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## CHAIRPERSON'S FOREWORD



It is my pleasure as Chairperson to report on behalf of the Board on another eventful year at the Otago Museum. This Annual Report sets out our performance for the year and we can take some pride in the outcomes reported given the significant changes in our organisation.

The major change this year has been the appointment of Dr Ian Griffin to the role of Director. Ian's appointment followed a comprehensive search resulting in a very strong field of candidates from around the world. His background and experience, along with his vision for the future of the Museum resulted in him clearly standing out in the appointment process. Ian started full-time just prior to the end of the financial year and is already making a positive impact on the organisation.

The Board would like to record our appreciation for the staff who maintained the Museum operations during the period of change.

A second key project this year was the development of the former Dunedin North Post Office building. This facility opened after balance date slightly later than we intended but has already become a focal point for our organisation. The Board were delighted that the facility has been named the Otago Museum H D Skinner Annex recognising an individual who had a significant influence on our organisation.

We, like all institutions, continue to operate in a difficult financial environment at present.

We greatly appreciate the support of our contributing local authorities: Central Otago District Council, Clutha District Council, Waitaki District Council and Dunedin City Council. We are planning to operate in a similar

environment for the foreseeable future and are focusing on strategies to produce positive outcomes within our resource constraints. We appreciate the positive relationship we have with our contributing local authorities and look forward to working productively with them in the future.

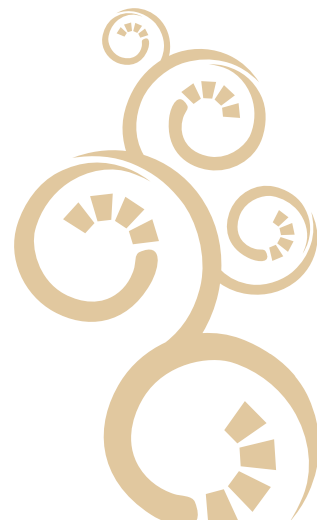
This year we are reporting a break-even position which is significantly below previous years and is not sustainable for us. The result is supported by strong unrealised investment returns. Our trading operations have performed well in a difficult environment and we are continuing to focus on ensuring we are operating in a sustainable manner.

I would also like to reflect my thanks for the work of the management team and all staff at the Otago Museum. The commitment and dedication shown to the institution is significant and most appreciated.

My appreciation also goes to my fellow Board members. The Board has worked well during the year and addressed some major decisions in a professional manner. I appreciate the energy and commitment they bring to the Otago Museum.

We are looking forward to a very positive future for the Museum.

**Graham Crombie**  
Chairperson, Otago Museum Trust Board



## DIRECTOR'S REVIEW OF THE YEAR



The past year was one of significant change at the Museum. In September 2012, Shimrath Paul departed after 17 years as Chief Executive. The Otago Museum was transformed during Shim's time in charge, so it was entirely appropriate to commemorate his achievements

by naming a wing of the Museum in his honour – the Shimrath Paul Wing.

The Trust Board undertook an extensive search for a replacement for Shim, which eventually led to my appointment as the eighth Director of the Otago Museum in May 2013.

While my tenure only began late in the financial year, I am pleased to report that despite the leadership change and associated transition period, the Museum has performed well in a very challenging financial environment. This year over 460,000 people visited the Museum, which represents a fall of just over 3% from last year. I find this relatively small drop encouraging, especially in a year when a significantly expanded and enhanced museum, Toitū Otago Settlers Museum, opened in Dunedin. The fact that the re-opening of Toitū Otago Settlers Museum has had little effect on our visitor numbers certainly speaks to the continuing strength of Dunedin's visitor economy.

With no increase in levy for the third year in succession, the Museum's business units worked extraordinarily hard to generate extra income needed to cover increasing costs and reduce the size of our operational deficit. Generating our own income allows us to do our best to ensure that resourcing constraints have a minimum impact on our visitor experience. However

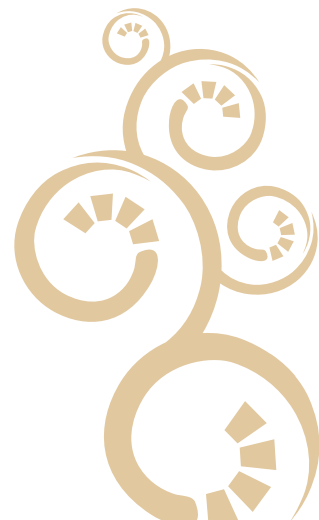
this is not a situation that can be sustained, and one of the big challenges for next year will be working to ensure that the Museum lives within its means and is sustainable in the long term.

The Museum's longstanding relationship with Shanghai has continued to be a major focus of the past year. In April, I was fortunate enough to visit Shanghai with the official delegation from the City of Dunedin. The trip provided an opportunity for me to meet with members of the Shanghai Museum to ensure that the already established relationship continues to be strong. The visit also provided an opportunity for the Museum to make final arrangements for the Shanghai Museum show coming to Dunedin in July 2013 as well as progress plans for the Otago Museum show destined for China in 2014 – to the new Shanghai Natural History Museum.

With the re-signing of the sister city agreement with Shanghai, the Museum continues to play a key role in cultural exchange between the two cities. Our established relationships with both the Shanghai Museum and the Shanghai Science and Technology Museum (through MOUs and staff exchange programmes) are valuable, and the initiatives we have completed to date are testament to the strength of the relationship between us and the museums in our Chinese sister city.

As usual, the Museum staged a wide variety of exhibitions during the year. *Off the Wall: World of Wearable Art™ Up Close* was the year's first exhibition. The exhibition showcased fabulous and flamboyant costumes from WOW's historic collection. The designs covered an eclectic range of styles, with highlights including bright and beautiful UV sensitive pieces in a specially UV-lit space.

Our summer exhibition, *Canterbury Quakes* opened in the Special Exhibitions Gallery in time for the busy summer season. Developed by Canterbury Museum, the exhibition featured former city icons – now relics – from Christchurch's damaged infrastructure, including the rose window from the Christ Church Cathedral, and the Lyttelton timeball. Photographs, film and audio content evoke the human side of the disaster, with



personal stories of resilience and recovery from diverse Cantabrians, including the emergency response teams and student volunteer army. Otago Museum was the first venue outside of Canterbury to host the exhibition during its three-year national tour.

*Mirror Magic* opened in October, with the exhibits integrated throughout Discovery World for the summer period. Owned and developed by Te Manawa Museums Trust, Palmerston North, the 22 interactive stations which make up *Mirror Magic* allow visitors to experiment with mirrors of all shapes and sizes to investigate the properties of reflected light. *Mirror Magic* is the reciprocal exhibition after the Otago Museum-developed *Your Face Here* was shown at Te Manawa earlier this year.

The *Mori of Rekohu, T'chakat henu – People of the Land* exhibition opened in the People of the World Gallery in September. Sharing the heritage, background, lifestyle and aspirations of Mori descendants, this show celebrates the revival of Mori culture and identity. The opening ceremony was attended by representatives of Mori hunau and manawhenua, as well as Mayor Dave Cull. To commemorate the exhibition, a kopi (or karaka) tree was planted in the Museum Reserve with an accompanying plaque.

The 14th annual Otago Wildlife Photography Competition was highly popular, attracting over 1,000 entries. The vast majority of entrants took advantage of the ability to upload their photos digitally through the Museum's website this year – a new initiative.

September marked the halfway point of our present Strategic Plan. As signalled in the Plan itself, all full and part-time staff committed to a two-day review workshop (held at Waiora Scout Camp) where the progress of the Plan to date was reviewed and the path and challenges ahead comprehensively discussed. A further Strategic Initiative was added to the Plan – Performance Excellence. This relates to the Museum's adoption of the Baldrige performance excellence framework as a model to guide the further development of our organisational practices, ensuring our robust yet agile nature is strengthened.

The Museum's staff exchange programme continued this year, with our Research and Interpretation Coordinator – Natural Science Emma Burns, Marketing and Development Coordinator Juliet Pierce, and Visitor

Programmes Officer Katie Topham all benefiting from opportunities to experience working in institutions in Shanghai, Thailand and Guangdong respectively.

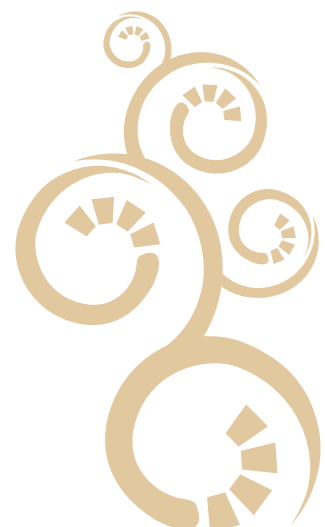
Looking forward to next year, one key event will be the start of a new strategic planning process. Our existing Plan finishes in 2014, and it is entirely appropriate that with new leadership in place, the Museum spends time thinking about and planning for the future. A key element of the new planning process will be active engagement with the communities we serve, and a stakeholder engagement day to do just that is planned for early October 2013.

We also anticipate a number of important exhibitions and events, including an exhibition from the Shanghai Museum. *China's Cultural Minorities: Silk to Silver, Collections from the Shanghai Museum* opened to the public in the Special Exhibitions Gallery shortly after balance date on 6 July 2013, featuring a range of stunning silver jewellery, traditional silk costumes, delicate embroidery, intricately carved household items and a striking collection of masks from across a variety of cultures, amongst other things. Through an array of rare and special objects, the exhibition showcases the vibrancy and variety of China's cultural minorities.

On behalf of the Museum team, I'd like to thank the many people who volunteer their time to help us in our work. In particular, I'd like to put on record my appreciation for the collective efforts of the Māori Advisory Committee, the Honorary Curators, the Trust Board and the interns who have helped this year. Without your help the Museum would not be where it is today.

Finally, I want to thank the staff of the Museum for their friendly welcome to a new Director and especially for their hard work, which was essential to our achievements this year. As the Museum enters a new era, with the first new Director in a generation, it's a real honour for me to be part of the team which together will shape the future of this inspirational and much loved institution. Exciting times are ahead for the Otago Museum!

**Ian Griffin**  
Director



## OTAGO MUSEUM TRUST BOARD

### MEMBERS OF THE BOARD

Mr Graham Crombie (Chairperson)  
Mrs Kate Wilson (Deputy Chairperson)

Mr Sydney Brown  
Assoc Prof Peter Dearden  
Mrs Gaynor Finch  
Assoc Prof David Hutchinson  
Mrs Julie Pearse  
Prof Glenn Summerhayes  
Mr Colin Weatherall  
Dr Jim Williams

### Ex Officio

Mr Mike Horne, Deloitte (Treasurer/Accountant)  
Mrs Lisa Wilson, Deloitte (Deputy Treasurer/Accountant)  
Dr Ian Griffin (Secretary)

### Audit, Finance and Risk Management Committee

Mrs Kate Wilson  
Mr Graham Crombie  
Mrs Gaynor Finch  
Assoc Prof David Hutchinson  
Mrs Julie Pearse

### Staffing Committee elected members

Mr Graham Crombie  
Mr Sydney Brown  
Assoc Prof Peter Dearden  
Mrs Kate Wilson



## A CELEBRATION OF MORIORI CULTURE

Developed by the Pataka Museum in association with the Hokotehi Trust, *The Moriori of Rekohu, T'chakat henu – People of the Land* explored the heritage, background, lifestyle and aspirations of the Moriori people.

This affecting exhibition opened with a special ceremony which included a procession through the exhibition and the planting of a kopi tree on the Museum Reserve, with Moriori representatives, manawhenua and members of the Otago Museum team all taking part.

On the morning of the exhibition opening, Maui Solomon – grandson of Tommy Solomon, the last full-blooded Moriori – gave a public talk, providing great insight into Moriori identity, peace traditions and cultural revival.

The exhibition's engaging exploration of the stories of living Moriori descendants allowed visitors to connect with Moriori culture. Rakau momori from the Otago Museum collection were integrated into the exhibition. These ancient tree carvings, also known as dendroglyphs, highlight an important facet of Moriori spirituality.

