



**Notice is hereby given of the Meeting of the
Southland Museum & Art Gallery Trust Board Inc
to be held in the Council Chambers,
Invercargill City Council, 101 Esk Street, Invercargill
on Thursday 11 February 2021 at 3.00 pm**

Cr D Ludlow (Chair)
Cr R Amundsen
Mayor Gary Tong
Cr C Menzies
Cr B Highsted
Ms G Neave
Mr R Eagles
Ms E Cook
Mrs C Henderson

THILINI AMARASINGHA
For Secretary

Southland Museum and Art Gallery Trust Board - Public Agenda



11 February 2021 03:00 PM - 05:00 PM

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**MINUTES OF THE SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD
HELD IN THE COUNCIL CHAMBERS, INVERCARGILL CITY COUNCIL, 101 ESK
STREET, INVERCARGILL ON THURSDAY 03 DECEMBER 2020 AT
3.27 PM**

PRESENT:

Cr D Ludlow (Chair)
Cr R Amundsen
Cr C Menzies (Via Zoom platform)
Cr B Highsted (Via Zoom platform)
Ms G Neave
Mr R Eagles
Ms E Cook
Mrs C Henderson

In attendance:

Mr S Gibling (Group Manager - Leisure and Recreation)
Mr J Botting (Financial Controller)
Mrs T Amarasingha (Secretary)
Ms K Stephenson (Museum Collections Manager)
Mr D Dudfield (Museum Curator Manager) (Via Zoom platform)

2. APOLOGIES

Cr Paul Duffy
Mayor Gary Tong

3. INTEREST REGISTER

A2531243

Members to review the interest register and send any updates to Thilini Amarasingha.

4. CONFIRMATION OF MINUTES OF THE MEETING HELD ON 5 NOVEMBER 2020

A3258458

Mr Eagles made an amendment to the minutes that 'Mr Eagles be appointed as the SMAG Representative for Awhi Rito' to be corrected as 'Mr Eagles be appointed as the SMAG Representative for Southland Art Foundation'.

Moved Ms Neave, seconded Cr Amundsen and **RESOLVED** that the notes of the meeting held on Thursday 5 November 2020 be accepted as a true and correct record with the correction.

4.1 Matters Arising from Previous Minutes

Nil.

A3298689

4.2 **Action Sheet**

A3258405

Nil

4.3 **Items for Review**

A3022453

Nil.

5. **REPORTS**

5.1 **SMAG Managers Report for October 2020**

A3236366

Ms Stephenson spoke to the report.

Moved Ms Amundsen, seconded Ms Cook and **RESOLVED** that the SMAG Managers Report for October 2020 be received.

6. **FINANCIALS**

6.1 **Financial Report**

A3255978

Mr Botting spoke to the report.

Moved Mrs Neave, seconded Ms Cook and **RESOLVED** that Mr Eagles be appointed as the fourth signature of the Westpac Bank account.

Moved Ms Cook, seconded Cr Amundsen and **RESOLVED** that on the expiry of the current investment for Bequest Term Deposit reinvest the balance for the period of 180 days.

7. **CORRESPONDENCE**

Nil.

8. **GENERAL BUSINESS**

The board has discussed Mrs Henderson's question regarding the valuation of the Museum Building in 1995 and the ownership of the building.

Ms Cook said that this matter has been resolved by the board in a previous meeting.

Cr Ludlow resolved the matter informing that to refer this matter to the next meeting to provide the past resolution regarding the ownership of the building.

