



OTAGO*museum*



ANNUAL REPORT 2011 – 2012



STATEMENT OF PURPOSE

The Otago Museum is a non-profit-making, permanent institution, founded by the people of Otago for the service and development of their community.

The Museum's vision is

“to be an inspirational museum of which the people of Otago and New Zealand are proud”.

To achieve this the Museum has a strong community focus in presenting its products and services and an emphasis on collection care, ensuring the preservation of the heritage of the region.

The mission of the Museum is

“to inspire and enrich our communities, and enhance understanding of the world through our collections, our people and the stories we share”.

The Museum seeks to achieve its mission through **preservation, research and education**. It acquires, records, researches, conserves, communicates and exhibits material evidence of people, knowledge and the environment for the education, entertainment and inspiration of local communities and visitors. The Otago Museum has three primary areas of focus: culture, nature and science.

The Otago Museum's Strategic Plan 2011-2014 identifies the following strategic initiatives to be considered over the coming years:

- People and culture
- Collection care
- Depth rather than extended breadth
- Expanding joy
- Strategic capital development
- Demonstrating relevancy
- Responsible operations
- 150th celebration (2018) – initiative considered from 2014

In order to achieve these objectives two key result areas have been determined:

- The Museum is considered a leader in the community offering knowledge, learning opportunities and experiences that are relevant, contemporary, topical, widely accessible and consistently high in quality, as perceived by our communities
- All staff and Board work together to demonstrate effective and positive management of collections, resources and skills

The Otago Museum is proud of its collections and its position as an internationally respected museum. It continues to strive to provide the community of Otago with a comprehensive range of high quality opportunities for a variety of audiences provided through an efficient use of public and self-generated resources.

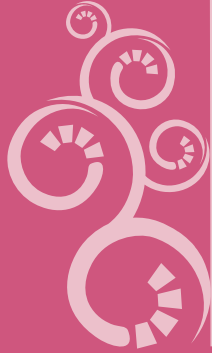


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CHAIRPERSON'S FOREWORD



It is my pleasure as Chairperson to report on behalf of the Board on another eventful and successful year at Otago Museum.

As we reflect on the financial year the Museum can be very proud of the achievements this year. These are set out in this report.

A significant event for the Museum this year was the opening of the *Te Ao Māori: Māori Treasures from the Otago Museum, New Zealand* exhibition in Shanghai. I was delighted to attend the opening ceremonies in Shanghai in July and experience the quality of this exhibition and the response of our Chinese hosts. As noted elsewhere in this report, 610,000 visitors attended the exhibition. This is very positive for the further development of our sister city relationship. We are very much looking forward to the return exhibition here in Dunedin in 2013.

During the year another Museum favourite, the Animal Attic, received a well deserved makeover. Again the feedback on this has been very positive.

Work has commenced on the Former Dunedin North Post Office building development as the latest addition to the Museum. This is scheduled to host its first exhibition in March 2013.

We, like all institutions, are operating 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 the 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.

We are delighted to report a positive financial outcome for the year which has been the result of hard work and prudent juggling of resources. 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.

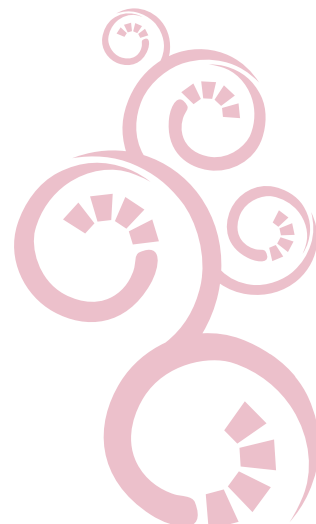
At the time of writing this report the Board is in the process of recruiting for a new Chief Executive. This has arisen due to the resignation of Shimrath Paul after a long and successful career with the Museum. Shimrath has taken an exciting opportunity in Jakarta and we wish him well in his future. He has been a significant contributor to the development of our Museum and his influence can be seen throughout the organisation. We are very appreciative of his efforts and we will continue to look to build on them into the future.

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

My appreciation goes to my fellow Board members. We have settled in well as a new Board and I appreciate the energy and commitment they bring to Otago Museum.

Graham Crombie

Chairperson, Otago Museum Trust Board



CHIEF EXECUTIVE'S REVIEW OF THE YEAR



It gives me great pleasure to be able to report on another highly successful year at the Museum.

The 2011-2012 year has not been without its challenges, with resources remaining tightly constrained. We have made every effort to use our resources as best we can so as to avoid compromising on

our visitor experience, and we are proud to report that nearly half a million visits were made to the Museum within the period – our second highest ever number of visits within a year.

2011-2012 began with a significant exhibition from the Otago Museum opening at the Shanghai Museum. *Te Ao Māori: Māori Treasures from the Otago Museum, New Zealand* was the first ever exhibition of Māori artefacts in a Chinese museum, taking pride of place in the Shanghai Museum's number one exhibition gallery. Brought together with the support of our Māori Advisory Committee, *Te Ao Māori* featured over 300 artefacts in a range of media, with a special focus on the story of pounamu as a treasure of Kāi Tahu. A waharoa (carved gateway), commissioned from carver James York, made for an impactful exhibition entranceway and an important addition to the permanent collection of the Otago Museum.

We were very proud to learn that over 610,000 visitors had been through the exhibition, and feel that this exhibition, more than ever before, has confirmed the Otago Museum's place as a key player in the international museum world.

As well as advancing and consolidating Dunedin-Shanghai sister city ties, the success of *Te Ao Māori* is a part of the longstanding relationship between Shanghai and Otago Museum. The relationship is part of a broader approach that sees us building global relationships that allow us to sustainably create and source world-class exhibitions and experiences for our own local community. Within the period our international relationships have expanded, with exchange agreements established and signed with the Shanghai Science and Technology Museum, the Guangdong Science Centre, Science Centre Singapore and Thailand's National Science Museum. Our Staff Exchange Programme had a successful start with a staff member from the Shanghai Science and Technology Museum spending time as a part of our team earlier in the year.

Meanwhile, planning is underway for the next exhibition to come to us from the Shanghai Museum, likely to show in July 2013. The exhibition will showcase minority cultures in Chinese history, and will include artefacts and collection pieces rich in both culture and tradition from the Shanghai Museum. As well as this, initial planning has begun for an Otago Museum natural science exhibition, highlighting New Zealand and Otago nature stories and the relationship of Māori and the natural world. The exhibition, which will go on display in the Shanghai Science and Technology Museum's new Natural History Museum in 2014, will be developed in partnership with our Māori Advisory Committee and Natural History New Zealand.

Other critical international relationships are those we have with our butterfly suppliers in the Philippines and Costa Rica. Dealing directly with butterfly farmers, unlike other butterfly houses the world over, enables the Tropical Forest to be a significantly more sustainable operation.

Closer to home, significant progress has been made on the redevelopment of the beautiful bluestone building on the Museum Reserve – formerly the Dunedin North Post Office. Architectural plans by McCoy and Wixon are in place that will equip the building for a

new life while staying true to its heritage values. It is anticipated that the building will be open from March 2013. A special thanks is due to Alexander McMillan Trust, Otago Community Trust, Perpetual Trust and Trustees Executors, who have contributed funding to the project. As an organisation we are necessarily reliant on fundraising for many things; without these contributions, important community projects such as this would not be possible.

Due to resourcing constraints, the Museum has needed to derive a greater proportion of the operational budget from its business operations than in previous years, and we have done our best to ensure that the experiences and services offered through our business operations have added to the overall Museum experience for our visitors. One such development in our Tropical Forest was the rainmaking function, which was used publicly for the first time for a 'monsoon season' during the start of the year. This proved to be a special drawcard for people visiting the Tropical Forest and drew very positive visitor feedback.

Our exhibitions during the period included a range of internally and externally sourced shows. Touring exhibition *Hard on the Heels: Peter Bush, Capturing the All Blacks* was timed to coincide with World Cup rugby fever and included a special extra for the Otago showing – highlights from the collection of rugby art and memorabilia of a member of our local community. *Focal Point: 150 years of the Otago Daily Times* was developed inhouse in partnership with the Otago Daily Times. This exhibition has since travelled within the Otago region. Our popular summer show from 2010-2011, *Your Face Here*, toured to Te Manawa in Palmerston North in exchange for their *Mirror Magic* exhibition, which will form part of our schedule for the summer of 2012-2013. Exhibition exchange has proven a cost effective way to bring new exhibitions for our community, and to see our own initiatives reaching wider audiences.

Our beloved 'museum within the Museum' – the Animal Attic – received some gentle but important improvements in April this year. The gallery, which was originally a mezzanine top floor of the first Museum

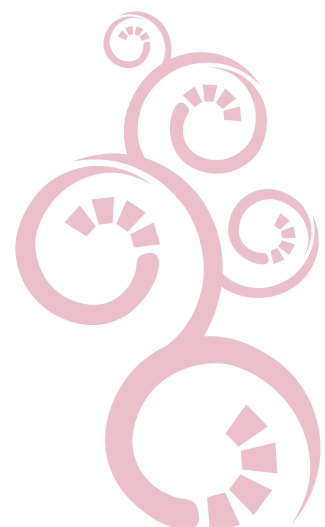
building on the current site, was re-established after many years of closure in 1996. Its Victorian flavour has been retained and enhanced with the recent improvements, which have seen updates to labels, interpretation and the physical environment. All of the old favourites remain, within enhanced surroundings, and ready for another generation of visitors.

A significant project 'behind the scenes' has also been underway this year – the Collection Audit project. The pilot project was completed this year. The outcomes of the pilot phase will inform the roll out of the Collection Audit across the collection with maximum efficiency and effective use of resources, as well as giving an indication of the total project timeframe. It is very exciting to have this major and long-term project underway. The Collection Audit will greatly improve the Museum's ability to manage and utilise the collection and its associated information, as well as having positive effects for the community through the enhanced use of the collection, and further enabling the responsible stewardship of significant community assets.

Acknowledgements must be addressed to those who volunteer their time to help us – our Māori Advisory Committee, Honorary Curators, Trust Board and interns. A very special thank you to our Māori Advisory Committee and Honorary Curators for being a part of our team and wholeheartedly supporting us in our many ventures.

Finally, my sincere gratitude to the hugely talented, committed and passionate members of my team for their efforts not only to sustain, but to continually improve the Otago Museum for our community – you have every reason to be very proud of your achievements. I look to the year ahead with confidence that the Otago Museum team is in extremely good heart. I know that they will continue to create great experiences for our visitors and care for the collection with passion and pride.

Shimrath Paul
Chief Executive



OTAGO MUSEUM TRUST BOARD

MEMBERS OF THE BOARD

Graham Crombie (Chairperson)
Kate Wilson (Deputy Chairperson)
Sydney Brown
Peter Dearden
Gaynor Finch
David Hutchinson
Julie Pearce
Glenn Summerhayes
Colin Weatherall
Jim Williams

Ex Officio

Mike Horne, Deloitte (Treasurer/Accountant)
Lisa Wilson, Deloitte (Deputy Treasurer Accountant)
Shimrath Paul (Secretary)

Audit, Finance and Risk Management Committee

Kate Wilson (Chairperson)
Gaynor Finch (Deputy Chairperson)
Graham Crombie
Julie Pearce

Executive Committee elected members

Graham Crombie (Chairperson)
Sydney Brown
Glenn Summerhayes
Kate Wilson

Staffing Committee elected members

Graham Crombie (Chairperson)
Sydney Brown
Peter Dearden
Kate Wilson



THE BIG GET TOGETHER

An annual fixture on the community calendar, The Big Get Together rocked the Museum once again this year. Now in its sixth year, The Big Get Together is much more than a concert, with performers, stalls, face-painting, science shows, activities and more. Rain was no dampener on spirits this year as the event moved indoors. Over 5,000 people joined in the fun, with children's pop group *The Funky Monkeys*, *Rhythm Interactive's* drum show, sword swallowing, and the world's stinkiest fruit among the highlights.

