



He Pūrongo ā Tau

Draft Annual Report 2020/2021

Prepared August 2021

TE MANAWA MUSEUMS TRUST

Chairman's Report

In my report last year, I remarked that we remained in a state of uncertainty as to the final effect of the pandemic and its ramifications. As I reflect on the 2020 – 21 year I wonder what has changed. New Zealand remains a bulwark of seeming sanity in a crazy, COVID dominated world. However, where many countries remain gripped by mass hospitalisations and devastating death tolls, we here in New Zealand have been fortunate to have weathered lockdowns with some success, more particularly in the regions. We are still being looked at as a relative success story and now we are moving into a more widely distributed vaccination programme that will hopefully enable us to move into an admittedly new normal.

Here at Te Manawa, our team has managed to create some real success out of this on-going situation and our learning team in particular, has had success with programmes that have been picked up by other national providers. It was also very pleasing to see the large number of students who visited and engaged with the Children's Holocaust Memorial exhibition.

Our team rose to the challenge of managing through lock down, continuing to apply their imagination and skills to develop programmes to contribute to the PN150 celebrations, as well as developing our new website, our vision and goals and our forward planning. These will enhance other work and help lay a strong foundation for the future. Notwithstanding the strange environment we have been faced with, we have been successful in recruiting and embedding new team members and the staff wellbeing programme is progressing. Our business plan process, and the development of our relationship and fundraising strategies, aided by improved visitor market research and economic and environmental market research programmes, are expected to bear fruit as we move forward. It is notable that external revenue for the year exceeded target by \$100,000, despite the strange operating environment we found ourselves in.

Our ongoing partnership with Rangitāne entered a new phase with the execution of an MOU with Rongomau Productions, further cementing this critical relationship, and leading to much closer collaboration and many opportunities as we move forward. We are fortunate that this relationship is supported by two Iwi representatives on our board – they provide much useful guidance and support.

On another positive note, our visitor numbers reached 135,817 as we aimed for our target of 150,000. Attaining these numbers under the current operating environment is a great achievement. The international components of our programmes, Wildlife Photographer of the Year, Curious Contraptions and the Children's Holocaust Memoria were highlights; but, as mentioned earlier, the imagination and skills of our team drove the development of our local projects.

As noted above, thanks are due to our Iwi partners, Rangitāne, and the societies which continue to guide and support us. The Regent and Globe Theatres, the New Zealand Rugby Museum, Manawātū District Council, and our many supporters, fellow CCOs and our many sponsors also deserve our sincere thanks.

Finally, my thanks to Palmerston North City Council, our core sponsors, and my fellow Trustees for their support and guidance.

John Fowke

28 October 2021

Chief Executive's Report:

While COVID-19 impacted our visitor numbers and ability to tour our exhibitions, we made some big wins this financial year. Visitor numbers still ended strong for the year at close to 136,000 visitors to the facility, positive public feedback (99% good to excellent) was achieved and we surpassed our third-party revenue target by almost \$100k (achieved \$672,709).

Te Manawa was thrilled to sign the MOU with Rongomau Productions which enhances our close working relationship with Rangimārie marae/ Rangitāne acting as a conduit for other iwi in the region. This is a first for museums in Aotearoa and has already been successful in driving our bi-cultural work forward together particularly for rangatahi/ youth; and this will be important with the imminence of the new history, Te Ao Māori, based curriculum. Since signing, the opportunities to work with and assistance from iwi has blossomed.

We managed to source two international exhibitions a *Wildlife Photographer of the Year* competition and *Curious Contraptions* both from London and we have enhanced them with some NZ local flavour.

Wildlife Photographer of the Year exhibition opened and included the Manawatū Wildlife Photo Competition. Planning continued for the opening of *Curious Contraptions* including the sourcing of selected automata, from Blair Somerville in Owaka, to include as the NZ segment in the exhibition.

LEOTC (learning and education outside the classroom) numbers exceeded by 83% for the financial year. (5493/3000) and over 38,000 people got to see Te Manawa outside the facility and in other parts of the country. This is a great achievement given many venues cannot currently take our touring exhibitions.

In the 2021 Residents Survey over 80% of the population were satisfied with Te Manawa.

WHAT HAPPENED DURING THE YEAR?

Te Manawa moved to operate under COVID-19 level 2 on 12 August 2020. Te Manawa moved to Alert level 1 on 21 September and visitors started to return.

Te Manawa operated under Level 2 from 28 February – 6 March 2021 which impacted visitor numbers.

Te Manawa was impacted by the focus on Te Papa being a location of interest and therefore a perception of museums in general as unsafe, and Wellington's move to from level 1 to Alert Level 2 in June 2021.

We held internal workshops across our teams to work on understanding and embracing our organisation vision. This led to an updated booklet highlighting our vision goals under three clear umbrellas "Manaakitanga, Creativity and Freedom". This new 'skin' of the vision increases our collective understanding of the vision and empowerment to embody the values that drive us.

Our website was redesigned to increase its flexibility and intuitiveness. New tools were employed such as an interactive event calendar, interactive puzzles featuring collections images, new blog templates for storytelling and alert bars for COVID-19 Level shifts with payment functionality to be added in the future.

The exhibition *Operation Grapple: We were There* opened with some local connections, including Roy Sefton Q.S.M., acknowledged for their part in advocating for the veterans of the Pacific Nuclear tests.

The *Children's Holocaust Memorial* exhibition opened at the beginning of March. Massey University contributed in a major way to the *Children's Holocaust Memorial* through the involvement of designer, Mathijs Siljee, (School of Design, Massey University) and his work with the Holocaust Centre New Zealand, to bring this Memorial to life as a touring exhibition. Numerous secondary school teachers attended the opening. A learning programme, as part of this exhibition experience, was delivered to secondary schools across the region. Nearly 400 people participated in learning engagement for this exhibition, including 308 secondary school students.