9. PUBLIC EXCLUDED SESSION

Moved Cr Ludlow, seconded Ms Neave and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting,

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Minutes of the public excluded session held on 5 November 2020	Section 7(2)(i) Enable any local organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
Report – Statement of Intent for the Financial Year Ending 30 June 2020	Section 7(2)(i) Enable any local organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
Report – Tuatara Translocation Costing	Section 7(2)(i) Enable any local organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section

There being no further business, the meeting closed at 4.26 pm

Next meeting: Thursday 4 February 2021, 3.00 pm in the Council Chambers at Invercargill City Council



ACTION SHEET

Held on 03 December 2020

Originating Date	Item #	Item Description	Action to be taken	Action by	Due date
06/06/19		Manawhenua Representation Jane Davis	A decision was made to meet with Jane's whanau following the lifting of Covid-19 isolation levels.	Ms Neave	WIP
03/10/19		Dame Kiri Te Kanawa	Toni to make contact and invite Dame Kiri Te Kanawa to the museum opening when the date has been confirmed	Cr Ludlow	2021
02/04/20		Hazard Report	Kimberley Stephenson to prepare a hazard report in regards to holding nitrate on-site.	Ms Stephenson	February 2021

SOUTHLAND MUSEUM & ART GALLERY TRUST BOARD 2020/21 – TIMELINE*											
Item Due For Review 2020/21											
	Jul	Aug	Sep	Oct	Nov	Dec	Feb	Mar	Apr	May	Jun
DRAFT Annual Report reviewed		✓									
Final Annual Report Signoff [Due to ICC & SDC]			30/9								
Management fee automatic payment form updated			✓								
Business Plan Workshop				✓							
Business Plan Review					✓						
Bequest Term deposit renewal						✓					
AGM						✓					
Review of Draft Statement of Intent						✓					
Draft Statement of Intent [Due to ICC & SDC]							28/2				
6 Monthly Financials [Due to ICC & SDC]							28/2				
Fraud Policy / Delegation policy review									✓		
Impairment of Building / asset valuation review										✓	
Final Statement of Intent [Due to ICC & SDC]											30/6
Trustees review interest register	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

* A review of the governance of the Southland Museum & Art Gallery Trust Board is currently underway. As any changes to the governance structure is currently unknown, this timeline has been prepared with the assumption of business as usual.

TO: SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD

FROM: DARREN LUDLOW, CHAIRPERSON

MEETING DATE: THURSDAY 11 FEBRUARY 2021

CLARIFYING OWNERSHIP OF SMAG BUILDING, THE PYRAMID - MINUTE CORRECTION

SUMMARY

A trustee sought clarification of the Trust Board's decision around ownership of the Pyramid made on June 4th 2020, and an inaccuracy in our minutes has been uncovered, requiring correction.

RECOMMENDATIONS

That the report "Clarifying Ownership of SMAG Building, the Pyramid – minute correction" be received

AND that

The Southland Museum Trust Board agree to correct the minutes received on July 2 2020 to read as follows:

"That the report "Ownership of SMAG Building, the Pyramid" be received

AND that

The Southland Museum Trust Board are satisfied that the ownership of the pyramid building belongs with the Council

AND that

Our asset register and financial records are updated to reflect this."

BACKGROUND

On June 4th 2020 Trust Board Chair Toni Biddle tabled a report titled "Ownership of the SMAG Building, The Pyramid" which included a letter appended from ICC Chief Executive Clare Hadley laying out how Council reached a position of determining ownership of the building actually remained with it, and not with the Trust Board.

Unfortunately, at the next meeting on July 2 the minutes approved were incorrectly recorded. The minutes read:

**"5.3 Ownership of SMAG Building – The Pyramid
A3025583**

Mr Eagles took the Board through the report.

Mr Botting noted that land could only be owned by Council, because it is Reserve land.

Moved Mayor Tong, seconded Ms Cook and **RESOLVED** that **the SMAG Managers Report for May 2020 be received.**"

At the December meeting of the Trust Board Friends of the Museum representative trustee Christine Henderson again questioned if this was the case.

As Chair, I sought to bring clarification to the first meeting of 2021. To this point, our newly appointed Manager – Museum and Heritage Services Wayne Marriott has asked for the opportunity to bring a report on this to the Board, hopefully for our March meeting, and I have approved this.

In the meantime we have uncovered an inaccuracy in our minutes where they show a motion to simply receive the SMAG Managers Report for May 2020 be received (highlighted above).