The Big Get Together is highly anticipated by the Museum staff as well as the community. With all entertainment free, it's a great chance for members of the Museum team to get involved with making candy floss, painting faces, blowing up balloons... and a great opportunity to mix and mingle with happy visitors.

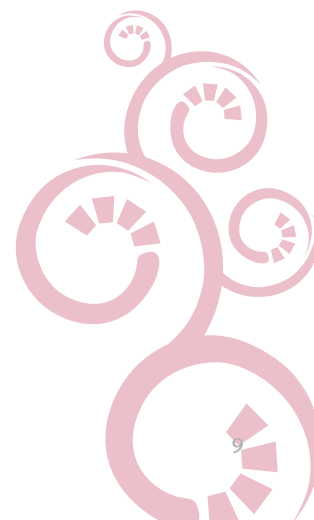
*"This is a really wonderful place.
You need more than one day to see
and enjoy everything."*

*A visitor from Christchurch, New Zealand,
September 2011*

2 - OTAGO MUSEUM STAFF AS AT 30 JUNE 2012 (excludes Casual Staff)

Aimee Burbery	Collection Project Assistant
Aleasha King BA	Communicator
Amadeo Enriquez BSc	Science Communicator
Amy Marr BA (Hons)	Communicator Coordinator
Andrew Charlton BSc	Systems Development Coordinator
Bernard Hamlin BSc	IT Coordinator
Bethan Rees BA (Hons)	Collection Officer
Brenda Barron	Building Services Officer
Bronwyn Robson	Café Cook
Cameron Burns BA	Assets and Technology Officer
Catherine Cooper BA (Hons)	Communicator
Catherine Gadd BA	Visitor Programmes Coordinator
Charlotte Halliday	Communicator
Chris Farry BCom	Director – Finance and Commercial
Christina Paterson	Exhibitions Communicator and Sales Assistant
Clare Wilson BCom, BA, PGDip	Director – Experience and Development Director – Collections and Research
Cody Fraser BSc, PGDip	Collection Coordinator – Natural Science
Craig Scott BDes (Com)	Exhibitions Officer
Eleanor Ross BA (Hons), MA	Content Services Coordinator
Emma Burns BSc	Research and Interpretation Coordinator – Natural Science
Garry Gibson	Production and Projects Officer
Graziella Trippa BA	Shop Communicator
Gwendolen Jackson	Café Host
Hamish Garry	Collection Officer; Design Services Officer
Harry Bleasdale	Café Cook
Heather Robertson BA, MSciComm	Education Coordinator
Helen Horner DipTchg (Higher)	Director – Visitor Interaction and Programmes
Iwan Pieterse BCom (Hons)	Accountant
Jacqueline Edwards BA (Hons), BSc	Collection Officer – Natural Science
Jennifer Ashby	Café Host – Barista

Jessica McNamara BA	Communicator
Jessica Ralfe BA	Tourism and Venues Officer
Joel Oldridge BSc	Assets and Technology Manager
Juliet Pierce BCom (Hons)	Marketing Coordinator
Katie Topham BA	Visitor Programmes Officer
Kimberley Beckett BA (Hons), GradDip, DipGrad	Education Communicator
Kimberley Smith BCapSc, DiplLangC	Marketing Officer
Laura Sargisson BVA	Design Services Assistant
Lizzie Reynolds BTchg	Communicator
Marilyn Washington	Building Services Officer
Melanie Pearson	Café Coordinator
Michael Anderson	Kitchen Assistant
Moira White MA	Research and Interpretation Coordinator – Humanities
Murray McGuigan BA (Hons), MA, DPH	Living Environments Coordinator
Paul Hutchinson BPhEd	Kitchen Assistant
Rachel Blois BTchg	Communicator
Rebecca Lynn BA, BTour	Business Development Coordinator
Rebecca McMaster BA (Hons)	Design Services Coordinator
Ryan Achten	Design Services Assistant
Samanta Luzzi King BA	Shop Communicator
Samantha van der Mespel	Café Host
Sarah Byrne BCom	Corporate Services Coordinator
Sarah O'Neill	Café Host
Scott Reeves BA	Collection Coordinator – Humanities
Shanaya Allan BDes (Com)	Design Services Officer
Shimrath Paul BSc, MBA, AAT	Chief Executive
Teresa Fogarty BA	Administration and Support Officer
Trubie Smith BA, DipLang	Communicator; Weekend Supervisor
Trudi Webster BSc (Hons), MSc	Project Officer – Natural Science
Vicki Lenihan BVA, GradDipAdvC	Communicator





ANIMAL ATTIC REFRESHED FOR THE FUTURE

One of the Museum's most-loved galleries, the Animal Attic, received some special care and attention during the year. The gallery, which was the top floor of the Museum when it opened on its current Great King Street site in 1877, reflects the architecture, display techniques and scientific thinking of the Victorian period. Almost 3,000 historic zoological specimens are laid out in taxonomic groupings in an order based on a Victorian view of evolution.

The recent improvements complement and enhance the Attic's special character, with up-to-date interpretive material, fresh labels and environmental improvements.

The Lawrence Lions, perhaps the Attic's most iconic specimens, have been rehoused in a purpose-made case that allows visitors to view them from all sides. Taking pride of place on the mezzanine floor, the new case is accompanied by another highlighting Victorian collecting practices and featuring a very large and impressive Bengal tiger skin.

"Welcoming. Friendly. Informative. Educational. Interactive."

A visitor from Hastings, New Zealand, March 2012

MEMBERS OF THE MĀORI ADVISORY COMMITTEE

Matapura Ellison (Chairperson)
 John Broughton
 Jane Graveson
 Pat Hoffman
 Paulette Tamati-Elliffe (until April 2012)
 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
Warren Featherston, MSc, PhD	Natural Science
Robert Hannah, BA, MPhil	Classics
Anthony Harris, MSc	Entomology
Jane Malthus, BHSc, MSc, PhD	Dress and Textiles
Tony Reay, PhD	Geology
Peter Schweigman	Ornithology
Gary Wilson, BSc, BMus, PhD	Natural Science
Joel Vanderburg	Africa

ACKNOWLEDGEMENTS

Donors to the Humanities Collection

Sally Armfelt
 Karen Hamlen Williams
 Pauline Mahalski
 Mary McFarlane
 Valmai Shaw
 Rona Williams

Donors to the Natural Science Collection

Jan Brogan
 Rona Brownlees
 Department of Conservation
 Bronwen Presswell
 Stuart Strachan

Sponsors of Exhibitions and Programmes and Grants Received

Alexander McMillan Trust
 Anderson Lloyd Lawyers
 Dr Marjorie Barclay Trust
 Deloitte
 Jonathan's Photo Warehouse
 Natural History New Zealand Limited
 Otago Community Trust
 Otago Daily Times
 Perpetual Trust
 Trustees Executors

ASSOCIATION OF FRIENDS OF THE OTAGO MUSEUM

This year the Friends Council have continued their review of the Association's systems and processes. This review led to clarification of the Constitution and the decision that it is now possible for the Friends to manage the administration of the membership programme. I would like to thank Shimrath and the Otago Museum team, particularly Teresa Fogarty, for assisting and supporting the Friends in this area over the past year. We look forward to continued support in years to come.

The monthly 'What's On at Your Museum' emails members have been receiving have been most informative and useful for us to take the opportunity to enjoy our association with the Museum. In June, we had a most agreeable and informative evening with a preview of the sparkling refreshed Animal Attic – a favourite gallery for so many of us.

We look forward to continuing the traditions and purpose of the Friends as ambassadors and supporters of our splendid Museum in the year ahead.

Margaret Collins
President

PUBLICATIONS 2011-2012

Books and refereed journals:

Boutsikas, E., Hannah, R. 2012. 'Aitia, Astronomy and the Timing of the Arrhēphoria' in *Annual of the British School at Athens* 107: 1-13

Broughton, J., Shanghai Museum, Otago Museum. 2011. *Mao li ren de shi jie: Xin xi lan ao ta ge bo wu guan zhen cang wen mwu – Te Ao Māori: Māori treasures from the Otago Museum, New Zealand*. Shanghai, Shanghai Museum

Hannah, R. 2011. 'A Marble Head in the Otago Museum, Dunedin' in *Scholia* 19: 174-183

Hannah, R. 2011. 'A Tale of Two Capitals' in *Journal of New Zealand Art History* 32: 112-25

Hannah, R. 2012. 'Early Greek Lunisolar Cycles: the Pythian and Olympic Games' pp. 79-93 in J. Ben-Dov, W. Horowitz, J.M. Steele (eds.), *Living the Lunar Calendar*. Oxford, Oxbow Books

Hannah, R. 2011. 'The Horologium of Augustus as a sundial' in *Journal of Roman Archaeology* 24: 41-49

Hannah, R. 2012. 'Time for Augustus (again)' in *The History Teacher* 50

McPhail, C., Hannah, R. 2012. 'Eratosthenes' Perception of the Caspian Sea: A Gulf or an Inland Sea?' *Orbis Terrarum* 10: 155-72

Malthus, J. 2012. 'Black in the Victorian Era' pp. 60-79 in D. de Pont (ed), *Black: History of Black in Fashion, Society and Culture in New Zealand*. Auckland, Penguin New Zealand



AN OTAGO MUSEUM FELLOWSHIP IN TAXONOMY

The Museum has launched a new academic fellowship which aims to support taxonomic research. The Linnaeus Taxonomy Fellowship was established with the University of Otago, on the impetus of a committee of local people with an interest in taxonomy.

Named to commemorate Carl Linnaeus, the Swedish botanist acknowledged as the father of taxonomy, the Fellowship especially emphasises taxonomic research on organisms occurring in Otago and Southland. Use of the Otago Museum collection for research is also encouraged.

The Fellowship's inaugural recipient is Felix Marx, a University of Otago PhD candidate whose research focuses on the Pygmy right whale, *Caperea marginata*. Felix's research is expected to provide a sound basis for future work on the evolutionary history, disparity and functional morphology of *Caperea* in particular, and baleen whales as a whole.

"Inspiring and moving. Great spaces!"

A visitor from Australia, September 2011



CELEBRATING OTAGO'S OWN DAILY

A special exhibition celebrating 150 years of New Zealand's oldest daily newspaper proved popular with visitors this year, with over 55,000 people visiting. *Focal Point: 150 years of the Otago Daily Times* was developed collaboratively by the Museum team and the Otago Daily Times, and featured photographs from throughout the newspaper's history.

Visitors enjoyed a wide range of images, from front page news to royal visits, extreme weather events and student antics through the ages. A range of events complemented the exhibition, including a photography competition, media panel discussion and quiz evening, providing visitors with the opportunity to reflect on the role played by the media and test their own knowledge of Otago history.