The Te Manawa staff wellbeing plan was implemented, with the latest initiative focused on improving organisational communication and leadership capability. To improve our internal communications and increase engagement across teams, we began a staff intranet in March, using SharePoint. At the end of June

Leadership and managers undertook a programme endorsed by Chard Consultants and developed by Spirited Leadership to embed our working vision together and incorporate Te Ao Māori.

Our most popular long-term attraction, Tamariki, was closed for redevelopment from beginning of October to 17 December, which impacted visitor numbers. Tamariki re-opened on 18 December and includes a in play helicopter and EV (electric vehicle)

BUGS! Our Backyard Heroes, in MacDiarmid Gallery, was very popular, with 38,979 visits recorded.

The ground-breaking NZ film and TV series, *Rūrangi*, was shown at Te Manawa as a first for the Manawatū region. During his visit Max Currie, Co-Director of the film, visited his previous schools, Palmerston North Boys High and Awatapu College, as well as Palmerston North Girls High, to talk about his work in the film industry and in the rainbow community. Consequently, the series was purchased by Hulu television network and the next series of *Rūrangi* is funded by NZ On Air.

Dementia Friendly certification presented to Te Manawa as the first museum to be certified in New Zealand.

Moa bones found during the Te Ahu a Turanga: Manawatū Tararua Highway construction, replacing Manawatū Gorge road, were delivered to Te Manawa for temporary storage in May, with a significant ceremony led by Rangitāne.

The Business Plan was completed, and progress was made on a number of strategies, including strategic partnerships and fundraising.

Work progresses on Qualmark certification. Integral to that is a report on the environmental impact of Te Manawa led by Event Insights, due for completion around September 2021. We have since undertaken a self-assessment through Tourism NZ and been certified as a 'COVID Clean' experience provider.

PN150

A programme of events and activities was initiated to celebrate the 150th Anniversary of Palmerston North City. On 20 June 2021 "*Palmybilis*" gave Palmerstonians the opportunity to dress in period costumes and have portraits taken using a combination of old and new photographic techniques.

"*Who We are?*" is a project which is a Manawatū performing artists collaboration with the Globe Theatre and Te Manawa. It will feature a trail of performances through the museum and Art Gallery with participation from multiple groups.

With the launch of our brand-new website we've added a number of interactive puzzles under the PN150 umbrella. With the aim of engaging more people with our collection items and images digitally, this first handful of jigsaws features photographs from the city centenary in 1971.

The Museum in a Box programme, covering the history of 'The Square', was reformatted and delivered to more than 200 Freyberg Year 10 students at school.

The complete Palmerston North Centenary Art collection, acquired in 1970, responds to the question 'who were we?' displayed in the Art Gallery for the first time in 50 years, alongside some captivating images of the Centenary Parade around the Square.

Collections

Collection acquisition highlights include a rare Bessie Murray 'Mother and child Māori doll' made in Taihape 1920 -1956; a COVID-19 test kit; *Poi Corona II* (2021) by artist Jude Te Punga Nelson in response to the COVID-19 pandemic; student drawings by notorious Foxton art forger Karl Sim; Palmerston North MP Tangi Utikere's childhood Cook Islands pāreu kiri'au, or dance skirt; a locally made tōtara occasional table from the 1870s, an Arts and Crafts style sampler made by local artist Elizabeth Berry shortly before she was killed in the Battle of Britain in 1940; photographs of Manawatū buildings by Laurence Aberhart taken 2008 and 2019-20; photographs of the Manawatu Gorge taken in the 1880s; a detailed itinerary for a tour of New Zealand in February 1964 by Queen Elizabeth II and the Queen Mother which never eventuated; a painting by Professor

Huhana Smith *Hikoitia te Ao* (2020); and a collection of some 85 pieces of souvenir Palmerston North china and silver metal items from the 1900s to 1950s.

Te Manawa loaned artworks to the important exhibitions *Toi Tū-Toi Ora* at Auckland Art Gallery, the first major nationwide survey of contemporary Māori visual art since 2008; and two Ralph Hotere paintings were lent for a large survey exhibition of the artist's work held at Dunedin Public Art Gallery and Christchurch Art Gallery. A 1900s ballgown was lent to Te Papa for photography and inclusion on a new book by Te Papa Press and Claire Regnault on colonial fashion in Aotearoa New Zealand.

Scheduling was disrupted by Covid-19 but we were still able to show 22 exhibitions over the year, 37 onsite events and 12 offsite events.

ONGOING CONSIDERATIONS

The impact of COVID-19 internationally is ongoing with museums and arts organisations closing in force around the globe. National tourism has almost reached its peak so NZ venues that depended on significant tourism are having to think of new products and ways to engage their public.

PLANNING

Te Manawa has developed a robust Business Plan to include solid stakeholder relationship management and inclusion, fundraising and a three-year programme of exhibitions, upgrades and key events supported by innovative learning programmes.

Te Manawa has engaged a part time Manager Sustainable Funding and Innovation, due to start in August, which will drive forward digital and physical experiences and fundraising initiatives.

We thank Rangitāne and PNCC our primary funder for continuing to support us through these times, as well as MDC and our many stakeholders and supporters.

Ngā mihi

Andy Lowe

Titiro ake ra ki te tihi o ngā rai maunga o Tararua
Kauhoe atu i ngā ripo wai o Manawatū
E haumarū ai te Marae O Hine i ngā tangata katoa
Ko Rangitāne e tū nei
Eke panuku, eke Tangaroa, Haramai te toki - Hui e!
Tāiki e!

Significant groundwork has been completed so that the collaborative aspirations of Rangitāne and Te Manawa can be met. This has been a year of COVID-19 which has meant concepts and projects have taken longer to embed. That said, several work streams are under way and good progress is being made.