The motion put by Mayor Tong, seconded by Ms Cook was actually as per the agenda:

**THAT THE REPORT "OWNERSHIP OF SMAG BUILDING, THE PYRAMID" BE RECEIVED
AND THAT
THE SOUTHLAND MUSEUM TRUST BOARD ARE SATISFIED THAT THE OWNERSHIP OF THE
PYRAMID BUILDING BELONGS WITH THE COUNCIL
AND THAT
OUR ASSET REGISTER AND FINANCIAL RECORDS ARE UPDATED TO REFLECT THIS.**

Our ICC Governance Advisor Thilini Amarasingha has gone through the Zoom Recording of the meeting and has confirmed the above was actually the motion – not what the minutes reflected.

The purpose of this report is to correct the inaccuracy of the minutes, and to inform trustees that our Manager will be presenting a separate paper on the ownership issue, hopefully at our next meeting.

TO: SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD

FROM: DAVID DUDFIELD AND KIMBERLEY STEPHENSON

AUTHORISED BY: WAYNE PETER MARRIOTT

MEETING DATE: THURSDAY 11 FEBRUARY 2021

SMAG MANAGERS' REPORT FOR NOVEMBER / DECEMBER 2020

RECOMMENDATIONS

That the report "SMAG Managers' Report for November / December 2020" be received.

COLLECTIONS

Cataloguing and Rehousing

As at 31 December 2020

Project Stage	Outline	Total Recorded	Monthly increase
Stage 1	Full documentation	8,786	191
Stage 2	Ready for relocation	13,913	476
Stage 3	Photography	848	0

We currently have a vacancy for Collection Technician.

Kōiwi Tangata Repatriation Preparedness Project

The museum received assistance from the Ngākahu National Repatriation team. Amber Aranui from Te Papa Tongarewa spent a week at the museum in early November reviewing the work carried out to date, scoping out the level of assistance required to complete the project, and working through boxes of records identified as potentially containing relevant information towards repatriation of these tūpuna held at the museum. The project will be completed in 2021.

General Collection

The tauihu and a bow cover were transported to Rakiura Museum in late November to form part of the displays at their reopening on 1 December. The tauihu will return to the mainland in 2021.

The Sir Edmund Hillary's sled was returned to Te Hikoi museum on 2 December 2020.

The treatment of the statue of Minerva commenced. A social media programme is running in association with this project. It commenced in early December and will run until the end of February.

With an exhibition changeover at He Waka Tuia in mid-December, a number of collection items were returned to the museum and processed.

The public discussions around Tiwai point triggered a number of collection enquiries including archaeological and archive collection material.

FACILITY

We continue to monitor and respond to issues relating to the current building, which include a persistent leak in the roof in the north-east corner and rust fall from the beams in the Top Store.

A major fault in the environmental control system was identified the week before Christmas.

The outcome of the fault was that humidity levels significantly fluctuated, and at their peak reached over 70%. The fault was assessed by an electrician with repairs being completed after this reporting period.

OPERATIONS

- Social media posts remain popular:
 - December – 11 posts that reached over 10,000 users
 - November – 6 posts that reached 3,300 users
- Representatives of Ngāi Koata visited the museum to complete the translocation of the tuatara in November. These tuatara are now settling into their new homes under the kaitiakitanga of Ngāi Koata and the Department of Conservation Te Papa Atawhai.
- Iwi liaison komiti meeting.

HE WAKA TUIA

Visitor Numbers

Month	Hours of Operation	Visitor Numbers
November 2020	144	772
December 2020	141	893

The museum and He Waka Tuia team undertook an exhibition change in mid-December. *Te Ara A Kiwa* (Foveaux Strait) and *Active versus Passive* displays were deinstalled.

These were replaced with two new art exhibitions – *Traded* (Michele Beevors) and *Altered Neuro States* (Tom Fox). *Maori before a Waterfall*, William Hodges painting moved into the taonga area and the Titi community driven art project was retained. These changes have received positive feedback from visitors and the media.