*"We love your museum. We came yesterday for a couple of hours and there wasn't enough time so we came back again today."*

*A visitor from Queensland, December 2012*

## OTAGO MUSEUM STAFF LIST AS AT 30 JUNE 2013 (excludes Casual Staff)

Alishea Woodhead BSc	Living Environments Officer
Amadeo Enriquez BSc	Science Communicator
Amy Marr BA (Hons)	Communicator Coordinator
Andrew Charlton BSc	Systems Development and Interactive Science Coordinator
Andrew Oliver BA	Assets and Technology Coordinator
Bernard Hamlin BSc	Information Technology Coordinator
Beth Rees BA (Hons)	Collection Officer
Brenda Barron	Building Services Officer
Bronwyn Robson	Café Cook
Caitlin Bowie BA	Communicator
Carolina Loch S da Silva BSc, MSc, PhD	Collection Audit Assistant
Catherine Gadd BA	Visitor Programmes Coordinator
Charlotte Webby BDes (Fashion)	Education Communicator
Chris Farry BCom	Director – Finance and Commercial
Clare Wilson BCom, BA, PGDip	Director – Collections, Research and Experience
Cody Fraser BSc, PGDip	Collection Coordinator – Natural Science
Courtney Davies	Café Host
Craig Scott BDes (Com)	Design Services Coordinator
Eleanor Ross BA (Hons), MA	Research and Interpretation Officer – Humanities
Ellen Sima BA, BSc	Collection Assistant – Natural Science
Emma Burns BSc	Research and Interpretation Coordinator – Natural Science
Felix Marx PhD, MSci	Collection Assistant – Audit
Garry Gibson	Production and Projects Officer
Graziella Trippa BA	Shop Communicator
Hamish Ralfe	Kitchen Assistant
Harry Bleasdale	Café Cook
Helen Horner DipTchg (Higher)	Director – Visitor Interaction and Programmes
Ian Griffin BSc (Hons), PhD	Director
Iwan Pieterse BCom (Hons)	Accountant
Jessica McNamara BA	Communicator
Jessica Ralfe BA	Tourism and Venues Officer

Joel Oldridge BSc	Assets and Technology Manager
Juliet Pierce BCom (Hons)	Marketing and Development Coordinator
Kimberley Beckett BA (Hons), GradDip, DipGrad	Education Officer
Kimberley Smith BCapSc, DipLangC	Marketing Officer
Laura Sargisson BVA	Design Services Assistant
Leah Carrell BA, PGDipPE	Café Host
Lizzie Reynolds BTchg	Communicator
Lucy Oldridge BSc, PGDip, MSc	Content Services Coordinator and Collection Audit Coordinator
Marilyn Washington	Building Services Officer
Martinette Williams	Café Host – Barista
Melanie Pearson	Café Coordinator
Moira White MA	Research and Interpretation Coordinator – Humanities
Murray McGuigan BA (Hons), MA, DPH	Design Services Officer
Nell Guy BA (Hons)	Communicator
Rachel Brough	Café Host – Barista
Rachel Blois BTchg	Communicator
Rebecca Keenan BA (Hons)	Content Services Officer
Rebecca Lynn BA, BTour	Business Development Officer
Rebecca McMaster BA (Hons)	Project Coordinator
Ryan Achten	Design Services Assistant
Samanta Luzzi King BA	Shop Coordinator
Samantha van der Mespel	Café Host
Sandra Reihana	Café Host – Barista
Sarah Byrne BCom	Corporate Services Coordinator
Scott Reeves BA	Collection Coordinator – Humanities
Shanaya Allan BDes (Com)	Design Services Officer
Tegan McKegg BA	Communicator
Teresa Fogarty BA	Administration and Support Officer
Trubie Smith BA, DipLang	Communicator – Weekend Supervisor
Trudi Webster BSc (Hons), MSc	Collection Officer – Projects
Vicki Lenihan BVA, GradDipAdvC	Visitor Programmes Officer





## CELEBRATING 60 YEARS SINCE REACHING THE TOP OF THE WORLD

This year marked the 60th anniversary of Sir Edmund Hillary and Tenzing Norgay's historic climb to the top of Mount Everest. The Museum highlighted the Hillary Collection, proudly displayed in the Atrium Stairwell, to celebrate.

Special features were added to the display for the duration of the anniversary celebration. Visitors could access a touch screen which featured a trek to Everest Base Camp, panoramic images of glaciers near Mount Everest, and historic footage of the world's highest mountain.

Gifted to the Otago Museum by June, Lady Hillary, and Peter and Sarah Hillary, the Hillary Collection itself forms a small but significant display on the life and achievements of one of the most world-renowned New Zealanders.

Significant items in the Collection include the 1935 Kodak Retina camera, which Hillary used to take the iconic images of their successful climb; Hillary's enamel mug from the 1953 Everest expedition; and small stones he collected on his way down from the summit.

*"This is the most beautiful museum I have ever visited. I really like the technology. The staff are so friendly and very helpful."*

*A visitor from Japan, April 2013*

## MEMBERS OF THE MĀORI ADVISORY COMMITTEE

Matapura Ellison (Chairperson)  
John Broughton  
Jane Graveson  
Janine Karetai  
Pat Hoffman  
Moana Wesley  
Koa Whitau-Kean  
Jim Williams

## HONORARY CURATORS

Jim Bootten	Maritime
Melville Carr, MSc, PhD, DIC, FNZIC	Philately
Brian Connor, OSTJ, ANZMSI, ANSIST	Medals
Warwick Don, MSc	Entomology
Robert Hannah, BA, MPhil	Classics
Anthony Harris, MSc	Entomology
Jane Malthus, BHSc, MSc, PhD	Dress and Textiles
Tony Reay, PhD	Geology
Peter Schweigman	Ornithology
Joel A Vanderburg	Africa

## ACKNOWLEDGEMENTS

### Donors to the Humanities Collection

Association of Friends of the Otago Museum  
Margery Blackman  
Marilyn Cottle  
The Estate of Beverley de Thier  
Diana Dixon  
Ex Pursers' Association of Union Steam Ship Company of NZ Ltd  
Warren Featherston  
Rosalie Hardy  
Jan Kelly  
May Lindsay  
Jane Malthus  
Honor McKellar  
Joan Nelson  
Virginia Ralfe  
Bruce Ross  
Geoffrey Skilton  
Skinner family  
Kathleen Turner  
Greg Waite  
Cathrine Waite  
Denise Welsh

### Donors to the Natural Science Collection

Mary Duffy  
Robert Joseph (Steve) Nesbitt  
Connie Wright

### Sponsors of Exhibitions and Programmes and Grants Received

Dr Marjorie Barclay Trust  
Brancott Estate  
Cadbury Confectionery  
Deloitte  
Galloway Cook Allan  
Jonathan's Photo Warehouse  
Natural History New Zealand Limited  
Otago Daily Times  
Perpetual Trust



## ASSOCIATION OF FRIENDS OF THE OTAGO MUSEUM

This year the Friends Council have continued their review of the Association. The review has led to questions about the purpose and activities of the Association. It is the Council's view that the Friends should be effective in supporting the Museum with a focus on 'giving' to the Museum rather than 'receiving benefits'.

I believe the timing is right for the Friends to look hard at what may constitute a robust and effective structure for the future and in doing so it may be that little change needs made to what is currently in place. Effectiveness and making a difference are what I would like to see the Friends achieve.

In this year the Friends were happy to present the Museum with a brooch by award winning New Zealand artist Octavia Cook. We were very pleased to gift this piece of important New Zealand art. The purchase was made possible in part by a very generous donation by a member of the Friends.

At the 2012 AGM it was decided to embark on a project to raise funds for the articulation of the skeleton of a Fur seal pup. A small number of Friends responded with some very generous donations. The Council look forward to completing this project and seeing the Fur seal installed in the Museum's Nature Galleries.

As always, both I and the other members of the Friends Council look forward to hearing your comments and ideas as we continue on promoting, supporting and assisting our Museum.

For me, living in North Otago is not ideal for the hands-on approach that I believe is needed as we move forward, so I have decided against standing for a further term. I do wish the Friends and all involved with our Museum every success.

**Alan McLay**  
President

## PUBLICATIONS 2012–2013

Books and refereed journals:

Hannah, R. 2013. 'Analemma' in *Encyclopedia of Ancient History*. R. Bagnall, K. Brodersen, C. Champion, A. Erskine and S. Huebner eds. Oxford, Blackwell: 396–97

Hannah, R. 2013. 'Antikythera Mechanism' in *Encyclopedia of Ancient History*. R. Bagnall, K. Brodersen, C. Champion, A. Erskine and S. Huebner eds. Oxford, Blackwell : 465–67

Hannah, R. 2013. 'Calendar, Greek' in *Encyclopedia of Ancient History*. R. Bagnall, K. Brodersen, C. Champion, A. Erskine and S. Huebner eds. Oxford, Blackwell: 1261–63



## COMMUNITY FUN AT THE BIG GET TOGETHER

The Big Get Together, the Museum's annual free festival, drew in huge crowds once again this year as over 5,100 visitors streamed through the Museum's doors on Sunday 17 March to enjoy the festivities. The family-friendly fun included entertaining acts, live music, fabulous face-painting, awesome activities and tempting treats.

Highlights included Hank the Shark who performed weird and wacky musical tales of maritime adventures alongside Gerry Paul and the Elephant Tree Band, while Mr Wizowski dazzled with death-defying stunts and Sports Suzie performed zany aerobics.

Not just a hit with the community, the Big Get Together is also highly anticipated by the Museum team. All the entertainment is provided free of charge to the community, allowing staff to get involved in a wide variety of activities from popping popcorn to painting faces, while also enjoying a unique opportunity to meet and interact with our visitors.

*"I am a local but I can't get over the beauty of this museum. We are so lucky to have it. There is just so much to see - I come here often but I can't get sick of it."*

*A visitor from Dunedin, April 2013*



## EMBARKING ON A PERFORMANCE EXCELLENCE JOURNEY

A strategic initiative dedicated to Performance Excellence was added to the Museum's Strategic Plan this year.

The Museum gathered initial feedback on the implementation of this process by submitting an application to New Zealand's Performance Excellence Study Awards (PESA) programme in 2012. The PESA programme explores all areas of operations including leadership, strategic planning, workforce and results.

In December, a cross-divisional Museum team spent a week of intensive organisational assessment and learning with Liz Menzer, President of the Wisconsin Center for Performance Excellence in the United States.

Following this, the Museum submitted an application to the Wisconsin Forward Performance Excellence programme, and has also produced a second PESA application in 2013. With each Performance Excellence application, the Museum has received increasingly positive feedback, demonstrating our continuous improvement in this area.

The Museum's commitment to Performance Excellence was recognised with the receipt of the Performance Excellence Award at the 2012 Westpac Otago Chamber of Commerce Business Excellence Awards.

Hannah, R. 2013. 'Clock' in *Encyclopedia of Ancient History*. R. Bagnall, K. Brodersen, C. Champion, A. Erskine and S. Huebner eds. Oxford, Blackwell: 1583–85

Hannah, R. 2013. 'Euctemon' in *Encyclopedia of Ancient History*. R. Bagnall, K. Brodersen, C. Champion, A. Erskine and S. Huebner eds. Oxford, Blackwell: 2549–50

Hannah, R. 2013. 'Greek Government and the Organization of Time' in *Companion to Ancient Greek Government*. H. Beck ed. Chichester, West Sussex, Wiley-Blackwell: 349–65.

Hannah, R. 2013. 'Sosigenes' in *Encyclopedia of Ancient History*. R. Bagnall, K. Brodersen, C. Champion, A. Erskine and S. Huebner eds. Oxford, Blackwell: 6332–33

Hannah, R. 2013. 'Sundials' in *Encyclopedia of Ancient History*. R. Bagnall, K. Brodersen, C. Champion, A. Erskine and S. Huebner eds. Oxford, Blackwell: 6455–56

Hannah, R. 2013. 'Time, measurement of' in *Encyclopedia of Ancient History*. R. Bagnall, K. Brodersen, C. Champion, A. Erskine and S. Huebner eds. Oxford, Blackwell: 6757–59

Hannah, R. 2013. 'Winds, tower of' in *Encyclopedia of Ancient History*. R. Bagnall, K. Brodersen, C. Champion, A. Erskine and S. Huebner eds. Oxford, Blackwell: 6789–90

McPhail, C. and Hannah, R. 2011-2012. 'The Cartographers of the Taurus line: the Bematis, Dicaearchus and Eratosthenes' in *Geographia Antiqua* 20–21: 163–77

Rawlence, N. J., Wood, J. R., Scofield, R. P., Fraser, C. and Tennyson, A. J. D. 2012. 'Soft-tissue specimens from pre-European extinct birds of New Zealand' in *Journal of the Royal Society of New Zealand*: 1–28

White, M. and Lord, J. 2013. 'Mr Cocker's Benger Burn Discoveries: A Tussock Rain Cape from Central Otago, New Zealand, Re-examined' in *Journal of the Polynesian Society* 121 (4): 373–392

### Other publications:

Harris, A. C. 2012. 'A complete gallery of the cypress bark beetle *Phloeosinus cupressi* (Curculionidae: Scolytinae) in *Cupressus macrocarpa* at Taieri Mouth' in *The Weta* 43: 48–49

Harris, A. C. 2012. 'Entomologists at Mt. Algidus' in *The Weta* 44: 41–47

Harris, A. C. 2012–13. 52 weekly 'Nature File' articles in the *Otago Daily Times*

Malthus, J. 2013. 'Exhibition Review: The Blind Idealist's Black Dog, Jo Torr' in *Context* 24: 49–51

White, M. 2013. 'Review: Whatu Kākahu: Māori Cloaks' in *Context* 24: 44–46

## STRATEGIC INITIATIVES, OUTCOMES, INDICATORS AND PERFORMANCE MEASURES 2013–2014

### STRATEGIC INITIATIVE: EXPANDING JOY

#### OUTCOMES

Reaching out to our communities and enabling access for all

#### INDICATORS

Museum offerings attract participation by the Otago community – with broad demographic reach and high visitor satisfaction levels attained

##### *Performance Measures:*

- Visitor numbers remain high, reaching over 450,000 on site
- Quarterly market research results evidence broad reach across audience segments and characteristics, illustrating wide variety amongst visitors
- Quarterly market research results evidence satisfaction across the visitor experience by 90% of respondents

Visitor interaction and programme initiatives and special exhibitions support the core Museum experience to draw regular visitors attracting families especially and encouraging repeat visits, as well as drawing new audiences

##### *Performance Measures:*

- Quarterly market research results evidence family participation
- Quarterly market research results evidence visitation patterns e.g. new visitors; annual visitors; weekly visitors
- Special Exhibition from Shanghai Museum presented
- Mix of programmes from high profile to individual activities offer a call to action which motivates visits
- Commentary on programmes and exhibitions offered through the period which supplement the gallery offerings

Credit: Otago Daily Times



## EXCHANGES STRENGTHEN INTERNATIONAL RELATIONSHIPS

Three members of the Museum team travelled overseas this year as part of the Otago Museum Staff Exchange programmes which were established in recent years. These exchanges build on existing relationships with organisations and allow the recipients to spend time working and learning at their host museum.