As well as the continuing work on Te Rangi Whenua Gallery redevelopment the following significant events are noteworthy:

- The 25th anniversary of Toi Oho Ki Apiti Māori Visual Arts at Massey University included the annual Matatau student exhibition, along with a special showing of works by past staff and alumni. Many of these people are known nationally and internationally.
- Te Manawa worked directly with Rangitāne and Ngākaitiaki o waka Kotahi (New Zealand Transport Agency) to repatriate Moa Bones found during preliminary excavation for Te Ahu-a-Tūranga, the new road link between Manawatū and Tararua. These taonga were welcomed into Te Manawa through traditional Pōwhiri and blessing of the whuia (bones) before being placed into a controlled environment to dry naturally. The event was broadcast across all national media outlets.
- Te Manawa worked directly with Rangitāne to launch Fred Graham's refurbished artwork 'Falling Waters', which now graces the exterior wall of the Palmerston North Convention Centre. A small unveiling celebration followed at the Art Gallery, where the artist spoke about the work.
- The Okatia Pou was moved from Te Rangi Whenua Gallery into the main Foyer of Te Manawa where it can be part of the living element of Te Manawa close to the Tamariki space.
- Pou from Te Rangi Whenua were installed in cradles in preparation for return to Te Papa while work on the re-development of the gallery is undertaken.
- We are embracing the new Ministry of Education localised New Zealand History curriculum. Work has started across all teams within Te Manawa to develop and deliver stories pertaining to the local footprint of Tangata Whenua and settlers.

Nuwyne Te Awe Awe
Kaihautū



STATEMENT OF SERVICE PERFORMANCE

1 July 2020 - 30 June 2021

Enhanced learning and engagement

Performance Measures	2020/2021 Target	Status	Result	Comments
Visitor satisfaction (good/very good/excellent)	>96%	✓	99% on 30 June (2019/20 Achieved: 99% against a target of >96%)	99.95% rating for Good to Excellent 0.05% rating for average
Participation in learning programmes ¹	30,000	✗	22,551 as at 30 June. (75% of the initial target, and 99% of the revised target of 22,750)	Strong bookings in the second and third quarters brought the visit numbers up sharply, in part due to 'BUGS! Our Backyard Heroes' exhibition. This was a contributing factor to contracted LEOTC visits being exceeded by 83% for the financial year to date (5493/3000). Following a review of the Learning Strategy, in September 2020, the visitor target was revised down due to changes to service levels.

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

In-person visits to Rangimārie activities	Under Development	In progress	(2019/20 Not Achieved: 21,316 against a target of 30,000, due to COVID-19 Pandemic constraints)	<p>We are awaiting notification from the Ministry of Education about their intentions for the future of Learning Outside the Classroom. This was expected during May 2021.</p> <p>Phase 1 – Engagement of contracted Kaihautū service provider completed.</p> <p>Phase 2 – Te Rangi Whenua Gallery refresh project is to be scoped and set up, commencing July 2021.</p> <p>573 learning visits have been recorded for the Te Rangi Whenua programme, demonstrating a high interest in local New Zealand History, which is aligned with new curriculum requirements.</p>
			(2019/20 – Not Measured)	

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	In progress	<p>Visitor Satisfaction NPS for this exhibition is 100 (i.e. 100% rated the exhibition experience as good/very good/excellent).</p> <p>From 145 responses to date 135 are mostly/very often/always likely to recommend Te Manawa as a visit destination (93% as @ 30 June 2021).</p> <p>(2019/20 Not measured)</p>	<p>A survey to obtain visitor feedback and measure economic impact of the World Wildlife Photographer of the Year exhibition is in progress. The survey will close 18 July 2021.</p>
In-person visits to Te Manawa	150,000	✗	135,817	Level 2 Restrictions in February, and March, along with a COVID-19 outbreak in Wellington, in June 2021, impacted visit numbers.

² As measured by Net Promoter Score (NPS). Target will be set once baseline established.

Performance Measures	2020/2021 Target	Status	Result	Comments
			(2019/20 Not Achieved: 100,599 at year end against a target of 170,000 due to COVID-19 Pandemic constraints)	<p>The closure of Te Papa, in June due to COVID-19 risk, sent a signal that museums were not safe spaces (Te Manawa/ Te Papa) so numbers were slow to return. The impact, being around 14,000 visitors, is in line with the time affected by the 2021 COVID-19 scares.</p> <p>In the current climate an achievement of 135,817 visits is considered a success. This compares on par with visitation from other regional museums we monitor.</p>
Visits to Te Manawa experiences off-site ³	50,000	X	<p>38,715 visits to Te Manawa experiences off-site</p> <p>(2019/20 Not Achieved: 16,303 against a target of 50,000)</p>	<p>This figure is a total visitor numbers to off-site events and exhibitions.</p> <p>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.</p> <p>We are moving to a three-year cycle for development, fabrication and touring of new Te Manawa developed touring packages.</p>
On-line reach ⁴	500,000	✓	<p>528, 514</p> <p>(2019/20 Achieved: 664,932 against a target of 400,000)</p>	<p>The target was exceeded.</p> <p>There is a growing shift in social media and other digital platforms, and general changes in what people are spending time online doing. Facebook use is shrinking.</p> <p>Overall, digital engagement was up by 35 per cent. Of those we reached, more people were interacting with Te Manawa in some way.</p>

3. A collaborative and future-focused organisation

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

Performance Measures	2020/2021 Target	Status	Result	Comments
Strength of relationships with strategic partners ⁵	Under development	In progress	(2019/20 Not Measured)	<p>Te Manawa's relationship with Palmerston North City Council continues to develop strength at both political and operational levels. Discussions have clarified expectations of strategic relationships and have informed early Strategic Relationship Strategy developments.</p> <p>The draft Fundraising Strategy has been developed and the Manager Sustainable Funding and Innovation has been recruited. This strategy will be finalised by Dec 21/22.</p> <p>Early MoU review discussions are under way with Te Manawa Societies.</p> <p>Significant strategic relationship achievements for the year also include (among others):</p> <ol style="list-style-type: none"> 1. Sustainable relationship with Rangitāne further developing as a result of engagement of Rongomau 2. Manawatu District Council (\$20k funding pa through LTP) 3. Renewal of the MoU with UCOL 4. Continuing OF BY FOR ALL international change network membership 5. Alzheimers New Zealand through Dementia Friendly Accreditation 6. Increasing and improving education and school network connection and integration
Revenue secured from sources other than PNCC ⁶	\$574,154	✓	\$672,709	<p>External revenue to 30 June 2021:</p> <ul style="list-style-type: none"> • \$1.0k from FMG • \$28.0k anonymous donation for purchase of Andrew Drummond sculpture • \$20.0k MDC • \$14.8k from Science Centre Trust for Bugs exhibition cases and other costs for Bugs • \$24.0k from PNPS for Head of John Doe Sculpture • \$68.7k Shop and other sales • \$111.2k Learning (including Poutama project)