"I've seen museums all over the world, and this is really a museum that New Zealand can be proud of."

A visitor from California, America, October 2011

Rowe, L. 2012. 'Facing the challenge: Integrating computer-based interactive exhibits with traditional object displays' in *Journal of the Shanghai Science and Technology Museum* 4 (1): 4-9

White, M. 2012. 'Dixon, Skinner and Te Rangi Hiroa' in *The Journal of Pacific History* 47(2): 1-19

Other publications:

Harris, A. C. 2011. 'A note on the resemblance of *Drototelus elegans* Brooks (Coleoptera: Cerambycidae) when flying in bright sunlight over *Dracophyllum* sp., to an ichneumonid such as *Xanthocryptus novozealandicus* (Dalla Torre) (Hymenoptera: Ichneumonidae)' in *The Weta* 42: 38-39

Harris, A. C. 2011. 'Large numbers of *Niveamorpha annulata* (Hutton, 1898) (Phasmatodea) on the fern *Dropteris affinis* (Lowe), Fraser-Jenkins' in *The Weta* 42: 42-43

Harris, A. C. 2011. 'Review: Guide to the Freshwater Crustacea of New Zealand by M. A. Chapman, M. H. Lewis, & M. J. Winterbourn (December, 2011) 188p. New Zealand freshwater Sciences Society (publisher)' in *The Weta* 42: 47-48

Harris, A. C. 2011-12. 52 weekly 'Nature File' articles in the *Otago Daily Times*

Malthus, J., White, M. 2012. 'Celebrating the Lace Collection at Otago Museum' in *Context* 23: 8-18

White, M. 2012. 'Ani Evans' knitting needle holder' in *Context* 23: 44-46

STATEMENT OF INTENT (ANNUAL PLAN 2012-2013)

KEY OUTCOME BY STRATEGIC INITIATIVE

Strategic Initiative 1: People and culture

Performance Measures:

- 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
- 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
- A staff handbook which enhances staff understanding and buy-in being updated and distributed each year
- All new staff being supported through a formal, comprehensive induction process
- A performance planning programme for all full and part-time staff being implemented, encompassing one formal annual review and two interim reviews
- Professional development strategies being provided across the organisation, with not less than 25 opportunities offered either in-house or out-sourced as needed

Strategic Initiative 2: Collection care

Performance Measures:

- 90% (aim 100%) of artefacts and specimens are housed in conditions appropriate for their type and material to international standards
- Collections are kept safe through the use of effective collection care practices and security measures – no damage or theft occurs
- Continue implementation of the Collection Audit with a further 9,000 items processed
- Continue implementing Radio Frequency Identification Devices (RFID) into collection care practices – a further 10,000 tags attached

Strategic Initiative 3: Depth rather than extended breadth

Performance Measures:

- Implement the Research Strategy, seeing not less than two research collaborations in place which result in co-authored publications
- Organise and host a Public Forum before April 2013 to gain community input into Museum exhibitions and programmes



Gold rush! An entry taken at the South Otago Museum as part of the Focal Point Photo Challenge.

REACHING THE REGIONS

The Otago Museum has once again supported communities throughout the Otago region from Balclutha to Oamaru and Alexandra, with a series of outreach programmes, regional gatherings and resource sharing.

School holiday activities were taken to museums in the region during October, giving children the chance to become mighty moa hunters for the afternoon. The Focal Point Photo Challenge competition ran at South Otago Museum and Alexandra's Central Stories during the January holiday period, encouraging visitors to capture quirky snaps around the museums.

Ongoing support, resources and advice have been provided to regional museums, including six-monthly gatherings hosted by the Museum. These forums enable the sharing of ideas, professional development and valuable networking opportunities. This year's sessions have focused particularly on acquisition policies for small museums and fundraising.

*"I really enjoyed your museum.
Wonderful, wonderful!"*

A visitor from America, October 2011



SUSTAINABILITY EFFORTS RECOGNISED

The Otago Museum's commitment to responsible operations was acknowledged this year with a Qualmark Gold Enviro Award.

Qualmark describes the Enviro Awards as recognition for businesses that 'go beyond the benchmark' in this area – 'demonstrating a commitment to being the best possible advocate within the community and continuing to minimise environmental impact and resource use.'

Effective and efficient resource management and sustainability in operations are part of an ongoing focus within the Museum's Strategic Plan. Various actions that ensure mindful resource use have been initiated and implemented by the team; these include systems for reduced paper wastage, an assessment of the building management system controls to maximise energy efficiency, and the installation of energy-efficient LED lights within the Café and in the Animal Attic.

"Wonderful to see so many young people and children and hear their delight."

A visitor from America, February 2012

Strategic Initiative 4: Expanding joy

Performance Measures:

- Welcome 400,000 visitors to the Museum
- Quarterly market research results indicate satisfaction across a range of measures by 90% of respondents
- Identify one community group before April 2013, make direct contact with them and encourage their participation in Museum activities

Strategic Initiative 5: Strategic capital development

Performance Measures:

- Fundraise for Development Plan projects, making no less than five approaches
- 10 year Capital Development Plan developed and approved by end October 2012

Strategic Initiative 6: Demonstrating relevancy

Performance Measures:

- Present budget and levies from contributing Local Authorities and seek funding as required by June 2013 for the 2013-2014 year
- Māori Advisory Committee meets at least quarterly
- The Museum is represented in not less than six relevant external committees
- Progress suitable initiatives with partnership organisations under an established Memorandum of Understanding or negotiate with a new partner for mutual benefit
- Arrange and host two gatherings for Otago's regional museums offering training and networking opportunities

Strategic Initiative 7: Responsible operations

Performance Measures:

- Identify and implement not less than five initiatives which positively impact the Museum's ability to use resources efficiently or minimise waste

KEY OUTCOMES BY OPERATIONAL TEAMS

The Otago Museum is made up of a diverse team of talented people. Together they focus continuously on how they can make a difference in the lives of the people of Otago. They have in common an important trait: the ability to focus on a goal greater than their singular ability. To inspire and enrich our communities the Museum team must work with passion, working smart, hard and fast. Working together, our team as a whole is much greater than the sum of its parts.

Supported by the Otago Museum Trust Board, and with outcome-focused systems and processes in place, the Museum team operates as a highly effective business. Costs are controlled, quality reporting enables effective decision making, and an ambition to be successful permeates throughout all levels of the team.

With due acknowledgement of our large and significant collection and the beautiful buildings that house it, people are nonetheless the Museum's greatest resource. The Board is committed to investing in, growing and retaining leaders throughout the team, and developing an organisation which attracts others in the future. It is these people who will continue to make the difference, giving the Otago Museum visitor experience the edge that takes it from excellent to inspirational.

The operations of the Museum are currently spread over six teams: Collections and Research, Visitor Interaction and Programmes, Experience and Development, Finance and Commercial, Assets and Technology, and Executive. As a dynamic organisation, the resources allocated between the teams change through time, depending on organisational priorities relating both to people and to outcomes and the resources available.

While every team is interdependent on the others to create best value, each team has ultimate accountability for a set of key performance indicators, as follow.



Credit: McCoy and Wixon

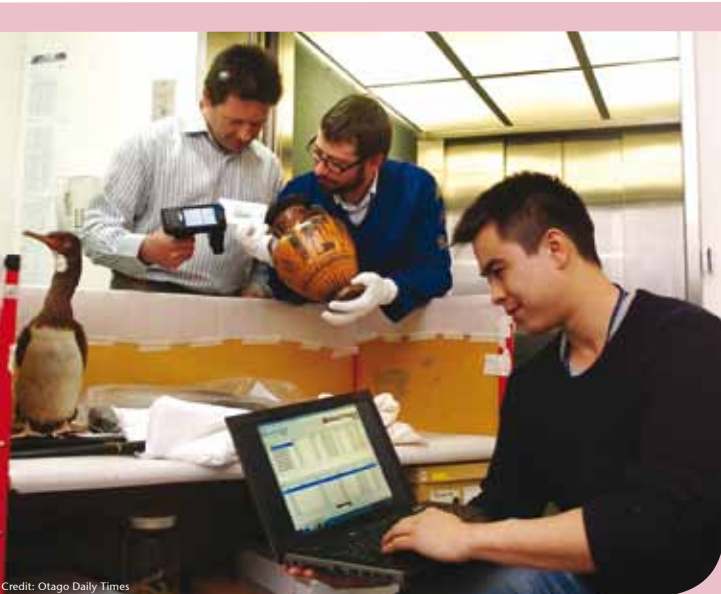
HERITAGE BUILDING TO BE RESTORED FOR PUBLIC USE

Significant progress has been made in the period on plans for the redevelopment of the beautiful bluestone building on the Museum Reserve – formerly the Dunedin North Post Office. Architectural designs by McCoy and Wixon are in place that will equip the building for a new life while staying true to its heritage values. Under the quality management expertise of Naylor Love, it is anticipated that the first exhibition in the building will open to the public in March 2013.

A special thanks is due to the Perpetual Trust, Otago Community Trust, Alexander McMillan Trust and Trustees Executors, who have contributed collectively a quarter of a million dollars to the \$1.5 million project. Alongside these contributions, the project will be progressed by an investment from the Museum's Development Fund, built up over many years from commercial successes for the purpose of enabling projects which see the Museum growing and developing for its community.

"Glorious. Wonderful guided tour by a very knowledgeable guide."

A visitor from Hampshire, England, April 2012



Credit: Otago Daily Times

IMPORTANT COLLECTION MANAGEMENT INITIATIVE UNDERWAY

This year saw the commencement of the Collection Audit, a major collection management project that will have important and far-reaching outcomes for many years to come. The Audit will ensure that every individual item has its own record in the collection management system, with all of the information that the item itself can tell us fully captured, including photographs. Existing records are carefully audited and new records created as needed.

All items are also being Radio Frequency Identification (RFID) tagged. RFID readers have been installed on key doorways in the Museum, meaning that an item's location can be automatically updated in the database as it moves from place to place. As each item is processed, it is repacked for maximum safety and stability.

With comprehensive and accurate knowledge captured electronically, access to item information for researchers and Museum staff will be streamlined – enabling major efficiency gains as well as opening up new possibilities for exhibitions, programmes and research collaborations.

"We think your museum is just fabulous, so creative."

Visitors from Sydney, Australia, January 2012

Collections and Research

Nature and Scope: This team builds the collection, ensures its preservation, facilitates research and access by others which adds value to the knowledge base, and through research and interpretation, develops content for galleries, special exhibitions, publications and other communications.

Key Objectives for 2012-2013:

Develop the Museum's collection and knowledge base

Performance Measures:

- Strategically add to the Museum's collection 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
- Add accurate entries into the collection management system to bring the total to 400,000 by June 2013

Share knowledge on Museum collection and themes

Performance Measures:

- Facilitate access to the collection – satisfy 80% of all requests for items and information, in line with Museum priorities
- Satisfy 90% of requests for identification of artefacts and specimens, in line with Museum priorities
- Publish not less than 10 articles

Visitor Interaction and Programmes

Nature and Scope: This team interfaces daily with Museum visitors, individually and in groups, adding value through sharing stories and information, education and sleepover programmes, events, tours and activities and through outreach programmes throughout Otago. They offer a warm welcome on arrival, provide business reception services, administer the membership programmes and ensure the Tropical Forest's operation and success.