Emma Burns, the Museum's Research and Interpretation Coordinator – Natural Science, spent a month at the Shanghai Science and Technology Museum (SSTM). She worked with the Research and Design Institute and the affiliated taxidermy and model-making centre, gaining valuable insight into the SSTM's operational and specimen taxidermy procedures.

Visitor Programmes Officer Katie Topham spent two weeks at the Guangdong Science Centre, China's largest science institution. There she was involved with the Centre's programmes, learning how they reach out to and engage with the children of their community.

Juliet Pierce, Marketing and Development Coordinator, travelled to the National Science Museum of Thailand in Bangkok. During her exchange, she worked with the Museum's marketing team to discuss promotion and engagement strategies, and also spent time travelling to schools in rural Thailand with museum staff, as part of a science outreach programme.



## EXHIBITION EXPLORED CANTERBURY QUAKES

A special exhibition exploring the devastating Canterbury earthquakes touched almost 70,000 visitors this year in a true display of respect for what the region has endured.

Developed and originally displayed by the Canterbury Museum and proudly supported by Hewlett Packard, *Canterbury Quakes* focused on the human stories and physical forces behind some of New Zealand's worst ever natural disasters. The Otago Museum was the exhibition's first stop on a three-year national tour.

The exhibition featured former city icons including the Lyttelton timeball and the rose window from the Christchurch Cathedral. Visitors were given the opportunity to discover the science behind earthquakes, connect with people affected by the disaster and look towards the future as the people of Canterbury work together to rebuild.

Several well-attended events accompanied the show, including a talk from Christchurch Mayor Bob Parker, science shows and a gallery talk.

*"I just love your museum. Everything looks so lovely, all out here for everyone to enjoy. And it's free!"*

*A visitor from Fiji, March 2013*

Outreach initiatives and offsite exhibitions highlight the Museum with external audiences in order to raise profile and encourage future visits

*Performance Measures:*

- Twelve targeted outreach initiatives see Museum activities in offsite locations
- Otago Museum exhibition presented at the Shanghai Natural History Museum in 2014
- Commentary on activities undertaken through the period

Devise a system which makes it possible for economically challenged members of our community to access experiences that usually carry a charge freely on occasion

*Performance Measures:*

- Commentary on initiatives aimed at enabling access by removing barriers for targeted audiences, in a fair and economically affordable manner

Create innovative formal education connections focused on specialisation and extend relationships with high schools and online education users

*Performance Measures:*

- Commentary on strategic developments and initiatives within formal education area

## STRATEGIC INITIATIVE: COLLECTION CARE

### OUTCOMES

**Best practice collection care, building from quality standards achieved through collection re-housing, stabilised environmental conditions and security initiatives implemented within Museum redevelopment completed in 2000**

### INDICATORS

Continue to resource and implement the Collection Audit (incorporating RFID tagging) which further raises the standards of collection care through the condition assessment, updating of data record, re-housing as appropriate, photography and RFID tagging (for improved future accessibility) of each collection item one by one, in an order determined by exhibition, gallery development and research needs

#### Performance Measures:

- Not less than 10,000 collection items individually accessed and audited
- Commentary on audit findings and subsequent outcomes

### OUTCOMES

**Value added to knowledge base**

### INDICATORS

Research partnerships and collection access provide new information for collection records

#### Performance Measures:

- Commentary on internal and external research activities which add value to collection database

### OUTCOMES

**Active collection development**

### INDICATORS

Build the collection through acquisition and gifts, in line with the Collection Policy, communicating with the community along the way

#### Performance Measures:

- Not less than ten sought after items actively acquired for the collection, using Trust Funds as appropriate
- Commentary on passive acquisitions through gifting
- Commentary on communication channels used to share collection development news with community



## HALFWAY MILESTONE OF STRATEGIC PLAN MARKED

Last September, the Museum team marked the halfway point in the current Strategic Plan with a two-day retreat held at the Waiora Scout Camp. Attended by all full and part-time staff, as well as any casuals who wished to attend, the retreat was an opportunity to celebrate the Plan's success to date and to review implementation plans going forward.

Open discussions, group brainstorms and highly enjoyable team-building activities combined to make the event an extremely successful look towards the Museum's future.

Outcomes included the addition of a ninth Strategic Initiative to the Strategic Plan focused on Performance Excellence, and the collective determination of a guiding principle to drive the Museum's Responsible Operations focus.

*"I am a professional historian and this was a delight - super collection and science communication aspects were astonishing. I could easily have spent all day just in those parts. Fabulous, fabulous work - thank you, a privilege to visit."*

*A visitor from Hampshire, England, April 2012*



## NEW WEBSITE LAUNCHED

The Museum launched an attractive and functional new website during the year. Developed in-house by the Museum team using freeware, the comprehensive new site ensures that the Museum's web presence is a true reflection of the quality of the overall Museum experience.

New features of the site include a daily peek into the collection storeroom and enhanced connections with social media sites. A What's On section showcasing all the events happening at the Museum is complimented by what has proven to be a very popular online booking system, offering a user-friendly way to secure a place at a wide range of offerings, from guided tours to the Discovery Squad holiday programme. Discovery World Tropical Forest tickets and a wide variety of Museum Shop products have also been made available to purchase online.

## STRATEGIC INITIATIVE: PEOPLE AND CULTURE

### OUTCOMES

**People and culture develop positively**

### INDICATORS

Annual team culture workshop held to enable all team members to contribute ideas for the development of the culture and establish an action plan for the year

*Performance Measures:*

- Commentary on outcomes of workshop and related activities undertaken throughout the period

Team members work towards known and shared goals, feel valued and are satisfied with the Otago Museum as an employer

*Performance Measures:*

- Employee engagement survey results indicate at least 75% of respondents understand the organisation's purpose, feel their contribution is valued and are satisfied with working at the Museum

*"Thank you! I'm visiting from Australia - this is one of the best museums I have ever visited. A perfect balance of local, regional and global history - and a very engaging and welcoming environment."*

*A visitor from Australia, January 2013*

## STRATEGIC INITIATIVE: STRATEGIC CAPITAL DEVELOPMENT

### OUTCOMES

Core experiences cyclically improved to keep Museum fresh

### INDICATORS

People of the World Gallery redevelopment progressed

Performance Measures:

- Content and design plans completed, gallery demounted and installation of new experience commenced

### OUTCOMES

Improve use of the Museum Reserve

### INDICATORS

Investigate development options with Dunedin City Council

Performance Measures:

- Commentary on discussions and outcomes

## STRATEGIC INITIATIVE: RESPONSIBLE OPERATIONS

### OUTCOMES

Optimal resource management and sustainability in operations

### INDICATORS

Revenue generation initiatives diversify and strengthen financial position, enabling service delivery beyond level of Local Government investment

Performance Measures:

- Sources of income evidence spreading of risk
- Commentary on strategies implemented to increase revenue levels
- Commentary on activity levels achieved by combining Local Government investment with Museum revenue generating initiatives



## OTAGO MUSEUM H D SKINNER ANNEX UNVEILED

This year the former Dunedin North Post Office building underwent an extensive redevelopment project to become the Otago Museum H D Skinner Annex, nearing completion at the end of the period. Situated on the corner of the Museum Reserve, this Category 2 listed bluestone building has retained its heritage features, while extensive refurbishments have restored it as an engaging cultural space for the community.

Plans for the building were developed by McCoy and Wixon in collaboration with the Museum team, the New Zealand Historic Places Trust (NZHPT), Naylor Love, and Hadley and Robinson.

The inaugural exhibition in the H D Skinner Annex has since opened in the new 'Postmaster Gallery' exhibition space. The exhibition, *Heritage Lost and Found: Our Changing Cityscape* celebrates Dunedin's rich architectural past. It has been developed in partnership with the Otago/Southland Area office of the New Zealand Historic Places Trust and is proudly sponsored by Gallaway Cook Allan Lawyers.

The Annex also features four stylish, light-filled and versatile hireable venue spaces and the 'Roast Office' takeaway coffee window.

*"What a wonderful and well-presented museum. Thank you!"*

*A visitor from Singapore, December 2012*



## CHILDREN'S PARTIES POPULAR

This year has been a roaring success for children's parties at the Museum! During the period, 86 parties were held at the Museum, creating special celebrations and unforgettable experiences.

The Parties team have also worked closely with the Museum's other business units this year, helping to increase revenue in these areas. There has been an increase in the number of parties catered by the Museum Café, with the Café also providing specially-made birthday cakes.

Each party has a theme which can be specially created to fit a specific interest. This flexibility has been instrumental in the success of the Parties operation this year, with parties tailored specifically to each booking in order to provide each child with a unique Museum experience.

Positive evaluations have flooded in from the parents of happy party-goers, with many indicating they would highly recommend an Otago Museum party to others.

*"Visiting from the UK, one of the best - if not the best - museums ever! Displays are so well presented, informative, layout is clever and spacious, staff very welcoming. Congratulations!"*

*A visitor from the UK, November 2012*

Policy reviewed as needed to guide core responsibilities and decision making

*Performance Measures:*

- Commentary on Policy decisions by OMTB during the period

Team members are empowered to make strategic, best value investments in improving the Museum's performance, leading, overseeing, encouraging and motivating positive change, building into each project ways to sustain the initiative

*Performance Measures:*

- Commentary on significant projects and their impact on performance levels

Annual planning session held to identify strategies which encourage everyone to use resources mindfully and operate sustainably, every day in everything we do individually and collectively

*Performance Measures:*

- Commentary on initiatives which improve the Museum's resource consumption and environmental impact

Proactive asset management maximises useful life and ensures safe public and working environment

*Performance Measures:*

- Commentary on occupational safety and health initiatives and outcomes

## STRATEGIC INITIATIVE: PERFORMANCE EXCELLENCE

### OUTCOMES

**Embed Baldrige performance excellence principles throughout operations**

### INDICATORS

Cross-divisional team focuses on continuous improvement which strengthens Museum business model

*Performance Measures:*

- Commentary on initiatives which motivate and effect continuous improvement
- Submission of application into NZ Performance Excellence programme



## STRATEGIC INITIATIVE: DEMONSTRATING RELEVANCY

### OUTCOMES

#### Communicating relevance and leadership

### INDICATORS

Develop a communication strategy for key stakeholders and media focused on the Museum's achievements, their importance and relevance in the Otago community

#### Performance Measures:

- Communication initiatives and targets relating to demonstrating and evidencing relevance and value of the Museum and its activities for Otago embedded in annual Marketing and Communications Plan
- Commentary on activities and outcomes

Develop a communication strategy focused on the Museum's leadership in museum practice locally, nationally and internationally

#### Performance Measures:

- Communication initiatives and targets relating to museum practice embedded in annual Marketing and Communications Plan
- Commentary on activities and outcomes

Actively contribute to sister city relationships and identify a five year plan for joint projects

#### Performance Measures:

- Commentary on sister city related initiatives and defined forward plan based on resourcing

Participation in externally focused initiatives shares knowledge to help others

#### Performance Measures:

- Commentary on activities and outcomes



## A NEW ARRIVAL TO THE NATURE GALLERIES

An impressive, conservation grade articulated Leopard seal skeleton was installed in the Otago's Ocean area of the Nature Galleries this year.

Autahi the Leopard seal was discovered on Waikouaiti Beach, just north of Dunedin, in November 2009. She was a 3m-long female who weighed almost 300kg. Her mounted pelt has become a visitor favourite at the Museum since the gallery addition opened in 2011.

Named after the star which appears in the pre-dawn sky at the time of Matariki, Autahi's skeleton joined her mounted pelt on display following a ceremony which included a blessing from the local rūnaka.

The articulation was completed by innovative sculptor and articulator Judith Streat. The articulated skeleton includes 159 bones, and took around 930 hours to complete. Accompanying the display is a timelapse video from NHNZ showing the installation of Autahi's articulated skeleton in her new home.

*"We are so lucky to have this wonderful museum - I've been visiting since the 1930s and am still blown away by everything."*

*A visitor from St Kilda, December 2012*



Credit: Otago Daily Times

## RESPONSIBLE OPERATIONS FOCUS CONTINUED

At the heart of the Museum's sustainability focus, Responsible Operations has continued to play an integral role in Otago Museum operations.

This year the Responsible Operations guiding principle was collectively determined by the team for the team. It states: We choose to lead by example with a consistent focus on the social, environmental and economic impacts of our actions, in order to be responsible proactive contributors in our local and wider communities.

Ideas and initiatives have been flooding in from staff across the team, from suggestions posted on the Museum's intranet @OM to those provided as part of the Responsible Operations annual survey, open to all staff.

Responsible Operations is an essential part of the Museum team's mindset and has been integrated into day-to-day operations in a number of ways, from the introduction of hand dryers to replace paper towels, to the use of coffee grounds from the Café as compost in the Museum's gardens, to centralised recycling stations in the office area.

The Museum's commitment to Responsible Operations has been acknowledged once again this year with a Qualmark Enviro Gold Award.

