


Annual Report 2018-2019



Tāmaki
Paenga Hira
Auckland
War Memorial
Museum





**Ka puāwai ngā mahi o tau kē,
Ka tōia mai ā tātou kaimātaki i ēnei rā,
Ka whakatō hoki te kākano mō āpōpō.**

**Building on our past,
Engaging with our audiences today,
Investing for tomorrow.**

Tāmaki Paenga Hira Auckland War Memorial Museum is more than just an iconic landmark in our city; it is a place to discover Auckland – past, present and future – ask questions and to stimulate debate about our city and its evolving identity.

Auckland Museum is Auckland's place of gathering, welcome and orientation, where we share knowledge of our taonga (treasures) and explore the many stories of Tāmaki.

As a kaitiaki (guardians), we are responsible for more than 4.5 million treasures within our walls, the DNA of Auckland. And as Auckland's War Memorial, we are a place for people to reflect and remember.

Based on the foundation of our *Five-Year Strategic Plan* we recognise, as the world changes, so we must change too. Our *Five-Year Strategic Plan* outlines our priorities, with a focus on enriching the visitor experience, extending our reach and impact, fostering new research questions and debate, and supporting social belonging and participation.

This review looks at each of our priorities in more detail through the eyes of our stakeholders, our partners and the communities we work with and shares some of the highlights that have made up our year of achievements in 2019.

FOREWORD

The past year has been a transformative period for the Museum, during which we have launched our programme of major capital works in earnest.

We are off to a great start and have laid a solid foundation to radically transform the Museum experience over the coming year. In 2020 we will reveal new spaces and offerings that will deliver a world-class museum, one which this city can truly be proud of.

Over the last 12 months, our visitors have seen the beginnings of this transformation onsite with the completion of Te Ara Oranga (Southern Pathway) in the Domain, the 1929 Café in our Grand Foyer, the Eastern Walkway and our new Special Exhibitions suite. But this is just the start – you can find out more about the new experiences coming to the Museum on the final page.

Despite the natural disruption of building works, our focus has been on ensuring our public can still have the experiences they have come to love and enjoy, and we've maintained a 99 per cent visitor satisfaction for the year. We are excited to be taking Aucklanders on this transformational journey and it will be business as usual for us while construction work continues during the year ahead.

A rich and diverse public programme over the last year has meant our engagement with Aucklanders is as strong as ever. The wildly popular *Secret World of Butterflies* offered rich interactive experiences to our younger visitors, while *Are We There Yet? Women and Equality in Aotearoa* provided thought-provoking programming that resonated deeply with our audiences and sparked genuine conversation. The ground-breaking *Te Pahi o Matariki: 160 Years of the Kīngitanga*, co-developed with representatives from the Kīngitanga Movement, has set the benchmark for how cultural institutions can work collaboratively with iwi to create vibrant educational experiences.

As Auckland's museum, we also continue to reach out beyond the walls of our Domain building to engage more and more with Aucklanders in their communities – whether that be from our presence at a school, a shopping mall or at an offsite school holiday programme.

Our offsite engagement with our formal learners increased by over 100 per cent on the previous year with more than 70,000 students experiencing an offsite Auckland Museum educational experience. Nearly 40 per cent of our programmes can be delivered offsite and our Discovery Kits provide resources for teachers to enable deep engagement with our collections.

New digital products and linking our online offerings with other platforms continues to rapidly expand our global reach. Views of Collections Online through external platforms saw over 16 million online visits to our collection items, while Online Cenotaph, widely recognised as New Zealand's national digital war memorial, received more than 16,000 public contributions.

We continue to trial and prototype new offerings, such as our *LIVE at the Museum* performance evenings that tap into new audiences, and we've achieved another record-breaking self-generated revenue figure through the dynamic programme of innovations we provide.

In 2018 we published our *Five-Year Research Strategy*, which sets the roadmap to generating new knowledge from research that is impactful, important and connected beyond our walls.

Our work in this area will inspire change, stretch thinking and leave a legacy for the generations who will follow us.

We have capitalised on our leadership position by strengthening the Museums of Auckland consortium to build capability and promote collaboration and partnership initiatives across the city's museums and galleries sector. We are proud to be the first cultural institution nationally to receive the Rainbow Tick accreditation.

At the end of the year we also completed our three-year Pacific Collection Access Project where we worked with cultural experts and knowledge holders from 13 Pacific Island nations to enrich our understanding of more than 5,600 taonga.

He Korahi Māori – the Museum's Māori dimension – continues to enable a vibrant, visible and valued Māori dimension. Similarly, Teu le Vā provides the Museum with a rich Pacific dimension to ensure a relevant and engaging space for Pacific people.

We appreciate the leadership of our Trust Board and the guidance of our Taumata-ā-Iwi and Pacific Advisory Group, who ensure that our bicultural aspirations are at the heart of everything we do. As always, we are grateful for the support of Aucklanders and the backing of Auckland Council.

During 2018/19, we began our transformation – but the best is yet to come and we can't wait to share it with you all.



Orchid Atimalala
Chair, Auckland Museum Trust Board



Precious Clark
Chair, Taumata-ā-Iwi



Dr David Gainster
CEO, Auckland War Memorial Museum



SHARING OUR HIGHLIGHTS

757,358

visits

5

key capital works projects completed including the new Special Exhibitions suite and Te Ara Oranga (Southern Pathway) in the Domain

\$9.47m

self-generated revenue, up \$960,000 (11%) on budget and the highest on record

\$3.7m

development fundraising achieved

99%

visitor satisfaction with 74% rating their Museum experience as 'Excellent'

84%

of Aucklanders agree that Auckland Museum is an important part of the Auckland community

270+

volunteers donated 27,234 hours

5,102

people attended eight sold-out Night At The Museum events

42,941

schoolchildren visited us for a learning experience outside of the classroom

71,308

schoolchildren engaged with an offsite Museum learning experience

91,554

digital poppies laid on the Roll of Honour at Online Cenotaph

16m

views of Collections Online through external digital platforms

2,805

taonga (treasures) enriched with knowledge, conserved or digitised as part of the Museum's Pacific Collection Access project

1

postgraduate module developed in partnership with the University of Auckland, to be taught onsite by Auckland Museum staff

1

elephant, Rajah, moved between floors to enable capital works to be implemented

1st

cultural institution in New Zealand to receive the Rainbow Tick certification

\$8.9m

worth of Auckland Museum stories media coverage to a cumulative audience of 48m*

*Based on Advertising Sales Rates, iSentia Report 1 July 2018 – 30 June 2019

All figures are unaudited

REACH OUT TO MORE PEOPLE

We want to reach out to more people in a diversifying Auckland and to establish ourselves as the place to go for information, debate and discussion on Auckland. By 2022, we aim to see 1.2 million visitors through our doors and have an outreach audience of over 100,000 people.

Reaching out to more people is not merely about the number of interactions with us: it's about making sure an experience with Auckland Museum reflects all our cultures and backgrounds and that all Aucklanders can easily access a Museum experience – whether that be walking through our doors or engaging with us in the community or online.

Reflecting the communities we serve

"I've been volunteering as a Mandarin-speaking guide with Auckland Museum since 2018. Volunteering is my way of giving back to the community. I offer my spare time with passion and enthusiasm, because it makes me feel that I really belong in New Zealand. Every time I take a tour, visitors ask me different questions and I learn new things by helping them find the answers. I really like being able to show visitors how interesting and beautiful Auckland is; so, volunteering to help Mandarin-speaking visitors is an amazing experience for me."

– Doris He, volunteer Mandarin Guide at Auckland Museum



Above: Anzac Day 2019 at Auckland Museum

Auckland's home of commemoration

"We worked closely with Auckland Museum on *Illuminate*, part of the Museum's public programming for the 100-year Armistice commemorations. We helped create a 15-minute looped film that was projected onto the northern face of the Museum building and used poignant images from the Museum's collection showing faces and words of those who served in World War I. Sourced from the Museum's archives, these photographs were set to a bespoke orchestral musical composition and also featured a central sequence of giant falling poppies, tumbling from the windows of the Museum and filling the whole building to represent lives lost during the war. Despite heavy rain during the course of this event, there was an excellent public turnout. The atmosphere was very sombre and the scale of the projection and accompanying soundtrack evoked a strong comprehension of the history we were honouring."

– Kim Baldwinson and Lakshman Anandanayagam, Creature Post Ltd

Increasing accessibility

"I have had the pleasure of working with the team at Auckland War Memorial Museum on projects relating to audio description for blind and low-vision patrons. This has included training for staff from across the organisation in incorporating audio description into their work, specific training for volunteer guides to develop audio-described tours and working with staff to deliver audio-described tours. I have been impressed with the organisation-wide approach that the Museum has taken to building its accessibility and diversity programme. The Museum's staff are open to exploring ways of developing all areas of their practice to engage more fully with those in the community who have a disability."

– Nicola Owen, Director, Audio Described Aotearoa

TRANSFORM OUR BUILDING AND COLLECTIONS

The transformation we are undertaking at the moment is about more than just providing exciting new galleries, public spaces and onsite experiences. Our new Special Exhibitions suite has been completed. Te Ara Oranga (Southern Pathway) has provided a completely accessible route from Maunsell Road for the first time and our new Tāmaki Stories gallery will be opening in 2020.

Over the past year, we've worked hard to conserve our collections, add to them and open them up by working with community knowledge-holders to transform our understanding of the taonga we care for. The care and accessibility of our collections are core priorities and form the most important component that drives engagement with our audiences; so, we are focused on applying high standards of care and management while optimising intellectual and physical access.

Increasing the amenity of Auckland Domain

"For the community of Parnell, Auckland Museum is a most treasured attraction, one we often feel we are not close enough to from a physical perspective. We appreciate the work we are doing with the Museum to enhance connectivity to adjoining communities and are collaborating towards improving the walkways, pathways and wayfinding to increase visitation and enhance the visitor experience. The external capital works on the recently completed Southern Pathway, Te Ara Oranga, positively demonstrate the Museum's efforts in this regard."

*Cheryl Adamson, General Manager,
Parnell Business Association*



Above: Mike Lee (Chair of Auckland Domain Committee), David Gaimster (Auckland Museum Chief Executive), Pippa Coom (Chair of Waitematā Local Board), Desley Simpson (Councillor for Ōrākei Ward) and Auckland Mayor Phil Goff cut the ribbon on Te Ara Oranga.

Changing the ways communities interact with our collections

"It was a real pleasure taking part in the ceremonies that accompanied the Auckland Museum's Pacific Collection Access Project. I absolutely loved the project, as it gave Pacific people the opportunity to share their powerful stories of Pacific resilience through our languages and cultures and historic artefacts. It's a project that also aligns with my search to find a way to protect and safeguard Pacific indigenous knowledge and practices for the sake of future Pacific populations. I believe it's a project that changes how people view museums as well. Traditionally museums have been seen as collectors of things which are dead and gone. But by involving the Pacific community in the identification, labelling and retelling of their Pacific stories of cultural customs, traditions, song and dance, the Museum is seen as breathing new life and vigour to the meaning of those historic pieces."

– Hon. Aupito William Sio, Minister for Pacific Peoples

Enriching our collections

"When we read in the newspaper some previous unstudied and important Hillary letters were coming up for auction we were immediately interested. When we then saw that one of the letters contained an instruction to his brother to look after their mother and give away his mountaineering gear, we thought this was very much like a will – which, of course, aligns with our business Perpetual Guardian. We felt these letters absolutely needed to stay in New Zealand to be able to be enjoyed and studied by future generations. It was a delight and an honour to be part of the acquisition of these letters, which contain new and telling details about the man we, as New Zealanders, feel embodies everything we would all like to be. Working with the Auckland War Memorial Museum was a fulfilling experience."

– Charlotte Lockhart, Perpetual Guardian

STRETCH THINKING

During the last 12 months, we've been hugely successful in applying new approaches, reached out even further with new cultural and scientific partnerships, and released our *Five-Year Research Strategy*, which identifies the six themes that will form our research focus going forward. Research and fieldwork conducted by our Museum specialists and collaborative work with like-minded organisations are the key drivers to how we generate new knowledge.

It's part of our mission to build sector capacity and grow leadership capability. In partnership with the University of Auckland over the last year, we've co-developed an industry-leading postgraduate module to be taught onsite by Museum experts; this is a significant step towards developing the talent pipeline for the cultural sector.