Key Objectives for 2012-2013:

Encourage community learning through programmes which support the Museum's long-term galleries and special exhibitions

Performance Measures:

- Two free family-oriented activities on weekend and holiday days to complement the visitor experience
- One special event or activity on weekend and holiday days to complement the visitor experience
- Six specialist talks presented to the community
- Two programmes presented which support each special exhibition
- Two significant community-oriented events developed and delivered
- Five supervised holiday programmes for children in each school holidays
- 20 gallery-based presentations with supporting factsheets available
- Four science-based shows developed and presented in Discovery World

- Six activities offered which complement Discovery World and Tropical Forest themes and exhibitions
- Four cases developed and displayed in the Museum foyer which engage visitors

Provide formal education programmes for school visitors

Performance Measures:

- 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
- At least three curriculum-based programmes delivered to school groups

Present a range of outreach programmes (external to the Museum complex)

Performance Measures:

- Present at least 20 STARLAB planetarium programme sessions throughout Otago and Southland
- Develop and offer to present outreach programmes in cooperation with regional museums in Balclutha, Oamaru and Alexandra at least twice a year
- Arrange talks and/or presentations for at least five community events or to community groups

Experience and Development

Nature and Scope: This team creates and installs special exhibitions, interactive exhibits and other visitor experiences, as well as designing and distributing the Museum's marketing communications. They oversee the implementation of the strategic plan, fundraise, manage capital projects and tour Otago Museum exhibitions to other venues.

Key Objectives for 2012-2013:

Conduct high profile marketing campaigns for exhibitions, programmes and activities

Performance Measures:

- Update and implement a general Marketing Plan for the Museum within budget
- Develop and implement marketing plans for each special exhibition within individual budgets
- Achieve at least 52 news items and 75 paid promotions by June 2013
- Produce and distribute three issues of the Museum's Newsletter

Source and install a special exhibitions programme

Performance Measures:

- Two special exhibitions presented

Source or design and install an exhibition within the Former Dunedin North Post Office annex

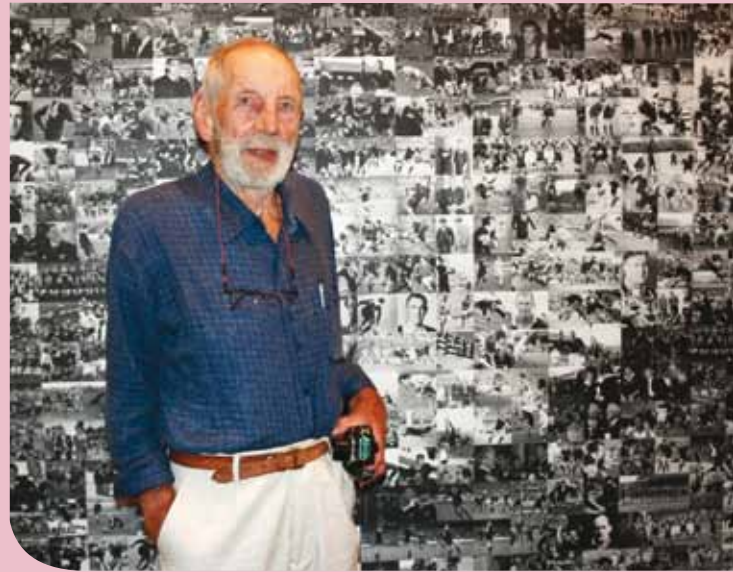
Performance Measures:

- One exhibition presented

Source or design and install Discovery World exhibits

Performance Measures:

- Four exhibits refurbished/created for Discovery World which encourage hands-on interaction and learning



RUGBY FEVER!

Hard on the Heels: Peter Bush – Capturing the All Blacks was a highlight for this year's exhibition schedule. The show, which toured nationally during 2011, featured images by rugby photographer Peter Bush (above), capturing great All Black moments, games and players spanning more than 60 years. The Otago Museum showing included a special extra – highlights from a local collection of rugby art and memorabilia belonging to Associate Professor John Broughton.

A rugby-themed day, 'Future All Blacks Arvo' kept up the rugby fever in the September school holidays. With special guests Rugger the Small Black and Harold the Life Education Giraffe, the event allowed children to put their rugby skills to the test while exploring the importance of good nutrition and the science behind the perfect pass.

"Thank you so much, we've had the best time! Not just the Tropical Forest, the whole Museum rocks!"

Visitors from Australia, January 2012



STAYING THE NIGHT AT THE MUSEUM

Thousands of students have had the experience of a lifetime with a sleepover at the Otago Museum this year. Tailored by our Sleepover Presenters to meet individual class needs, a sleepover provides students with a very different, very memorable experience of the Museum. With an education programme, scary night-time adventures and fun with science in Discovery World, the Museum sleepover experience continues to be popular with schools from throughout Otago and Southland.

The creative writing sleepover, especially for high school students, is a new addition to the schedule this year, allowing students to spend an afternoon, night and morning taking inspiration from the galleries and composing their own creative piece. Sleepover parties are also available for groups of children and adults, offering an unforgettable way to celebrate with friends.

"Very impressed with the children's areas for exploration and learning. Loved the butterflies."

A visitor from Hastings, New Zealand, November 2011

Gain an understanding of community and visitor views through a comprehensive and strategically-focused market research programme

Performance Measures:

- Complete the visitor satisfaction survey on a quarterly basis and report to Board and staff
- Undertake market research on at least two special exhibitions to gauge community response

Finance and Commercial

Nature and Scope: This team generates revenue through the Shop, the Café, and the Tourism and Venues business. They oversee human resources administration, undertake operational financial management and provide management reporting to enable quality decision making.

Key Objectives for 2012-2013:

Maintain the return to the Museum from the Shop operation

Performance Measures:

- Review the business and marketing strategies with the goal of maintaining the business at the current level

Maintain the return to the Museum from the Café

Performance Measures:

- Review the business and marketing strategies with the goal of maintaining the business at the current level

Maintain the return to the Museum from the Tourism and Venues business

Performance Measures:

- Review the business and marketing strategies with the goal of maintaining the business at the current level

Administer management information systems to efficiently provide effective data and information for decision making

Performance Measures:

- Accurate monthly activity, income and expenditure reports produced

Assets and Technology

Nature and Scope: This team maintains and develops the Museum's assets, including IT, contributing to successful day-to-day operations. They are responsible for the security and safety of the whole Museum and its visitors, and lead responsible operations initiatives.

Key Objectives 2012-2013:

Maintain public spaces to an excellent standard

Performance Measures:

- 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

Develop and maintain Museum assets

Performance Measures:

- All asset maintenance plans reviewed and requirements carried out – Building Warrant of Fitness attained

Ensure that information technology can be used productively within the Museum

Performance Measures:

- Undertake an annual audit of the Museum's information technology resources and recommend improvements

Executive

Nature and Scope: This team manages relationships with funding agencies, principally our contributing Local Authorities: Dunedin City, Waitaki, Central Otago and Clutha Districts. The Chief Executive manages the overall functions of the Museum, matching internal operations with external opportunities, culminating in a high quality, engaging experience being provided for all visitors.

Key Objectives 2012-2013:

Develop policy, strategy and operational guideline documents to consolidate, confirm or establish governance, management and operational plans or processes

Performance Measures:

- Undertake annual review of policies, strategies and operational guidelines as per agreed plan by end June 2013

Facilitate a review of the Strategic Plan at its two-year anniversary

Performance Measures:

- Museum team collectively reviews progress to date and Strategic Plan going forward, identifying adjustments needed if any

Manage the implementation of the Development Plan

Performance Measures:

- 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



SHANGHAI WELCOMES TEAO MĀORI

This year began with a significant exhibition from the Otago Museum opening at the Shanghai Museum. *Te Ao Māori: Māori Treasures from the Otago Museum, New Zealand* was the first ever exhibition of Māori artefacts in a Chinese museum, taking pride of place in the Shanghai Museum's number one exhibition gallery.

Brought together with the support of the Māori Advisory Committee, *Te Ao Māori* featured over 300 artefacts in a range of media, with a special focus on the story of pounamu as a treasure of Kāi Tahu. A waharoa (gateway), commissioned from pre-eminent Kāi Tahu carver James York, made for an impactful exhibition entranceway and is an important addition to the permanent collection of the Otago Museum. *Te Ao Māori* was Otago Museum's most well-attended international exhibition to date, attracting over 610,000 visitors.

"Very well presented and displayed exhibits. Particularly enjoyed the Māori history and culture."

A visitor from Sydney, Australia, November 2011

STATEMENT OF SERVICE PERFORMANCE 2011-2012

STRATEGIC SUMMARY

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 2010-2011 Statement of Intent and the 2011-2012 Statement of Intent.

Strategic Objective 1: People and Culture		
PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Create an online hub for effective and engaging transfer of information between individuals, teams and the collective which becomes the internal knowledge base, integrating the existing intranet	Online hub is created and implemented	Achieved: Online hub called @OM, integrating the existing intranet, now operating as internal knowledge base
Hold an annual culture workshop to establish an action plan for the year	Annual culture workshop held in January 2012, with an action plan established	Achieved: Culture workshop held on 31 January. Four major outcomes established with teams created to action – team building, team training, a communication workshop and staff environment improvements
Update and distribute the staff handbook annually	Staff handbook is updated and distributed	Achieved: Staff handbook 2011-2012 updated and distributed
Ensure all new staff are supported through a formal, comprehensive induction process	All staff inducted as per induction action list on Otago Museum Central	Achieved: All new staff inducted as per the induction action list on Otago Museum Central
Implement a performance planning programme for all full and part-time staff, encompassing one formal annual review and two interim reviews	Performance planning programme undertaken for all full and part-time staff, encompassing one formal annual review and two interim reviews	Achieved: Performance planning programme undertaken for all full and part-time staff, encompassing one formal annual review and two interim reviews
Develop and implement an annual training plan across the organisation	Not less than 25 sessions which match in-house and outsourced training opportunities with identified staff needs offered	Achieved: 71 sessions offered matching in-house and outsourced opportunities with identified staff needs. <i>Last year: 65</i>

Strategic Objective 2: Collection care		
PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
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 collection items in appropriate conditions for their type and material to international standards, with no deterioration to the condition of collection items identified
Collections are kept safe through the use of effective security measures and internal systems and processes – no damage or theft occurs	No damage or theft occurs	Achieved: No damage or theft occurred
Develop a comprehensive plan for the collection audit and commence implementation	Plan developed for collection audit, implementation commenced	Achieved: Collection Audit Project Plan completed, implementation of plan commenced with Collection Audit Pilot. A total of 1,016 items were audited during the Pilot from the Asia Africa America collection
Develop plan of action for implementing Radio Frequency Identification (RFID) into collection care practices	Plan developed and hardware installed, attaching 1,000 tags in testing phase	Achieved: Plan developed and hardware installed. Tagging commenced with Collection Audit pilot in February 2012. 1,189 collection items tagged by 30 June 2012

Strategic Objective 3: Depth rather than extended breadth

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Implement the Research Strategy	Not less than two research collaborations in place	Achieved: Research strategy progressed with two research collaborations undertaken in the period. Dr Michael Gunn visited to identify and provide further information on items in the Museum's New Ireland collection, and Stephanie Shaw's project to investigate the population decline of New Zealand frogs due to chytrid fungal infection
Organise and host a Public Forum to gain community input into Museum exhibitions and programmes	Before April 2012	Achieved: Public Forum held on 22 March 2012; feedback collated, assessed and replies sent to participants. Initiative identified to work closely with local multicultural society, resulting in a community tour of the Museum held in June 2012