*"Great help from the staff. They were informative and friendly and knowledgeable."*

*A visitor from Invercargill, January 2013*

## STRATEGIC INITIATIVE: DEPTH RATHER THAN EXTENDED BREADTH

### OUTCOMES

**Expand and gain value from the Museum's international profile**

### INDICATORS

Build on existing profile and establish new international relationships in order to create opportunities to bring the world to Otago and take Otago to the world

*Performance Measures:*

- Staff exchange programmes continue with Otago hosting exchangees and sending team members to other science centres and museums to gather knowledge, gain experience and develop professionally
- Commentary on progress made on at least one new future initiative involving an international partner

Build the profile of Otago Museum through networking and conference fixtures

*Performance Measures:*

- Commentary on profile-building of the Museum by team members participating in external gatherings

Collaborative initiatives with community partners add value to existing visitor experiences

*Performance Measures:*

- Commentary on initiatives and outcomes resulting from partnerships in the community, including with specific community groups, associations and businesses as appropriate

## STRATEGIC INITIATIVE: 150TH BIRTHDAY

### OUTCOMES

**Plan for a magnificent 150th birthday commemoration in 2018**

### INDICATORS

Project team identifies plan and actions, taking into account wider team and community needs

*Performance Measures:*

- Commentary on the commencement of initial planning

## STATEMENT OF SERVICE PERFORMANCE 2012–2013

**NOTE:** Where practicable in directly numeric measures, a comparative has been included (last year's figure).

This is necessarily applicable only to those measures that were exactly the same in the 2011–2012 Statement of Intent and the 2012–2013 Statement of Intent.

### STRATEGIC SUMMARY

Strategic Initiative 1: People and Culture		
KEY PERFORMANCE INDICATOR	PERFORMANCE MEASURE	STATUS
People and culture develop positively	People policies and practices result in team members contributing to Museum outcomes and feeling valued, as measured through: Holding an annual team culture workshop which enables all team members to contribute ideas to develop the culture and establishes an action plan for the year	Achieved: Culture workshop held on 20 March 2013. Four major outcomes established with teams created to action: Kindness, Professionalism, Health and Wellbeing, and Inspiration
	People policies and practices result in team members contributing to Museum outcomes and feeling valued, as measured through: A staff handbook which enhances staff understanding and buy in being updated and distributed each year	Achieved: Staff handbook 2012–2013 updated and distributed
	People policies and practices result in team members contributing to Museum outcomes and feeling valued, as measured through: All new staff being supported through a formal, comprehensive induction process	Achieved: All new staff inducted as per the induction action list on Otago Museum Central
	People policies and practices result in team members contributing to Museum outcomes and feeling valued, as measured through: A performance planning programme for all full and part-time staff being implemented, encompassing one formal annual review and two interim reviews	Not achieved: Performance planning programme undertaken for all full and part-time staff, except one casual Communicator who has been on extended annual leave. Members of the Museum Management Team were not reviewed due to the extended period with no Chief Executive, during which time the Management team collectively acted as the Chief Executive
	People policies and practices result in team members contributing to Museum outcomes and feeling valued, as measured through: Professional development strategies being provided across the organisation, with not less than 25 opportunities offered either in-house or out-sourced as needed	Achieved: 123 sessions offered matching in-house and outsourced opportunities with identified staff needs. <i>Last year: 71</i>
	People policies and practices result in team members contributing to Museum outcomes and feeling valued, as measured through: Employee engagement survey results indicating 75% of respondents feel part of a team working to a shared goal; 75% of respondents feel valued by the organisation; 75% are satisfied with working at Otago Museum	Achieved: Survey held in April 2013 showed 94% of respondents feel they are part of a team working to a shared goal, 92% of respondents feel valued by the organisation and 100% of staff surveyed are satisfied with working at Otago Museum

<b>Strategic Initiative 2: Collection care</b>		
KEY PERFORMANCE INDICATOR	PERFORMANCE MEASURE	STATUS
Best practice collection care – house collections appropriately	90% (aim 100%) of artefacts and specimens are housed in conditions appropriate for their type and material to international standards	Achieved: All storerooms checked regularly by Collection Coordinators; 100% of items surveyed housed in conditions appropriate for their type and material to international standards
	Collections are kept safe through the use of effective security measures and internal systems and processes – no damage or theft occurs	Not achieved: No irreparable damage or loss occurred
	Continue implementing Radio Frequency Identification Devices (RFID) into collection care practices – a further 10,000 tags attached	Not achieved: 8,218 RFID tags attached by 30 June 2013; slower than expected progress due to audit staff leaving and consequent recruitment periods, as well as competing priorities with other Museum deliverables
	Continue implementation of the Collection Audit with a further 9,000 items processed	Not achieved: 5,761 items processed by 30 June 2013; slower than expected progress due to audit staff leaving and consequent recruitment periods, as well as competing priorities with other Museum deliverables

<b>Strategic Initiative 3: Depth rather than extended breadth</b>		
KEY PERFORMANCE INDICATOR	PERFORMANCE MEASURE	STATUS
Depth in our research content and community offerings	Implement the Research Strategy, seeing not less than two research collaborations in place which result in co-authored publications	Achieved: Research strategy progressed with two research collaborations undertaken in the period – an article in the <i>Journal of the Polynesian Society</i> co-authored by Moira White, an article in the <i>Journal of the Royal Society of New Zealand</i> , co-authored by Cody Fraser
	Organise and host a Public Forum before April 2013 to gain community input into Museum exhibitions and programmes	Achieved: Public Forum held on 28 March 2013; feedback collated and assessed

<b>Strategic Initiative 4: Expanding joy</b>		
KEY PERFORMANCE INDICATOR	PERFORMANCE MEASURE	STATUS
Reaching out to and enabling access for all	Welcome 400,000 visitors to the Museum	Achieved: Over 460,000 visitors welcomed
	Quarterly market research results indicate satisfaction across a range of measures by 90% of respondents	Achieved: Quarterly visitor satisfaction surveys indicate 100% of visitors satisfied with their experience, with satisfaction scores for all general measures greater than 5/10 in all survey reports
	Identify one community group before April 2013, make direct contact with them and encourage their participation in Museum activities	Achieved: New relationship formed with the Multi Ethnic Council in Dunedin; the first collaboration was the <i>Global Feast</i> book launch held on 4 December 2012

### Strategic Initiative 5: Strategic capital development

KEY PERFORMANCE INDICATOR	PERFORMANCE MEASURE	STATUS
Capital commitments identified within context and funds raised	Fundraise for Development Plan projects, making no less than five approaches	Achieved: Six approaches made for former Dunedin North Post Office project: Dr Marjorie Barclay Trust, McCoy and Wixon, Chas E George & Sons, Otago Electrical and Communications, Hadley and Robinson, Naylor Love Last year: <i>Five approaches made</i>
	10 year Capital Expenditure Plan updated and approved by end October 2012	Not achieved: 10 year Capital Development Plan developed; approved at Otago Museum Trust Board meeting December 2012

### Strategic Initiative 6: Demonstrating relevancy

KEY PERFORMANCE INDICATOR	PERFORMANCE MEASURE	STATUS
Communicating relevance and leadership	Māori Advisory Committee meets at least quarterly	Achieved: Four meetings held
	Present budget and levies from contributing Local Authorities and seek funding as required by June 2013 for the 2013–2014 year	Achieved: Annual Plan with budget and levies presented in October 2012; levies received from Contributing Local Authorities
	The Museum is represented in not less than six relevant external committees	Achieved: Museum represented in 12 external committees: Otago Polytechnic Communication Design Permanent External Advisory Committee, Otago Chamber of Commerce Board of Directors, Centre for Science Communication Board of Studies, Otago Regional RoboCup Committee, Otago Science and Technology Association (OSTA) Science Fair Committee, Guardians/Kaitiaki of the Alexander Turnbull Library, Shanghai Sister City Committee, Otago Polytechnic School of Art Permanent External Advisory Committee, Otago Institute, Outreach Advisory Group for the University of Otago, University of Otago Centre for Science Communication Advisory Board Last year: <i>Nine committees</i>
	Progress suitable initiatives with partnership organisations under an established Memorandum of Understanding or negotiate with a new partner for mutual benefit	Achieved: Memorandum of Understanding signed between the Otago Museum and University of Otago Centre for Science Communication
	Arrange and host two gatherings for Otago's regional museums offering training and networking opportunities	Achieved: Regional Museums gatherings held in October 2012 and April 2013 at Otago Museum

## Strategic Objective 7: Responsible operations

KEY PERFORMANCE INDICATOR	PERFORMANCE MEASURE	STATUS
Optimal resource management and sustainability in operations	Identify and implement not less than five initiatives which positively impact the Museum's ability to use resources efficiently or minimise waste	Achieved: 24 initiatives identified and implemented Last year: <i>Seven initiatives</i>

## STRATEGIC SUMMARY

### Collections and Research Key Objectives for 2012–2013

KEY PERFORMANCE INDICATOR	PERFORMANCE MEASURE	STATUS
Develop the Museum's collections and knowledge base	Strategically add to the Museum's collections by exploring opportunities for acquisition in line with the Collection Policy – not less than 10 sought after items added to both natural science and humanities collections acquired	Achieved: 10 sought after items added to natural science collection and 18 to the humanities collection <i>Last year: 25 items</i>
	Add accurate entries into the collection management system to bring the total to 400,000 by June 2013	Achieved: 428,049 records in collection management system
Share knowledge on Museum collections and themes	Facilitate access to the collections – satisfy 80% of all requests for items and information, in line with Museum priorities	Achieved: 83% of all requests for items and information satisfied <i>Last year: 95% satisfied</i>
	Satisfy 90% of requests for identification of artefacts and specimens, in line with Museum priorities	Achieved: 100% of all requests for identification satisfied
	Publish not less than 10 articles	Achieved: 17 articles published <i>Last year: 16</i>

### Visitor Interaction and Programmes Key Objectives for 2012–2013

KEY PERFORMANCE INDICATOR	PERFORMANCE MEASURE	STATUS
Encourage community learning through programmes which support the Museum's long term galleries and special exhibitions	Two free family-oriented activities on weekend and holiday days to complement the visitor experience	Achieved: At least two free family-oriented activities offered on all weekend and holiday days
	One special event or activity on weekend and holiday days to complement the visitor experience	Achieved: At least one special event or activity offered on all weekend and holiday days
	Six specialist talks presented to the community	Achieved: Six specialist talks presented <i>Last year: Eight specialist talks</i>
	Two programmes presented which support each special exhibition	Achieved: At least two programmes presented supporting each special exhibition
	Two significant community oriented events developed and delivered	Achieved: The Big Get Together and Animal Attic Carnival developed and delivered

**Visitor Interaction and Programmes  
Key Objectives for 2012–2013**

KEY PERFORMANCE INDICATOR	PERFORMANCE MEASURE	STATUS
	Five supervised holiday programmes for children in each school holidays	Achieved: Nine or more supervised school holiday programmes for children offered each school holidays <i>Last year: Eight or more programmes</i>
	20 gallery based presentations with supporting fact sheets available	Achieved: 83 presentations with supporting fact sheets available <i>Last year: 81 presentations</i>
	Four science based shows developed and presented in Discovery World	Achieved: 10 science-based shows developed and delivered <i>Last year: Eight shows</i>
	Six activities offered which complement Discovery World and Tropical Forest themes and exhibitions	Achieved: 20 activities offered complementing Discovery World Tropical Forest themes and exhibitions <i>Last year: 18 activities</i>
	Four cases developed and displayed in the Museum foyer which engage visitors	Achieved: Five engaging cases developed and displayed in the Museum foyer <i>Last year: Four cases</i>
Provide formal education programmes for school visitors	4,700 students participate in formal education programmes achieving satisfaction levels of at least 90% as determined through the evaluation programme undertaken with each teacher	Achieved: 6,884 students participated in formal education programmes, with satisfaction levels of 100% <i>Last year: 7,556 with 100% satisfaction</i>
	At least three curriculum-based programmes delivered to school groups	Achieved: 24 different curriculum-based programmes delivered to school groups
Present a range of outreach programmes (external to the Museum complex)	Present at least 20 Starlab planetarium programme sessions throughout Otago and Southland	Achieved: 94 Starlab programme sessions presented throughout Otago and Southland <i>Last year: 75 sessions</i>
	Develop and offer to present outreach programmes in cooperation with museums in Balclutha, Oamaru and Alexandra at least twice a year	Achieved: Outreach programme <i>Smashing the Odds</i> developed and offered to regional museums in Balclutha, Oamaru and Alexandra for October 2012 school holidays. <i>Exploring the Extinct and Fearless Flight</i> developed and offered to regional museums in Balclutha, Oamaru and Alexandra for April 2013 school holidays
	Arrange talks and/or presentations for at least five community events or to community groups	Achieved: 6 talks and/or presentations arranged and presented to community groups or community events <i>Last year: 7 talks presented</i>