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

Performance Measures	2020/2021 Target	Status	Result	Comments
COVID-19 Statement			(2019/20 Not Achieved: \$447,178 (65%) against annual target of \$577,000)	<ul style="list-style-type: none"> • \$24.5k Donations from public visiting Bugs and Santa' Cave • \$26.0k Donations from Westpac, Beca and Vitae for Tamariki • \$1.03k Methodist Church Cost of St Paul's Methodist Church Window crating • \$31.6k Venue Hire and other activities • \$20.5k Public Events • \$5.0k from YORB • \$6.9k interest received • \$172.5 from CET for exhibition lighting upgrade • \$90.0k Bequest from the Estate of G Dear • \$15k UCOL

Te Manawa moved to operate under COVID-19 level 2 on 12 August 2020. The July school holidays were busy, numbers slowed down in August and then rose again in September. Te Manawa moved to Alert level 1 on 21 September and visitors started to return.

Te Manawa operated under Level 2 from 28 February – 6 March 2021 which impacted visitor numbers for that week (est. 4,000)

Te Manawa was impacted by the focus on Te Papa, as a location of interest, and Wellington's move to Level 2 in June 2021.

Te Manawa has not been able to tour exhibitions, developed in house, to other venues due to the impact of COVID-19.

Te Manawa remains at Alert Level 1.

Te Manawa Museums Trust

Statement of Comprehensive Revenue and Expense
For the Year Ended 30 June 2021

	Note	Actual 2021 \$	Budget 2021 \$	Actual 2020 \$
OPERATING REVENUE				
PNCC Operating Grant	4	3,231,908	3,231,908	3,199,909
MDC Operating Grant	4	20,000	20,000	20,000
Interest Revenue	4	6,922	14,000	15,486
Other Operating Revenue	3, 4	645,788	540,154	301,577
Total Revenue	4	3,904,618	3,806,062	3,536,972
OPERATING EXPENDITURE				
Employee Expenses	5	1,965,076	2,308,352	2,017,312
Finance Costs		-	-	-
Other Operating Expenses	6	1,528,206	1,225,208	1,010,251
Depreciation and Amortisation Expense	7	251,304	284,560	259,017
Loss/(Gains) on Disposal of Property, Plant and Equipment		20,474	-	615
Impairment of Property, Plant and Equipment		32,804	-	-
Total Operating Expenditure	2	3,797,864	3,818,120	3,287,195
Net Surplus/(Deficit) before Movement in Collection Assets		106,754	(12,058)	249,777
Movement in Collection Assets				
Revenue from				
Recognition of Donated Collection Assets	4	36,294	15,000	28,419
Recognition of Custodial Collection Assets	4	8,397	-	-
		44,691	15,000	28,419
less Expense from :				
Derecognition of Custodial Collection Assets		3,478	-	-
Derecognition of Owned Collection Assets		1,209	-	184
		4,687	-	184
Total Net Movement in Collection Assets		40,004	15,000	28,235
TOTAL REVENUE		3,949,309	3,821,062	3,565,391
TOTAL EXPENSE		3,802,551	3,818,120	3,287,379
Net surplus/(deficit) for the period		146,758	2,942	278,012
Other Comprehensive Revenue and Expense				
Revaluation of Owned Heritage Collection Assets		-	-	(1,094,239)
Revaluation of Custodial Heritage Collection Assets		-	-	(178,845)
Revaluation of Owned Art Collection Assets		574,030	-	-
Revaluation of Custodial Art Collection Assets		952,832	-	-
Other Comprehensive Revenue and Expense for the Period	19	1,526,862	-	(1,273,084)
Total Comprehensive Revenue and Expense for the Period		1,673,620	2,942	(995,072)

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 2021

	Actual	Budget	Actual
Note	2021	2021	2020
	\$	\$	\$
Equity as at 1 July	16,855,988	18,134,313	17,851,060
Comprehensive Revenue and Expense			
Net Surplus / (Deficit) for the Period	146,758	2,942	278,012
Other Comprehensive Revenue and Expense	1,526,862	-	(1,273,084)
Total Comprehensive Revenue and Expense	1,673,620	2,942	(995,072)
Equity as at 30 June	8 18,529,609	18,137,255	16,855,988

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 2021

	Note	Actual 2021 \$	Budget 2021 \$	Actual 2020 \$
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	9	575,682	156,105	694,163
Receivables from Non-Exchange Transactions	10	4,240	50,000	6,095
Receivables from Exchange Transactions	11	1,856	1,600	6,436
Prepayments		9,726	57,000	8,125
Short Term Deposit	12	665,728	908,858	614,245
Inventories	13	36,043	45,000	51,472
<i>Total Current Assets</i>		<u>1,293,275</u>	<u>1,218,564</u>	<u>1,380,536</u>
NON CURRENT ASSETS				
Intangible Assets	17	8,346	20,112	12,713
Property, Plant and Equipment	18	1,005,844	708,783	833,696
Collection Assets	19	16,986,043	16,639,921	15,326,840
<i>Total Non-Current Assets</i>		<u>18,000,233</u>	<u>17,368,817</u>	<u>16,173,249</u>
TOTAL ASSETS		<u>19,293,508</u>	<u>18,587,381</u>	<u>17,553,785</u>
LIABILITIES				
CURRENT LIABILITIES				
Payables under Exchange Transactions	14	388,444	160,000	371,902
Deferred Non -Exchange Revenue	15	130,975	30,000	82,858
Provisions		-	55,000	-
Employee Benefit Liabilities	16	241,226	201,860	239,573
<i>Total Current Liabilities</i>		<u>760,644</u>	<u>446,860</u>	<u>694,333</u>
NON CURRENT LIABILITIES				
Employee Benefit Liabilities	16	3,255	3,266	3,464
<i>Total Non-Current Liabilities</i>		<u>3,255</u>	<u>3,266</u>	<u>3,464</u>
TOTAL LIABILITIES		<u>763,900</u>	<u>450,126</u>	<u>697,797</u>
NET ASSETS		<u>18,529,609</u>	<u>18,137,255</u>	<u>16,855,988</u>
TRUST EQUITY				
Contributed Capital		145,565	145,565	145,565
Retained Earnings		10,665,562	10,715,074	10,561,326
Reserves		7,718,482	7,276,617	6,149,097
TOTAL TRUST EQUITY	8	<u>18,529,609</u>	<u>18,137,256</u>	<u>16,855,988</u>