Outreach

- Outreach assistance with art installations at Mīharo
- Assistance and liaison with Dawn Raids exhibition tour

TO: SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD
FROM: JAIMEE BOTTING, ACCOUNTANT
MEETING DATE: THURSDAY 11 FEBRUARY 2021

INTERIM ANNUAL REPORT

SUMMARY

Financial update on the Interim Annual report for the 6 months ending 31 December 2020.

RECOMMENDATIONS

That the Interim Annual report for the 6 months ending 31 December 2020 be received.

AND

That the Interim Annual report be issued to Invercargill City Council & Southland District Council.

INTERIM ANNUAL REPORT FOR THE 6 MONTHS ENDING 31 DECEMBER 2020

The Trust has recorded a profit of \$3,472 for the six months ending 31 December 2020.

The profit is a result of receiving the \$20,000 annual operational grant less \$17,000 reimbursement to the Invercargill City Council for costs relating to the relocation of the tuatara.

Appendix 1

Southland Museum & Art Gallery Trust Board Inc

INTERIM ANNUAL REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020



Southland Museum & Art Gallery Trust Board Inc

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Southland Museum & Art Gallery Trust Board Inc

ENTITY INFORMATION

Structure of the Trust's operations, including governance arrangements

The Trust comprises a board of ten trustees who oversee the governance of the Trust.

	<i>Current Trustee(s) appointment</i>
3 trustees are appointed by Invercargill City Council	Cr Ludlow (Chairperson) Cr Amundsen Vacant Cr Biddle <i>resigned Oct 2020</i>
2 trustees are appointed by Southland District Council	Mayor Tong Cr Menzies
2 trustees are appointed by trustees appointed by Invercargill City Council & Southland District Council	G Neave R Eagles
1 trustee is appointed by Tangata Whenua	E Cook
1 trustee is appointed by Friends of the Southland Museum & Art Gallery	C Henderson
1 trustee is appointed by Gore District Council	Cr Highsted

The Trust has a management contract with Invercargill City Council for the operations of the museum facilities.

Main source of Trust's cash and resources

Grants received from Southland Regional Heritage Committee and service contract revenue from Invercargill City Council are the primary sources of funding to the Trust.

Registered office: 108 Gala Street, P O Box 1012, Invercargill

Postal address: 108 Gala Street, P O Box 1012, Invercargill, Phone (03) 219 9069

Solicitors: Preston Russell Law, 45 Yarrow Street, Invercargill

Bankers: Westpac, 62 Kelvin Street, Invercargill

Auditor: Audit New Zealand on behalf of the Auditor - General

Southland Museum & Art Gallery Trust Board Inc**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	<i>Note</i>	2020 \$	2019 \$
Revenue			
Grant - Invercargill City Council		20,000	20,000
Grant - Southland Regional Heritage Committee		590,987	580,809
Revenue from providing services	1	498,497	491,360
Bequests		-	-
Interest revenue		1,920	3,363
Total revenue		1,111,593	1,095,532
Expenses			
Cost of providing services	2	1,106,986	1,077,299
Depreciation of property, plant, and equipment	6	1,135	3,929
Total expenses		1,108,121	1,081,228
Surplus / (Deficit) for the year		3,472	14,304
Other comprehensive revenue and expenses			
		-	-
Total other comprehensive revenue and expenses for the year		-	-
Total comprehensive revenue and expense for the year		3,472	14,304
Surplus / (Deficit) attributable to:			
Owners of the parent entity		3,472	14,304
		3,472	14,304
Total comprehensive revenue and expense attributable to:			
Owners of the parent entity		3,472	14,304
		3,472	14,304

The Statement of Accounting Policies and Notes are an integral part of, and should be read in conjunction with, these financial statements.