Innovation in research

"The pārekareka/spotted shag collaborative restoration project with Auckland Museum is a prime example of the value these relationships can make towards achieving our shared visions and goals. Auckland Council has been working with Auckland Museum from the early development stages, to design, and to the final implementation of the state-of-the-art artificial pārekareka colony on Otata Island. This project directly contributes towards Auckland Council's plans to improve and restore Auckland's seabird numbers. Outstanding results have been achieved so far, thanks to the team of experts and community members involved, including the Museum specialists, volunteers and the collection items that were used for creating the actual replica birds."

– Dr Todd Landers, Senior Scientist, RIMU, Auckland Council



Above: Pārekareka/spotted shag restoration project in action on Otata Island

Ground-breaking partnerships

"The *Taiātea – Gathering of Oceans* event in March 2019 was the initial wānanga (gathering) that brought together leaders who are traditional knowledge keepers from across the many islands of the Pacific and science leaders to exchange knowledge and embrace shared aspirations. This has opened the door to ways we can work together to support the protection of the marine oceanscape throughout the Pacific. We wouldn't have been able to build these international relationships without the Museum. Our partnership with Auckland Museum over the years has helped create space for indigenous voices to rise – we've started a stocktake of Ngāti Kuri taonga and have developed a shared work programme. It's a really different approach – rather than speaking for us, we've worked together to build a strong relationship."

– Sheridan Watts, Board member, Ngāti Kuri

Co-curation with iwi

"The *Te Paki o Matariki: 160 Years of Kiingitanga* exhibition at Tāmaki Paenga Hira enabled us to tell stories of the Kiingitanga in our own way. Through shared aspirations, this exhibition was co-developed and delivered by a team of Tāmaki Paenga Hira Auckland Museum staff and Kiingitanga representatives to share the history of the Kiingitanga in an important milestone year. This collaboration allowed our voices and stories to be heard with support from Auckland Museum staff."

– Te Ariki Tamaroa Whatumoana Te Aa, Kiingitanga

LEAD A DIGITAL MUSEUM REVOLUTION

Technology is bringing an increasing amount of the work we do to life and sharing our work further and further beyond our walls. We have continued to invest in digitising our collections and are using technology to connect people with more of our content through established and emerging channels.

Over the past 12 months, we've pushed ourselves even further into this new frontier – expanding the reach of our Collections Online portal globally, growing public contributions to our Online Cenotaph and embedding more exciting interactive experiences into our galleries. Internally, we've been developing our digital capability to enable the Museum to remain at the centre of this revolution and have been inviting our sector colleagues to join us in developing additional learning opportunities.

Providing online discoveries

"I'm so grateful to Auckland Museum for having so much information and pictures available online. I've known of my great-grandfather, C H Wells, since I was a child but due to family complications post World War One, my grandfather was raised in Australia. My father is named in his honour. It wasn't until two years ago that I first saw his photo on the Auckland Museum website. I've since discovered his service documents, which include so much of his military service history. I'm proud of his service and it only further enriches my connection with New Zealand."
– Contributor, Online Cenotaph



Above: Children interact with the digital garden wall in the *Secret World of Butterflies* exhibition

Digital interactive experiences

"The digital garden wall developed for the *Secret World of Butterflies* exhibition was a magical, immersive and interactive experience that allows users to create their own butterfly to set free in the lush, large-scale digital garden screen. We've loved being able to bring to life such a unique experience that brings people of all ages together and that has learning embedded into it as well as surprise elements to discover within. To then be able to carry the experience through to a mobile format after the exhibition closed has meant even more people can share in this joy and in a variety of locations and situations."
– Sam Ramlu, Managing Director/Co-founder, Method (NZ)

Leading the sector

"Auckland Museum's #FutureSlam events have been highly valuable to my understanding and connection with the GLAM (Galleries, Libraries, Archives and Museums) sector. While the use of technology is spread throughout so many sectors and industries, being able to hear inspiring speakers using these new assets in creative and innovative ways helped to reflect on my own practice. From M K Haley to Seb Chan, the level of expertise brought by the Museum supports Auckland's cultural sector to question and work on its future. I am really pleased to see how #FutureSlam is expanding, inviting other institutions to discuss technology and thrive in our technology-driven world."
– Nolwenn Lacire, Digital Curator, Auckland Live

ENGAGE EVERY SCHOOLCHILD

Auckland Museum is a place for young Aucklanders to learn about the world around them and we offer innovative programmes that we are in the unique position to provide. We've engaged with more children offsite and onsite than ever before over the past year and have ensured that curriculum links are integrated into all our learning environments.

We've also partnered with communities and organisations to enrich what we can offer through teaching resources and programmes that foster deep connections with our exhibitions and collections. And we've taken our learning experiences directly to Auckland's youth in the community by ensuring our presence at popular public events to provide inspiration beyond a formal learning environment.

Reaching children in the community

"The Kids Arts Festival at Corban Estate Arts Centre is an annual event attended by around 3-4,000 visitors. This year the theme was 'Animalia' and Auckland Museum brought a full programme that gave children the opportunity to learn about plants and animals in a creative manner. This event provided an awesome experience for children who live in West Auckland who may not get to the Museum in town very often and it was a great way to complement our own workshops. The organising and setting up with Museum staff were easy and we had so many positive comments from attendees about the whole festival – they're already looking forward to the next one."

– Padma Naidu, Arts Education Manager,
Corban Estate Arts Centre



Above: An Auckland Museum learning specialist works with students onsite

Teaching resources with a national reach

"Our department really enjoyed using the *Are We There Yet?* school kit. It fitted well into the curriculum and is a fantastic resource that encouraged us to try new teaching methods. We were all able to look at the possible tasks on the website and choose what we wanted to focus on; we ended up using our own areas of expertise or interest without really planning to. I am a History teacher and enjoyed the chance to show the students how to use the databases in the 'Invisible Women' activity, while our Health and PE teacher looked at the ideal image of women portrayed in the media and our Economics teacher focused on women in politics and used the work data cards. Our students developed their own mini-exhibitions from the kit, which featured work from during the term as well as using their own research and interviews – they were really engaged and produced fantastic work!"

– Taryn Gadsby, Sacred Hearts Girls' College,
New Plymouth

Education sponsorship

"For the Earthquake Commission, sponsoring Auckland Museum's *Volcanoes!* outreach education programme is a vital part of helping grow the next generation of hazard-aware Kiwis. From taking the programme developed by the Museum's learning specialists and delivering it directly to schools in their own classrooms, we're connecting all types of young people with our messages in a way that is engaging and continues to receive superb feedback from teachers and students alike."

– Hamish Armstrong, Public Education Manager,
Earthquake Commission

GROW OUR INCOME AND ENHANCE VALUE FOR AUCKLANDERS

A crucial component of the way we operate is our commitment to achieving sustainable revenue growth with a strategy of increasing onsite visitation and expanding revenue-generating opportunities so we can provide more services and experiences to Aucklanders. Over the past year, Auckland Museum has delivered another record-breaking level of self-generated revenue to supplement the funding and support we receive.

We exceeded our development fundraising targets, which demonstrates the ongoing confidence of our donors and sponsors for the many projects we are delivering or have in development. Of particular note is a \$4.5 million grant from the Lotteries Grants Board Significant Project Fund, to be drawn down over consecutive years, towards the development of our exciting new Tāmaki Stories gallery.

Support from our donors

"The C & L Gregory Charitable Trust was formed by Lola Gregory as an appreciation of the work done by the Museum which she saw during her time as an Auckland Museum volunteer over many years. Although a comparatively small trust, we have been pleased to help add to the Museum's collections and assist with building work. During the past 12 months, our Trust has been pleased to support curatorial staff in research and provide funding for special projects. As a trustee, it has given me an enormous amount of pleasure to be involved with this work that has added value to the Museum and to Aucklanders."
– Maurice Norton, Trustee, C & L Gregory Charitable Trust



Above: Auckland Museum provides visitors authentic cultural experiences

Delighting our customers

"We created and managed the Crystal Cruises' Serenity shoreside event at the Auckland Museum. This military-themed event included a tour of the Museum followed by dinner and a show in the Museum's Events Centre for over 300 guests. Guests were greeted by a 20-piece band. Veterans and cadets then welcomed guests through the front doors to the Māori Court for a special cultural performance. The Museum's Events Centre was transformed into a red-and-black seated gala dinner venue, complete with three huge LED screens. Thank you to all of the team involved in bringing this night together and making it the huge success it was."
– Karen Boucher, Activities & Events Unlimited

Diversity and inclusion leadership

"The Auckland War Memorial Museum is the first cultural institution to be awarded the Rainbow Tick, and in the face of some tough competition, they also won the Supreme Award at this year's Rainbow Excellence Awards. This reflects the fact that the Museum is truly a values-led organisation, and this is what has given it the strategic direction and operational acumen to implement this work so well. When an organisation's values are clear, well communicated and clearly aligned with its strategy, this enables us to implement our work with our programme partners in the most effective way. We are delighted to have one of the country's leading cultural institutions as part of our network of programme partners and the Museum leadership in this field will set an example to others."
– Michael Stevenson, Programme Manager, Rainbow Tick

SERVICE PERFORMANCE REPORT

GOAL 1.	REACH OUT TO MORE PEOPLE		
	Measured by	What we achieved	Basis of measurement
1.1	Onsite visitation of 905,000 achieved	<p>Due to the nature of capital works in a heritage building, the construction schedule was re-sequenced, impacting the offerings and spaces available to the public.</p> <p>The special exhibitions programme was originally scheduled to conclude in October 2018 and construction in this area started later than anticipated allowing no time to develop further exhibition programming. To account for this Are We There Yet? was extended to close in January. Construction began in March 2019 in the South Atrium foyer, closing this entrance and direct access from the Museum's underground carpark creating an additional barrier for visitation.</p> <p>Despite this the Museum had 757,358 visits in FY 2018/19.</p>	Auckland Museum Visitor Profile Survey 2018/2019
1.2	Maintained visitor satisfaction at 98%, as measured by our annual Visitor Profile Survey	Despite construction onsite and reduced amenities in the latter half of the year the Visitor Profile Survey (VPS) reported that Auckland Museum achieved the overall visitor satisfaction score of 99% with 74% rating their Museum experience as 'Excellent'.	Auckland Museum Visitor Profile Survey 2018/2020
1.3	Delivered a compelling exhibitions programme, which for FY 2018/2019, will include 'Are we there yet? Women and Equality in Aotearoa'	<p>Six onsite exhibitions were delivered throughout the year appealing to a range of audiences including:</p> <p><i>Are We There Yet? Women and Equality in Aotearoa</i> <i>The Secret World of Butterflies</i> <i>Early Auckland Photography</i> <i>Bags: Carried Away</i> <i>Te Pahi o Mataraki: 160 years of Kīngitanga (co-curated)</i> <i>Not One More Acre: Bastion Point/Takaparahau (co-curated)</i></p> <p>The offsite exhibition Volume South continued at Manukau Institute of Technology closing on 31 August 2018.</p>	Auckland Museum Website, Auckland Museum Events Plans, Press and Media Releases, Social Media
1.4	Successful public programming which included the four panel discussions for the LATE series	<p>Over 50 public programming events were delivered during the year appealing to a wide range of audiences including four panel discussions for the LATE series - #MeToo, An Evening with Helen Clark, CRISPR and Taitea - Gathering of Oceans.</p> <p>FY 2018/19 saw the conclusion of a five-year programme commemorating 100 years since the first World War. 13,095 people attended Armistice programming that engaged with a cross-section of our audiences and presented multiple voices to tell the story of this event including musical performances, readings from our collection and Armistice Illuminate that told the narrative of New Zealand's involvement in WW1 through images from our collection and mapped graphics projected onto the outside of the Domain building.</p>	Auckland Museum Website, Auckland Museum Events Plans, Press and Media Releases, Social Media, Commemoration Programmes
1.5	At least 12,000 public contributions to the Online Cenotaph database achieved	Online Cenotaph is a digital gathering place for communities to share the personal and official memories of those who served New Zealand in times of conflict. We believe that Online Cenotaph is now widely recognised as New Zealand's national digital war memorial and one of the most important collections of historical biographical information in the country. In FY 2018/19 16,966 public contributions (images, documents or notes) were added to Online Cenotaph with 97,299 digital poppies laid.	Kentico Auckland Museum Online Cenotaph Statistics
1.6	A 5% growth in our outreach audiences, from the previous year	We held 12 offsite public programmes including the Poisonous Garden holiday programme in Hunter's Plaza and the Waitangi Day programme. We were unable to meet our growth goal due to circumstances outside of our control with the cancellation of three key events - Pasifika, Polyfest and Auckland Anniversary - Tamaki Herenga Waka.	Auckland Museum Website, Auckland Museum Learning Programme Planning,