John Fowke
Chairman

Caroline Tate
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 2021

	Note	Actual 2021 \$	Budget 2021 \$	Actual 2020 \$
Cash flows from operating activities				
PNCC grant		3,231,908	3,231,908	3,199,909
Interest received		7,088	14,000	16,191
Receipts from other revenue		720,174	478,263	349,862
Payments to suppliers		(1,439,707)	(1,402,691)	(875,274)
Payments to employees		(1,963,631)	(2,308,352)	(1,978,563)
Interest paid		-		-
Goods and services tax (net)		(69,217)		19,198
Net cash inflow/(outflow) from operating activities		486,615	13,128	731,323
Cash flows from investing activities				
Proceeds from Investments				150,000
Purchase of intangibles assets		0	(36,250)	(3,345)
Purchase of property, plant and equipment		(452,878)	(450,680)	(122,386)
Purchase of collection assets		(100,735)	(78,500)	(29,634)
Purchase of Investments		(51,483)	-600,000	(614,245)
Net cash inflow/(outflow) from investing activities		(605,096)	(1,165,430)	(619,610)
Effect of foreign exchange rates on cash		-		-
Net (decrease)/increase in cash and cash equivalents		(118,481)	(1,152,302)	111,713
Cash and cash equivalents at the beginning of the year		694,163	1,308,407	582,450
Cash and cash equivalents at the end of the year	9	575,682	156,105	694,163

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 2019

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 2021 and were approved by the Board of Trustees on xxxxxxxx

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

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

Financial Assets

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

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

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

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

a) Financial Assets at Fair Value through Surplus or Deficit

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

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

b) Loans and Receivables

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

c) Held to Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets. After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

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

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

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

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

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

Impairment of financial assets

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

Loans and receivables, and held-to-maturity investments

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

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable, for any loss of service potential.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

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

Property, Plant and Equipment

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

Additions

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

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

Disposals

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

Work in Progress

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

Subsequent costs

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

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

(a) Furniture, Equipment and Exhibits

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

Depreciation

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

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

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

(b) Collection Assets

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

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

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

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

Revaluation

The Art Collection assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by *Art + Object* Auckland as at 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 initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

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

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

Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

Provisions

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

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

Foreign currency transactions

PBE IPSAS 4.24,32 Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ\$ (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

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

Equity

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

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

Restricted reserves

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

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

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

Budget figures

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

Critical Accounting Estimates and Assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Property, Plant and Equipment Useful Lives and Residual Values

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

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

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

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

Critical Judgements in applying the Trust's accounting policies

There have been no specific areas requiring management or Trustees to exercise critical judgement in applying the Trust's accounting policies for the period ended 30 June 2020.

Te Manawa Museums Trust
Notes to the Financial Statements
For the Year Ended 30 June 2021

2 Summary of Operating Expenses by Activity

	Actual 2021	Actual 2020
Assets & Systems:	\$	\$
Employees' Costs	291,713	461,897
Other Operating Costs:		
- Collection	161,857	149,022
- Facilities	274,465	238,326
- Corporate Services	180,600	173,231
	<u>908,635</u>	<u>1,022,476</u>
Concepts & Engagement:		
Employees' Costs	326,189	315,001
Exhibitions Operating Costs	460,747	164,285
	<u>786,936</u>	<u>479,286</u>
People & Partnerships:		
Employees' Costs	835,763	815,397
Other Operating Costs:		
- Education	21,957	21,513
- Public Programmes and Events	38,400	29,140
- Communications/Advertising	108,899	73,442
- Sponsorship	0	3,810
- Visitors' Host	65,910	34,620
- Volunteers	264	215
	<u>1,071,193</u>	<u>978,137</u>
Executive:		
Employees' Costs	511,411	425,417
Other Operating Costs	215,462	122,647
	<u>726,873</u>	<u>548,064</u>
Depreciation/Amortisation	251,304	259,017
Loss (Gain) on Disposals of Fixed Assets	20,474	615
Impairment of Fixed Assets	32,805	0
Total Operating Expenditure	<u><u>3,765,415</u></u>	<u><u>3,287,595</u></u>

	Actual 2021 \$	Actual 2020 \$
3 Other Operating Revenue		
<i>From Exchange Transactions</i>		
Merchandise / Shop	68,509	42,643
Venue Hire	9,885	6,546
Sundry Income Public Programmes Events and Activities	72,764	66,533
Other	3,562	5,896
Other Operating Revenue (from Exchange Transactions)	154,720	121,618
<i>From Non-Exchange Transactions</i>		
Admission Fees - General	-	3,521
Bequests & Distributions	90,000	-
Community Grants	281,361	45,600
Donations - General	24,596	23,764
Education Programme Fees	29,030	14,659
Sponsorship	5,000	5,000
Hire of Education Kits	966	1,834
Ministry of Education LEOTC	60,114	68,947
Public Programmes, Events & Activities	-	5,349
Touring Revenue	-	10,000
Other	-	1,285
Other Operating Revenue (from Non-Exchange Transactions)	491,067	179,959
Total Other Operating Revenue	645,787	301,577