Southland Museum & Art Gallery Trust Board Inc**STATEMENT OF CHANGES IN NET ASSETS/EQUITY AS AT 30 JUNE 2020**

	Attributable to owners of the parent entity			Total equity \$
	Retained surplus \$	Restricted reserve \$	Special purpose reserve \$	
Balance at 1 July 2019	1,021,021	262,232	38,491	1,321,744
Surplus / (Deficit) for the year	14,304			14,304
Total other comprehensive revenue and expenses for the year	-			-
Transfers	(3,362)	3,357	5	-
Balance at 31 December 2019	1,031,963	265,589	38,496	1,336,048
Balance at 1 July 2020	938,674	268,601	38,504	1,245,779
Surplus / (Deficit) for the year	3,472			3,472
Total other comprehensive revenue and expenses for the year	-			-
Transfers	(270)	2,064	(1,794)	-
Balance at 31 December 2020	941,876	270,665	36,710	1,249,251

The Statement of Accounting Policies and Notes are an integral part of, and should be read in conjunction with, these financial statements.

Southland Museum & Art Gallery Trust Board Inc**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**

	<i>Note</i>	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	3	242,693	217,793
Receivables	4	33,662	29,798
Other financial investments	5	206,995	222,203
Total current assets		483,350	469,794
Non-current assets			
Property, Plant and Equipment	6	838,807	920,797
Total Non-current assets		838,807	920,797
TOTAL ASSETS		1,322,157	1,390,591
Liabilities			
Current Liabilities			
Payables and accrued expenses	7	20,137	1,774
Unused grants with conditions	8	52,769	52,769
TOTAL LIABILITIES		72,906	54,543
NET ASSETS		1,249,251	1,336,048
Equity			
Retained surplus		941,876	1,031,963
Restricted reserve	9	270,665	265,589
Special purpose reserve	9	36,710	38,496
		1,249,251	1,336,048

The Statement of Accounting Policies and Notes are an integral part of, and should be read in conjunction with, these financial statements.

Southland Museum & Art Gallery Trust Board Inc**CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	<i>Note</i>	2020 \$	2019 \$
<i>Cash flows from operating activities</i>			
Receipts from grants and donations		611,177	600,809
Receipts from providing services		498,497	491,360
Interest receipts		1,930	3,418
Payments to suppliers		(1,097,871)	(1,084,103)
GST (net)		(265)	29,790
Net cash flows from operating activities		13,468	41,273
<i>Cash flows from investing activities</i>			
Receipts from sale of investments		218,874	0
Payments to acquire property, plant and equipment		(1,800)	0
Payments to acquire investments		(200,666)	(3,329)
Net cash flows from investing activities		16,408	(3,329)
Net increase/(decrease) in cash & cash equivalents		29,876	37,944
Cash & cash equivalents at the beginning of the financial year		212,817	179,849
Cash & cash equivalents at the end of the financial year	3	242,693	217,793

The Statement of Accounting Policies and Notes are an integral part of, and should be read in conjunction with, these financial statements.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF ACCOUNTING POLICIES FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

REPORTING ENTITY

The reporting entity is Southland Museum & Art Gallery Trust Board Inc (the "Trust"). The Trust is domiciled in New Zealand and is a charitable organisation incorporated in New Zealand under the Charitable Trusts Act 1957.

The purpose of the Trust is to ensure prudent administration of the Museum collections and to monitor the management contract, which is currently with the Invercargill City Council.

The financial statements were approved and authorised for issue by the board of Trustees on 11 February 2021.

STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with NZ GAAP. They comply with Tier 2 PBE (RDR) accounting standards on the basis the Trust is not considered publically accountable or large with expenditure under \$30 million per annum. All available disclosure concessions have been applied.

CHANGES IN ACCOUNTING POLICIES

There are no changes in accounting policies during the period. All accounting policies have been consistently applied throughout the period covered by these financial statements.

BASIS OF PREPARATION

The preparation of financial statements in conformity with Tier 2 PBE accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

The financial statements have been prepared on the basis of historical cost, except for heritage assets and the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. Heritage assets are valued as per Property Plant and Equipment, Heritage Assets policy.

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

The financial statements have been prepared on a going concern basis, and the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

New Zealand dollars are the Trust's functional and presentation currency.