1.7	Completed design of the Museum Membership programme	The Development Strategy was completed including a high-level strategy to support paid Museum membership. The timing of detailed programme design has been shifted to accommodate the recruitment of a Membership Manager.	Auckland Museum Development Strategy
1.8	Implemented organisational development initiatives such as training programmes and a staff engagement survey	Auckland Museum has provided development initiatives including #FutureSlam digital training, Nga Kakano series, Nga Putake sessions and regular Health and Wellness offerings. The staff engagement survey has been completed and the results shared, with individual teams preparing to take action plans into the FY 2019/20 year.	Auckland Museum Staff Health and Wellbeing Programme, Staff Development Programme, Auckland Museum Staff Engagement Survey 2018/2019

GOAL 2.	TRANSFORM OUR BUILDING AND COLLECTIONS		
	Measured by	What we achieved	Basis of measurement
2.1	Achieved substantial completion of capital projects identified, including the construction of a new Learning Base on level one and construction of a new Special Exhibitions Hall	<p>Key capital projects completed during FY 2018/19 included the new public spaces Special Exhibition Hall, the Eastern Loop Walkway, Te Ara Oranga (The Southern Pathway) and the back of house space GM Crescent East.</p> <p>Construction work commenced in March 2019 on the new Western ground floor galleries, Western Loop Walkway and the expanded South Atrium space which upon completion will be home to a new retail store, cafe, Kai Room, orientation space and welcome lounge. On Level 1 construction work commenced on the Learning Base and new Conservation Lab. Key collections projects running simultaneously like the Te Awe project and PCAP (Pacific Collections Access Project) were completed to enable the next phase of construction.</p>	Auckland Museum Website, Media Releases, Social Media, Auckland Council Completion Certificates and Certificates of Practice
2.2	Completed the annual schedule in accordance with Asset Management and Collection Care plans	81% of the planned Collection Care projects were completed. Of the projects outlined in the annual schedule of work, one proposal was cancelled and three additional projects were put on hold to enable deeper stakeholder engagement. Of the five projects which remain in progress, they are either multi-year projects that are planned for completion in FY 2019/20 or are projects that have been reprioritised.	Auckland Museum Collection Management Systems Vernon and Presto, Auckland Museum Collection Care Programme
2.3	Appropriate Manu Tāiko storage occupancy achieved, with enough collections decanted from the Domain building to create adequate space	Manu Tāiko, the Museum's offsite storage hub is currently at 70% collections occupancy. Efficient collections decant has enabled capital works to proceed while Manu Tāiko continues to provide an increased level of collection care through advanced environmental systems, world-class storage solutions, collection management and conservation preparation area and a responsive relocations team. Gallery spaces decanted over the year from the Domain building include Encounters, Wild Child, Landmarks, the Māori Carving Store and the old Ancient Civilisations Gallery. Collection Spaces B2 'F' section and half of 'B' section (E1) were also decanted out to Manu Tāiko. The Museum has also worked collaboratively with Auckland Art Gallery and Auckland Libraries to enable them to store portions of their collections at Manu Tāiko.	Auckland Museum Collection Management Systems Vernon and Presto, Auckland Museum Collections Development Strategy

GOAL 3.	STRETCH THINKING		
	Measured by	What we achieved	Basis of measurement
3.1	Co-delivery of joint research and teaching ventures	A postgraduate paper called "Back of House at the Museum" that contributes towards a Master of Arts, Postgraduate Diploma or Bachelor of Arts with Honours in Museums and Cultural Heritage was co-developed in partnership with The University of Auckland University during FY 2018/19. The course will begin at the start of FY 2019/20 with content developed and delivered onsite by Museum staff. Industry leading, it's the first time in Australasia that a Museum has co-developed a curatorial training course with a university and is a significant step in developing the talent pipeline for the cultural sector.	University of Auckland Faculty of Arts Website
3.2	Completed the Pacific Collection Access Project (Phase One, 13 Pacific island nations)	The Museum continued to engage with knowledge holders from the Pasifika community throughout FY 2018/19. Projects completed as part of the multi-year Pacific Access Collection Project – the Kiribati Collection (1148 objects), Niue Collection (275 objects), the Samoa Collection (461 objects), the Tokelau Collection (240 objects), the Tonga Collection (531 objects), and the Tuvalu Collection (150 Objects). The final collections from the nations of Pitcairn, Rapa Nui and Wallis and Futuna commenced in July 2019. All collections benefited from the engagement of expert knowledge holders from each Pacific community. The Pacific Islands Collection Project covering 13 Pacific nations was completed at the start of FY 2019/20.	Auckland Museum Website, Social Media, Auckland Museum Collection Management System Vernon and Presto, Pacific Collection Access Project Reports
3.3	Delivered Year Two of the Te Awe project, focused on weaving and carving	Phase 2 of Te Awe, a multi-year project focussing on the Museum's collection of taonga Māori textiles, launched in September 2017. Two wānanga were held in February 2019 and May 2019 with members of the Taumata Mareikura, an expert reference group of Māori weavers, who imparted new knowledge to enrich collections records. New designs for the cloak trays were researched, confirmed and ordered so that the cloak collection could be safely relocated at the beginning of FY 2019/20.	Auckland Museum Website, Social Media, Taonga Māori Collections Reports, Museum Medals Programme 2019
3.4	Implemented FY 2018/2019 annual collecting plans with a focus on community co-development of collections	All collecting areas across the Human History, Natural Science and Documentary Heritage disciplines completed approved annual collecting plans in FY 2018/19. These plans focus collecting activity from the Collection Development Plan into areas identified and agreed for development within the financial year. The focus on community co-development of collections is implemented where possible but is primarily evident in the collecting plans for the Pacific and Taonga Māori collections where we have worked with contemporary makers and artists to commission or purchase works to fill identified gaps in the collection.	Auckland Museum Collection Management Systems, Pacific and Taonga Māori Collection Reports, Collections Development Plan
3.5	Increased the number of publications the Museum contributed to, compared to the previous year	Our curatorial, scientific and specialist staff contribute to a range of publications providing an opportunity for the formalisation of new knowledge. In FY 2018/19 a total of 147 publications including peer-reviewed articles, conference presentations and other articles/books/publications were developed. This is an increase on the 143 contributions for the prior year.	Auckland Museum Research Strategy, Auckland Museum Website, You Tube

3.6	Led, with Ngāti Kuri, the decadal biodiversity and cultural fieldwork expedition to Manawatahi (Three Kings Islands), in November 2018	The Museum's long-standing relationship with Ngāti Kuri bridges science and matauranga Māori and continues to demonstrate cultural sector leadership. This has strengthened across a number of projects and activities including a wānanga held in November 2018 at Te Hapua and Parengarenga Harbour, continued learning programmes with Ngāti Kuri schools, co-presentations at the SPNHC conference in Dunedin in September 2018 and Museums Aotearoa in May 2019 and partnership application for Vision Mātauranga funding in 2018. The Vision Mātauranga funding will support the co-development of a mātauranga framework and continued preparation for biodiversity research including Manawatāwhi research.	Auckland Museum Kapowairua Bioblitz Programme and presentation, Auckland Museum Website, Auckland Museum Collection Management Systems Vernon and Presto
3.7	Secured external partnership funding for 25% of the Museum's research activity	In FY 2018/19 the Museum exceeded its funding partnership target for Museum's research activity with 30% funding achieved. Funding was received from the New Zealand Commission for UNESCO, James Say Searle Trust, Tuia 250, MBIE Te Punaha Hihiko Vision Mātauranga Fund and the C&L Gregory Trust.	External Funding Applications and Acceptance Letters

GOAL 4.	LEAD A DIGITAL MUSEUM REVOLUTION		
	Measured by	What we achieved	Basis of measurement
4.1	Reliable access to the Museum's online systems and collection data held securely	Auckland Museums online systems have had an uptime of 99.9% over the past year with no reported data breaches. Collection data held in our online systems is open access and free to the public. Restricted data is only available online on internal systems.	Google Auckland Museum Analytics Report
4.2	Increased number of unique users to Collections Online	Over FY 2018/19 we focused on diversifying the Collections Online portfolio by expanding the number of external websites through which information could be shared, effectively expanding Collections Online's overall reach. Auckland Museum now shares its collections online with Digital New Zealand, Wikipedia, Atlas of Living Australia and the Global Biodiversity Information Facility. Views of collection items via these external platforms totalled over 16,104,227 in FY 2018/19. This has resulted in a drop of unique users to our Collections Online portal in FY 2018/19 to 68,998, down from 103,592 in FY 2017/18.	Auckland Museum Collections Online, Digital New Zealand, Wikipedia, Atlas of Living Australia and Global Biodiversity Information Facility
4.3	Museum-wide digital strategy established and new digital experiences being implemented in the new Learning Base	In FY 2018/19, we completed an externally-run horizon environmental scan for our Technology and Digital Strategy. As a result, we have commenced high-level technology and digital strategy planning to become part of this wider strategy. The Learning Base digital experiences will be implemented when this is completed in 2020. Digital labels and migration interactive work has been completed and will be installed into galleries.	Taryn Davies Auckland Museum Environmental Scan Report

GOAL 5.	ENGAGE EVERY SCHOOLCHILD		
	Measured by	What we achieved	Basis of measurement
5.1	Maintained onsite visitation by school children at the same level as FY 2017/2018	Despite disruptive building works onsite visitation was maintained with 42,941 school children visiting the Museum during FY 2018/19, compared to 42,408 school children in FY 2017/18.	Auckland Museum Visitor Profile Survey 2018/2019, Auckland Museum Learning Programme Reports
5.2	Growth in offsite engagement, up 15% on the prior year	Offsite engagement with school children increased by 100.4% on the prior year with 71,308 students reached. 38% of our programmes were available to be delivered offsite while Discovery Kits provided comprehensive resources for teachers and students enabling deep engagement with our collections. 63,840 students engaged with a Discovery Kit during FY 2018/19.	Auckland Museum Visitor Profile Survey 2018/2019, Auckland Museum Learning Programme Reports
5.3	Increased access to online learning resources	We developed an online resource to support the Are We There Yet? Discovery Kit. We incorporated pre-visit and post-visit resources into the programme pages of the AM learn website and also created a school orientation video to advise teachers on what to expect from their onsite visit.	Auckland Museum Learn Website, You Tube



Above: An Auckland Museum learning specialist works with students onsite

GOAL 6.	GROW OUR INCOME AND ENHANCE VALUE FOR AUCKLANDERS		
	Measured by	What we achieved	Basis of measurement
6.1	Achieved self-generated funding of \$8.5 million	The Museum delivered \$9.468 million revenue through self-generated revenue streams over the FY 2018/19. This achievement was assisted by the later start to the building works onsite.	Auckland Museum Revenue Generating Reports
6.2	Raised \$2 million of development funding	Development funding exceeded target delivering \$3,772,627.50 with a mixed model of fundraising supporting this achievement. Of particular note is the \$4.5 million grant from the Lotteries Grants Board Significant Project Fund to be drawn down over consecutive years which supports the development of the new Tāmaki Stories Gallery and the capital works in progress.	Auckland Museum Funding Contributions Report FY2018/2019
6.3	Auckland Museum Foundation fundraising platform established and fully activated	The Auckland Museum fundraising platform was not established and fully activated. The Five-Year Strategic Plan set the strategic direction for the Museum for the period 2017-2022. Alongside building, collections and public engagement transformation, its publication also reset the pathway for development and fundraising at the Museum. The Museum's Development and Fundraising Strategy will see Auckland Museum remain the face of the "ask", which will see people wishing to donate to the Museum being able to do so directly. The Auckland Museum Trust Board will retain responsibility for advancing and guiding the Museum's Development function.	Auckland Museum Development Strategy
6.4	Launched the Museums of Auckland consortium, delivering joint marketing initiatives, increased cross-city visitation, co-ordinated public programmes, a joint digital collection search portal and a sector workforce development scheme	Museums of Auckland (MOA) is a consortium of Auckland's arts and cultural heritage institutions that promotes and supports collaboration and partnership initiatives across the sector to deliver value to the people of Aucklanders and visitors to the city. Over FY 2018/19 the Museums of Auckland consortium continued to grow and has expanded to include the Torpedo Bay Navy Museum, Howick Historical Village and the Regional Heritage NZ sites. A Terms of Reference was developed and agreed amongst the partners covering purpose, governance and membership. A MOA website was developed for Aucklanders wishing to understand Auckland's cultural journey, and efforts continue to increase its searchability. A multi-site ticket targeting the FIT (free independent traveller) was piloted over the tourism peak season in 2018 and joint programming initiatives were undertaken. Examples include collaboration to support Auckland Council cultural festivals, and a number of institutions collaborating to deliver an event to supplement the Auckland #Techweek programme. Workforce development initiatives have included a range of activity such as the Regional Rainbow Network, and shared opportunities for professional development through Auckland Museum's staff Te Reo lessons, #FutureSlam events and Nga Kakano series.	Museums of Auckland Website, Auckland Museum Website