Strategic Objective 4: Expanding joy

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Welcome visitors to the Museum	300,000 people visit the Museum	Achieved: Over 480,000 visitors welcomed <i>Last year: over 460,000 visitors</i>
Ensure visitor satisfaction with Museum experience	90% of visitors satisfied with their experience at Otago Museum as determined by market research measures – all general measures score 5 or above in quarterly satisfaction survey 10 point scale	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, make direct contact with them and encourage their participation in Museum activities	Identify a community group by April 2012, make contact and commence planning	Achieved: Direct contact made with the local Islamic community in association with <i>The Crescent Moon: The Asian face of Islam in New Zealand</i> exhibition. By working with key members of the community, many people were reached, resulting in a large contingent taking part in visitor programmes associated with the exhibition

Strategic Objective 5: Strategic capital development

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Fundraise for Development Plan projects	Make no less than five approaches	Achieved: 5 approaches made for Former Dunedin North Post Office project: Perpetual Trust Otago Community Trust Alexander McMillan Trust Trustees Executors Dr Marjorie Barclay Trust <i>Last year: 1 approach made</i>
10 year Capital Development Plan developed and approved by end December 2011	10 year Capital Development Plan developed and approved by end December 2011	Achieved: 10 year Capital Development Plan developed; approved at Otago Museum Trust Board meeting December 2011

Strategic Objective 6: Demonstrating relevancy		
PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Māori Advisory Committee meets at least quarterly and actions issues raised	Four meetings held per annum	Achieved: 4 meetings held
Present budget and levies from contributing Local Authorities and seek additional funding as required	By May 2012	Achieved: Annual Plan with budget and levies presented in October 2011; levies received from local authorities
Museum representation in the wider community	The Museum is represented in not less than six external committees	Achieved: Museum represented in nine 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 <i>Last year: 10 committees</i>
Initiate discussions to establish a Memorandum of Understanding with at least one other like organisation	At least one Memorandum of Understanding established.	Achieved: Memorandum of Understanding signed between the Otago Museum and National Science Museum of Thailand

Strategic Objective 7: Responsible operations		
PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Identify and implement initiatives which positively impact the Museum's ability to use resources efficiently or minimise waste	No less than five initiatives identified	Achieved: 7 initiatives identified and implemented

DIVISIONAL SUMMARY

Collections and Research Key Objectives for 2011-2012:		
Develop the Museum's collections and knowledge base		
PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
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: 20 actively sought-after items added to natural science and humanities collections. These items included jugs, embroidery, clothing and jewellery, as well as albatross, white-chinned petrels and flesh-footed shearwaters <i>Last year: 25 items</i>
Add accurate entries into the collection management system	Total of entries brought to 350,000 by June 2012	Achieved: 372,665 records in collection management system

Develop the Museum's collections and knowledge base

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Develop content for exhibitions	Content developed for not less than one exhibition	Achieved: Content developed for two exhibitions – <i>Focal Point: 150 Years of the Otago Daily Times</i> – a photography exhibition reflecting on important and interesting stories from the region as told by the local newspaper and <i>Translation: New Works in Glass by Luke Jacomb</i> – an exhibition featuring a range of glass works created by Auckland artist Luke Jacomb, and explaining the technical processes behind the artform <i>Last year: Content developed for three exhibitions</i>
Facilitate access to the collection	80% of all requests for items and information satisfied, in line with Museum priorities	Achieved: 95% of all requests for items and information satisfied
Undertake identification of artefacts and specimens, in line with Museum priorities	90% of all requests for identification satisfied	Achieved: 99.6% of all requests for identification satisfied
Publish articles	Not less than 10 articles published	Achieved: 16 articles published <i>Last year: 15</i>

Visitor Interaction and Programmes Key Objectives for 2011-2012:

Encourage community learning through programmes which support the Museum's long-term galleries and special exhibitions

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Family-oriented activities to complement the visitor experience	Two free family-oriented activities offered on weekend and holiday days	Achieved: At least two free family-oriented activities offered on all weekend and holiday days
Special events or activities to complement the visitor experience	One special event or activity on weekend and holiday days	Achieved: At least one special event or activity offered on all weekend and holiday days
Specialist talks presented to the community	Six specialist talks presented	Achieved: 8 specialist talks presented <i>Last year: 8 specialist talks</i>
Programmes presented which support each special exhibition	Two programmes presented per special exhibition	Achieved: At least 2 programmes presented supporting each special exhibition
Develop and deliver significant community-oriented events	Two significant community-oriented events developed and delivered	Achieved: The Big Get Together and Future All Blacks Arvo developed and delivered
Offer supervised holiday programmes for children in the school holidays	Five supervised holiday programmes offered each school holidays	Achieved: 8 or more supervised school holiday programmes for children offered each school holidays
Gallery-based presentations with supporting factsheets available	20 presentations and fact sheets available	Achieved: 81 presentations with supporting fact sheets made available to visitors <i>Last year: 89 presentations</i>
Science-based shows developed and presented in Discovery World	Four science-based shows developed and delivered	Achieved: 8 science-based shows developed and delivered <i>Last year: 8 shows</i>

Activities offered which complement Discovery World and Tropical Forest themes and exhibitions	Six activities offered	Achieved: 18 activities offered complementing Discovery World Tropical Forest themes and exhibitions <i>Last year: 13 activities</i>
Cases developed and displayed in the Museum foyer which engage visitors	Four cases developed and displayed	Achieved: 4 engaging cases developed and displayed in the Museum foyer <i>Last year: 6 cases</i>

Provide formal education programmes for school visitors

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Provide formal education programmes	4,700 students participate achieving satisfaction levels of at least 90% as determined through the evaluation programme undertaken with each teacher	Achieved: 7,556 students participate in formal education programmes, with satisfaction levels of 100% <i>Last year: 9,595 with 100% satisfaction</i>
Deliver curriculum-based programmes	At least three curriculum-based programmes delivered to school groups	Achieved: Curriculum-based programmes <i>Focal Point, Cultural Currencies, Multicultural 'Kiwis', Ancient Egyptian Life and Mummification, Greek Heroes, Rock Solid?, Wild Otago, Māori Art and Music and Pre-European Māori Food Gathering</i> delivered to school groups

Present a range of outreach programmes (external to the Museum complex)

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Present STARLAB planetarium programmes throughout Otago and Southland	At least 20 sessions presented	Achieved: 75 Starlab programme sessions presented throughout Otago and Southland <i>Last year: 62 sessions</i>
Develop and offer to present outreach programmes in cooperation with regional museums in Balclutha, Oamaru and Alexandra	Develop and offer to present at least twice a year	Achieved: Outreach programme <i>The Mighty Moa</i> developed; offers to present made to regional museums in Balclutha, Oamaru and Alexandra for October 2011 school holidays. <i>Focal Point Photo Challenge</i> promoted and offered in regional museums throughout Otago, including Balclutha, Oamaru and Alexandra during January 2012 school holidays
Arrange talks and/or presentations to community events or community groups	At least 5 talks and/or presentations arranged	Achieved: 7 talks and/or presentations arranged and presented to community groups or community events <i>Last year: 8 talks presented</i>

Experience and Development Key Objectives for 2011-2012:

Source and install a special exhibitions programme

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Externally sourced exhibitions presented	One externally produced exhibition presented	Achieved: <i>Hard on the Heels: Peter Bush – Capturing the All Blacks</i> and <i>The Crescent Moon: The Asian Face of Islam in New Zealand</i> presented

Design and install internally-generated exhibition and exhibits

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Exhibitions produced	One exhibition produced that may tour to other venues	Achieved: 3 exhibitions produced, including <i>Focal Point: 150 Years of the Otago Daily Times</i> which may tour to other venues <i>Last year: 4 exhibitions produced including Your Face Here which toured to other venues</i>
Exhibits refurbished/created for Discovery World which encourage hands-on interaction and learning	Four exhibits refurbished/created	Achieved: 9 exhibits either created or refurbished in the period <i>Last year: 13 exhibits either created or refurbished</i>

Conduct high profile marketing campaigns for exhibitions, programmes and activities

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Update and implement a general Marketing Plan for the Museum within budget	By June 2012	Achieved: Marketing Plan updated and implemented by June 2012
Develop and implement marketing plans for special exhibitions	Individual marketing plans implemented for each special exhibition.	Achieved: Marketing plans implemented for each special exhibition
News items and paid promotions	Achieve at least 52 news items and 75 paid promotions by June 2012	Achieved: Over 124 news items and 350 paid promotions by June 2012 <i>Last year: over 120 news items and 336 paid promotions</i>
Museum Newsletter	Three issues produced and distributed	Achieved: 3 Newsletters produced and distributed

Gain an understanding of community and visitor views through a comprehensive and strategically-focused market research programme

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Visitor satisfaction survey	Complete on a quarterly basis and report to Board and staff	Achieved: Surveys completed in September, December, February and June; reported to the Board and published on staff intranet system (@OM). The results showed that satisfaction of the visitor experience and all elements within it remain high, and that the most common market for the Museum continues to be young local families
Undertake market research to gauge community response	Undertake market research on at least two special exhibitions	Achieved: Surveys conducted for <i>Hard on the Heels: Peter Bush – Capturing the All Blacks</i> and <i>Focal Point: 150 Years of the Otago Daily Times</i> . Both survey results showed high satisfaction for the exhibitions. <i>Hard on the Heels: Peter Bush – Capturing the All Blacks</i> was successful in attracting the Rugby World Cup market, while <i>Focal Point: 150 Years of the Otago Daily Times</i> proved to be particularly popular with Otago visitors

Maintain the return to the Museum from the Tourism and Facilities operation**PERFORMANCE OUTPUT**

Review the business and marketing strategies with the goal of maintaining the business at the current level

PERFORMANCE TARGET/INDICATOR

Business and marketing strategies are in place; business is maintained at the current level

STATUS

Achieved: Business and marketing strategies in place, business maintained above current level

Maintain the return to the Museum from the Museum Café operation**PERFORMANCE OUTPUT**

Review the business and marketing strategies with the goal of maintaining the business at the current level

PERFORMANCE TARGET/INDICATOR

Business and marketing strategies are in place; business is maintained at the current level

STATUS

Achieved: Business and marketing strategies in place, business maintained above current level

Finance, Assets and Commercial Key Objectives for 2011-2012:**Administer management information systems to efficiently provide effective data for decision making****PERFORMANCE OUTPUT**

Provide income and expenditure reports on divisional activity

PERFORMANCE TARGET/INDICATOR

Accurate monthly income and expenditure reports produced on divisional activity

STATUS

Achieved: Monthly reports produced and distributed to Divisional Directors/Managers

Maintain the return to the Museum from the Shop operation**PERFORMANCE OUTPUT**

Review the business and marketing strategies for the Museum Shop with the goal of maintaining the business at the current level

PERFORMANCE TARGET/INDICATOR

Business and marketing strategies are in place; business is maintained at the current level

STATUS

Partially achieved: Business and marketing strategies in place; but due to downward turn in the economy trading conditions have not been conducive to growth