The trustees of the Trust do not have the power to amend the financial statements after issue.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF ACCOUNTING POLICIES FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

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

SIGNIFICANT ACCOUNTING POLICIES

REVENUE

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

Grants and Donations

Council, government, and non-government grants are recognised as revenue when the funding is receivable unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Interest revenue

Interest revenue is recognised on an accrual basis.

Revenue from providing services

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

Donated Services

The work of the museum is dependent on the voluntary service of many individuals and organisations. Since these services are not normally purchased by the museum and because of the difficulty of determining their value with reliability, donated services are not recognised in these financial statements.

TAXATION

The Trust is exempt from the payment of income tax. Accordingly no charge for income tax applies or has been provided for.

GOODS AND SERVICES TAX

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF ACCOUNTING POLICIES FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

CASH AND CASH EQUIVALENTS

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

FINANCIAL INSTRUMENTS

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

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

(1) Financial Assets

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The category determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Trust's financial assets are classified as financial assets at fair value through surplus or deficit, loans and receivables or as available for sale financial assets. The Trust's financial assets include: cash and cash equivalents, short-term investments and receivables.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

(2) Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments or a derivative that is a financial guarantee contract.

(3) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Trust's cash and cash equivalents, receivables transactions fall into this category of financial instruments.

(4) Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF ACCOUNTING POLICIES FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

(5) Impairment of financial assets

The Trust assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there are any objective evidence of impairment, the Trust first assesses whether there are objective evidence of impairment for financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Trust determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial asset with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

(6) Financial liabilities

The Trust's financial liabilities include trade and other creditors.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

PROPERTY, PLANT AND EQUIPMENT

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

- (A) Land and buildings assets
- (B) Heritage assets

(A) LAND AND BUILDINGS ASSETS

Cost / Valuation

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The Trust has elected not to revalue property plant and equipment and record the asset value on the cost basis.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF ACCOUNTING POLICIES FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

Additions

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

Cost includes expenditure that is directly attributable to the acquisition of the assets. In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired through a non-exchange transaction, or for a nominal cost, it is recognised at fair value at the date of acquisition.

Depreciation

Depreciation is calculated as detailed below:

Operational Assets	Rate
Buildings	2% SL
Fit-out	9 - 40% DV

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

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

Disposals

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

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

(B) HERITAGE ASSETS

The Southland Museum & Art Gallery Trust Board owns an extensive collection of material and information relating to natural, cultural and scientific heritage.

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

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

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

The result of this accounting policy means that the vast majority of the Museum's collection is effectively valued for accounting purposes at nil, or at historical cost for those few items purchased.

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

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF ACCOUNTING POLICIES FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

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

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

The collection is valued at \$10,380,000 for insurance purposes.

IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

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

RESERVES

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

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

Special purpose reserves are reserves established by decisions made by the Trust. The Trust may alter them without reference to any third party. Expenditure or transfers to and from these reserves is based on established policy.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF ACCOUNTING POLICIES FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

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

Key Sources of Estimation Uncertainty

Judgements made by management in the application of Tier 2 PBE accounting standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements. Key Sources of Estimation Uncertainty include:

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

- Determining whether the conditions of a grant has been satisfied, to determine whether the grant should be recognised as revenue in the Statement of Financial Performance. This judgement will be based on the facts and circumstances that are evident for each contract.

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

Key Assumptions

The Trust and its stakeholders have agreed to undertake a restructure of the Trusts' governance structure. The Council stakeholders are to contribute their views to the board on changes to the trust deed before the board agree the future structure. It has also been agreed to transfer the management of the museum operations, including future museum redevelopments, to the Invercargill City Council. The Trust will continue to operate as the guardians / owners of the collection. These changes are expected to be carried out in the 2020/21 year.