FUNDERS, PARTNERS AND SUPPORTERS

FUNDERS

Auckland Council
Regional Facilities Auckland

PARTNERS

Auckland Museum Institute
Auckland Museum Foundation

SUPPORTERS

Conference, Travel Expenses and Professional Development

Auckland Museum Institute
C&L Gregory Trust

Future Museum Capital Campaign

NZ Lottery Environment and Heritage
Significant Projects Fund
Sir John Logan Campbell Residuary Estate
Maurice Paykel Charitable Trust
Tennyson Trust
The David and Genevieve Becroft Foundation
MW and MA Durling Family

Conference, Travel Expenses and Professional Development

Auckland Museum Institute

School Programmes

Ministry of Education LEOTC Fund
EQC
Museum of New Zealand Te Papa Tongarewa
(Ministry of Education Digital Technologies
All Equity Fund)

Public Programmes

Lottery Environment and Heritage Tuia
Encounters 250 Fund
Pew Bertarelli Ocean Legacy
WWF – New Zealand
Ngāti Kuri

Learning Outreach Programmes

The Stevenson Foundation
Ministry for Women

Collections and Research

RT Shannon Memorial Trust
C&L Gregory Trust
Levingston Cooke Charitable Trust
Edward Earle Vaile Trust
LA Spedding Bequest
Nancy Bamford Trust
Ko Tawa Reserve
Auckland Museum Institute
Fay and Richwhite Families
NZ National Commission for UNESCO
NZ Lottery Environment and Heritage Fund
Chisholm Whitney Family Charitable Trust
James Searle Say Trust – Managed by
Perpetual Guardian
MBIE Te Pūnaha Hihiko: Vision Mātauranga
Capability Fund

Publications

Creative New Zealand
NZ Lottery Environment and Heritage Tuia
Encounters 250 Fund
Blumhardt Foundation
Kelliher Charitable Trust
LA Spedding Bequest

Exhibitions

Waikato Raupatu Land Trusts Ltd
RT Shannon Memorial Trust
NZ Lottery Environment and Heritage Tuia
Encounters 250 Fund
ECC

Collaborative Research Partners

University of Auckland
Massey University
University of Otago
Auckland University of Technology

Media

Soar Print
Radio New Zealand National
NZME

FINANCIAL STATEMENTS FY 2018/19

CONTENTS	Page
Consolidated statement of comprehensive revenue and expense	30
Consolidated statement of changes in net assets/equity	31
Consolidated statement of financial position	32
Consolidated statement of cash flows	33
Notes to and forming part of the consolidated financial statements	
1 Reporting entity	35
2 Basis of preparation	35
3 Heritage collection assets	36
4 Property, plant and equipment	37
5 Intangible assets	39
6 Revenue	40
7 Reserves	42
8 Expenses	44
9 Investments	45
10 Cash and cash equivalents	45
11 Financial instruments	46
12 Employment benefits	52
13 Leases	53
14 Related parties	54
15 Commitments and contingencies	55
16 Other items	56
17 Post balance date events	56
Independent auditor's report	57

**AUCKLAND MUSEUM TRUST BOARD
CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	Actual 2019 \$000s	Plan 2019 \$000s	Actual 2018 \$000s
Total Revenue from all activities	6	44,675		46,130
Operating Activities				
Revenue from Non-Exchange Transactions				
Auckland Council levy	6,14	31,504	31,504	30,735
Grant revenue	6	607	353	288
Fair value of volunteer's time	6	603	648	544
Donations & sponsorship	6	134	195	127
		32,848	32,700	31,694
Revenue from Exchange Transactions				
Commercial operations	6	2,490	2,145	2,533
Admissions	6	2,629	2,858	2,751
Retail revenue	6	1,651	1,368	1,577
Other revenue	6	793	482	1,084
Finance income	6	561	520	531
		8,124	7,373	8,476
Total Revenue from Operating Activities		40,972	40,073	40,170
Expenses				
Short-term employee benefits	8	16,988	17,582	16,840
Depreciation, amortisation & loss on disposals	8	9,774	9,411	8,955
Other	8	14,191	13,080	14,503
		40,953	40,073	40,298
Surplus/(Deficit) from Operating Activities		19	-	(128)
Special Purposes Activities				
Revenue from Non-Exchange Transactions				
Grant revenue	6,7	2,818		450
Donations, bequests and others	6,7	207		447
		3,025		897
Revenue from Exchange Transactions				
Change in measurement of investments at fair value	6,11	(33)		4,771
Finance income	6,7	711		292
		678		5,063
Total Revenue from Special Purposes Activities		3,703		5,960
Expenses				
Trusts, bequests and reserves expenditure	7,8	3,664		3,464
Short-term employee benefits	7,8	5,357		5,694
		9,021		9,158
Deficit from Special Purpose Activities		(5,318)		(3,198)
Total Deficit		(5,299)		(3,326)
Other Comprehensive Income		-		-
Total Comprehensive Revenue and Expense for the Year		(5,299)		(3,326)

The accompanying notes form part of these financial statements

**AUCKLAND MUSEUM TRUST BOARD
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDING 30 JUNE 2019**

	Note	Accumulated Revenue and Expense \$000s	Special Purposes Reserves Other Special Purposes \$000s	Asset Replacement \$000s	Total Equity \$000s
2018					
Balance as at 1 July 2017		140,742	13,339	51,999	206,080
Total Comprehensive Revenue and Expense		(3,326)	-	-	(3,326)
Transfer to/(from) Special purposes equity *	7	(209)	209	-	-
Transfer to/(from) Asset Replacement *	7	3,407	-	(3,407)	-
Transfer of depreciation levy **	7	(9,226)	-	9,226	-
Transfer of capital expenditure **	7	14,729	(3)	(14,726)	-
Balance at 30 June 2018		146,117	13,545	43,092	202,754
2019					
Balance as at 1 July 2018		146,117	13,545	43,092	202,754
Total Comprehensive Revenue and Expense		(5,299)	-	-	(5,299)
Transfer to/(from) Special purposes equity *	7	575	(575)	-	-
Transfer to/(from) Asset Replacement *	7	4,746	-	(4,746)	-
Transfer of depreciation levy **	7	(9,411)	-	9,411	-
Transfer of capital expenditure **	7	12,993	(163)	(12,830)	-
Balance as at 30 June 2019		149,721	12,807	34,927	197,455

* Special Purposes surplus/(deficit) is transferred from Accumulated Revenue and Expense to Special Purposes Equity and Asset Replacement Equity.

** The levy received from the Auckland Council includes an amount to recompense depreciation in the Museum's property, plant and equipment, the funds in respect of which are transferred from Accumulated Revenue and Expense to the Asset Replacement Reserve 2019 \$9.411 million (2018 \$9.226 million). When expenditure is incurred on assets the funds are reclassified from the Asset Replacement Reserve into Accumulated Funds 2019 \$12.830 million (2018 \$14.726 million). Special Purposes Equity Funds may also be held to be expended on assets and in that event the funds are also reclassified from Special Purposes Equity Funds into Accumulated Funds 2019 \$0.163 million (2018 \$0.003 million). Refer to note 9 for details of investments held for the special purposes and asset replacement reserves.

The accompanying notes form part of these financial statements

**AUCKLAND MUSEUM TRUST BOARD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Note	2019 \$000s	2018 \$000s
Current Assets			
Cash and cash equivalents	10	10,196	8,686
Short term investments	9	39,916	4,459
Receivables from exchange transactions		523	638
Goods and services tax receivable		1,035	440
Prepayments and Exhibition WIP		363	840
Inventory		443	467
		52,476	15,530
Non-current Assets			
Property, plant and equipment	4	144,341	140,673
Investments	9	7,818	52,178
Intangible assets	5	1,568	2,016
		153,727	194,867
Total Assets		206,203	210,397
Current Liabilities			
Trade and other payables from exchange transactions		1,170	1,680
Other payables from non-exchange transactions		579	327
Accruals and Provisions		5,028	3,604
Employee benefits	12	1,396	1,451
		8,173	7,062
Non-current Liabilities			
Employee benefits	12	575	581
		575	581
Total Liabilities		8,748	7,643
Net Assets/Equity		197,455	202,754
Represented by:			
Accumulated Revenue and Expense		149,721	146,117
Asset Replacement Reserve	7	34,927	43,092
Other Special Purposes	7	12,807	13,545
Total Net Assets/Equity		197,455	202,754

The accompanying notes form part of these financial statements

**AUCKLAND MUSEUM TRUST BOARD
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$000s	2018 \$000s
Cash Flows from Operating and Special Purpose Activities		
Cash was provided from:		
Levy from Auckland Council (non-exchange)	31,504	30,735
Receipts from commercial operations	2,044	2,324
Receipts from admissions	2,629	2,751
Receipts from retail	1,651	1,577
Grant received from Special Purposes (non-exchange)	2,818	450
Receipts from Sundry Income	793	1,084
Interest received from Operating Activities	561	531
Interest received from Special Purposes	711	292
Donations & sponsorships received from Special Purposes (non-exchange)	207	447
Donations & sponsorships received from Operating Activities (non-exchange)	390	127
Grant received from Operating Activities (non-exchange)	607	288
	43,915	40,606
Cash was applied to:		
Payments to employees relating to Operating Activities	(17,027)	(15,936)
Payments to suppliers relating to Operating Activities	(10,583)	(13,858)
Payments to employees relating to Special Activities	(5,357)	(5,694)
Payments to suppliers relating to Special Activities	(3,664)	(3,464)
	(36,631)	(38,952)
Net Cash Inflow from Operating and Special Purpose Activities	7,284	1,654
Cash Flows from Investing Activities		
Cash was provided from:		
Net proceeds from drawdown of investments	8,870	13,472
	8,870	13,472
Cash was applied to:		
Purchase of property, plant and equipment	(14,457)	(14,784)
Purchase of intangibles	(187)	(1,491)
	(14,644)	(16,275)
Net Cash Outflow from Investing Activities	(5,774)	(2,803)
Net increase/(decrease) in cash and cash equivalents	1,510	(1,149)
Cash at beginning of year	8,686	9,835
Cash at end of year	10,196	8,686

The accompanying notes form part of these financial statements

**AUCKLAND MUSEUM TRUST BOARD
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

Reconciliation of Surplus to Net Cash Flow from Operating and Special Purpose Activities

	2019 \$000s	2018 \$000s
Total Deficit	(5,299)	(3,326)
Deduct non-cash items:		
Depreciation, amortisation and loss on disposal	9,774	8,955
Change in measurement of investments at fair value	33	(4,771)
	9,807	4,184
 Add/(deduct) movements in working capital:		
(Increase)/decrease in receivables	(3)	146
Decrease/(increase) in inventory	24	(79)
Increase in payables and accruals	2,817	717
(Decrease)/increase in employee benefits	(62)	12
	2,776	796
Net Cash Inflow from Operating and Special Purpose Activities	7,284	1,654

The accompanying notes form part of these financial statements

**AUCKLAND MUSEUM TRUST BOARD
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

1 REPORTING ENTITY

Auckland Museum Trust Board ("the Trust") is a body corporate established under the Auckland War Memorial Museum Act 1996. Its principal activity is managing, maintaining and developing the Auckland War Memorial Museum ("the Museum").

The Trust is a charity registered under the Charities Act 2005, and domiciled in New Zealand, and is a not-for-profit public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013). The Trust's registered office and principle place of business is Museum Circuit, Auckland Domain, Parnell, Auckland.

These consolidated financial statements for the year ended 30 June 2019 comprise the controlling entity, the Trust and its controlled entity, Auckland Museum Enterprises Ltd (together referred to as the 'Group').

Auckland Museum Enterprises Ltd was incorporated on 15 April 2013 to hold registration as the developer of certain intellectual property rights. No capital has been subscribed, and the company has no recorded assets or liabilities nor are transactions processed through this company. Accordingly the financial statements of the Trust also represent the consolidated financial statements of the Trust and its non-trading subsidiary.

2 BASIS OF PREPARATION

Statement of Compliance

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards as appropriate for Tier 1 not-for-profit public benefit entities. The Trust qualifies as a Tier 1 reporting entity based on size.

These consolidated financial statements were authorised for issue by Auckland Museum Trust Board on 10th October 2019.

Measurement Basis

The consolidated financial statements have been prepared on a historical cost basis, except for certain assets and liabilities, which are measured at fair value as described below.