4 Revenue Classification in accordance with PBE IPSAS:

	Actual 2021		
Revenue from:	Non-Exchange Transactions \$	Exchange Transactions \$	Total Revenue as per Statement of Comprehensive Revenue and Expense \$
Palmerston North City Council Operating Grant	3,231,908	-	3,231,908
Manawatu District Council Operating Grant	20,000	-	20,000
Interest Revenue	-	6,922	6,922
Other Operating Revenue (refer Note 3 above)	491,067	154,720	645,787
Subtotal Operating Revenue	3,742,975	161,642	3,904,617
Revenue from Donated/Custodial Collection Assets			
Recognition of Donated Collection Assets	36,294	-	36,294
Recognition of Custodial Collection Assets	8,397	-	8,397
Total Revenue classified as Revenue from:	3,787,666	161,642	3,949,308

	Actual 2020		
Revenue from:	Non-Exchange Transactions \$	Exchange Transactions \$	Total Revenue as per Statement of Comprehensive Revenue and Expense \$
Palmerston North City Council Operating Grant	3,199,909	-	3,199,909
Manawatu District Council Operating Grant	20,000	-	20,000
Interest Revenue	-	15,486	15,486
Other Operating Revenue (refer Note 3 above)	179,959	121,618	301,577
Subtotal Operating Revenue	3,399,868	137,104	3,536,972
Revenue from Donated/Custodial Collection Assets			
Recognition of Donated Collection Assets	28,419	-	28,419
Recognition of Custodial Collection Assets	-	-	-
Total Revenue classified as Revenue from:	3,428,287	137,104	3,565,391

	Actual 2021 \$	Actual 2020 \$
5 Employee Expenses		
Salaries and Wages	1,910,251	1,947,307
Employer Contributions to Kiwisaver	54,825	51,193
Employee Entitlements Increase / (Decrease)	-	18,812
Total Employee Expenses	1,965,076	2,017,312

	Actual 2021 \$	Actual 2020 \$
6 Other Operating Expenses		
Fees to Audit New Zealand for audit of financial statements	42,165	37,903
ACC	6,263	3,872
Advertising & Promotion	80,224	50,682
Collection Revaluation Fees	4,488	8,400
Computer & IT Support	54,742	53,238
Communication/Social Media	14,501	14,548
Contractors	306,837	172,601
Cost of Sales - Merchandise	45,013	25,679
Freight	17,062	14,654
Hire fees - Exhibitions	144,842	-
Impairment of Receivables	-	-
Insurance - Material Damage	19,167	19,059
Insurance - Collections	29,286	29,347
Inventory Write Down	13,229	1,316
Legal Fees	3,962	3,500
Loss/Gain on Foreign Exchange Transactions	-	-
Materials/Consumables	100,810	59,460
Occupancy Costs	169,841	160,796
Repairs & Maintenance	81,266	62,452
Subscriptions	15,105	10,920
Training & Travel	54,319	15,606
Trust Board Remuneration	21,378	20,720
Trust Board Expenses	588	2,740
Operating Leases	55,738	55,738
Other Operating Expenses	247,380	187,020
Total Other Operating Expenses	1,528,206	1,010,251

	Actual 2021 \$	Actual 2020 \$
7 Depreciation and Amortisation		
Depreciation expense	246,937	252,608
Amortization expense	4,367	6,409
Total Depreciation and Amortisation	251,304	259,017

	2021 \$	2020 \$
8 Equity		
Contributed Capital		
Balance at Beginning of Year	145,465	145,465
Capital Contribution	100	100
Balance at End of Year	<u>145,565</u>	<u>145,565</u>
Retained Earnings		
Balance at Beginning of Year	10,561,326	10,343,695
Net Surplus/(Deficit) for the year	146,758	278,012
Transfers to Retained Earnings from:		
Exhibition Development Reserve	-	-
Collection Development Fund	-	4,478
Heritage revaluation Reserve	-	
Transfers from Retained Earnings to:		
Endowment Fund	-	-
Collection Development Fund	(9,661)	-
Historic Building Maintenance Reserve		
Exhibition Development Reserve	(32,861)	(64,859)
Balance at End of Year	<u>10,665,562</u>	<u>10,561,326</u>
Revaluation Reserve - Heritage Collection		
Balance at Beginning of Year	143,180	1,416,264
Revaluation Reserve on disposals	-	(1,273,084)
Revaluation of Collection Assets		
Balance at End of Year	<u>143,180</u>	<u>143,180</u>
Revaluation Reserve - Art Collection		
Balance at Beginning of Year	5,656,926	5,656,926
Revaluation Reserve on disposals	-	-
Revaluation of Collection Assets	1,526,862	
Balance at End of Year	<u>7,183,788</u>	<u>5,656,926</u>
Endowment Fund		
Balance at Beginning of Year	10,873	10,873
Transfer from Retained Earnings	-	-
Balance at End of Year	<u>10,873</u>	<u>10,873</u>
Collection Development Fund		
Balance at Beginning of Year	16,362	20,840
Transfer from Retained Earnings	9,661	-
Transfer to Retained Earnings	0	(4,478)
Balance at End of Year	<u>26,023</u>	<u>16,362</u>
Historic Building Maintenance Reserve		
Balance at Beginning of Year	22,082	22,082
Endowment for maintenance of historic house	-	-
Balance at End of Year	<u>22,082</u>	<u>22,082</u>
Exhibition Development Reserve		
Balance at Beginning of Year	299,675	234,815
Transfer from Retained Earnings	32,861	64,859
Balance at End of Year	<u>332,536</u>	<u>299,675</u>
Total Reserves	<u>7,718,482</u>	<u>6,149,097</u>
Total Equity	<u>18,529,609</u>	<u>16,855,988</u>

	2021	2020
	\$	\$
9 Cash and Cash Equivalents		
Cash at bank and on hand	439,816	513,550
Short Term Investments with maturity up to 90 days	135,866	180,613
Total Cash and Cash Equivalents	<u>575,682</u>	<u>694,163</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 0.962% (2020: 2.13%)
There are no restrictions over any cash and cash equivalents held by the Trust.