Southland Museum & Art Gallery Trust Board Inc**NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

1 REVENUE FROM PROVIDING SERVICES	2020	2019
	\$	\$
Service contract - Invercargill City Council	498,497	491,360
<i>Total revenue from providing services</i>	498,497	491,360
2 COST OF PROVIDING SERVICES	2020	2019
	\$	\$
Operating costs	17,503	7,766
Management Fee - Invercargill City Council	1,089,483	1,069,533
<i>Total cost of providing services</i>	1,106,986	1,077,299
3 CASH AND CASH EQUIVALENTS	2020	2019
	\$	\$
Westpac Cheque account	103,336	76,894
Westpac Redevelopment Account	70,319	70,284
Bank accounts		
- Bequest	43,598	43,387
- Baird Library	742	742
- Capital acquisition	24,698	26,486
<i>Total cash and cash equivalents</i>	242,693	217,793

Some restrictions exist on the cash reserve funds which are set aside for special purposes at the discretion of the Trustees.

Southland Museum & Art Gallery Trust Board Inc**NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

4 RECEIVABLES	2020	2019
	\$	\$
GST - Inland Revenue	31,955	29,798
Accrued interest - Westpac	-	
Other receivables	1,707	
<i>Total Receivables</i>	<u>33,662</u>	<u>29,798</u>

All Receivables above are recognised as non-exchange transactions

5 OTHER FINANCIAL INVESTMENTS	2020	2019
	\$	\$
<i>Available-for-sale at fair value</i>		
Term deposits (Bequest) Current	206,995	222,203
<i>Total Other financial investments</i>	<u>206,995</u>	<u>222,203</u>

6 PROPERTY, PLANT AND EQUIPMENT

	Land & buildings Assets \$	Heritage Assets \$	Total \$
Cost amount at 1 July 2019	3,773,646	815,582	4,589,228
Accumulated depreciation amount at 1 July 2019	3,664,502	-	3,664,502
Carrying amount at 1 July 2019	109,144	815,582	924,726
<i>Additions</i>	-	-	-
<i>Disposals (net of accumulated depreciation)</i>	-	-	-
<i>Depreciation expense</i>	(3,929)	-	(3,929)
<i>Impairment loss</i>	-	-	-
Cost amount at 31 December 2019	3,773,646	815,582	4,589,228
Accumulated depreciation amount at 31 December 2019	3,668,431	-	3,668,431
Carrying amount at 31 December 2019	105,215	815,582	920,797
Cost amount at 1 July 2020	37,910	815,582	853,492
Accumulated depreciation amount at 1 July 2020	15,350	-	15,350
Carrying amount at 1 July 2020	22,560	815,582	838,142
<i>Additions</i>	-	1,800	1,800
<i>Disposals (net of accumulated depreciation)</i>	-	-	-
<i>Depreciation expense</i>	(1,135)	-	(1,135)
<i>Impairment loss</i>	-	-	-
Cost amount at 31 December 2020	37,910	817,382	855,292
Accumulated depreciation amount at 31 December 2020	16,485	-	16,485
Carrying amount at 31 December 2020	21,425	817,382	838,807

Southland Museum & Art Gallery Trust Board Inc**NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

The Trust has not recognised exhibits and donated art works because the value of these are not readily available. However the direct purchase costs of exhibits and art collections acquired during the year have been capitalised.

7 PAYABLES AND ACCRUED EXPENSES	2020	2019
	\$	\$
Other payables	20,137	1,774
<i>Total payables and accrued expenses</i>	20,137	1,774
8 UNUSED GRANTS WITH CONDITIONS	2020	2019
	\$	\$
Invercargill City Council - Redevelopment Grant	52,769	52,769
<i>Total unused grants with conditions</i>	52,769	52,769

The grant from the Invercargill City Council requires the Trust to spend the funds on the museum redevelopment project and has a "use or return" condition.

