Plant & Equipment Assets	771,887	23,084	- 3,735	124,676	-	855,886
Collections						
- Collection Assets - Owned	7,240,473	116,755	-	-	-	7,357,229
- Collection Assets - Custodial	8,086,365	-	- 3,478	-	-	8,082,886
Total Collection Assets	15,326,838	116,755	- 3,478	-	-	15,440,115
Intangibles	12,713	-	-	2,381	-	10,331
Work in Progress	-	-	-	-	-	0
Total Intangible Assets	12,713	-	-	2,381	-	10,331
Total Fixed Assets	**16,111,438**	**139,840**	**- 7,213**	**127,058**	**-**	**16,306,333**

5.Specific Reserves

Specific Reserves

Specific Reserves	Balance at 01/07/19	Transfers from Retained Earnings	Disbursements / Release of Funds	Balance as at 30 September 2019	Forecast transfers in/(out)	Year-End Forecast Balance	Comments
Collection Development Fund - General	8,856	-		8,856	-	8,856	These are funds tagged for art and/or heritage collection items purchases. Less over spend on 2017/18 collections
Collection Development Fund - Social History Specific	16,391	-	-	16,391		16,391	These funds are tagged for Social History only (based on bequests terms)
Historical Building Maintenance	19,081		-	19,081	-	19,081	
Exhibition Revitalisation/Development Fund	168,969		-	168,969	- **15,000**	153,969	At the meeting held on 27 June 2019 the Board approved a release of $15,000 towards the refresh of Kids TM.
Total Specific Reserves	**213,296**	**-**	**-**	**213,296**	- **15,000**	**198,296**	

6 Endowment Funds

Endowment Fund	Balance at 01/07/19	Additional Endowments	Disbursements / Release of Funds	Balance as at 30 September 2019	Forecast transfers in/(out)	Year-End Forecast Balance
*Clevely Fund	10,874	-	-	10,874	-	**10,874**
Total Endowment Funds	**10,874**	**-**	-	**10,874**	**-**	**10,874**

1 Statement of Accounting Policies

REPORTING ENTITY

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

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

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

The financial statements of the Trust are for the six months ended 31 December 2019 and were approved by the Board of Trustees on 27 February 2020.

BASIS OF PREPARATION

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

Statement of Compliance

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

The financial statements comply with Public Benefit Entity International Public Sector Accounting Standards (“PBE IPSAS”) and other applicable Financial Reporting Standards, as appropriate for Tier 2 public sector public benefit entities, for which all reduced disclosure regime exemptions, have been adopted.
The Trust qualifies as a Tier 2 Public Sector PBE reporting entity as it is not publicly accountable and 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$).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue

Revenue is measured at fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Revenue from Non-exchange transactions

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

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

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

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

Grants

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

Revenues from non-exchange transactions with Council/other government/non-government entities are measured at fair value and recognised when the event occurs and the asset recognition criteria are met, if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Trust and can be measured reliably.

To the extent that there is a related condition attached that would give rise to a liability to repay the amount if conditions of the grant are not met, deferred income is recognised instead of revenue, and recognised as revenue when conditions of the grant are satisfied.

Rendering of services

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

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

Vested or donated physical assets

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

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

'In Kind' Sponsorship

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

Volunteer Services

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

Revenue from Exchange transactions

Sales of goods

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

Interest Income

Interest income is recognised using the effective interest method.

Advertising Costs

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

Borrowing Costs

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

Depreciation and amortisation

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

Leases

Finance Leases

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

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

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

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

Operating Leases

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

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

Cash and cash equivalents

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

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

Debtors and other receivables

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

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

Financial Assets

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

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

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

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

a) **Financial Assets at Fair Value through Surplus or Deficit**

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

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

b) Loans and Receivables

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

c) Held to Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets. After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.
Currently, the Trust does not hold any financial assets in this category.

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

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

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

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

Impairment of financial assets

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

Loans and receivables, and held-to-maturity investments

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

Financial assets at fair value through other comprehensive revenue and expense
For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.
For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.
Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.
If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Inventories
Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable, for any loss of service potential.
Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.
Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

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

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

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

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

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

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

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

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

(a) Furniture, Equipment and Exhibits

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

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

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

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

(a) Collection Assets

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

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

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

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

Revaluation

The Art Collection assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by *Art + Object* Auckland as at January 2018. Trust's policy is to revalue the Art Collection assets every three years.

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

All other asset classes are carried at depreciated historical cost.

Accounting for Revaluations

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

Intangible Assets

Recognition and measurement

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

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

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

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.
Staff training costs are recognised in the surplus or deficit when incurred.

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

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

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

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

The estimated useful lives are as follows:

Software	1 to 7 years
Website	3 to 5 years

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

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

Value in use for non-cash-generating assets

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

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

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

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

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

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

Employee Entitlements

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

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

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

Provisions

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

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

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

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

Equity

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

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

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

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

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

Budget figures

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

Critical Accounting Estimates and Assumptions

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

Property, Plant and Equipment Useful Lives and Residual Values

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

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

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

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

Critical Judgements in applying the Trust's accounting policies

There have been no specific areas requiring management or Trustees to exercise critical judgement in applying the Trust's accounting policies for the period ended 31 December 2020.