Ensure that information technology can be used productively within the Museum**PERFORMANCE OUTPUT**

Undertake an annual audit of the Museum's information technology resources and recommend improvements

PERFORMANCE TARGET/INDICATOR

Improvements recommended to management team for year ahead by 30 June 2012

STATUS

Achieved: IT strategy proposals for coming year presented to Resources, Operations and Priorities workshop in June 2012

Develop and maintain Museum assets**PERFORMANCE OUTPUT**

Maintain the building and assets

PERFORMANCE TARGET/INDICATOR

All asset maintenance requirements carried out and a Building Warrant of Fitness attained

STATUS

Achieved: Building Warrant of Fitness attained in February 2012; all asset and building maintenance requirements carried out

Maintain public spaces to an excellent standard**PERFORMANCE OUTPUT**

All public spaces maintained to a high standard and a clean and comfortable environment is achieved throughout the year

PERFORMANCE TARGET/INDICATOR

As perceived by visitors and expressed through market research – 'clean and comfortable' scores 5 or above in quarterly satisfaction survey 10 point scale

STATUS

Achieved: Quarterly satisfaction surveys indicate visitor satisfaction with cleanliness and comfort of the Museum scoring five or above in all survey reports

Executive

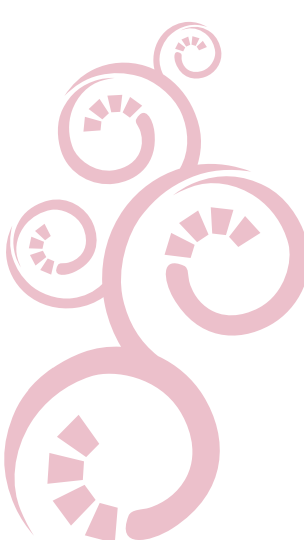
Key Objectives for 2011-2012:

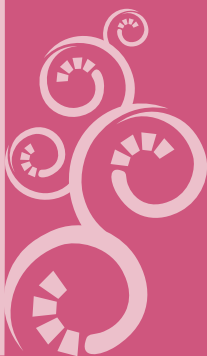
Develop policy, strategy and operational guideline documents to consolidate, confirm or establish governance, management and operational plans or processes

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Put in place a plan for the annual review of policies, strategies and operational guidelines as required	Plan in place by end December 2011	Achieved: Plan in place by end December 2011

Manage the implementation of the Development Plan

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Development Plan progresses	Progress the 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: Animal Attic revitalisation completed; Pacific Cultures and Southern Land, Southern People refreshes completed; plans for Former Dunedin North Post Office project progressed





OTAGO MUSEUM TRUST BOARD FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2012

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OTAGO MUSEUM TRUST BOARD
STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2012

	Notes	2012	Budget	2011
		\$	\$	\$
Income				
Grants-Government & Other		169,186	129,340	187,986
Local Authorities		4,021,668	4,048,210	4,027,532
Public	2	2,415,985	3,261,053	2,336,862
Legacies & Bequests		5,994	-	198,570
Investment income		125,818	-	122,155
- Dividends		556,763	575,087	549,519
- Interest				
Total income		7,295,414	8,013,690	7,422,624
Expenditure				
Employee benefits expense		(2,949,916)	(3,227,159)	(2,784,045)
Depreciation and amortisation expense	3 (a)	(916,822)	(1,488,198)	(929,101)
Other expenses	3 (b)	(2,755,852)	(3,426,819)	(2,885,961)
Total operating expenditure		(6,622,590)	(8,142,176)	(6,599,107)
Surplus/(Loss) for the year		\$672,824	\$(128,486)	\$823,517

The accompanying notes form part of these financial statements.

OTAGO MUSEUM TRUST BOARD
STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2012

	Notes	2012	2011
		\$	\$
Other Comprehensive Income			
Realised net gains/loss on sale of financial instruments		19,433	73,290
Available-for-sale financial assets valuation gain/ (loss)	13(a)	(260,736)	209,295
Total other comprehensive income (net of tax)		(241,303)	282,585
Surplus/(loss) for the year		672,824	823,517
Total comprehensive income for the year		\$431,521	\$1,106,102

**OTAGO MUSEUM TRUST BOARD
STATEMENT OF FINANCIAL POSITION
BALANCE SHEET AS AT 30 JUNE, 2012**

	Notes	2012 \$	Budget \$	2011 \$
Current assets				
Cash and cash equivalents	18(a)	9,647,631	4,119,783	8,480,052
Trade and other receivables	6	310,093	535,050	193,688
Inventories	7	210,414	184,710	199,415
Other financial assets	8	346,161	214,474	384,639
Other current assets	9	161,280	-	148,244
Total current assets		10,675,579	5,054,017	9,406,038
Non-current assets				
Other financial assets	8	4,534,878	4,364,396	5,030,070
Property, plant and equipment	10	14,107,581	17,045,152	14,399,989
Total non-current assets		18,642,459	21,409,548	19,370,059
Total assets		29,318,038	26,463,565	28,776,097
Current liabilities				
Trade and other payables	11	788,048	507,232	713,708
Employee entitlements	12	1,171,230	-	1,135,150
Total current liabilities		1,959,278	507,232	1,848,858
Total liabilities		1,959,278	507,232	1,848,858
Net assets		\$27,358,760	\$25,956,333	\$26,927,239
Equity				
Reserves	13	14,185,933	-	13,362,770
Capital	14	13,172,827	-	13,564,469
		\$27,358,760	\$25,956,333	\$26,927,239

The accompanying notes form part of these financial statements.

On behalf of the Otago Museum Trust Board

.....Chairperson

.....Treasurers (Deloitte)

**OTAGO MUSEUM TRUST BOARD
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2012**

	Equity at beginning of year	26,927,239	25,821,137
Total comprehensive income for the year		431,521	1,106,102
Equity at end of year		\$27,358,760	\$26,927,239

The accompanying notes form part of these financial statements.

**OTAGO MUSEUM TRUST BOARD
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2012**

	Notes	2012 \$	Budget \$	2011 \$
Cash flows from operating activities				
Government, Local Authorities and the public		6,557,591	7,804,895	6,858,767
Dividends		125,818	-	122,155
Interest received		496,935	575,087	508,918
Payments to employees		(2,583,213)	(3,227,159)	(2,902,030)
Payments to suppliers		(3,037,505)	(3,793,111)	(2,944,968)
Net cash inflow/ (outflow) from operating activities	18(b)	1,559,626	1,359,712	1,642,842
Cash flows from investing activities				
Proceeds from maturity and sale of other financial assets		580,042	-	251,732
Proceeds from sale of property, plant and equipment		918	-	-
Purchase of property, plant and equipment		(685,331)	(2,377,855)	(186,992)
Purchase of other financial assets		(287,676)	-	(641,095)
Net cash inflow/ (outflow) from investing activities		(392,047)	(2,377,855)	(576,355)
Net increase in Cash and cash equivalents		1,167,579	(1,018,143)	1,066,487
Cash and cash equivalents at the beginning of the financial year		8,480,052	5,137,926	7,413,565
Cash and cash equivalents at the end of the financial year	18(a)	\$9,647,631	\$4,119,783	\$8,480,052

The accompanying notes form part of these financial statements.

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

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

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, 2012**

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, 2012**

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, 2012**

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	Rate
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, 2012**

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 preservation 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, 2012**

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, 2012**

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, 2012

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

	2012	2011
	\$	\$
2. INCOME		
Local Authorities Levy budgeted and invoiced	4,048,210	4,048,210
Levy paid	(4,021,688)	(4,027,532)
	\$26,542	\$20,678
The variance between the budgeted (invoiced) and paid amounts arises because the Clutha District Council has not as yet endorsed the proposed new Heads of Agreement, which sets out the formula for levy calculations.		
3. EXPENDITURE	2012	2011
	\$	\$
(a) Employee Benefits Expense		
Salaries and wages	2,835,509	2,699,523
Defined contribution plans	105,622	73,171
Movement in sabbatical leave provision	8,785	11,351
	\$2,949,916	\$2,784,045
(b) Other Expenses		
Computer costs	56,547	26,746
Maintenance	131,192	144,655
Other expenses	2,568,113	2,714,560
	\$2,755,852	\$2,885,961

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

Remuneration Band	2012 Number of employees	2011 Number of employees
\$300,000 - \$310,999	1	-
\$270,000 - \$279,999	-	1
\$160,000 - \$169,999	1	-
\$150,000 - \$159,999	-	1
\$120,000 - \$129,999	1	-
\$110,000 - \$119,999	1	2

5. **REMUNERATION OF AUDITORS**
Audit fees for financial statement audit \$21,600 \$20,700

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

6. **TRADE AND OTHER RECEIVABLES**

Trade receivables ⁽¹⁾	103,823	73,654
Sundry receivables and accruals	125,070	66,189
Estimated doubtful debts	-	(34,670)
Goods and services tax (GST) receivable	81,200	88,515
	\$310,093	\$193,688

⁽¹⁾ Trade Receivables

Ageing of past due but not impaired:

0 - 30 days	91,499	23,629
31 - 60 days	10,577	2,461
61 - 90 days	-	8,031
90 days+	1,747	39,533
	\$103,823	\$73,654

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

7. **INVENTORIES**

Shop stock	203,348	191,716
Café stock	7,066	7,699
	\$210,414	\$199,415

The carrying amount of inventories pledged as security for liabilities is \$Nil (2011: \$Nil).

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

8. OTHER FINANCIAL ASSETS

Available-for-Sale at fair value:

	2012 \$	2011 \$
<u>Current</u> Deposits	364,161	384,639
<u>Non Current</u> Equity securities - Company shares	3,257,452	3,493,615
Fixed Rate Bonds	1,277,426	1,536,455
	4,881,039	5,414,709
Disclosed in the financial statements as:		
Current	346,161	384,639
Non-current	4,534,878	5,030,070
	\$4,881,039	\$5,414,709

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.