Functional and Presentation Currency

The consolidated financial statements are presented in New Zealand Dollars (NZD) which is the Museum's functional and presentation currency, rounded to the nearest thousand.

There has been no change in the functional currency of the Museum.

Comparatives

When the presentation or classification of items is changed, comparative amounts are reclassified unless reclassification is impracticable.

Donated Services

Donated service from volunteers is measured by using an hourly rate for a full time equivalent employee multiplied by the hours of volunteered service. The revenue and expenditure from donated services is recognised in accordance with PBE IPSAS 23.

Use of Judgement and Estimates

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ended 30 June 2019 include the following:

Fair value of investments of \$7.818 million (2018: \$52.178 million)

The estimation in establishing the fair value of investments is undertaken by external independent sources. The Museum relies on Fund Managers for determination of these fair values (Refer to note 11).

Any significant change in the determination of these fair values will have material impact on the Museum's investment.

Useful lives and residual values of Property, Plant and Equipment of \$144.341 million (2018: \$140.673 million)

The Board reviews the estimated useful lives and residual values of property, plant and equipment at the end of each annual reporting period (Refer to note 4).

Any change in these factors would impact the depreciation amount and may have a material impact on the Museum's property, plant and equipment.

Heritage Collection Assets not recognised

Management has exercised significant judgement in determining that its collection assets do not meet the asset recognition criteria of PBE IPSAS 17 (Refer to note 3).

Accounting standards issued but not yet effective

PBE FRS 48 Service Performance Reporting

This standard is effective for accounting periods commencing 1 January 2021.

The objective of PBE FRS 48 is to establish principles and requirements for presenting service performance information that is useful for accountability and decision-making purposes. The Standard requires reporting entities to provide:

- Contextual information sufficient for users to understand why the entity exists;
- What it intends to achieve and how it intends to achieve its aims and objectives; and
- Information about what the entity has done during the reporting period as it works towards achieving its aims and objectives.

PBE IFRS 9 Financial Instruments

This standard is effective for accounting periods commencing 1 January 2021 and replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement.

The key changes that were introduced into PBE IFRS 9 were:

- Creating new classification and measurement requirements for financial assets;
- Introducing new hedging requirements; and
- Placing new impairment requirements on financial assets.

The Trust plans to adopt these standards at the effective dates. The Trust has not yet assessed the impact of these new and amended standards.

3 HERITAGE COLLECTION ASSETS

The Museum holds collections for the purposes of research, education, cultural and scientific enrichment and public enjoyment. The Museum invests substantial resources in the care and protection of its collections to ensure their availability and future survival. The collection contains objects, specimens and documents gathered from the 1850s to the present day which individually and collectively form a record of the natural and social environment of Auckland and beyond. The Museum's collection is one of the largest in New Zealand and several collecting areas rank highly in international significance.

The Natural Science collections contain specimens which provide vital evidence of the geological, botanical and zoological environment with a particular focus on northern New Zealand and the wider Pacific region. The collections are essential for describing what species have existed in New Zealand and for researching and monitoring change over time especially through environmental adaption and impacts of human interaction. The collections are an important node in a worldwide network of taxonomic and ecological research.

The Human History collections contain objects which have been created, used and valued by individuals and communities over many centuries. The Māori and Pacific collections are some of the richest and most numerous in the world. Along with social and military history and archaeology and applied arts collections, they form a comprehensive reflection of everyday objects and outstanding treasures derived from Auckland-based communities and cultures from all over the world.

People document their lives through pictures, words and sounds and the documentary heritage collections contained in the Museum's Library form one of the top research collections in New Zealand. Particular strengths include historical and contemporary photographs, maps, early newspapers and the manuscripts and archive collections of significant Aucklanders and organisations.

The near-encyclopaedic span of the Museum's collections, and the research data that records and connects each item to its significance, form a highly valued body of documents, specimens and objects which are strongly tied to the Museum's public identity and have a unique character particular to Auckland. Auckland Museum is the custodian of the heritage collections that are held in trust for the public of Auckland, and more broadly for New Zealand and for the international research community.

Heritage collections are inherently difficult to value for a number of reasons. The value to the custodial organisation is often greater than the financial value – financial value does not reflect the full cultural, scientific or historical value to the Museum or the community on whose behalf collections are held.

Heritage collection assets are not capable of being reliably measured for reasons including the following:

- Educational / research value is often not evident until such time as the collections contribute to the generation or transfer of knowledge. This can be immediate or a very long time in the future.
- Bequest value – the value derived by donors and their families through the act of giving – is an intangible value which is about the long-term relationship between the museum and successive generations. It is in the nature of trust and goodwill which is not easily quantifiable in financial terms.
- Collective or synergistic value is accrued by a group of items whose individual value is not significant but together they may form a valuable comparative group – the value of the whole is greater than the sum of the parts. In a museum's case, the definition of the whole is an ever-changing concept depending on the groupings and perspectives of those with an interest in studying or appreciating the collections.
- Heritage assets are often encumbered with legal or ethical constraints so realising or liquidating them in financial terms runs counter to the implied transfer of trust which occurs at the time of acquisition and indeed the very purpose for holding them. This form of encumbrance potentially restricts their financial value but is hard to quantify.

- Items are usually unique and irreplaceable making it difficult to establish fair value at any particular time where there is no active market. Values can sit within a wide and subjective range which reduces the utility and accuracy of specific valuation.
- Application of the concept of 'useful life' commonly applied to assets can be inappropriate with respect to heritage collections as the presumption of many objects is that they are entrusted to a Museum in perpetuity – their life is 'forever'. Indeed the purpose of adding an object to a museum collection may be to extend its life by giving it status and safe housing and careful access; in some senses, collection items are never 'used-up'.
- Financial treatment of assets is largely based on them being used to produce wealth and that their ability to do this declines over time. This generates the need to depreciate and account for impairment of assets. Most museum collections gain in value over time so they run counter to the overall

assumptions with regard to other assets. Formulae for appreciation/increase in value of museum collections do not work as readily as depreciation formulae as the increase in value is seldom a linear or arithmetic function. The perceived value of collection items can vary in response to social, political and natural events and in unpredictable patterns over time.

For the reasons stated above, Auckland Museum do not consider that collection assets meet the asset recognition criteria and these financial statements provide a more descriptive narration of the Museum's Heritage Collection Assets in terms of utility, uniqueness and community value instead of allocating a financial value.

Heritage collection assets acquisition expenses are processed through the Special Purposes section and preservation costs are processed through the Operating Activities section of Statement of Comprehensive Revenue and Expense.

4 PROPERTY, PLANT AND EQUIPMENT

4.1. Property, plant and equipment

	Work in Progress \$000s	Buildings \$000s	Displays \$000s	Equipment \$000s	Total \$000s
Cost					
Balance as at 1 July 2017	11,740	136,887	20,404	33,546	202,577
Additions	13,237	-	-	-	13,237
Disposals	-	-	(335)	(365)	(700)
Transfers from work in progress	(15,838)	3,371	3,018	9,449	-
Balance as at 1 July 2018	9,139	140,258	23,087	42,630	215,113
Additions	12,807	-	-	-	12,807
Transfers	-	62	-	(124)	(62)
Disposals	-	(3,888)	(2,437)	(223)	(6,548)
Transfers from work in progress	(9,404)	5,088	-	4,316	-
Balance as at 30 June 2019	12,542	141,521	20,650	46,599	221,311
Accumulated Depreciation					
Balance as at 1 July 2017	-	30,947	13,782	22,469	67,198
Depreciation expense	-	3,038	934	3,536	7,508
Disposals	-	-	(82)	(184)	(266)
Balance as at 1 July 2018	-	33,985	14,634	25,821	74,440
Depreciation expense	-	3,328	981	3,773	8,082
Transfers	-	47	-	(109)	(62)
Disposals	-	(2,907)	(2,437)	(146)	(5,490)
Balance as at 30 June 2019	-	34,452	13,178	29,339	76,970
Carrying value at 30 June 2019	12,542	107,068	7,472	17,260	144,341
Carrying value at 30 June 2018	9,139	106,273	8,453	16,809	140,673

4.2. Recognition and measurement

Items of property plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value at the acquisition date, with the amount of the donation or subsidy recognised as income.

All of the Museum's items of property plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Buildings and Equipments include leasehold improvements with a net book value of \$7.81 million (2018: \$8.64 million).

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Where material parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

4.3. Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Museum. Ongoing repairs and maintenance is expensed as incurred.

4.4. Depreciation

Depreciation is calculated using the straight-line method to allocate an asset's cost to its residual value over its estimated useful life.

Assets under construction are not subject to depreciation.

The annual depreciation rates on a straight-line basis for the Museum's classes of property, plant and equipment are:

Buildings:	
Buildings	0.5 – 2%
Building fit-outs	5 – 10%
Office furniture and fittings	5 – 20%
Displays:	
Display galleries	7 – 33%
Equipment:	
Plant and equipment	4 – 20%
Motor vehicles	10.5 – 20%
Information technology	20 – 40%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimates accounted for on a prospective basis.

4.5. 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.

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. A cash generating unit is the smallest group of assets that generates cash inflows that are largely independent of the cash flows of other assets or cash generating units.

The recoverable amount is the higher of fair value less costs to sell and value in use.

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 in profit or loss. For cash generating

units, impairment losses are allocated to the assets in the cash generating unit on a pro rata basis.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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 (or cash-generating unit) in prior years.

4.6. Capital Commitments

	2019 \$000s	2018 \$000s
Capital Commitments	23,206	4,062

The majority of above capital commitments relates to Base Build and Gallery Renewal projects.

5 INTANGIBLE ASSETS

5.1. Intangible assets

	Work in Progress \$000s	Intangibles \$000s	Total \$000s
Gross carrying amount			
Balance as at 1 July 2017	-	6,818	6,818
Additions	1,491	-	1,491
Transfers	-	-	-
Disposals	-	(546)	(546)
Transfers from work in progress	(1,100)	1,100	-
Balance as at 1 July 2018	391	7,372	7,763
Additions	187	-	187
Transfers	-	62	62
Disposals	-	(379)	(379)
Transfers from work in progress	(9)	9	-
Balance as at 30 June 2019	569	7,064	7,633
Accumulated amortisation and impairment			
Balance as at 1 July 2017	-	5,280	5,280
Amortisation expense	-	955	955
Disposals	-	(488)	(488)
Balance as at 1 July 2018	-	5,747	5,747
Amortisation expense	-	470	470
Transfers	-	62	62
Disposals	-	(214)	(214)
Balance as at 30 June 2019	-	6,065	6,065
Carrying value at 30 June 2019	569	999	1,568
Carrying value at 30 June 2018	391	1,625	2,016

5.2. Recognition and measurement

Intangible assets represent the Museum's investment in software and other design modules which are initially measured at cost. Thereafter they are measured at cost less accumulated amortisation and impairment (refer to Note 4.5 for impairment of non-financial assets).

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in surplus or deficit as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Museum intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in surplus or deficit as incurred.

Subsequent expenditure

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

Amortisation

Intangible assets are amortised over their useful lives. Amortisation is recognised in surplus or deficit on a straight-line basis over two to five years.

Useful lives are reviewed at each reporting date and adjusted if appropriate.

6 REVENUE

Recognition and measurement

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Museum, and measured at the fair value of consideration received or receivable less returns, rebates and discounts.

Special Purposes Revenue represents the income earned that is set aside in the Museum Reserves to meet the ongoing and future needs of the Museum. These funds can only be utilised for specific purposes and are restrictive in nature.

The following recognition criteria specific to the Museum's revenue streams must also be met before revenue is recognised.

6.1. Revenue from non-exchange transactions

Non-exchange transactions are those where the Group receives an inflow of resources but provides nominal (or nil) direct consideration in return.

With the exception of services-in-kind (e.g. fair value of volunteer's time), inflows of resources from non-exchange transactions are only recognised as assets where:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to the Group's non-exchange transaction revenue streams must also be met before revenue is recognised.

a) Levies

Levies are received from the Auckland Council. These are recognised as revenue on an accrual basis.

b) Donations and sponsorship/ Fair value of volunteers' time

Donations and sponsorship are recognised as revenue upon receipt. The fair value of volunteer and other donated services are recognised as income and an expense when the service is received. Fair value is determined by reference to the expected costs that would otherwise be borne for these services.

In the current year, the Museum received donations in the form of volunteer's time.

c) Grants

The recognition of non-exchange revenue from grants depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are 'conditions' specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

6.2. Revenue from exchange transactions

a) Commercial operations and retail

This includes revenue from the sale of goods, services and rental revenue.