**Experience and Development  
Key Objectives for 2012–2013**

KEY PERFORMANCE INDICATOR	PERFORMANCE MEASURE	STATUS
Source or design and install Discovery World exhibits	Four exhibits refurbished/created for Discovery World which encourage hands-on interaction and learning	Achieved: Five exhibits either created or refurbished <i>Last year: Nine exhibits either created or refurbished</i>
Source and install a special exhibitions programme	Two special exhibitions presented	Achieved: <i>Off the Wall: World of WearableArt Up Close, Canterbury Quakes, The Moriori of Rekohu, T'chakat henu – People of the Land, Otago Wildlife Photography Exhibition, Mirror Magic, Mirek Smíšek: 60 Years, 60 Pots, and Bodytok Quintet</i> presented
Source or design and install an exhibition within the former Dunedin North Post Office annex	One exhibition presented	Achieved: <i>Heritage Lost and Found: Our Changing Cityscape</i> installed, awaiting redevelopment project completion at 30 June 2013
Conduct high profile marketing campaigns for exhibitions, programmes and activities	Update and implement a general Marketing Plan for the Museum within budget	Achieved: Marketing plan updated and implemented by June 2013
	Develop and implement marketing plans for each special exhibition within individual budgets	Achieved: Marketing plans implemented for each special exhibition
	Achieve at least 52 news items and 75 paid promotions by June 2013	Achieved: Over 147 news items and 392 paid promotions by June 2013 <i>Last year: Over 124 news items and 350 paid promotions</i>
Gain an understanding of community and visitor views through a comprehensive and strategically-focused market research programme	Produce and distribute three issues of the Museum's Newsletter	Achieved: Three issues produced and distributed
	Complete the visitor satisfaction survey on a quarterly basis and report to Board and staff	Achieved: Surveys completed in September, December, March and June; reported to the Board and published on staff intranet system (@OM)
	Undertake market research on two special exhibitions to gauge community response	Achieved: Surveys conducted for <i>Off the Wall: World of WearableArt Up Close</i> and <i>Canterbury Quakes</i>

**Finance and Commercial  
Key Objectives for 2012–2013**

KEY PERFORMANCE INDICATOR	PERFORMANCE MEASURE	STATUS
Administer management information systems to efficiently provide effective data and information for decision making	Accurate monthly activity, income and expenditure reports produced	Achieved: Monthly reports produced and distributed to Divisional Directors/Managers
Maintain the return to the Museum from the Shop	Review the business and marketing strategies with the goal of maintaining the business at the current level	Achieved: Business and marketing strategies in place; business maintained from previous year
Maintain the return to the Museum from the Café	Review the business and marketing strategies with the goal of maintaining the business at the current level	Achieved: Business and marketing strategies in place; business maintained from previous year
Maintain the return to the Museum from the Tourism and Events business	Business and marketing strategies are in place; business is maintained at the current level	Achieved: Business and marketing strategies in place; business maintained from previous year



**Assets and Technology****Key Objectives for 2012–2013**

KEY PERFORMANCE INDICATOR	PERFORMANCE MEASURE	STATUS
Ensure that information technology can be used productively within the Museum	Undertake an annual audit of the Museum's information technology resources and recommend improvements	Achieved: IT strategy proposals for coming year presented to Resources, Operations and Priorities workshop in June 2013
Develop and maintain Museum assets	All asset maintenance plans reviewed and requirements carried out – Building Warrant of Fitness attained	Achieved: All asset and building maintenance requirements carried out; Building Warrant of Fitness attained in February 2013
Maintain public spaces to an excellent standard	All public spaces maintained to a high standard and a clean and comfortable environment is achieved throughout the year, as perceived by visitors and expressed through market research – 'clean and comfortable' scores five or above in quarterly satisfaction survey ten point scale	Achieved: Quarterly satisfaction surveys indicate visitor satisfaction with cleanliness and comfort of the Museum, scoring five or above in all survey reports

**Executive****Key Objectives for 2012–2013**

KEY PERFORMANCE INDICATOR	PERFORMANCE MEASURE	STATUS
Develop policy, strategy and operational guideline documents to consolidate, confirm or establish governance, management and operational plans or processes	Undertake annual review of policies, strategies and operational guidelines as per agreed plan by end June 2013	Not achieved: Plan for review undertaken and maintained, some policy reviews delayed due to decision made by Trust Board to delay policy review until post 30 June 2013 in order for new Director to have input
Manage the implementation of the Development Plan	Progress Development Plan as much as possible within resource constraints and subject to limitations of other factors including consultation with and involvement of external groups	Achieved: Plan for former Dunedin North Post Office project progressed, nearing opening at 30 June 2013. People of the World redevelopment concept progressed.
Facilitate a review of the Strategic Plan at its two-year anniversary	Museum team collectively reviews progress to date and strategic plan going forward, identifying adjustments needed, if any	Achieved: Two-year review held, Action Plan created and ninth Strategic Initiative – Performance Excellence established



## **OTAGO MUSEUM TRUST BOARD FINANCIAL STATEMENTS**

**For the Financial Year Ended 30 June, 2013**



**OTAGO MUSEUM TRUST BOARD STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

	Notes	2013 \$	Budget \$	2012 \$
<b>Income</b>				
Grants-Government & Other		259,143	129,186	169,186
Local Authorities		4,021,668	4,048,210	4,021,668
Public		2,518,312	2,607,150	2,415,985
Legacies & Bequests		510	-	5,994
Investment income		126,196	-	125,818
- Dividends		523,395	738,950	556,763
- Interest				
<b>Total income</b>		<b>7,449,224</b>	<b>7,523,496</b>	<b>7,295,414</b>
<b>Expenditure</b>				
Employee benefits expense	2 (a)	(3,290,611)	(3,335,700)	(2,949,916)
Depreciation and amortisation expense		(946,226)	(1,379,500)	(916,822)
Other expenses	2 (b)	(3,212,670)	(3,516,593)	(2,755,852)
<b>Total operating expenditure</b>		<b>(7,449,507)</b>	<b>(8,231,793)</b>	<b>(6,622,590)</b>
<b>Surplus/(Loss) for the year</b>		<b>(\$283)</b>	<b>(\$708,297)</b>	<b>\$672,824</b>

The accompanying notes form part of these financial statements.

**OTAGO MUSEUM TRUST BOARD STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

	Notes	2013 \$	2012 \$
<b>Other Comprehensive Income</b>			
Realised net gains/loss on sale of financial instruments		220,863	19,433
Available-for-sale financial assets valuation gain/(loss)	14(a)	196,188	(260,736)
<b>Total other comprehensive income (net of tax)</b>		<b>417,051</b>	<b>(241,303)</b>
Surplus/(loss) for the year		(283)	672,824
<b>Total comprehensive income for the year</b>		<b>\$416,768</b>	<b>\$431,521</b>

**OTAGO MUSEUM TRUST BOARD STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

Equity at beginning of year	27,358,760	26,927,239
Total comprehensive income for the year	416,768	431,521
<b>Equity at end of year</b>	<b>\$27,775,528</b>	<b>\$27,358,760</b>


The accompanying notes form part of these financial statements.

**OTAGO MUSEUM TRUST BOARD STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE, 2013**

	Notes	2013 \$	Budget \$	2012 \$
<b>Current assets</b>				
Cash and cash equivalents	19(a)	8,247,113	5,092,738	9,647,631
Trade and other receivables	7	304,559	170,607	310,093
Inventories	8	192,182	199,415	210,414
Other financial assets	9	329,648	212,139	346,161
Other current assets	10	147,290	-	161,280
<b>Total current assets</b>		<b>9,220,792</b>	<b>5,674,899</b>	<b>10,675,579</b>
<b>Non-current assets</b>				
Other financial assets	9	4,679,286	5,030,070	4,534,878
Property, plant and equipment	11	14,878,600	16,564,728	14,107,581
<b>Total non-current assets</b>		<b>19,557,886</b>	<b>21,594,798</b>	<b>18,642,459</b>
<b>Total assets</b>		<b>28,778,678</b>	<b>27,269,697</b>	<b>29,318,038</b>
<b>Current liabilities</b>				
Trade and other payables	12	412,532	540,873	788,048
Employee entitlements	13	590,618	-	1,171,230
<b>Total current liabilities</b>		<b>1,003,150</b>	<b>540,873</b>	<b>1,959,278</b>
<b>Total liabilities</b>		<b>1,003,150</b>	<b>540,873</b>	<b>1,959,278</b>
<b>Net assets</b>		<b>\$27,775,528</b>	<b>\$26,728,824</b>	<b>\$27,358,760</b>
<b>Equity</b>				
Reserves	14	13,840,298	-	14,185,933
Capital	15	13,935,230	-	13,172,827
		<b>\$27,775,528</b>	<b>\$26,728,824</b>	<b>\$27,358,760</b>

On behalf of the Otago Museum Trust Board

.....Chairperson

.....Board Member

The accompanying notes form part of these financial statements.

**OTAGO MUSEUM TRUST BOARD STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

	Notes	2013 \$	Budget \$	2012 \$
<b>Cash flows to/from operating activities</b>				
Government, Local Authorities and the public		6,849,605	8,246,376	6,557,591
Dividends		126,196	-	125,818
Interest received		491,454	738,950	496,935
Payments to employees		(3,873,964)	(3,335,700)	(2,583,213)
Payments to suppliers		(3,648,096)	(4,166,041)	(3,037,505)
Net cash inflow/(outflow) from operating activities	19(b)	(54,805)	1,483,585	1,559,626
<b>Cash flows to/from investing activities</b>				
Proceeds from maturity and sale of other financial assets		747,800	-	580,042
Proceeds from sale of property, plant and equipment		-	-	918
Purchase of property, plant and equipment		(1,634,869)	(2,522,302)	(685,331)
Purchase of other financial assets		(458,644)	-	(287,676)
Net cash inflow/(outflow) from investing activities		(1,345,713)	(2,522,302)	(392,047)
<b>Net increase in Cash and cash equivalents</b>		<b>(1,400,518)</b>	<b>(1,038,717)</b>	<b>1,167,579</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>9,647,631</b>	<b>5,958,955</b>	<b>8,480,052</b>
<b>Cash and cash equivalents at the end of the financial year</b>	19(a)	<b>\$8,247,113</b>	<b>\$4,920,238</b>	<b>\$9,647,631</b>

The accompanying notes form part of these financial statements.

## 1. STATEMENT OF ACCOUNTING POLICIES

### Reporting Entity

The Otago Museum Trust Board (“the Museum”) is a special purpose local authority constituted under the Otago Museum Trust Board Act, 1996.

The Otago Museum Trust Board administers the Otago Museum which is a non-profit making permanent institution, founded by the people of Otago for the service and development of their community with a particular responsibility for the natural and scientific heritage of the Otago region. The Museum has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

### Statement of Compliance

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

All available public benefit entity reporting exemptions under NZ IFRS have been adopted.

### Basis of Preparation

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods if the revision affects both current and future periods.

The financial statements have been prepared on the basis of historical cost, except for heritage assets and the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

Heritage assets are valued as per note 1, Property Plant and Equipment, Heritage Assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

New Zealand dollars are the Museum’s functional and presentation currency.

The following accounting policies which materially affect the measurement of results and financial position have been applied:

## STATEMENT OF ACCOUNTING POLICIES CONT.

### SIGNIFICANT ACCOUNTING POLICIES

#### Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and GST.

#### Local Authority Levy Revenue

Local Authority Levy revenue is recognised when it is levied.

#### Other Revenue

Revenue from services rendered is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity. The stage of completion at balance date is assessed based on the value of services performed to date as a percentage of the total services to be performed.

Government grants are recognised when received.

Other grants and bequests are recognised when control over the asset is obtained.

Dividends are recognised when the entitlement to the dividends is established.

Interest revenue is recognised on an accrual basis.

#### Leasing

Leases which effectively transfer to the lessee substantially all the risks and benefits incident to ownership of the leased item are classified as finance leases.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases.

Payments made under these leases are charged as expenses in the periods in which they are incurred.

#### (a) The Museum as Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Museum’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Museum’s net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

## OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS (CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013

### STATEMENT OF ACCOUNTING POLICIES cont.

(b) The Museum as Lessee

Assets held under finance leases are recognised as assets of the Museum at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

(c) Lease Incentives

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

### Taxation

The Museum is exempt from Income Tax in accordance with Section CW39 of the Income Tax Act 2007.

### Goods and Services Tax

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

### Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

### Financial Instruments

Financial assets and financial liabilities are recognised in the Museum's Statement of Financial Position when the Museum becomes a party to contractual provisions of the instrument. The Museum is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents (including bank overdraft), trade and other receivables, other financial assets, trade and other payables and borrowings. The relevant accounting policies are stated under separate headings.

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss which are initially valued at fair value.

(i) Financial Assets

Financial Assets are classified into the following specified categories: 'available-for-sale', and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The effective interest method, referred to below, is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

## OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS (CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013

### STATEMENT OF ACCOUNTING POLICIES cont.

#### Available-for-Sale Financial Assets

Equity securities held by the Museum are classified as being available-for-sale due to the fact that they are all tradeable on public markets and are stated at fair value. Fair value is determined in the manner described later in this note. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, with the exception of impairment losses which are recognised directly in the Statement of Financial Performance. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in the Statement of Financial Performance for the period.

Dividends on available-for-sale equity instruments are recognised in the Statement of Financial Performance when the Museum's right to receive payments is established.

#### Fair Value Estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Museum 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 Museum 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 investment and debt instruments held.

#### Foreign Currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of financial performance.

#### Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. An allowance for doubtful debts is established when there is objective evidence that the Museum will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is expensed in the Statement of Financial Performance.

#### Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each Statement of Financial Position date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS  
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

**STATEMENT OF ACCOUNTING POLICIES cont.**

- (ii) Financial Liabilities
    - Trade and Other Payables
- Trade payables and other accounts payable are recognised when the Museum becomes obliged to make future payments resulting from the purchase of goods and services.
- Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest method.

**Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis with an appropriate allowance for obsolescence and deterioration.

**Property, Plant and Equipment**

The Museum has the following classes of property, plant and equipment:

Operational Assets and Heritage Assets

**Operational Assets**

Operational assets include land, buildings, plant and equipment, motor vehicles, office furniture and equipment.