9. OTHER CURRENT ASSETS

Prepayments	\$161,280	\$148,244
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OTAGO MUSEUM TRUST BOARD
NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2012

10. PROPERTY, PLANT AND EQUIPMENT											
	Cost/ Valuation 1 July 2011	Additions	Disposals	Transfers	Cost/ Valuation 30 June 2012	Accumulated Depreciation & Impairment Changes 1 July 2011	Depreciation Expense	Accumulated Depreciation Reversed on Disposal	Accumulated Depreciation Adjusted for Transfers	Accumulated Depreciation & Impairment Changes 30 June 2012	Carrying Amount 30 June 2012
Museum Operational Assets											
At Cost	979,952				979,952	-	-	-	-	-	979,952
Land	5,893,661	124,351			6,018,012	(2,353,515)	(200,539)		(2,554,054)	(2,554,054)	3,463,958
Buildings	2,256,032				2,256,032	(1,082,629)	(60,000)		(1,142,629)	(1,142,629)	1,113,403
- Discovery World											
Redevelopment - Phase 1											
Building	3,000,616				3,000,616	(1,186,194)	(90,018)		(1,276,212)	(1,276,212)	1,724,404
Fitout exhibitions	245,813				245,813	(195,891)	(8,986)		(204,877)	(204,877)	40,936
Mechanical services	362,465				362,465	(215,641)	(13,948)		(229,589)	(229,589)	132,876
Electrical	509,315				509,315	(303,008)	(19,599)		(322,607)	(322,607)	186,708
Redevelopment - Phase 2											
Building	5,409,584				5,409,584	(1,606,253)	(162,288)		(1,768,541)	(1,768,541)	3,641,043
Fitout exhibitions	2,906,971				2,906,971	(2,245,297)	(119,101)		(2,364,398)	(2,364,398)	542,573
Mechanical services	1,970,917				1,970,917	(1,076,141)	(85,004)		(1,161,145)	(1,161,145)	809,772
Electrical	451,183				451,183	(246,352)	(19,459)		(265,811)	(265,811)	185,372
Computer Equipment	1,057,143	358,786			1,415,929	(814,819)	(62,932)		(877,751)	(877,751)	538,178
Conservation Unit Equipment	11,944				11,944	(11,944)	-		(11,944)	(11,944)	-
Emergency Response Equipment	7,152				7,152	(6,774)	(69)		(6,843)	(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)	(814,182)	401,565
Golden Kiwi Lottery Fund	17,837				17,837	(17,450)	(41)		(17,471)	(17,471)	366
Motor Vehicles	108,753				108,753	(93,952)	(3,849)		(97,801)	(97,801)	10,952
Café Equipment	27,743	2,008			29,751	(8,092)	(4,157)		(12,249)	(12,249)	17,502
	26,551,271	685,331	(917)	-	27,235,685	(12,211,282)	(917,187)	365	-	(13,128,104)	14,107,581
	Cost/ Valuation 1 July 2010	Additions	Disposals	Transfers	Cost/ Valuation 30 June 2011	Accumulated Depreciation & Impairment Changes 1 July 2010	Depreciation Expense	Accumulated Depreciation Reversed on Disposal	Accumulated Depreciation Adjusted for Transfers	Accumulated Depreciation & Impairment Changes 30 June 2011	Carrying Amount 30 June 2011
Museum Operational Assets											
At Cost	979,952				979,952	-	-	-	-	-	979,952
Land	5,893,661				5,893,661	(2,145,754)	(207,761)		(2,353,515)	(2,353,515)	3,540,146
Buildings	2,256,032				2,256,032	(1,022,629)	(60,000)		(1,082,629)	(1,082,629)	1,173,403
- Discovery World											
Redevelopment - Phase 1											
Building	3,000,616				3,000,616	(1,096,177)	(90,017)		(1,186,194)	(1,186,194)	1,814,422
Fitout exhibitions	245,813				245,813	(184,933)	(10,958)		(195,891)	(195,891)	49,922
Mechanical services	362,465				362,465	(200,229)	(15,412)		(215,641)	(215,641)	146,824
Electrical	509,315				509,315	(281,352)	(21,656)		(303,008)	(303,008)	206,307
Redevelopment - Phase 2											
Building	5,409,584				5,409,584	(1,443,966)	(162,287)		(1,606,253)	(1,606,253)	3,803,331
Fitout exhibitions	2,906,971				2,906,971	(2,100,052)	(145,245)		(2,245,297)	(2,245,297)	661,674
Mechanical services	1,970,917				1,970,917	(982,214)	(93,927)		(1,076,141)	(1,076,141)	894,776
Electrical	451,183				451,183	(224,850)	(21,502)		(246,352)	(246,352)	204,831
Computer Equipment	866,632	190,511			1,057,143	(773,746)	(41,073)		(814,819)	(814,819)	242,324
Conservation Unit Equipment	11,944				11,944	(11,944)	-		(11,944)	(11,944)	-
Emergency Response Equipment	7,152				7,152	(6,692)	(82)		(6,774)	(6,774)	378
Exhibits	284,992	23,306			308,298	(698,275)	(49,075)		(747,350)	(747,350)	308,298
Furniture & Fittings	937,579	88,313			1,025,892	(17,385)	(45)		(17,430)	(17,430)	278,542
Golden Kiwi Lottery Fund	17,837				17,837	(88,752)	(5,200)		(93,952)	(93,952)	407
Motor Vehicles	108,753				108,753	(88,752)	(5,200)		(93,952)	(93,952)	14,801
Café Equipment	26,963	780			27,743	(3,231)	(4,861)		(8,092)	(8,092)	19,651
	26,248,361	302,910	-	-	26,551,271	(11,282,181)	(929,101)	-	-	(12,211,282)	14,339,989

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

	2012	2011
	\$	\$
11. TRADE AND OTHER PAYABLES		
Trade payables (i)	776,877	696,814
Other accrued charges	11,171	16,894
	\$788,048	\$713,708

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

12. EMPLOYEE ENTITLEMENTS

Accrued salary and wages	355,407	315,544
Annual leave	169,563	182,131
Sabbatical leave	527,626	518,841
Retirement leave	118,634	118,634
	\$1,171,230	\$1,135,150

Sabbatical leave entitlement is based on the number of days leave owing at the relevant employees wage rate. Although the relevant provisions of the employment contracts provide for travel and related costs (which may be significant) these have not been provided for as they are contingent and would vary based on when, where, and if the leave is taken.

13. RESERVES

Available-for-sale revaluation reserve (a)	116,143	376,879
Equalisation Fund (b)	256,923	245,558
Restricted Reserves (c) (Trust Funds)	4,747,420	4,750,826
Museum Reserves (d) (Special Funds)	8,940,377	7,924,265
Unallocated accrued interest	125,070	65,242
	\$14,185,933	\$13,362,770

(a) Available-for-Sale Revaluation Reserve

Balance at beginning of year	376,879	167,584
Valuation gain/(loss) recognised	(241,303)	282,585
Loss transferred to Income Statement on Sale of financial assets	(19,433)	(73,290)
Balance at end of year	\$116,143	\$376,879

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

(b) Equalisation Fund

Balance at beginning of year	245,558	230,514
Interest transfer (Note 21a)	11,365	15,044
Balance at end of year	\$256,923	\$245,558

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, 2012**

13. RESERVES cont

	2012	2011
	\$	\$
(c) Restricted Reserves (Trust Funds)		
Balance at beginning of year	4,750,826	4,217,940
Transfer from/(to) Retained Earnings	(3,406)	532,886
Balance at end of year	\$4,747,420	\$4,750,826

Notes

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	7,924,265	6,934,259
Transfer from/(to) Retained Earnings	1,016,112	990,006
Balance at end of year	\$8,940,377	\$7,924,265

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, 2012**

13 (e) Restricted Reserves (Trust Funds)

TRUST FUND	BALANCE ADD INCOME & TRANSFERS 01/07/11	DEDUCT EXPENDITURE & TRANSFERS	BALANCE 30/06/12 TOTAL	CAPITAL	INCOME
Frances Elizabeth Alexander	127,718 Gain on sale of shares Investment income	522 5,911	134,151	86,869	47,282
Beith and Mark Anderson	84,761 Gain on sale of shares Investment income	347 3,923	89,031	74,220	14,812
Avice Bowboyes - Costumes	161,031 Gain on sale of shares Investment income	659 7,452	169,142	67,700	101,442
Colquhoun	430,751 Gain on sale of shares Investment income	1,762 19,934	452,447	171,525	280,922
De Beer Publications & Research	983,380 Gain on sale of shares Royalties Investment income	4,022 6 45,509	1,026,972	367,758	659,214
Fairweather	286,214 Loss on sale of shares Investment income	1,171 13,245	295,755	140,351	155,404
Fairweather - Collections	506,191 Loss on sale of shares Investment income	2,070 23,425	529,726	197,276	332,450
Freda Stuckey	214,699 Bequest received Gain on sale of shares Investment income	878 9,156 4,974	229,707	-	-
Gollan	170,675 Gain on sale of shares Investment income	698 7,898	179,271	41,512	137,759
Brenda Joyce Harding	87,977 Gain on sale of shares Investment income	360 4,071	92,408	40,041	52,367
Cowie Nichols	18,472 Gain on sale of shares Investment income	76 855	19,403	2,514	16,889
Cyril Nichols	854,290 Gain on sale of shares Investment income	3,494 39,535	892,909	218,617	674,292
Lyders	154,690 Gain on sale of shares Investment income	633 7,159	162,482	39,081	123,401
Peter Snow MAC Fund	938 Gain on sale of shares Investment income	4 43	985	-	985
Willi Fels	669,039 Gain on sale of shares Investment income	2,737 30,962	702,738	251,437	451,301
TOTAL RESTRICTED RESERVES	\$4,750,826	\$243,491	\$4,747,420	\$1,698,898	\$3,048,523

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

13 (f) Museum Reserves (Special Funds)

SPECIAL FUND	BALANCE ADD INCOME & TRANSFERS 01/07/11	DEDUCT EXPENDITURE & TRANSFERS	BALANCE 30/06/12 TOTAL	CAPITAL	INCOME
Allocation for Special Purposes	37,864 Est. E.O. Naylor Investment income	1,020 1,752	40,636	-	40,636
Barclay	289,027 Majorie Barclay Trust Investment income	45,000 13,376	347,403	-	347,403
Conservation Materials	151,738 Budget Transfer Investment income	6,656 7,022	165,416	-	165,416
Development	2,792,409 Budget Transfer	3,392 Conference & study/leave	6,521	-	-
	Grants/Sponsorship Charitable Trust	10,000 Salaries & Wages - Shop	15,000	-	-
	Rentals Received Transfer from Income & Expenditure	25,000 Consultancy & Professional Services	3,919	-	-
	Investment income	427,653	3,362,241	-	3,362,241
Emergency Response	38,787 Investment income	1,795	40,582	-	40,582
Freda Stucky	- Transfer from trust funds	229,707	229,707	-	229,707
Loss of Heart Compensation	1,953,389 Investment income	68,865	2,022,254	1,103,331	918,923
Maori Ethnology	85,787 Investment income	3,970	89,757	-	89,757
Purchase of Collections	78,578 Budget Transfer Investment income	906 3,636	3,043	-	-
	Purchases	906	-	-	-
	Misc from Special Funds	3,636	80,077	-	80,077
Retirement Leave	171,984 Budget Transfer Investment income	12,947 7,959	192,890	-	192,890
Scientific Publications	57,090 Budget Transfer Investment income	817 2,642	60,549	-	60,549
Shop and Publication Sales	848,101 Investment income	39,248	908,611	-	908,611
	Sales and commissions Closing stock	340,752 191,716	-	-	-
	Purchases	203,348 213,610	-	-	-
	Expenses & wages	97,967 4,545	-	-	-
	Equipment	15,000	-	-	-
	Transfer to - Income & Expenditure	-	-	-	-
TOTAL CARRIED FORWARD TO PAGE	\$6,504,754	\$1,586,690	\$7,540,123	\$1,103,331	\$6,436,792

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

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

13 (f) Museum Reserves (Special Funds) cont.