	2021	2020
	\$	\$
10 <u>Receivables from Non-Exchange Transactions</u>		
Non - Exchange Receivables	4,240	6,095
Related Party Receivables	-	-
Provision for Doubtful Debts	-	-
Interest Receivable	-	-
Total Receivables from Non-Exchange Transactions	<u>4,240</u>	<u>6,095</u>

	2021	2020
	\$	\$
11 <u>Receivables from Exchange Transactions</u>		
Trade Receivables	-	4,414
Related Party Receivables (Note 22)	-	-
Interest Receivable	1,856	2,022
Receivables from Exchange Transactions	<u>1,856</u>	<u>6,436</u>

Fair Value

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

Impairment

Receivables written off during the period amounted to nil. (2020:nil)

	2021	2020
	\$	\$
12 Short Term Investments		
Term deposit with maturity less than 12 months	665,728	614,245
	<u>665,728</u>	<u>614,245</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 0.45 % to 0.85%(2020: 3.45%)

	2021	2020
	\$	\$
13 Inventories		
Commercial Inventories – Items held for resale	36,043	51,472
Total Inventories	<u>36,043</u>	<u>51,472</u>

Inventory was written down during the period by \$13,229 (2020: Nil).

There were no reversals of previously written down inventory items (2020 :\$Nil).

There are no items of inventory pledged as security.

	2021	2020
14 Payables under Exchange Transactions	\$	\$
Trade Creditors	267,335	217,602
Related Party Payables (Note 22)	21,938	19,957
Accrued Expenses	47,484	47,067
GST Payable	(22,881)	46,336
Other Payables	74,568	40,941
Revenue in advance (venue hire)	-	-
Total Payables under Exchange Transactions	388,444	371,902

As at 30 June 2021, there is a credit card facility in place with Westpac for a limit of \$10,000 (2020: limit of \$10,000).

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms.

Therefore, the carrying value of creditors and other payables approximates their fair value.

	2021	2020
15 Deferred Non -Exchange Revenue		
Revenue Received in Advance	130,975	82,858
Total Deferred Non -Exchange Revenue	130,975	82,858

	2021	2020
16 Employee Benefit Liabilities	\$	\$
Current Portion		
Accrued Salaries and Wages	59,447	59,814
Annual Leave	171,741	169,739
Long Service Leave	10,038	10,020
Total Current Portion of Employee Benefit Liabilities	241,226	239,573
Non-Current Portion		
Long Service Leave	3,255	3,463
Total Employee Benefit Liabilities	244,481	243,036

17 Intangible Assets

	Website \$	Software \$	Work In Progress \$	Total \$
Cost				
At 1 July 2019	10,000	97,519	-	107,519
Additions - Purchased	-	-	-	-
Disposals/Work in Progress transferred to Intangible Assets	-	-	-	-
At 30 June 2020	10,000	97,519	-	107,519
Additions - Purchased	-	-	-	-
Disposals/Work in Progress transferred to Intangible Assets	-	8,760	-	(8,760)
At 30 June 2021	10,000	88,759	-	98,759
less Accumulated Amortisation and Impairment Losses				
At 1 July 2019	8,667	83,929	-	92,596
Amortisation Expense	1,333	5,077	-	6,410
Impairment	-	-	-	-
Accumulated Amortisation on Disposals	-	4,200	-	4,200
At 30 June 2020	10,000	84,806	-	94,806
Amortisation Expense	-	4,367	-	4,367
Impairment	-	-	-	-
Accumulated Amortisation on Disposals	-	8,760	-	8,760
At 30 June 2021	10,000	80,413	-	90,413
Carrying Amounts				
As at 30 June 2020 and 1 July 2020	-	12,713	-	12,713
As at 30 June 2021	-	8,346	-	8,346

There is no work in progress at balance date (2020: \$nil)

There are no intangible assets pledged as security over the Trust's liabilities (2020: \$nil).

18 Property, Plant and Equipment

	Computer Hardware	Exhibitions	Furniture & Fittings	Leasehold Improvement	Office Equipment	Plant & Equipment	Work in progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
At 1 July 2019	146,191	2,044,374	490,763	424,022	23,280	855,896	24,515	4,009,041
Additions	28,044	8,888	6,166	-	-	41,995	37,294	122,387
Disposals/Work in Progress transferred to Property Plant & Equipment	(55,049)	(5,747)	-	-	-	(5,496)	-	(66,292)
At 30 June 2020	119,186	2,047,515	496,929	424,022	23,280	892,395	61,809	4,065,136
Additions	35,525	188,212	25,916	2,431	-	39,454	223,149	514,687
Disposals/Work in Progress transferred to Property Plant & Equipment	(10,406)	(193,257)	(38,429)	(21,623)	(2,497)	(79,699)	(61,809)	(407,720)
At 30 June 2021	144,305	2,042,470	484,416	404,830	20,783	852,150	223,149	4,172,103
less Accumulated Depreciation and Impairment Losses								
At 1 July 2019	122,022	1,674,126	410,008	335,078	23,184	480,090	-	3,044,508
Depreciation Charge for the year	13,911	95,107	24,849	21,807	96	96,841	-	252,611
Impairment	-	-	-	-	-	-	-	-
less Accumulated depreciation on disposals	(54,704)	(5,747)	-	-	-	(5,230)	-	(65,681)
At 30 June 2020	81,229	1,763,486	434,857	356,885	23,280	571,701	-	3,231,438
Depreciation Charge for the year	18,807	89,666	20,729	19,016	-	98,719	-	246,937
Impairment	-	989	-	-	-	-	-	989
Accumulated depreciation on disposals	(10,393)	(160,852)	(38,429)	(21,274)	(2,497)	(79,660)	-	(313,105)
At 30 June 2021	89,643	1,693,289	417,157	354,627	20,783	590,760	-	3,166,259
Carrying Amounts								
As at 30 June 2020 and 1 July 2020	37,957	284,029	62,072	67,137	96	320,694	61,809	833,794
As at 30 June 2021	54,662	349,191	67,259	50,203	-	261,390	223,149	1,005,844

No items of Property, Plant and Equipment are pledged as security as at 30 June 2021 (2020: \$nil).