- Cost/Valuation
- Property, plant and equipment is recorded at cost less accumulated depreciation.
- Additions

Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

- Depreciation

Depreciation is calculated as detailed below:

Expenditure incurred to maintain these assets at full operating capability is charged to the Statement of Financial Performance in the year incurred.

**Operational Assets**

	<b>Rate</b>
Land	Nil
Buildings	3% S.L.
Café Equipment	19.2% - 24% D.V.
Computer Equipment	40% - 60% D.V.
Electrical & Mechanical Services	9.5% - 12% D.V.
Fitout Exhibitions	18% D.V.
Furniture, Fittings & Equipment	18% - 48% D.V.
Golden Kiwi Lottery Fund Equipment	10% D.V.
Motor Vehicles	26% D.V.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

- Disposal

An item of property, plant and equipment is derecognised upon disposal or recognised as impaired when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Performance in the period the asset is derecognised.

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS  
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

**STATEMENT OF ACCOUNTING POLICIES cont.**

**Heritage Assets**

The Otago Museum Trust Board owns an extensive collection of material and information relating to the national, cultural and scientific heritage of the peoples of the World.

Heritage assets are valued at cost or fair value at the date of acquisition and are not depreciated.

All assets acquired prior to 30 June 2001 are recognised at cost at the date of acquisition. As a large number of the Heritage assets are donated or subsidised generally such cost will be nil unless they have been acquired as a result of a purchase by the Museum.

All assets acquired from 1 July 2001 are recognised at fair value at the date of acquisition for donated or subsidised assets where it is possible, practical and meaningful to arrive at such fair value or at cost where the assets have been acquired as a result of a purchase by the Museum. The difference between fair value and cost is recognised in the Statement of Financial Performance.

The bulk of the Museum's collection is represented by unrealisable or irreplaceable items and it is impracticable and cost prohibitive to value them on a "Market Based" or "Depreciated Replacement Cost" basis. As a consequence the Museum's collection is undervalued in these financial statements.

The result of this accounting policy means that the vast majority of the Museum's collection, having been obtained prior to 30 June, 2001, is effectively valued for accounting purposes at nil, or at historical cost for those few items purchased.

The primary function and purpose of the Otago Museum is the maintenance and display of the extensive collection of heritage assets. These are the tasks that make up the bulk of the Otago Museum's activities.

This means that much of the collection is valued at nil, or very old historical cost for those few items purchased. The Board is confident, however, that if the collection was to be sold, its market value would be very substantial.

The fact that most of the collection has a nil, or low, value for accounting purposes in no way reduces the true value of the collection or the care that is exercised in its conservation and exhibition.

**Impairment of Non-Financial Assets**

At each reporting date, the Museum reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Museum estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential. In assessing value in use for cash-generating assets, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the Statement of Financial Performance immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.



## OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS (CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013

### STATEMENT OF ACCOUNTING POLICIES cont.

#### Superannuation Schemes

- Defined Contribution Schemes
- Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of financial performance as incurred.

#### Provisions

Provisions are recognised when the Museum has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

#### Employee Entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, and sabbatical leave when it is probable that settlement will be required and they are capable of being measured reliably. Sabbatical leave has been calculated on the basis of current salary costs of the entitled employees. The sabbatical provisions also provide for reimbursement of related costs. These have not been calculated as they aren't capable of being reliably measured as they may vary significantly or not even be incurred depending on when or where the leave is taken.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Museum in respect of services provided by employees up to reporting date.

#### Statement of Cash Flows

Operating activities include cash received from all income sources of the Museum and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt structure of the Museum.

#### Equity

Equity is the community's interest in the Museum and is measured as total assets less total liabilities. Equity is disaggregated and classified into Museum Capital and a number of reserves.

The components of equity are:

- Museum Capital Account
- Available-for-Sale Revaluation Reserve
- Equalisation Fund
- Redevelopment Fund
- Special & Trust Funds

## OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS (CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013

### STATEMENT OF ACCOUNTING POLICIES cont.

#### Reserves

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 established by the Museum.

Restricted reserves are subject to specific conditions. Expenditure or transfers from these reserves may be made only for certain specified purposes.

Museum reserves are reserves established by Museum decision. The Museum may alter them without reference to any third party. Expenditure or transfers to and from these reserves is based on established Museum policy.

The Museum's objectives, policies and processes for managing capital are described in Note 20.

#### Budget Figures

The budget figures are those approved by the Museum at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Museum for the preparation of the financial statements.

#### Critical Accounting Estimates and Assumptions

In preparing these financial statements the Museum has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements 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:

#### Key Sources of Estimation Uncertainty

Judgements made by management in the application of NZ IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Key Sources of Estimation Uncertainty include:

- Estimating the remaining useful life of various items of property, plant and equipment. If the useful life does not reflect the actual consumption of benefits of the asset, the Museum could be over or under estimating the depreciation charge recognised as an expense in the Statement of Financial Performance.

Estimates and judgements are continually evaluated and are based on historical experience and other functions, including expectations of future events that are believed to be measurable under the circumstances.

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS  
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

Notes	2013 \$	2012 \$
<b>2. EXPENDITURE</b>		
<b>(a) Employee Benefits Expense</b>		
Salaries and wages	3,673,935	2,835,509
Defined contribution plans	144,302	105,622
Movement in sabbatical leave provision	(527,626)	8,785
	<b>\$3,290,611</b>	<b>\$2,949,916</b>

The sabbatical leave provision has been reversed reflecting the reduction in the potential sabbatical leave liability to the organisation going forward.

**(b) Other Expenses**

Computer costs	68,652	56,547
Maintenance	137,995	131,192
Other expenses	3,006,023	2,568,113
	<b>\$3,212,670</b>	<b>\$2,755,852</b>

**3. REMUNERATION**

The following table shows the number of employees that are paid more than \$100,000 gross per year.

Remuneration Band	2013 Numbers of employees	2012 Numbers of employees
\$300,000 - \$310,999	-	1
\$240,000 - \$249,000	1	-
\$180,000 - \$189,999	1	-
\$160,000 - \$169,999	-	1
\$120,000 - \$129,999	2	1
\$110,000 - \$119,999	-	1

**4. KEY MANAGEMENT PERSONNEL COMPENSATION**

Key management personnel include Trust Board Members, the Chief Executive and other members of the Museum Management Team. With the exception of the Chairperson of the Board who receives a small honorarium, other Trust Board members do not receive any remuneration.

	2013 \$	2012 \$
Short-term employee benefits	873,039	820,430
Other benefits	56,950	8,785
	<b>\$929,989</b>	<b>\$829,215</b>

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS  
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

**5. SEVERANCE PAYMENTS**

For the year ended 30 June 2013, the Otago Museum Trust Board made no severance payments to employees outside the meeting of contractual payments in regards to outstanding leave, sabbatical, and retirement entitlements (2012: \$Nil).

**6. REMUNERATION OF AUDITORS**

Audit fees for financial statement audit

\$27,500

\$21,600

The auditor of Otago Museum Trust Board is Audit New Zealand on behalf of the Auditor-General.

**7. TRADE AND OTHER RECEIVABLES**

Trade receivables <sup>(1)</sup>	116,223	103,823
	116,223	103,823
Sundry receivables and accruals	94,639	125,070
Estimated doubtful debts	-	-
Goods and services tax (GST) receivable	93,697	81,200
	<b>\$304,559</b>	<b>\$310,093</b>

<sup>(1)</sup> Trade Receivables

Ageing of past due but not impaired:

0 - 30 days	47,872	91,499
31 - 60 days	51,679	10,577
61 - 90 days	9,107	-
90 days+	7,565	1,747
	<b>\$116,223</b>	<b>\$103,823</b>

The Museum holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

**8. INVENTORIES**

Shop stock	183,466	203,348
Café stock	8,716	7,066
	<b>\$192,182</b>	<b>\$210,414</b>

The carrying amount of inventories pledged as security for liabilities is \$Nil (2012: \$Nil).

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS  
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

**9. OTHER FINANCIAL ASSETS**

*Available-for-Sale at fair value:*

	<b>2013</b>	<b>2012</b>
	\$	\$
<u>Current</u>		
Deposits	329,648	346,161
<u>Non-Current</u>		
Equity securities - Company shares	3,511,527	3,257,452
Fixed Rate Bonds	1,167,759	1,277,426
	5,008,934	4,881,039
Disclosed in the financial statements as:		
Current	329,648	346,161
Non-current	4,679,286	4,534,878
	\$5,008,934	\$4,881,039

There are no impairment provisions for other financial assets.

Equity securities and fixed rate bonds are held in the name of Otago Museum Trust Board.

All banking activities relating to these Other Financial Assets are conducted by the Otago Museum Trust Board through its bank account.

**10. OTHER CURRENT ASSETS**

Prepayments	\$147,290	\$161,280
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**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

**11. PROPERTY, PLANT AND EQUIPMENT**

	Cost/ Valuation 1 July 2012	Additions	Disposals	Transfers	Cost/ Valuation 30 June 2013	Accumulated Depreciation & Impairment Changes 1 July 2012	Depreciation Expense	Accumulated Depreciation Reversed on Disposal	Accumulated Depreciation Adjusted for Transfers	Accumulated Depreciation & Impairment Changes 30 June 2013	Carrying Amount 30 June 2013
<b>Museum Operational Assets</b>											
<b>At Cost</b>											
Land	979,952				979,952	-	-	-	-	(2,753,386)	979,952
Buildings	6,018,012	1,458,119			7,476,131	(2,554,054)	(199,532)			(1,202,629)	4,722,545
- Discovery World	2,256,032				2,256,032	(1,142,629)	(60,000)				1,053,403
Redevelopment - Phase 1											
Building	3,000,616				3,000,616	(1,276,212)	(90,018)			(1,366,230)	1,634,386
Fitout exhibitions	245,813				245,813	(204,877)	(7,368)			(212,245)	33,568
Mechanical services	362,465				362,465	(229,589)	(12,623)			(242,212)	120,253
Electrical	509,315				509,315	(322,607)	(17,737)			(340,344)	168,971
Redevelopment - Phase 2											
Building	5,409,584				5,409,584	(1,768,541)	(162,288)			(1,930,829)	3,478,755
Fitout exhibitions	2,906,971				2,906,971	(2,364,398)	(97,663)			(2,462,061)	444,910
Mechanical services	1,970,917				1,970,917	(1,161,145)	(76,928)			(1,238,073)	732,844
Electrical	451,183				451,183	(265,811)	(17,610)			(283,421)	167,762
Computer Equipment	1,415,929	154,867			1,570,796	(877,751)	(121,764)			(999,515)	571,281
Conservation Unit Equipment	11,944				11,944	(11,944)	-			(11,944)	-
Emergency Response Equipment	7,152				7,152	(6,843)	(55)			(6,898)	254
Exhibits	317,712	70,581			388,293	-	-			-	388,293
Furniture & Fittings	1,215,747	33,679			1,249,426	(814,182)	(76,291)			(890,473)	358,953
Golden Kiwi Lottery Fund	17,837				17,837	(17,471)	(37)			(17,508)	329
Motor Vehicles	108,753				108,753	(97,801)	(2,848)			(100,649)	8,104
Café Equipment	29,751		(12,249)	(3,464)	(15,713)	14,038					
	<b>27,235,685</b>	<b>1,717,246</b>	<b>-</b>	<b>-</b>	<b>28,952,931</b>	<b>(13,128,104)</b>	<b>(946,226)</b>	<b>-</b>	<b>-</b>	<b>(14,074,330)</b>	<b>14,878,601</b>
<b>At Cost</b>											
Land	979,952				979,952	-	-			-	979,952
Buildings	5,893,661	124,351			6,018,012	(2,353,515)	(200,539)			(2,554,054)	3,463,958
- Discovery World	2,256,032				2,256,032	(1,082,629)	(60,000)			(1,142,629)	1,113,403
Redevelopment - Phase 1											
Building	3,000,616				3,000,616	(1,186,194)	(90,018)			(1,276,212)	1,724,404
Fitout exhibitions	245,813				245,813	(195,891)	(8,986)			(204,877)	40,936
Mechanical services	362,465				362,465	(215,641)	(13,948)			(229,589)	132,876
Electrical	509,315				509,315	(303,008)	(19,599)			(322,607)	186,708
Redevelopment - Phase 2											
Building	5,409,584				5,409,584	(1,606,253)	(162,288)			(1,768,541)	3,641,043
Fitout exhibitions	2,906,971				2,906,971	(2,245,297)	(119,101)			(2,364,398)	542,573
Mechanical services	1,970,917				1,970,917	(1,076,141)	(85,004)			(1,161,145)	809,772
Electrical	451,183				451,183	(246,352)	(19,459)			(265,811)	185,372
Computer Equipment	1,057,143	358,786			1,415,929	(814,819)	(62,932)			(877,751)	538,178
Conservation Unit Equipment	11,944				11,944	(11,944)	-			(11,944)	-
Emergency Response Equipment	7,152				7,152	(6,774)	(69)			(6,843)	309
Exhibits	308,298	9,414			317,712	-	-			-	317,712
Furniture & Fittings	1,025,892	190,772	(917)		1,215,747	(747,350)	(67,197)	365		(814,182)	401,565
Golden Kiwi Lottery Fund	17,837				17,837	(17,430)	(41)			(17,471)	366
Motor Vehicles	108,753				108,753	(93,952)	(3,849)			(97,801)	10,952
Café Equipment	27,743	2,008			29,751	(8,092)	(4,157)			(12,249)	17,502
	<b>26,551,271</b>	<b>685,331</b>	<b>(917)</b>	<b>-</b>	<b>27,235,685</b>	<b>(12,211,282)</b>	<b>(917,187)</b>	<b>365</b>	<b>-</b>	<b>(13,128,104)</b>	<b>14,107,581</b>

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS  
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

	2013	2012
	\$	\$
<b>12. TRADE AND OTHER PAYABLES</b>		
Trade payables (i)	326,949	776,877
Other accrued charges	85,583	11,171
	\$412,532	\$788,048

(i) The average credit period on purchases is 30 days.