Retail revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. In most instances, due to the nature of the Museum's operations, this occurs at the point-of-sale.

Rental revenue in relation to operating leases on the Museum's sub-lease for the cafe is recognised in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the lease term.

b) Events and admission fees

Revenue is recognised in profit or loss as the related admission or event services are provided.

Revenue received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

c) Finance Income

Finance income comprises interest recognised using effective interest method.

7 RESERVES

	Balance 2018 \$000s	Gifts and Bequests \$000s	Investment Net Income \$000s	Non-capital Expenditure \$000s	Surplus/ (Deficit) \$000s	Capital Expenditure \$000s	Levies \$000s	Balance 2019 \$000s
ASSET REPLACEMENT RESERVE								
Asset Replacement Reserve*	43,092	2,979	545	(8,270)	(4,746)	(12,830)	9,411	34,927
OTHER SPECIAL PURPOSES RESERVES								
Gifts, Trusts and Bequests subject to restrictions								
Levingston Cooke Family Bequest	2,446	46	24	(283)	(213)	-	-	2,233
Edward Earle Vaile Trust Fund	1,434	-	14	(120)	(106)	-	-	1,328
Waldo Heap Bequest	430	-	5	(1)	4	-	-	434
Nancy Bamford bequest	398	-	4	(26)	(22)	-	-	376
A G W Dunningham bequest	252	-	2	-	2	-	-	254
Lesley Isabel Taylor	217	-	2	-	2	-	-	219
Auckland Museum Endowment Act	94	-	1	-	1	-	-	95
Life Members' Subscription Trust	68	-	1	(15)	(14)	-	-	54
AWMME&B Omnibus Trust	78	-	1	-	1	-	-	79
K Pritchard bequest	42	-	-	-	-	-	-	42
Margaret O'Donoghue	26	-	-	-	-	-	-	26
R B Sibson Library Fund	22	-	-	-	-	-	-	22
Lady A Fox	22	-	-	-	-	-	-	22
Mackechnie - Library Books	21	-	-	-	-	-	-	21
Others under \$15,000	118	-	3	-	3	-	-	121
General								
Spedding Reserve	5,120	-	50	(275)	(225)	-	-	4,895
Estate - Audrey Isabelle Maddox	195	-	2	-	2	-	-	197
Len Coakley Trust Fund	58	-	1	-	1	-	-	59
Celestene M Brandon	47	-	-	-	-	-	-	47
Others under \$15,000	65	-	-	(34)	(34)	-	-	31
Total Trusts & Bequests	11,153	46	110	(754)	(598)	-	-	10,555
Museum Reserves								
Exhibition reserve	1,016	-	10	-	10	-	-	1,026
Heritage Capital Reserve	772	-	8	-	8	(163)	-	617
Acquisitions Reserve	559	-	5	-	5	-	-	564
Ko Tawa reserve	45	-	-	-	-	-	-	45
Total Reserves	2,392	-	23	-	23	(163)	-	2,252
TOTAL OTHER SPECIAL PURPOSES RESERVES								
	13,545	46	133	(754)	(575)	(163)	-	12,807
TOTAL TRUSTS, BEQUESTS & RESERVES								
	56,637	3,025	678	(9,024)	(5,321)	(12,993)	9,411	47,734

ASSET REPLACEMENT RESERVE

Asset Replacement Reserve*	51,999	831	4,163	(8,401)	(3,407)	(14,726)	9,226	43,092
----------------------------	--------	-----	-------	---------	---------	----------	-------	--------

OTHER SPECIAL PURPOSES RESERVES

Gifts, Trusts and Bequests subject to restrictions

Levingston Cooke Family Bequest	2,575	38	175	(342)	(129)	-	-	2,446
Edward Earle Vaile Trust Fund	1,422	-	95	(83)	12	-	-	1,434
Waldo Heap Bequest	403	-	27	-	27	-	-	430
Nancy Bamford bequest	391	-	27	(20)	7	-	-	398
A G W Dunningham bequest	236	-	16	-	16	-	-	252
Lesley Isabel Taylor	203	-	14	-	14	-	-	217
Auckland Museum Endowment Act	88	-	6	-	6	-	-	94
Life Members' Subscription Trust	78	-	5	(15)	(10)	-	-	68
AWMME&B Omnibus Trust	73	-	5	-	5	-	-	78
K Pritchard bequest	39	-	3	-	3	-	-	42
C Whitney Trust	30	-	2	-	2	-	-	32
Margaret O'Donoghue	-	24	2	-	26	-	-	26
R B Sibson Library Fund	21	-	1	-	1	-	-	22
Lady A Fox	21	-	1	-	1	-	-	22
Mackechnie - Library Books	20	-	1	-	1	-	-	21
Others under \$15,000	80	-	6	-	6	-	-	86

General

Spedding Reserve	5,034	-	338	(252)	86	-	-	5,120
Estate - Audrey Isabelle Maddox	183	-	12	-	12	-	-	195
Len Coakley Trust Fund	54	-	4	-	4	-	-	58
Celestene M Brandon	44	-	3	-	3	-	-	47
James Searle Foundation	49	-	3	(45)	(42)	-	-	7
Others under \$15,000	56	-	2	-	2	-	-	58
Total Trusts & Bequests	11,100	62	748	(757)	53	-	-	11,153

Museum Reserves

Exhibition reserve	953	-	63	-	63	-	-	1,016
Heritage Capital Reserve	725	-	50	-	50	(3)	-	772
Acquisitions Reserve	524	-	35	-	35	-	-	559
Ko Tawa reserve	37	4	4	-	8	-	-	45
Total Reserves	2,239	4	152	-	156	(3)	-	2,392

TOTAL OTHER SPECIAL PURPOSES RESERVES

	13,339	66	900	(757)	209	(3)	-	13,545
--	---------------	-----------	------------	--------------	------------	------------	----------	---------------

TOTAL TRUSTS, BEQUESTS & RESERVES

	65,338	897	5,063	(9,158)	(3,198)	(14,729)	9,226	56,637
--	---------------	------------	--------------	----------------	----------------	-----------------	--------------	---------------

*Asset Replacement Reserve

The Museum receives funding for asset replacement (including depreciation). The difference between the amount funded and the sum spent on capital expenditure each year is recorded within the Asset Replacement Reserves. The Museum is currently finalising its gallery, space and storage plans for the next 15 to 25 years. Considerable progress has been made in the last 12 months in the development of the Future Museum plan and a capital project team has been established to carry out this work. Expenditure over the next few years is expected to see the Asset Replacement Reserve balance reduce considerably.

8 EXPENSES

Cost of operating activities based on the Museum's strategic goals:

	Actual 2019 \$000s	Plan 2019 \$000s	Actual 2018 \$000s
Cost of Operating Activities			
Reach Out To More People	5,298	5,422	5,826
Transform Our Building And Collections	7,243	6,923	6,707
Stretch Thinking	4,058	3,934	4,225
Lead A Digital Museum Revolution	3,218	3,142	3,496
Engage Every Schoolchild	3,982	3,751	3,826
Grow Our Income And Enhance Value For Aucklanders	7,380	7,490	7,263
	31,179	30,662	31,343
Depreciation, amortisation & loss on disposals	9,774	9,411	8,955
Total Cost of Operating Activities	40,953	40,073	40,298

Total Comprehensive Revenue and Expense for the year includes the following expenses by nature:

	Actual 2019 \$000s	Plan 2019 \$000s	Actual 2018 \$000s
Expenses			
Short-term employee benefits:			
Salaries and wages - Operating Activities	16,469	17,081	16,240
Salaries and wages - Special Purposes	5,357	-	5,694
Termination payments	119	-	175
Defined contribution plans	400	501	425
Total employee benefits	22,345	17,582	22,534
Depreciation	8,082	9,411	7,508
Occupancy Costs	4,395	n/a	4,274
Project Scoping and other non-capital expenditure	1,899	n/a	1,809
Event organisation costs	1,620	1,337	1,434
Professional services	1,603	1,578	1,972
Other	1,598	n/a	3,104
External consultancy costs	1,435	878	724
Loss on disposal of fixed assets	1,222	-	492
Collection Readiness	1,010	n/a	970
Inventory consumption recognised	816	698	768
Retail Store stock purchase costs	792	698	775
Temporary fit and design exhibition costs	678	1,087	802
Fair value of volunteers' time	603	648	544
Operating lease expenses	517	471	35
Amortisation	470	-	955
Other staff costs	428	455	416
Trust Board fees	228	228	225
Heritage assets acquisition	105	n/a	58
Taumata-ā-Iwi fees	65	65	65
Auditor Fees	48	47	48
Impairment allowance for trade debtors	10	-	(20)
Inventory write-down costs	3	-	(35)
Total Cost from all activities	49,974	n/a	49,456

9 INVESTMENTS

	2019 \$000s	2018 \$000s
Balance as at 30 June		
Investments restricted - Current	39,916	4,459
Investments restricted - Non-current	7,818	52,178
	47,734	56,637

Represents:

Asset Replacement Reserve	34,927	43,092
Other Special Purpose Equity	12,807	13,545
	47,734	56,637

These funds have been set aside by the Museum for specific purposes, or have been gifted to the Museum for use of a special purpose. These funds are not available for normal operational use. (Refer to Note 7 for the nature of each trust, bequest and reserve).

Details of the investments are as follows:

	2019 \$000s	2018 \$000s
Balance as at 30 June		
Global Equities	-	21,971
Australasian Fixed Interest	-	17,188
Australasian Equities	7,818	13,019
Cash (including in-house short term investments)	8,316	4,459
Term Deposits (3.13% - maturing July 2019)	5,700	-
Term Deposits (3.06% - maturing July 2019)	500	-
Term Deposits (3.25% - maturing August 2019)	8,600	-
Term Deposits (3.42% - maturing September 2019)	5,300	-
Term Deposits (3.16% - maturing September 2019)	2,700	-
Term Deposits (3.35% - maturing October 2019)	3,700	-
Term Deposits (3.35% - maturing November 2019)	5,100	-
	47,734	56,637

10 CASH AND CASH EQUIVALENTS

	2019 \$000s	2018 \$000s
Cash at bank	10,196	8,686

For the purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand and deposits held at call with domestic banks and other short-term investments that are used for operational purposes.

Operating activities: are the principal revenue-producing, special purposes and other activities that are not investing or financing activities.

Investing activities: are the acquisition and disposal of long-term assets not included in cash equivalents.

Financing activities: are the activities that result in changes in the size and composition of total equity and borrowings of the entity.

A \$662,416 (2018: \$662,416) payment guarantee provided by BNZ in favour of landlords James Trust and Munjula Manek Andrews & Munjula T is in place. There is also a \$1,000,000 (2018: \$1,000,000) standby letter of credit for the payroll provider. The Museum holds a business Visa credit card with BNZ with a credit limit of \$250,000 (2018: \$150,000).

11 FINANCIAL INSTRUMENTS

The Museum initially recognises financial instruments when the Museum becomes a party to the contractual provisions of the instrument.

The Museum derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Museum is recognised as a separate asset or liability.

The Museum derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Museum has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Museum classifies financial assets into the following categories: fair value through surplus or deficit and loans and receivables.

The Museum classifies financial liabilities into amortised cost.

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs.

Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

11.1. Fair value through surplus or deficit

A financial instrument is classified as fair value through surplus or deficit if it is:

- Held-for-trading
- Designated at initial recognition: If the Museum manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Museum's documented risk management or investment strategy.

Those fair value through surplus or deficit instruments sub-classified as designated at initial recognition comprise investments held.

Financial instruments classified as fair value through surplus or deficit are subsequently measured at fair value with gains or losses being recognised in surplus or deficit.

The Museum holds Special Purpose funds which are investing in financial assets. The assets are invested in a portfolio comprising International Equities, Australasian Fixed Interest, Global Fixed Interest, Australasian Equities and cash (short-term investments) and are accounted for at fair value through profit and loss. Fair values of these types of financial assets fluctuate due to changes in market

prices arising from currency risk, interest rate risk and other price risk.

11.2. Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, term deposits and receivables.

Cash and cash equivalents are highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 3 months or less.

Receivables are initially recognized at the fair value of the amounts to be received. They are subsequently measured at amortised cost using the effective interest method less impairment.

11.3. Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost comprise payables and accruals.

Payables are initially recognised at fair value less transaction cost (if any). They are subsequently measured at amortised cost using effective interest method.

11.4. Impairment of non-derivative financial assets

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the Museum on terms that the Museum would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Museum, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an equity security classified as an available-for-sale financial asset, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Museum doesn't have any available for sale financial assets.