19 Collection Assets
30 June 2021

	Opening 1 July 2019	Acquisitions	Donated/ -	Revaluations	Deaccessions	Closing Balance 30 June 2020
Art						
Owned	4,487,732	92,063	1,342	574,030	-	5,155,167
Custodial	6,892,944	6,956	-	952,832	(3,478)	7,849,254
Total Art	11,380,676	99,019	1,342	1,526,862	(3,478)	13,004,421
Heritage						
Owned	2,752,742	276	34,951	-	(1,209)	2,786,760
Custodial	1,193,421	1,440	-	-	(1,209)	1,194,861
Total Heritage	3,946,163	1,716	34,951	-	(1,209)	3,981,622
Total Collection Assets	15,326,839	100,735	36,293	1,526,862	(4,687)	16,986,043
Owened Collection Assets						
Custodial Collection Assets						
Total Collection Assets 30 June 2021						7,941,927
						9,044,116
						16,986,043

30 June 2020

	Opening 1 July 2019	Acquisitions	Donated	Revaluations	Deaccessions	Closing Balance 30 June 2020
Art						
Owned	4,442,511	29,479	15,742	-	-	4,487,732
Custodial	6,892,944	-	-	-	-	6,892,944
Total Art	11,335,455	29,479	15,742	-	-	11,380,676
Heritage						
Owned	3,834,333	156	12,677	(1,094,239)	(184)	2,752,743
Custodial	1,372,266	-	-	(178,845)	-	1,193,421
Total Heritage	5,206,599	156	12,677	(1,273,084)	(184)	3,946,164
Total Collection Assets 30 June 2020	16,542,054	29,635	28,419	(1,273,084)	(184)	15,326,840
Owened Collection Assets						
Custodial Collection Assets						
Total Collection Assets 2020						7,240,475
						8,086,365
						15,326,840

Valuation

Heritage Collection

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

Art Collection

The Trust's policy is to revalue the art collection assets every three years. The owned and custodial art collections were independently valued at 30 March 2021 at \$4,348,123 for the owned art collection and at \$6,892,944 for the custodial art collection. The revaluation was undertaken by Art+ Object Auckland. The collection was valued based on fair value at the date of revaluation, by reference to price in an active market.

No Collection assets are pledged as security as at 30 June 2021(2020: \$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:

	2021	2020
	\$	\$
Within 1 year	44,594	44,594
Within 1 – 2 years	4,484	4,484
Within 2 – 5 years	2,990	2,990
	<u>52,068</u>	<u>52,068</u>
	2021	2020
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 2021. (2020: \$nil).

Related Party Transactions

22 Controlling Entity

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

Transactions carried out with PNCC are as follows:	2021	2020
	\$	\$
Received from PNCC		
Operating Grant	3,231,908	3,199,909
Contribution to Art auction Operating expenses	-	350
Items for Japanese Exhibition	-	106
Venue Hire	331	702
Purchased from PNCC		
Water Rates	1,496	2,298
	-	-
Rental Vehicles	23,938	23,938
Hosting of Vernon Systems	5,000	5,000
Computer Support	21,000	21,000
Internet Usage	3,000	3,000
Telephone Support	31,800	31,800
Annual Administration Charge	-	1,250
Assets Purchased	27,150	1,235
Other Services	3,141	2,749
Electricity and gas	129,244	88,299
Owing to PNCC at 30 June	21,938	19,957
Owing from PNCC at 30 June	-	-

Te Manawa provided free venue hire to PNCC Library and Community services with a market value of nil (2020:nil)

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

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

(ii) Key Management Personnel

The Trust classifies its key management personnel into:

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

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

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

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

	2021		2020	
	Remuneration	Number of persons	Remuneration	Number of Persons
Trustees	21,378	7*	20,720	7*
Leadership Team	511,411	5	372,678	3.2
Total Key Management Personnel Compensation	532,789		393,398	

* 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	\$596(2019/20: \$1,630)
Palmerston North City Council- Placemaking workshop	Free Venue Use	\$Nil(2019/20 :\$352)
The Science Centre Inc. (Geoffrey Jameson - Trustee of Te Manawa Museums Trust and member of The Council of Science Centre Inc.)	Free Venue Use	\$1,863(\$2019/20 \$1,035)
S+art (Janet Ellery- PPE Leader at TeManawa Musuems Trust at Te Manawa)	Free Venue Use	\$207(2019/20 \$nil)
Rangimārie(Nuwynne Te Awe Awe Mohi- Trustee of Te Manawa Museums Trust and Member of Rangimārie marae)	Free Venue Use	\$3,834 (2019/20:\$nil)

23 Events After The Balance Sheet Date

There were no significant events after the balance sheet date.(2020:nil)

24 Categories of Financial Assets and Liabilities

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

	2021 \$	2020 \$
Loans and Receivables:		
Cash and Cash Equivalents (Note 9)	575,682	694,163
Debtors and Other Receivables (Note 10 & 11)	6,096	12,531
Short term deposits (Note 12)	665,728	614,224
Total Loans and Receivables	1,247,506	1,320,918
Financial Liabilities Measured at Amortised Cost:		
Creditors and Other Payables (Note 14)	388,444	371,902
Total Financial Liabilities Measured at Amortised Costs	388,444	371,902

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 2021: \$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 2021 were AA- from Standard & Poor's (2020: 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

Te Manawa operated under COVID-19 level 2 from 12 August until 21 September 2020.

Te Manawa also operated at level 2 from 28 February to 6 March 2021.

There were no significant financial effects.

The estimated effect on visitor numbers is outlined in the SSP.