SPECIAL FUND	BALANCE 01/07/11 & TRANSFERS	ADD INCOME & TRANSFERS	DEDUCT EXPENDITURE & TRANSFERS	BALANCE 30/06/12 TOTAL	CAPITAL	INCOME
TOTAL BROUGHT FORWARD FROM PAGE	\$6,504,754	\$1,586,690	\$551,321	\$7,540,123	\$1,103,331	\$6,436,792
Special Exhibitions & Programmes	523,932	Budget Transfer Investment income 24,246	Conference & Study leave 1,992	582,985		382,985
Study & Training	109,298	Budget Transfer Investment income	Staff - conference & study leave 23,153	94,128		94,128
Project & Development Fund	786,281	Transfer from Income & Expenditure Investment income	Equipment & upgrades & Maintenance 9,377	723,141		723,141
TOTAL MUSEUM RESERVES	\$7,924,265	\$1,776,967	\$760,855	\$8,940,377	\$1,103,331	\$7,837,046

14. CAPITAL

Capital						
Balance at beginning of year				13,564,469		14,165,003
Plus exhibits and equipment purchased from Restricted and Museum Reserves				188,970		165,648
Net surplus/(deficit)				(3,655)		(64,237)
Transfers from/(to) reserves: Restricted and Museum Reserves				(576,957)		(701,945)
Balance at end of year				\$13,172,827		\$13,564,469

15. COMMITMENTS FOR EXPENDITURE

(a) Capital and Other Expenditure Commitments
Capital and other expenditure commitments at 30 June 2012 were \$1,599,750 (30 June 2011: \$204,510 AUD). The Otago Museum Trust Board approved expenditure towards the development of the Old Post Office Building into an exhibition space.
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.

16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities						
ATA Carnet (A Customs document to facilitate the temporary duty free admission of goods into the Republic of China).				19,930		19,930
Contingent Assets						
There were no contingent assets at 30 June, 2012 (2011: Nil).						

17. 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.

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:

Central Otago District Council	Levy received	2012	2011
Clutha District Council	Levy received	\$ 25,253	\$ 25,253
Dunedin City Council	Levy received	178,010	183,874
Waitaki District Council	Levy received	3,767,900	3,767,900
	Levy received	50,505	50,505
		\$4,021,668	\$4,027,532

Dunedin City Council	Rates paid	2012	2011
		\$72,594	\$58,092

Otago Museum purchased services from Dunedin City Council totalling \$320 (2011: \$Nil)
Dunedin City Council purchased services from the Otago Museum totalling \$22,347 (2011: \$722)
Otago Museum purchased services from Dunedin City Council totalling \$8,937 (2011: \$8,565)
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.

18. 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:

Cash and cash equivalents	2012	2011
	\$ 9,647,631	\$ 8,480,052
	\$9,647,631	\$8,480,052

(b) Reconciliation of Surplus for the Year to Net Cash Flows From Operating Activities

Surplus for the year	672,824	823,517
Add/(less) non-cash items:		
Depreciation	916,822	929,101
	1,589,646	1,752,618
Movement in working capital:		
(Increase) Decrease in Trade and other receivables	(129,441)	(46,426)
(Increase) Decrease in Inventories	(10,999)	(14,705)
Increase (Decrease) in Trade and other payables	110,420	(48,650)
Net cash/loss inflow from operating activities	\$1,559,626	\$1,642,837

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

19. SEVERANCE PAYMENTS

For the year ended 30 June 2012 the Museum made no severance payments to employees (2011: \$nil).

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 2011.

(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.

(c) Categories of Financial Instruments

	2012 \$	2011 \$
Financial Assets		
Cash and cash equivalents	9,647,631	8,480,052
Trade and other receivables	310,093	193,688
Other financial assets:		
• Loans and receivables	-	-
• Available-for-sale financial assets	4,881,039	5,428,358
Financial Liabilities		
Trade and other payables	788,048	708,721

(d) Financial Risk Management Objectives

The Museum has a series of policies to manage the risks associated with financial instruments. The Museum is risk adverse 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.

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

20. FINANCIAL INSTRUMENTS cont.

(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.

Maturity Profile of Financial Instruments

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

	Weighted Average Effective Interest Rate %	Variable Interest Rate \$	Less than 1 year \$	1-2 Years \$	2-3 Years \$	3-4 Years \$	4-5 Years \$	5+ Years \$	Non Interest Bearing \$	Total \$
2012										
Financial assets:										
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
Financial liabilities:										
Trade and other payables									-	778,048

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

20 (h). FINANCIAL INSTRUMENTS cont.

2011	Weighted Average Effective Interest Rate %	Variable Interest Rate \$	Less than 1 year	Fixed Maturity Dates					Total \$
				1-2 Years	2-3 Years	3-4 Years	4-5 Years	5+ Years	
Financial assets:									
Cash and cash equivalents	3.16	8,480,052							8,480,052
Trade and other receivables								193,687	193,687
Other financial assets									
- Current									
- Short term deposits	4.10		384,639						384,639
- Non current									
- Equity securities - NZ								685,907	685,907
- Equity securities - Aust								1,931,395	1,931,395
- Equity securities - UK								519,141	519,141
- Equity securities - USA								357,173	357,173
- Fixed rate bonds	7.59		102,080	108,320	214,890	362,089	170,951	578,125	1,536,455

Financial liabilities:

Trade and other payables

\$708,721

(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.

21. ANNUAL REPORT

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

22. POST BALANCE DATE DISCLOSURE

The Chief Executive has since resigned from the Otago Museum, effective from September 14, 2012. Upon departure, all contractual obligations were met.

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

FIXED ASSETS AND EXHIBITS ACQUIRED DURING THE YEAR

Account	Capital Account	Local Body Levies
EXECUTIVE OFFICE		
Equipment & Furniture		600
COLLECTIONS & RESEARCH		
Equipment & Furniture		2,451
FINANCE, ASSETS & COMMERCIAL		
Equipment & Furniture		59,946
EXPERIENCE & DEVELOPMENT		
Equipment & Furniture		109,808
VISITOR INTERACTION & PROGRAMMES		
Equipment & Furniture		3,762
STATEMENT OF FINANCIAL PERFORMANCE		
Equipment & Furniture		318,876
MUSEUM RESERVES		
Project and Development Fund	182,600	
FAIRWEATHER COLLECTIONS TRUST FUND		
Ceramics	1,760	
Textiles	200	
FAIRWEATHER COLLECTIONS TRUST FUND		
Masterworks Gallery	4,410	
TOTAL ACQUISITIONS FOR YEAR	\$188,970	\$495,443

**OTAGO MUSEUM TRUST BOARD
SUPPLEMENTARY INFORMATION
FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2012**

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
Income								
Executive	667,434	667,327	-	-	-	-	667,434	667,327
Collections & Research	741,529	745,900	-	-	-	-	741,529	745,900
Experience & Development	597,625	719,649	1,303,414	1,218,280	-	-	1,901,039	1,937,929
Finance, Assets & Commercial	718,345	747,023	-	-	-	-	718,345	747,023
Visitor Interaction & Programmes	633,072	698,714	435,596	450,000	-	-	1,068,668	1,148,714
Special & Trust Funds	-	-	-	-	1,047,206	1,593,086	1,047,206	1,593,086
CLA Contribution & Other Income	1,150,994	1,166,011	-	-	-	-	1,150,994	1,166,011
Total Income	4,508,999	4,744,624	1,739,010	1,668,280	1,047,206	1,593,086	7,295,215	8,005,990
Wages & Salaries								
Executive	(338,612)	(354,024)	-	-	-	-	(338,612)	(354,024)
Collections & Research	(316,874)	(716,350)	-	-	-	-	(316,874)	(716,350)
Experience & Development	(561,690)	(502,812)	(457,297)	(410,033)	-	-	(1,018,987)	(912,845)
Finance, Assets & Commercial	(512,014)	(500,931)	-	-	-	-	(512,014)	(500,931)
Visitor Interaction & Programmes	(739,194)	(738,682)	(52,208)	(45,700)	-	-	(791,402)	(784,382)
Special & Trust Funds	-	-	-	-	(95,696)	-	(95,696)	-
Total Wages & Salaries	(2,468,384)	(2,812,799)	(509,505)	(455,733)	(95,696)	-	(3,073,585)	(3,268,532)
Direct Costs								
Executive	(154,139)	(248,861)	-	-	-	-	(154,139)	(248,861)
Collections & Research	(24,556)	(29,550)	-	-	-	-	(24,556)	(29,550)
Experience & Development	(467,476)	(428,928)	(558,829)	(533,944)	-	-	(1,026,305)	(962,872)
Finance, Assets & Commercial	(169,959)	(246,092)	-	-	-	-	(169,959)	(246,092)
Visitor Interaction & Programmes	(93,236)	(166,082)	(148,548)	(196,000)	-	-	(241,784)	(362,082)
Special & Trust Funds	-	-	-	-	(275,031)	(696,096)	(275,031)	(696,096)
Total Direct Costs	(909,366)	(1,119,513)	(707,377)	(729,944)	(275,031)	(696,096)	(1,891,774)	(2,545,553)
Depreciation	(916,822)	(1,154,380)	-	-	-	-	(916,822)	(1,154,380)
Indirect Costs	(740,409)	(1,166,011)	-	-	-	-	(740,409)	(1,166,011)
Net Contribution	(525,982)	(1,508,079)	522,128	482,603	676,479	896,990	672,625	(128,486)

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 2012**

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 28 to 41, that comprise the statement of financial position as at 30 June 2012, the statement of financial performance, 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 18 to 25.

Modified opinion – Inappropriate accounting for museum collection assets

Reason for our modified opinion

As stated in the accounting policies on pages 30 to 33, the Trust 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.

In our opinion, because of the effect of the inappropriate accounting for museum collection assets, the financial statements of the Trust Board on pages 28 to 41:

- do not comply with generally accepted accounting practice in New Zealand; and
- do not fairly reflect the Trust Board's:
 - financial position as at 30 June 2012; and
 - financial performance 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 28 to 41 fairly reflect the cash flows for the year ended 30 June 2012.

Opinion on the statement of service performance

In our opinion, the statement of service performance of the Trust Board on pages 18 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 2012.

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 2012 and the results of its operations for the year ended on that date.

Our audit was completed on 5 November 2012. 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 the 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 would affect a reader's overall understanding of the financial statements and statement of service performance. We found material misstatements that were not corrected, as we referred to 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 the 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 entity's preparation of the 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 entity'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. We have obtained all the information and explanations that we have required, to provide a basis for our adverse opinion on the statement of financial position and the statement of financial performance and our unmodified opinion on the statement of cash flows and statement of service performance. 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 statement of service performance that:

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

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

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

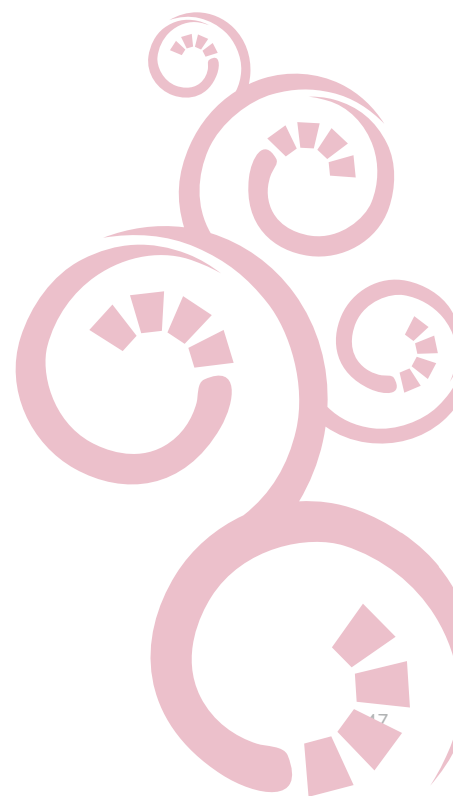
When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

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





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