Financial assets classified as held-to-maturity and loans and receivables

The Museum considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Museum uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred,

adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

11.5. Categories of Financial Instruments

At 30 June 2019 Financial Assets	Fair Value through Profit or Loss designated at initial recognition \$000s	Loans and Receivables at amortised cost \$000s	Total Carrying Amount \$000s	Fair Value \$000s
Cash and cash equivalents	-	10,196	10,196	10,196
Short-term investments	-	39,916	39,916	39,916
Receivables	-	523	523	523
Investments	7,818	-	7,818	7,818
	7,818	50,635	58,453	58,453

Financial Liabilities	Other Liabilities \$000s	Total Carrying Amount \$000s	Fair Value \$000s
Trade payables, accruals and provisions	-	6,777	6,777
Employee benefits	-	1,971	1,971
	8,748	8,748	8,748

Net	7,818	41,887	49,705	49,705
------------	--------------	---------------	---------------	---------------

At 30 June 2018 Financial Assets	Fair Value through Profit or Loss designated at initial recognition \$000s	Loans and Receivables at amortised cost \$000s	Total Carrying Amount \$000s	Fair Value \$000s
Cash and cash equivalents	-	8,686	8,686	8,686
Short-term investments	-	4,459	4,459	4,459
Receivables	-	638	638	638
Investments	52,178	-	52,178	52,178
	52,178	13,783	65,961	65,961

Financial Liabilities	Other Liabilities \$000s	Total Carrying Amount \$000s	Fair Value \$000s
Trade payables, accruals and provisions	5,611	5,611	5,611
Employee benefits	2,032	2,032	2,032
	7,643	7,643	7,643

Net	52,178	6,140	58,318	58,318
------------	---------------	--------------	---------------	---------------

11.6. Financial Risk Management Objectives

The Museum is subject to a number of financial risks which arise as a result of its activities (i.e. exposure to credit, liquidity, currency and interest risk) arising in the normal course of business.

There have been no changes during the year to the Museum's exposure to these risks, and the manner in which it manages and measures these risks.

The Auckland War Memorial 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 and Generally Accepted Accounting Practice, while remaining a going concern. Museum capital is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The Museum has a series of policies to manage the risks associated with financial instruments. The Museum is risk averse and seeks to minimise exposure from its treasury activities through the diversification of its investments by investing largely in a portfolio comprising Australasian Equities, Global Equities, Australasian Fixed Term Interest and Global Fixed Interest securities. The Trust has established Statement of Investment Policy and Objectives (SIPO) that 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.

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

The average credit period on sales of goods and rendering of services as at 30 June 2019 is 43 days (2018: 39 days). No interest is charged on trade receivables. Included in the allowance for doubtful debts are individually impaired trade receivables. The impairment recognised represents the difference between the carrying amount of those trade receivables and the present value of the expected liquidation proceeds. The Museum does not hold any collateral over these balances. As at 30 June 2019 the Museum considers all outstanding debt recoverable, determined by reference to past experience and relationship with the debtors.

Before accepting a new customer, the Museum assesses the potential customer's credit quality and defines credit limits by customer. The trade receivables are constantly reviewed throughout the month and limits are reviewed should the customer not meet the Museum's credit requirements.

Ageing of past due but not impaired trade receivables

	2019 \$000s	2018 \$000s
Current	350	582
30-60 days	91	19
60-120 days	82	37
Total	523	638

In determining the recoverability of a trade receivables, the Museum considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly the Museum believes that there is no further credit provision required in excess of the allowance for doubtful debts.

The Museum has minimal exposure to a large volume of small-value trade receivables arising from group and school visits and venue hire. Credit checks are carried out on new customers and deposits obtained for venue hire. Prompt action is taken to collect overdue amounts. There were \$10,102 bad debts written off in 2019 (2018: \$50,000). A doubtful debt provision is created when the payment of a debt is uncertain.

Other Credit Risk

Operating funds not immediately required are invested in accordance with the Investment policy. Investments in Australasian Fixed Interest and Global Fixed Interest securities are managed for the Museum by fund managers whose practice is to invest in high-grade debt and short-maturity credit securities.

To reduce the credit exposure of the managed investments, the Museum has invested in diversified asset classes and within each of these classes there is a maximum limit that can be invested in any one institution or entity. Thus investments are placed across a portfolio of parties with credit rating over 'A-' to minimise credit risk. As at 30 June 2019 there is no significant concentration of credit risk.

11.6.2. Liquidity Risk

Liquidity risk is the risk that the Museum might not be able to meet its obligations. Prudent liquidity risk management requires maintaining sufficient cash or cash equivalent.

The Museum's objective is to maintain sufficient cash and marketable equities to meet its liquidity requirements for 12 months at a minimum.

The Museum considers expected cashflows from financial assets in assessing and managing liquidity risk, in particular its cash resources, term deposits and bond portfolio.

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

The Museum is able to meet its obligations through the levy from Auckland Council, and self-generated revenue.

Below is the analysis based on the undiscounted cash flows of non-derivative financial liabilities:

	Weighted average interest rate	Contractual cash flow \$000s	Less than 1 Year \$000s	2-5 Years \$000s	Total \$000s
30 June 2019					
Trade and other payables		6,777	6,777	-	6,777
Employee benefits		1,971	1,396	575	1,971
Total		8,748	8,173	575	8,748

The Museum has the following liquid assets to meet its liabilities:

	Weighted average interest rate	Contractual cash flow \$000s	Less than 1 Year \$000s	2-5 Years \$000s	Total \$000s
Cash and cash equivalents	3.24%	10,196	10,196	-	10,196
Receivables and other assets		2,001	2,001	-	2,001
Short Term Investments	2.80%	39,916	39,916	-	39,916
Total		52,113	52,113	-	52,113

	Weighted average interest rate	Contractual cash flow \$000s	Less than 1 Year \$000s	2-5 Years \$000s	Total \$000s
30 June 2018					
Trade and other payables		5,611	5,611	-	5,611
Employee benefits		2,032	1,451	581	2,032
Total		7,643	7,062	581	7,643

The Museum has the following liquid assets to meet its liabilities:

	Weighted average interest rate	Contractual cash flow \$000s	Less than 1 Year \$000s	2-5 Years \$000s	Total \$000s
Cash and cash equivalents	3.32%	8,686	8,686	-	8,686
Receivables and other assets		1,545	1,545	-	1,545
Short Term Investments		4,459	4,459	-	4,459
Total		14,690	14,690	-	14,690

As explained in note 9, short term investments are funds set aside by the Museum for specific purposes and not available for normal operational use. Therefore these funds are only available to meet liabilities related to the specific purposes.

11.6.3. Market Risk

11.6.3.1. Currency Risk

Currency risk is the risk that the Museum will suffer losses arising from significant movements in NZD currency in relation to other currencies, when paying for special exhibitions, other overseas purchases or when valuing Global Fixed Interest securities.

The Museum has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies arising from investing and exhibition activities. Foreign exchange risks on investment funds are hedged by the relevant fund manager as considered necessary using economic hedges.

Forward exchange contracts are taken out to cover exhibition commitments. There was no exposure for exhibitions as at 30 June 2019 (2018: \$ nil).

Foreign exchange risks on Global Fixed Interest securities are fully hedged while hedging of Global Equities ranges from 50% to 100%, as considered appropriate by the fund managers.

A variable of 10% was selected for price risk as this is a reasonably expected movement based on historical trends in equity values. A 10% increase or decrease is used when reporting exchange rate risk internally to key management personnel and represents management's assessment of the reasonably possible fluctuation in exchange rates.

As at the balance sheet date, the Museum was exposed to the following foreign currencies:

2019	NZD \$000s	USD \$000s	EUR \$000s	AUD \$000s	GBP \$000s	Others \$000s	Total \$000s
Cash	10,196	-	-	-	-	-	10,196
Trade and Other Receivables	523	-	-	-	-	-	523
Trade and Other Payables	(8,748)	-	-	-	-	-	(8,748)
Investments							
Equities	2,324	1,665	160	1,340	48	81	5,618
Fixed Interest	189	554	277	387	-	160	1,567
Cash deposits	40,549	-	-	-	-	-	40,549
	45,033	2,219	437	1,727	48	241	49,705

2018	NZD \$000s	USD \$000s	EUR \$000s	AUD \$000s	GBP \$000s	Others \$000s	Total \$000s
Cash	8,686	-	-	-	-	-	8,686
Trade and Other Receivables	1,078	-	-	-	-	-	1,078
Trade and Other Payables	(7,643)	-	-	-	-	-	(7,643)
Investments							
Equities	7,251	10,868	2,754	3,655	1,490	4,665	30,683
Fixed Interest	9,762	1,903	282	5,906	566	(37)	18,382
Cash deposits	7,390	-	-	182	-	-	7,572
	26,524	12,771	3,036	9,743	2,056	4,628	58,758

As at 30 June 2019 if the currency on investments had fluctuated by plus or minus 10%, the surplus for the Museum would have been \$0.016 million lower/higher (2018: \$0.314 million lower/higher). A 10% currency rate increase or decrease is used when reporting currency rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in currency rates.

11.6.3.2. Interest Rate Risk

The Museum is exposed to interest rate risk as it invests cash in short-term and long-term deposits at fixed interest rates. Refer to note 11.5 for a summary by asset class.

The Museum has potential exposure to interest rates on its short-term investments. These exposures are managed by investing in bank deposits maturing in less than 12 months. The range of interest rates is reported monthly.

As at 30 June 2019 if interest rates on cash and cash equivalents, and short-term investments had fluctuated by plus or minus 1%, the surplus for the Museum would have been \$16,000 higher/lower (2018 \$181,000 higher/lower). A 1% interest rate increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible fluctuation in 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. As at 30 June 2019 if the fair value interest rates on fixed interest investment had fluctuated by plus or minus 1%, the surplus for the Museum would have been \$531,000 higher/lower (2018: \$162,000 higher/lower).

11.6.3.3. Other Price Risk

The Museum has potential exposure to changes in equity prices in its investments in Australasian Equities and Global Equities. All equity investments present a risk of loss of capital often due to factors beyond the fund managers' control, such as competition, regulatory changes, commodity price changes and changes in general economic climate domestically and internationally. The fund managers moderate this risk through careful investment selection and diversification, daily monitoring of the funds' market position and adherence to the funds' investment policy. The maximum market risk resulting from financial instruments is determined by their fair value.

A variable of 10% was selected for price risk as this is a reasonably expected movement based on historical trends in equity indexes. A 10% increase or decrease is used when reporting equity index risk internally to key management personnel and represents management's assessment of the reasonably possible change in equity indexes. As at 30 June 2019 if the equity indexes had fluctuated by plus or minus 10%, the surplus for the Museum would have been \$0.330 million higher/lower (2018 \$3.068 million higher/lower). A 10% market rate increase or decrease is used when reporting market rate risk internally to key management personnel and represents management's assessment of the reasonably possible fluctuation in market rates.

11.6.4. Fair Value

The carrying value of cash and equivalents, short-term investments, receivables, payables and interest-bearing loans is equivalent to their fair value.

Classification and fair values

The fund managers manage the Museum's investments and make purchase and sale decisions based on their fair value and in accordance with investment strategy. Financial assets at fair value through profit or loss are initially recognised at fair value. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in fair value of the 'Financial assets at fair value through the profit or loss' category are presented in the Statement of Comprehensive Revenue and Expense when they arise.

11.6.4.1. Fair Value Measurement

Financial instruments are grouped into levels 1 to 3 in the fair value hierarchy based on the degree to which the fair value is observable.

The Museum has managed funds at fair value in level 1 as at 30 June 2019 of \$7.818m (2018: fair value in level 1 of \$52.178m).

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques which include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between level 1 and 2 in the period.