**13. EMPLOYEE ENTITLEMENTS**

Accrued salary and wages	426,124	355,407
Annual leave	164,494	169,563
Sabbatical leave	-	527,626
Retirement leave	-	118,634
	\$590,618	\$1,171,230

**14. RESERVES**

Available-for-sale revaluation reserve (a)	312,331	116,143
Equalisation Fund (b)	269,384	256,923
Restricted Reserves (c) (Trust Funds)	5,137,380	4,747,420
Museum Reserves (d) (Special Funds)	8,028,074	8,940,377
Unallocated accrued interest	93,129	125,070
	\$13,840,298	\$14,185,933

**(a) Available-for-Sale Revaluation Reserve**

Balance at beginning of year	116,143	376,879
Valuation gain/(loss) recognised (Gain)/loss transferred to Income Statement on Sale of financial assets	417,051 (220,863)	(241,303) (19,433)
Balance at end of year	\$312,331	\$116,143

The available-for-sale revaluation reserve represents gains (net) on revaluation of financial assets held.

**(b) Equalisation Fund**

Balance at beginning of year	256,923	245,558
Interest transfer (Note 21a)	12,461	11,365
Balance at end of year	\$269,384	\$256,923

A fund established to enable the Board to handle expenditure on major maintenance projects which occur irregularly.

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS  
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

	Notes	2013	2012
		\$	\$
<b>14. RESERVES cont</b>			
<b>(c) Restricted Reserves (Trust Funds)</b>			
Balance at beginning of year	14 (e)	4,747,420	4,750,826
Transfer from/(to) Retained Earnings		389,960	(3,406)
Balance at end of year		\$5,137,380	\$4,747,420

Restricted reserves include:

- trust and bequest funds that have been provided to the Museum for specific purposes.

**(d) Museum Reserves (Special Funds)**

Balance at beginning of year	14 (f)	8,940,377	7,924,265
Transfer from/(to) Retained Earnings		(912,303)	1,016,112
Balance at end of year		\$8,028,074	\$8,940,377

Museum reserves are made available for specific events or purposes, based on established Museum policy.

OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS  
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013

14 (e) Restricted Reserves (Trust Funds)

TRUST FUND	BALANCE 01/07/2012	ADD INCOME & TRANSFERS	DEDUCT EXPENDITURE & TRANSFERS	BALANCE 30/06/13 TOTAL	CAPITAL	INCOME
<b>Elizabeth Alexander</b>	134,151	Gain on sale of shares Investment income	6,241 6,504	146,896	87,506	59,390
<b>Beth and Mark Anderson</b>	89,031	Gain on sale of shares Investment income	4,142 4,316	97,489	74,643	22,846
<b>Avice Bowbyes - Costumes</b>	169,142	Gain on sale of shares Investment income	7,869 8,200	185,211	68,503	116,708
<b>Colquhoun</b>	452,447	Gain on sale of shares Investment income	21,049 21,935	490,431	173,674	316,757
<b>De Beer Publications &amp; Research</b>	1,026,972	Gain on sale of shares Royalties Investment income	47,778 21 49,788	1,121,399	372,636	748,763
<b>Fairweather</b>	295,755	Loss on sale of shares Investment income Grants/Sponsorship	13,759 14,338 5,000	328,852	141,756	187,096
<b>Fairweather - Collections</b>	529,726	Loss on sale of shares Investment income	24,644 25,682	49,027	199,792	322,338
		Purchase of ceramics Purchase of Textiles Purchase of Natural History	6,715 2,180 49,027	522,130	42,364	153,938
<b>Gollan</b>	179,271	Gain on sale of shares Investment income	8,340 8,691	196,302	40,480	60,707
<b>Brenda Joyce Harding</b>	92,408	Gain on sale of shares Investment income	4,299 4,480	101,187	39,833	138,065
<b>Lyders</b>	162,482	Gain on sale of shares Investment income	7,559 7,877	177,918	2,606	18,641
<b>Cowie Nichols</b>	19,403	Gain on sale of shares Investment income	903 941	21,247	222,859	754,880
<b>Cyril Nichols</b>	892,909	Gain on sale of shares Investment income	41,541 43,289	977,739	1,079	1,079
<b>Peter Snow MAC Fund</b>	985	Gain on sale of shares Investment income	46 48	1,079	254,775	514,725
<b>Willi Fels</b>	702,738	Gain on sale of shares Investment income	32,693 34,069	769,500	\$1,721,447	\$3,415,933
<b>TOTAL RESTRICTED RESERVES</b>	<b>\$4,747,420</b>		<b>\$456,042</b>	<b>\$5,137,380</b>		

OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS  
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013

14 (f) Museum Reserves (Special Funds)

SPECIAL FUND	BALANCE 01/07/2012	ADD INCOME & TRANSFERS	DEDUCT EXPENDITURE & TRANSFERS	BALANCE 30/06/2013 TOTAL	CAPITAL	INCOME
<b>Allocation for Special Purposes</b>	40,636	Est. E.O. Naylor Investment income	510 1970	43,116	-	43,116
<b>Barclay</b>	347,403	Majorie Barclay Trust Investment income	45,000 16,842	409,245	-	409,245
<b>Conservation Materials</b>	165,416	Budget Transfer Investment income	6,822 8,019	180,257	-	180,257
<b>Development</b>	3,362,241	Budget Transfer	3,477	6,220	-	6,220
		Grants	Professional Services - Annex - Development Costs	1,427,602	-	1,427,602
		Donations	145,000	17,279	-	17,279
		Investment Income	Study Leave Purchases - Misc from Special Funds	12,660	-	12,660
			Transfer from Income & Expenditure	41,079	-	41,079
<b>Emergency Response</b>	40,582	Investment income	1,967	42,549	-	42,549
<b>Freda Stucky</b>	229,707	Investment income	11,136	240,843	-	240,843
<b>Loss of Heart Compensation</b>	2,022,254	Investment income	71,641	2,093,895	1,106,913	986,982
<b>Maori Ethnology</b>	89,757	Investment income	4,351	94,108	-	94,108
<b>Purchase of Collections</b>	80,077	Budget Transfer Investment income	929 3,882	143	-	84,745
			Purchases - Natural History	143	-	84,745
<b>Retirement Leave</b>	192,890	Budget Transfer Investment income	12,947 9,351	36,762	-	178,426
			Retirement Payments	36,762	-	178,426
<b>Scientific Publications</b>	60,549	Budget Transfer Investment income	825 2,935	64,309	-	64,309
<b>Shop and Publication Sales</b>	908,611	Investment income	44,050	952,641	-	952,641
			Gift Vouchers Sold or Redeemed	20	-	952,641
<b>Special Exhibitions &amp; Programmes</b>	582,938	Budget Transfer Investment Income	37,719 28,264	627,231	-	627,231
			Conference & Study Leave	21,737	-	627,231
<b>Study &amp; Training</b>	94,128	Budget Transfer Investment Income	2,925 4,563	101,616	-	101,616
<b>TOTAL BROUGHT FORWARD FROM PAGE</b>	<b>\$8,217,236</b>		<b>\$628,129</b>	<b>\$7,281,863</b>	<b>\$1,106,913</b>	<b>\$6,174,950</b>

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS  
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2012**

**14 (f) Museum Reserves (Special Funds) cont.**

SPECIAL FUND	BALANCE 01/07/2012 & TRANSFERS	ADD INCOME & EXPENDITURE	DEDUCT & TRANSFERS	BALANCE 30/06/2013 TOTAL	CAPITAL	INCOME
<b>Project &amp; Development Fund</b>	723,141	Transfer from Income & Expenditure	Equipment & Upgrades	92,045		746,211
		Investment Income	Maintenance	5,654		
<b>TOTAL MUSEUM RESERVES</b>	<b>\$8,940,377</b>	<b>\$748,898</b>	<b>\$1,661,201</b>	<b>\$8,028,074</b>	<b>\$1,106,913</b>	<b>\$6,921,161</b>

**15. CAPITAL**

	2013	2012
<b>Capital</b>	\$	\$
Balance at beginning of year	13,172,827	13,564,469
Plus exhibits and equipment purchased from Restricted and Museum Reserves	1,590,229	188,970
Net surplus/(deficit)	(717,550)	(3,655)
Transfers from/(to) reserves:		
Restricted and Museum Reserves	(110,276)	(576,957)
Balance at end of year	\$13,935,230	\$13,172,827

**16. COMMITMENTS FOR EXPENDITURE**

**(a) Capital and Other Expenditure Commitments**  
Capital and other expenditure commitments at 30 June 2013 were \$Nil (30 June 2012: \$1,599,750).

The Otago Museum Trust Board entered into a 33 year lease with the Dunedin City Council on the 19th of October 2010 for the Old Post Office building located on the Museum Reserve. The initial yearly rental is set at \$12,000 plus GST and is subject to yearly rental reviews. The rental expense is to be rebated in full by the Dunedin City Council until 1 January 2012 or when the premises becomes open to the public (whichever comes first) per clause 1a of the lease agreement.

**17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

	2013	2012
<b>Contingent Liabilities</b>	\$	\$
ATA Carnet	19,930	19,930
<b>Contingent Assets</b>		
There were no contingent assets at 30 June, 2013 (2012: Nil).		

**18. RELATED PARTY DISCLOSURES**

**Contributing Local Authorities**  
Under the Otago Museum Trust Board Act, 1996 contributing authorities are required to provide certain levels of funding to the Otago Museum.

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS  
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

**Transactions with Related Parties**

During the year the following receipts (payments) were received from (made to) contributing authorities and these were conducted on normal commercial terms:

	2013	2012
Central Otago District Council	\$	\$
Levy received	25,253	25,253
Clutha District Council	178,010	178,010
Dunedin City Council	3,767,900	3,767,900
Waitaki District Council	50,505	50,505
	\$4,021,668	\$4,021,668

	2013	2012
Dunedin City Council	Rates paid	\$78,528
Otago Museum purchased services from Central Otago District Council totalling:	\$334	(2012: \$320)
Dunedin City Council purchased services from the Otago Museum totalling:	\$304	(2012: \$22,347)
Otago Museum purchased services from Dunedin City Council totalling:	\$2,128	(2012: \$3,003)

The transactions above related to water rates, liquor licensing, advertising, building warrants of fitness and venue hires which were all completed on normal commercial terms.

During the year the following receipts (payments) were received from (made to) Board members and associated personnel. These were conducted on normal commercial terms:

	2013	2012
Polson Higgs	\$	\$
Innovation Limited	20,250	12,000
	3,815	-
	\$24,065	\$12,000

The transactions above related to professional services rendered, remuneration for the Chair of the Board and reimbursement expenditure relating to the Chair of the Board carrying out his role. All transactions were completed on normal commercial terms.

**19. NOTES TO THE CASH FLOW STATEMENT**

**(a) Reconciliation of Cash and Cash Equivalents**

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	2013	2012
Cash and cash equivalents	\$	\$
	8,247,113	9,647,631
	\$8,247,113	\$9,647,631

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS  
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

**19. NOTES TO THE CASH FLOW STATEMENT cont.**

	2013	2012
	\$	\$
<b>(b) Reconciliation of Surplus for the Year to Net Cash Flows From Operating Activities</b>		
Surplus for the year	(284)	672,824
Add/(less) non-cash items:		
Depreciation	946,226	916,822
	945,942	1,589,646
Movement in working capital:		
(Increase) Decrease in Trade and other receivables	19,524	(129,441)
(Increase) Decrease in Inventories	18,232	(10,999)
Increase (Decrease) in Trade and other payables	(936,128)	110,420
	27,570	1,559,626
Less items reclassified as investing or financing activities	(82,375)	-
Fixed Asset Purchase in Accounts Payable	(\$54,805)	\$1,559,626

**20. FINANCIAL INSTRUMENTS**

**(a) Capital Risk Management**

The Otago Museum Trust Board Act 1996 (the Act) requires the Museum to manage and account for its revenue, expenses, assets, liabilities, investments and financial dealings generally and in accordance with the relevant financial management principles of the Local Government Act 2002 and Generally Accepted Accounting Practice. Museum Capital is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The Museum has the following reserves:

- Restricted Reserves (Trust Funds); and
- Museum Reserves (Special Funds).

Interest and realised gains or losses on the sale of shares are recognised through the Statement of Financial Performance. They accordingly form part of the surplus or deficit transferred to Museum Capital. Investment income is then allocated to the Reserves on a pro-rata basis. Subsequent use of these funds may be restricted by Trust Deed or established policy.

The Museum's overall strategy remains unchanged from 2010.

**(b) Significant Accounting Policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, and the basis of measurement applied in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS  
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

**(c) Categories of Financial Instruments**

	2013	2012
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	8,247,113	9,647,631
Trade and other receivables	304,559	310,093
Other financial assets:		
• Loans and receivables	-	-
• Available-for-sale financial assets	5,008,934	4,881,039

**Financial Liabilities**

Trade and other payables	412,532	788,048
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**(d) Financial Risk Management Objectives**

The Museum has a series of policies to manage the risks associated with financial instruments. The Museum is risk averse and seeks to minimise exposure from its treasury activities. The Museum has established Museum approved Financial Management and Investment policies. These provide a framework for the management of financial resources in an efficient and effective way.