12 EMPLOYMENT BENEFITS

12.1. Details of employee benefits are as follows:

	2019 \$000s	2018 \$000s
Current		
Short-term employee benefits		
Annual Leave	1,291	1,317
Sick Leave	67	89
	<u>1,358</u>	<u>1,406</u>
Current portion of long-term employee benefits		
Long-service Leave	38	45
	<u>38</u>	<u>45</u>
Non-current		
Non-current portion of long-term employee benefits		
Retirement Gratuity	62	56
Long-service Leave	513	525
	<u>575</u>	<u>581</u>
Total employment benefit liability	<u>1,971</u>	<u>2,032</u>

12.2. Short-term employee benefits

Short-term employee benefit liabilities are recognised when the Museum has a legal or constructive obligation to remunerate employees for services provided within 12 months of reporting date, and is measured on an undiscounted basis and expensed in the period in which employment services are provided. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick-leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

12.3. Long-term employee benefits

Long-term employee benefit obligations are recognised when the Museum has a legal or constructive obligation to remunerate employees for services provided beyond 12 months of reporting date. Long-term employee benefit obligations are measured on an actuarial basis. The calculations are based on:

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

Sick leave, annual leave, vested long service leave, and non-vested long-service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

12.4. Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in surplus or deficit in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

12.5. Termination benefits

Termination benefits are recognised as an expense when the Museum is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Museum has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

13 LEASES

Operating lease receivables and payables are as follows:

	Operating Lease Commitments Receivables		Operating Lease Commitments Payables	
	2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s
Not later than one year	67	107	623	846
Later than one year and not later than five years	69	22	2,047	2,166
Later than five years	-	-	3,523	4,027
	<u>136</u>	<u>129</u>	<u>6,193</u>	<u>7,039</u>

OPERATING LEASE

Entity as lessor

Operating lease revenue is recognised in the Statement of Comprehensive Income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in the Statement of Comprehensive Revenue and Expense over the lease term on the same basis as the lease income.

The Museum had entered into an arrangement to lease its café area for a term of six years and one month commencing December 2012. The lease contract has not been renewed as the cafe is now closed. Rental income for 2019 amounted to \$62,935 (2018: \$183,891).

The Museum has a sub-lease arrangement in place over its offsite storage space at 9 Manu Street. The Sub-lease commenced on 1 September 2017 and has two renewal dates. Rental income for 2019 amounted to \$71,920 (2018: \$58,933).

The 19 Morgan Street carpark sub-lease arrangement is on a month-to-month lease. Rental income for 2019 amounted to \$7,200 (2018: Nil).

Entity as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern over which economic benefits from the leased asset are consumed.

The Museum has three commitments under non-cancellable leases for 2019 (2018: 3 commitments): 1) A 20 year lease for offsite storage of collections, which commenced on 1 July 2016. The offsite storage lease contains 2 reviews, in the event that the Museum exercises its option to renew; 2) a 4 year lease for printers, which commenced on 1 Jul 2017; and 3) the Lease of 19 Morgan Street, which commenced on 1 November 2017 for an initial term of 3 years with two rights of renewal for a further two years.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

14 RELATED PARTIES

14.1. Controlling entity and ultimate controlling entity

The Museum has no controlling entity or ultimate controlling entity.

14.2. Related parties and related party transactions

Related parties include:

- The Trust Board
- The Taumata-ā-Iwi
- The Museum Director
- Regional Facilities Auckland (RFA)
- Auckland Council
- Auckland Museum Institute
- Auckland Museum Foundation
- Key management personnel

RFA is a statutory body which recommends the appointment of five board members to the Auckland Museum Trust Board and recommends the approval of the Museum's annual plans and annual reports, as referred to in the Auckland War Memorial Museum Act 1996, on behalf of Auckland Council that is presently responsible for paying the annual levy. Financial transactions with Auckland Council include payment of rates and sundry charges 2019 \$0.272 million (2018: \$0.256 million). In 2019 the Museum received a levy of \$31.50 million (2018: \$30.74 million). No sums have been written off or provisions made during the year or at year-end 2018 (2018: \$nil). No balance outstanding as at 30 June 2018 (2018: \$nil).

The land beneath the Museum's building is held under a long term lease from the Auckland Council and no rental is charged in accordance with the Auckland War Memorial Museum Site Empowering Act 2003.

The Auckland Museum Institute is the learned society and membership body, as referred to in the Auckland War Memorial Museum Act 1996. The Auckland Museum Institute appoints four members of the Auckland Museum Trust Board, and supports the Museum in its objectives and functions as specified in the Act. Financial transactions with the Auckland Museum Institute include distribution to the Auckland Museum Institute of the Life Members funds 2019 \$15,000 (2018: \$15,050) and financial contribution of \$28,638 (2018: \$29,557) to assist in the delivery of agreed annual programme, membership services and development activities. As at 30 June 2019 the Auckland Museum Institute owed to the Museum \$8,615 (2018: \$5,513). There is no security for this debt. No sums have been written off or allowances for impairment made during the year or at year-end 2019 (2018: \$nil). As at 30 June 2019 the Museum owed to the Auckland Museum Institute \$nil (2018: \$nil).

The Auckland Museum Foundation is a charitable entity domiciled in New Zealand and registered under the Charities Act 2005. It is established under a Trust Deed of 18 October 1999 and amended on 7 May 2016.

It is an independent body that raises funds to benefit the Museum. In 2019 the Museum received grants of \$86,307 from the Auckland Museum Foundation (2018: \$12,335). As at 30 June 2019 The Auckland Museum Foundation owed to the Auckland Museum \$60,500 (2018: \$nil). As at 30 June 2019 the Museum owed to the Auckland Museum Foundation \$nil (2018: \$161).

The Museum provides pro bono accounting and other support services to the Auckland Museum Institute and the Auckland Museum Foundation. Furthermore, the Museum allows these entities access to property at no charge.

There were no other transactions with the above related parties and no other outstanding balances as at 30 June 2019 (2018: \$nil).

14.3. Remuneration of Key Management Personnel

The Museum classifies its key management personnel into the following classes:

- Members of the Trust Board
- Members of the Taumata-ā-Iwi
- Executive Team

The aggregate level of remuneration paid and number of persons (measured in 'people' for Members of the governing bodies, and 'full-time-equivalents' (FTE's) for Executive Team) in each class of key management personnel is presented below:

	2019 Remuneration \$000s	Individuals	2018 Remuneration \$000s	Individuals
Members of the Trust Board	228	10 People	225	10 People
Members of the Taumata-ā-Iwi	65	5 People	65	5 People
Executive Team	1,659	7.8 FTE's	1,891	7.8 FTE's
	1,952		2,181	

The above remuneration is based on short-term benefits on a payments basis.

Grouped below is the number of employees or former employees of the Museum who received remuneration and other benefits in their capacity as employees, totalling \$100,000 or more during the year.

Amount of Remuneration	2019	2018
\$100,000 - \$120,000	15	13
\$120,001 - \$140,000	17	12
\$140,001 - \$160,000	6	6
\$160,001 - \$180,000	3	4
\$180,001 - \$200,000	0	1
\$200,001 - \$220,000	4	3
\$220,001 - \$240,000	-	-
\$240,001 - \$260,000	-	-
\$330,001 - \$350,000	0	2
\$350,001 - \$375,000	1	1
	46	42

14.4. Controlled Company

Auckland Museum Enterprises Limited was incorporated on 15 April 2013 in New Zealand and is wholly owned by the Trust Board. It is needed to hold registration as the developer of certain intellectual property rights. No capital has been subscribed nor have transactions been processed through this company in the period to 30 June 2019 (2018: \$nil). There have been no transactions processed through this entity during the year ended 30 June 2019 (2018: \$nil).

15 COMMITMENTS AND CONTINGENCIES

Contingent Liabilities

Provisions for legal claims have been recognised in the consolidated financial statements. The Museum Trust Board has based the provision on legal advice received. No information pertaining to these provisions has been disclosed as it may prejudice the outcome for the Museum. The Trust Board continue to update its legal advice as new facts and circumstances arise and provisions are recognised where warranted based on this. There are no other contingent liabilities as at 30 June 2019 (2018: nil).

Contingent Assets

There were no contingent assets at 30 June 2019 (2018: nil).

16 OTHER ITEMS

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis. Net realisable value represents the estimated selling price, less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Foreign Currency

All foreign currency transactions during the year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date.

Exchange differences are recognised in revenue or expense in the period in which they arise.

Goods and Services Tax (GST)

All balances are presented net of GST, except for receivables and payables which are presented inclusive of GST.

Income Tax

The Museum is exempt from payment of income tax as a registered charitable organisation. Accordingly, no income tax charges have been provided.

Provisions

Provisions are recognised when the Museum has a present obligation (legal or constructive) as a result of a past event, 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.

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.

Interest Expense

Interest expense is recognised using the effective interest method.

The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount of the financial liability.

17 POST BALANCE DATE EVENTS

There are no matters arising since 30 June 2019 that would materially affect the Museum's consolidated financial statements (2018: nil).



Independent Auditor's Report

To the Members of Auckland Museum Trust Board

We have been engaged by the Auckland Museum Trust Board (the 'Auckland Museum' or 'Museum') to audit:

- the financial statements of the Auckland Museum which comprise the consolidated statement of financial position as at 30 June 2019, and the consolidated statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and
- the status of performance measures included in the performance report of Auckland Museum for the year ended 30 June 2019,

collectively referred to as the 'audited information'.

Opinion on the audited information

In our opinion

- the consolidated financial statements on pages 30 to 56, present fairly, in all material respects, the consolidated financial position of the Auckland Museum as at 30 June 2019, its consolidated revenue and expense, net assets/equity and cash flows, for the year then ended in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board ('PBE Standards').
- the status of the performance measures ('What we achieved'), included in the performance report on pages 20 to 25, have been presented fairly, in all material respects in accordance with the basis of measurement (included in the performance report) for the year ended 30 June 2019.

Basis for opinion on the audited information

We conducted our audit of the of the consolidated financial statements in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)') and our audit of the performance measures in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) ('ISAE (NZ) 3000'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Performance Report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

We are independent of the Auckland Museum in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor and the provision of other assurance advisory services, we have no relationship with or interests in the Auckland Museum. These services have not impaired our independence as auditor of the Auckland Museum. In addition to this, partners and employees of our firm deal with the Auckland Museum on normal terms within the ordinary course of trading activities of the business of the Auckland Museum. The firm has no other relationship with, or interest in, the Auckland Museum or its subsidiary.

Other information

The Auckland Museum Trust Board is responsible on behalf of the Auckland Museum for the other information. The other information comprises the information in the annual report that accompanies the performance report, the financial statements and the audit report.

Our opinion on the financial statements and performance measures does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information obtained prior to the date of our audit report, and consider whether it is materially inconsistent with the performance report and financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Auckland Museum Trust Board's responsibilities for the audited information

The Auckland Museum Trust Board is responsible on behalf of the Auckland Museum for preparing an annual report that includes consolidated financial statements and performance information under section 28 of the Auckland War Memorial Museum Act 1996. This includes responsibility for:

- the preparation and fair presentation of the consolidated financial statements in accordance with the Public Benefit Entity Standards;
- the preparation and fair presentation of the performance report which includes identifying the objectives and performance targets and other measures by which performance will be judged, and the reporting on the status of the performance measures ('What we achieved') in accordance with the basis of measurement; and
- for such internal control as the Auckland Museum Trust Board determines is necessary to enable the preparation of the consolidated financial statements and a performance report that are free from material misstatement, whether due to fraud or error.

In preparing the audited information, the Auckland Museum Trust Board is also responsible on behalf of the Auckland Museum for assessing the Auckland Museum's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

Acknowledgements

Supported by the ratepayers of Auckland



Auckland Museum Institute
The Auckland Museum Foundation



How to stay in touch

To follow our social-media channels and sign up for our regular Museum e-newsletters, please visit: aucklandmuseum.com

accounting in the financial statements unless the Auckland Museum Trust Board either intends to liquidate the Auckland Museum or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements and Performance Report

Our objectives are to obtain reasonable assurance about whether the audited information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, ISAs (NZ) or ISAE (NZ) 3000 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of the audited information.

As part of an audit in accordance with ISAs, ISAs (NZ) or ISAE (NZ) 3000, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Auckland Museum's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Auckland Museum Trust Board in the preparation of the consolidated financial statements.
- Evaluate whether the status of the performance measures have been prepared in accordance with the basis of measurement as specified. It is not part of this engagement to consider the completeness of the objectives or the performance measures identified to meet the objectives of the Auckland Museum.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Auckland Museum Trust Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Auckland Museum's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Auckland Museum to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Auckland Museum Trust Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on use

This report is made solely to the Auckland Museum Trust Board, as a body, in accordance with Section 28 of the Auckland War Memorial Museum Act 1996. Our audit has been undertaken so that we might state to the Auckland Museum Trust Board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Auckland, New Zealand
 10 October 2019

This audit report relates to the performance report and financial statements of Auckland Museum Trust Board (the 'Auckland Museum' or 'Museum') for the year ended 30 June 2019 included on the Museum's website. The Auckland Museum Trust Board is responsible for the maintenance and integrity of the Museum's website. We have not been engaged to report on the integrity of the Museum's website. We accept no responsibility for any changes that may have occurred to the performance report or financial statements since they were initially presented on the website. The audit report refers only to the performance report and financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the performance report and financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited performance report and financial statements and related audit report dated 10 October 2019 to confirm the information included in the audited performance report and financial statement presented on this website.