The Museum does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

**(e) Market Risk**

**Interest Rate Risk**

The Museum is exposed to interest rate risk as it invests cash in short term deposits at fixed interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Investments at fixed interest rates expose the Museum to fair value interest rate risk.

**(f) Credit Risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Museum.

The Museum has no significant concentrations of credit risk arising from trade receivables.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Museum's maximum exposure to credit risk without taking account of the value of any collateral obtained.

**(g) Liquidity Risk Management**

Liquidity risk is the risk that the Museum will encounter difficulty in raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash.

The Museum manages liquidity risk by maintaining adequate funds on deposit, reserves, banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.



**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS  
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

**20 (h). FINANCIAL INSTRUMENTS cont.**

**Maturity Profile of Financial Instruments**

The following tables detail the Museum's exposure to interest rate risk on financial instruments:

2013	Weighted Average Effective Interest Rate %	Variable Interest Rate \$	Less than 1 year	Fixed Maturity Dates					Non Interest Bearing	Total \$
				1-2 Years	2-3 Years	3-4 Years	4-5 Years	5+ Years		
<b>Financial assets:</b>										
Cash and cash equivalents	4.01	8,247,113								8,247,113
Trade and other receivables									304,559	304,559
Other financial assets										-
- Current			329,648							329,648
- Non current	1.82									-
- Equity securities - NZ								819,024		819,024
- Equity securities - Aust								1,508,447		1,508,447
- Equity securities - UK								646,007		646,007
- Equity securities - USA								538,049		538,049
- Fixed rate bonds	6.92		206,785	353,884	173,278	28,709	75,073	330,030		1,167,759
<b>Financial liabilities:</b>										
Trade and other payables										\$412,532

**Financial liabilities:**

Trade and other payables

\$412,532

2012	Weighted Average Effective Interest Rate %	Variable Interest Rate \$	Less than 1 year	Fixed Maturity Dates					Non Interest Bearing	Total \$
				1-2 Years	2-3 Years	3-4 Years	4-5 Years	5+ Years		
<b>Financial assets:</b>										
Cash and cash equivalents	4.33	9,647,631								9,647,631
Trade and other receivables									310,093	310,093
Other financial assets										-
- Current										-
- Short term deposits	4.35		346,161							346,161
- Non current										-
- Equity securities - NZ									649,119	649,119
- Equity securities - Aust									1,763,281	1,763,281
- Equity securities - UK									495,182	495,182
- Equity securities - USA									349,870	349,870
- Fixed rate bonds	7.53		258,705	212,040	362,045	175,360	26,760	242,516		1,277,426
<b>Financial liabilities:</b>										
Trade and other payables										\$778,048

**Financial liabilities:**

Trade and other payables

\$778,048

**(i) Fair Value of Financial Instruments**

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The Museum considers that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values.

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS  
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

**20 FINANCIAL INSTRUMENTS cont.**

**(j) Sensitivity Analysis**

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on the Museum's financial instruments exposures at balance date.

	2013		
	-0.05%	+0.05%	+0.05%
<b>Interest Rate Risk</b>	<b>Surplus</b>	<b>Surplus</b>	<b>Surplus</b>
<b>Financial Assets</b>			
Cash & Cash Equivalents	(1,970)	1,970	(1,964)
Fixed Term & Other Interest Bearing	(545)	545	(589)
<i>Total Sensitivity</i>	<i>(2,515)</i>	<i>2,515</i>	<i>(2,553)</i>

	2013		
	-5%	+5%	-5%
<b>Foreign Exchange Risk</b>	<b>Surplus</b>	<b>Surplus</b>	<b>Surplus</b>
<b>Financial Assets</b>			
Listed Shares	(4,491)	4,963	(4,651)
<i>Total Sensitivity</i>	<i>(4,491)</i>	<i>4,963</i>	<i>(4,651)</i>

**(k) Credit Quality of Financial Instruments**

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard & Poor's credit ratings (if available) or to historical information about counterparty default rates.

**Counterparties with Credit Ratings**

Cash at Bank & Cash Equivalents	2013 \$	2012 \$
AA-	8,237,324	9,634,986
Total cash at Bank & Cash Equivalents	8,237,324	9,634,986
Fixed term Interest & Other Interest Bearing		
AA-	393,403	657,866
A+	106,946	108,855
A	87,832	74,400
BBB+	318,610	248,395
BBB	104,571	107,150
BB+	75,188	-
Total Fixed Term Interest & Other Interest Bearing	1,086,550	1,196,666

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS  
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2013**

**(k) Credit Quality of Financial Instruments cont.**

	<b>2013</b>	<b>2012</b>
	\$	\$
<b>Counterparties without Credit Ratings</b>		
Cash at Bank & Cash Equivalents	9,789	12,645
Existing counterparty with no defaults in the past		
Total cash at Bank & Cash Equivalents	9,789	12,645
Fixed term Interest & Other Interest Bearing		
Existing counterparty with no defaults in the past	410,857	426,921
Total Fixed Term Interest & Other Interest Bearing	410,857	426,921
Equity Investment		
Existing counterparty with no defaults in the past	3,511,527	3,257,452
Total Equity Investment	3,511,527	3,257,452
Trade & Other Receivables		
Existing counterparty with no defaults in the past	304,559	310,093
Total Trade & Other receivables	304,559	310,093

**21. ANNUAL REPORT**

The Otago Museum Trust Board Act (1996) requires adoption of the audited Annual Report by 30 November.

**OTAGO MUSEUM TRUST BOARD SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED 30 JUNE, 2013**

<b>FIXED ASSETS AND EXHIBITS ACQUIRED DURING THE YEAR</b>	<b>Capital Account</b>	<b>Local Body Levies</b>
<b>Account</b>		
<b>EXECUTIVE OFFICE</b>		
Equipment & Furniture		14,139
<b>COLLECTIONS &amp; RESEARCH</b>		
Equipment & Furniture		-
<b>FINANCE, ASSETS &amp; COMMERCIAL</b>		
Equipment & Furniture		-
<b>EXPERIENCE &amp; DEVELOPMENT</b>		
Equipment & Furniture		26,832
<b>VISITOR INTERACTION &amp; PROGRAMMES</b>		
Equipment & Furniture		2,349
<b>ASSETS &amp; TECHNOLOGY</b>		
Equipment & Furniture		49,932
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>		
Equipment & Furniture		33,766
<b>MUSEUM RESERVES</b>		
Project and Development Fund	1,532,307	
<b>FAIRWEATHER COLLECTIONS TRUST FUND</b>		
Ceramics	6,715	
Textiles	2,180	
Natural History	49,027	
<b>TOTAL ACQUISITIONS FOR YEAR</b>	<b>\$1,590,229</b>	<b>\$127,018</b>

**OTAGO MUSEUM TRUST BOARD SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED 30 JUNE, 2013**

**COMPARISON OF OPERATIONAL INCOME AND EXPENDITURE TO THE ANNUAL PLAN**

	CORE OPERATING		BUSINESS UNITS		SPECIAL & TRUST FUNDS		TOTAL	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
<b>Income</b>								
Executive	694,034	693,829	-	-	-	-	694,034	693,829
Collections & Research	758,165	764,342	-	-	-	-	758,165	764,342
Experience & Development	1,004,783	975,116	-	-	-	-	1,004,783	975,116
Finance & Commercial	(26,621)	(21,200)	1,733,921	1,314,268	-	-	1,707,300	1,293,068
Assets & Technology	612,790	611,940	-	-	-	-	612,790	611,940
Visitor Interaction & Programmes	661,423	715,320	431,253	450,000	-	-	1,092,676	1,165,320
Special & Trust Funds	-	-	-	-	813,242	1,230,950	813,242	1,230,950
CLA Contribution & Other Income	766,234	788,931	-	-	-	-	766,234	788,931
<b>Total Income</b>	<b>4,470,808</b>	<b>4,528,278</b>	<b>2,165,174</b>	<b>1,764,268</b>	<b>813,242</b>	<b>1,230,950</b>	<b>7,449,224</b>	<b>7,523,496</b>
<b>Wages &amp; Salaries</b>								
Executive	(155,553)	(325,675)	-	-	-	-	(155,553)	(325,675)
Collections & Research	(466,985)	(663,120)	-	-	-	-	(466,985)	(663,120)
Experience & Development	(667,353)	(522,458)	-	-	-	-	(667,353)	(522,458)
Finance & Commercial	(210,618)	(270,259)	(501,992)	(430,485)	-	-	(712,610)	(700,744)
Assets & Technology	(345,863)	(284,165)	-	-	-	-	(345,863)	(284,165)
Visitor Interaction & Programmes	(858,673)	(793,271)	(46,813)	(46,267)	-	-	(905,486)	(839,538)
Special & Trust Funds	-	-	-	-	(36,762)	-	(36,762)	-
<b>Total Wages &amp; Salaries</b>	<b>(2,705,045)</b>	<b>(2,858,948)</b>	<b>(548,805)</b>	<b>(476,752)</b>	<b>(36,762)</b>	<b>-</b>	<b>(3,290,612)</b>	<b>(3,335,700)</b>
<b>Direct Costs</b>								
Executive	(532,668)	(302,510)	-	-	-	-	(532,668)	(302,510)
Collections & Research	(60,811)	(101,227)	-	-	-	-	(60,811)	(101,227)
Experience & Development	(391,140)	(366,952)	-	-	-	-	(391,140)	(366,952)
Finance & Commercial	(12,247)	(27,318)	(810,830)	(678,558)	-	-	(823,077)	(705,876)
Assets & Technology	(268,179)	(327,773)	-	-	-	-	(268,179)	(327,773)
Visitor Interaction & Programmes	(98,402)	(149,038)	(143,997)	(176,742)	-	-	(242,399)	(325,780)
Special & Trust Funds	-	-	-	-	(59,213)	(513,177)	(59,213)	(513,177)
<b>Total Direct Costs</b>	<b>(1,363,447)</b>	<b>(1,274,818)</b>	<b>(954,827)</b>	<b>(855,300)</b>	<b>(59,213)</b>	<b>(513,177)</b>	<b>(2,377,487)</b>	<b>(2,643,295)</b>
Depreciation	(946,226)	(1,379,500)	-	-	-	-	(946,226)	(1,379,500)
Indirect Costs	(835,182)	(873,298)	-	-	-	-	(835,182)	(873,298)
<b>Net Contribution</b>	<b>(1,379,092)</b>	<b>(1,858,286)</b>	<b>661,542</b>	<b>432,216</b>	<b>717,267</b>	<b>717,773</b>	<b>(283)</b>	<b>(708,297)</b>

## Independent Auditor's Report

### To the readers of Otago Museum Trust Board's financial statements and statement of service performance for the year ended 30 June 2013

The Auditor-General is the auditor of Otago Museum Trust Board (the Trust Board). The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Trust Board on her behalf.

We have audited:

- the financial statements of the Trust Board on pages 26 to 43, that comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Trust Board on pages 19 to 25.

#### Adverse opinion – Non recognition of museum collection assets

##### Reason for our adverse opinion

The Board has not recognised the museum collection assets owned by the Trust Board in the statement of financial position, nor the associated depreciation expense in the statement of financial performance. This is a departure from applicable New Zealand Equivalent to International Accounting Standard 16 (NZ IAS 16): Property, Plant and Equipment, which generally requires assets to be recognised and depreciated during their useful lives in the financial statements. There are no practical audit procedures that we have been able to apply to quantify the effect of this departure from NZ IAS 16.

#### Adverse opinion on the statement of financial position and the statement of financial performance

In our opinion, because of the effect of the inappropriate accounting for museum collection assets, the financial statements of the Trust Board on pages 26 to 43:

- do not comply with generally accepted accounting practice in New Zealand; and
- do not fairly reflect the Trust's:
  - financial position as at 30 June 2013; and
  - financial performance for the year ended on that date.

If it were not for the failure to account for the museum collection assets in the manner required by NZ IAS 16 as outlined above, then, in our opinion, the financial statements of the Trust Board would have fairly reflected the financial position as at 30 June 2013 and the results of its operations for the year ended on that date.

#### Opinion on the statement of cash flows

In our opinion, the financial statements of the Trust Board on pages 26 to 43 fairly reflect the cash flows for the year ended 30 June 2013.

#### Opinion on the statement of service performance

In our opinion, the statement of service performance of the Trust Board on pages 19 to 25:

- complies with generally accepted accounting practice in New Zealand; and
- gives a true and fair view of the Trust Board's service performance achievements measured against the performance targets adopted for the year ended 30 June 2013.

Our audit was completed on 12 October 2013. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and we explain our independence.

#### Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments; we consider internal control relevant to the preparation of the Trust Board's financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust Board's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. Also we did not evaluate the security and controls over the electronic publication of the financial statements and statement of service performance.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Responsibilities of the Board**

The Board is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Trust Board's financial position, financial performance and cash flows; and
- fairly reflect its service performance achievements.

The Board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the financial statements and statement of service performance, whether in printed or electronic form.

The Board's responsibilities arise from the Otago Museum Trust Board Act 1996.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Otago Museum Trust Board Act 1996.

### **Independence**

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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



Bede Kearney  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

## NOTES

## NOTES

## NOTES