Southland Museum & Art Gallery Trust Board Inc**NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

9 RESERVES	2020 \$	2019 \$
A) RESTRICTED RESERVES		
<u>Estate C F Broadley - Tuatara</u>		
Balance as at 1 July	49,119	47,954
Transfer to reserve	189	-
Interest revenue	343	614
Transfer from reserve	-	-
	49,651	48,568
<i>The bequest requires the Trust to spend the funds on Tuatara related expenses. Although the bequest is for a specific purpose, there is no obligation to return unspent funds, so no liability has been recorded for the unspent amount.</i>		
<u>Estate D I Alloo - Tuatara</u>		
Balance as at 1 July	56,993	55,642
Transfer to reserve	-	-
Interest revenue	398	712
Transfer from reserve	-	-
	57,391	56,354
<i>The bequest requires the Trust to spend the funds on Tuatara related expenses. Although the bequest is for a specific purpose, there is no obligation to return unspent funds, so no liability has been recorded for the unspent amount.</i>		
<u>Estate D I Alloo - Natural History</u>		
Balance as at 1 July	162,489	158,636
Transfer to reserve	-	-
Interest revenue	1,134	2,031
Transfer from reserve	-	-
	163,623	160,667

The bequest requires the Trust to spend the funds on Natural History Gallery related expenses. Although the bequest is for a specific purpose, there is no obligation to return unspent funds, so no liability has been recorded for the unspent amount.

Southland Museum & Art Gallery Trust Board Inc**NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	2020 \$	2019 \$
B) SPECIAL PURPOSE RESERVES		
<u>Education Service Reserve</u>		
<i>Balance as at 1 July</i>	11,269	11,269
<i>Transfer to reserve</i>	-	-
<i>Interest revenue</i>	-	-
<i>Transfer from reserve</i>	-	-
 <i>Balance at 30 June</i>	 11,269	 11,269
<i>The Education Service reserve comprises the remains of a grant from the Ministry of Education for the delivery of Curriculum Support Programmes. This grant is for the Learning Experiences Outside The Classroom (LEOTC) program.</i>		
<u>Baird Library</u>		
<i>Balance as at 1 July</i>	742	741
<i>Transfer to reserve</i>	-	-
<i>Interest revenue</i>	-	-
<i>Transfer from reserve</i>	-	-
 <i>Balance at 30 June</i>	 742	 741
<i>The Baird Library reserve comprises for funds to be used for the purchase of books for the museum's collection</i>		
<u>Collection acquisitions</u>		
<i>Balance as at 1 July</i>	26,493	26,481
<i>Transfer to reserve</i>	-	-
<i>Interest revenue</i>	6	5
<i>Purchases</i>	(1,800)	-
 <i>Balance at 30 June</i>	 24,699	 26,486
<i>The Collection acquisitions reserve comprises for funds to be used for the purchase of items for the museum's collection</i>		
 Total Reserves	 Balance at 30 June	 307,375
		304,085

Southland Museum & Art Gallery Trust Board Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

10 COMMITMENTS

There are no capital or operating commitments at 31 December 2020 (2019: Nil).

11 CONTINGENCIES

There are no known contingent liabilities or contingent assets at 31 December 2020 (31 December 2019: nil).

12 SUBSEQUENT EVENTS

There have been no significant events between year end and the signing of the Financial Statements.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF SERVICE PERFORMANCE FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

OUTPUTS & OUTCOMES FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

Below are the outputs planned by the organisation and the strategies that will be used to achieve these.

The Collections: Caring for, developing, and researching collections.			
Outputs	Strategies to achieve Outputs	2019/20 Outcome	2019/20 Target
<p>The collection is developed to enable the Museum to document, illustrate and explore Southland's unique natural and cultural heritage</p>	<ul style="list-style-type: none"> Collection management policies are reviewed as required. 	To be carried out in second half of year	One review annually
	<ul style="list-style-type: none"> New acquisitions are considered according to the Collection Management Policy. (minimal acquisitions desired while museum building is closed) 	100% of objects acquired are considered	100% of objects acquired are considered
	<ul style="list-style-type: none"> New acquisitions are entered into Vernon Collection Management System (CMS) to the level of Stripped Stage 1. 	359 records	1,000 records
<p>Stage 1 is designed to make the updated records searchable, identify key hazards, and ensure that the items ready for relocation.</p>	<ul style="list-style-type: none"> Existing CMS records are updated to Stage 1 (Full Documentation). 	498 records	2,400 records
	<ul style="list-style-type: none"> Stage 1 is designed to make the updated records searchable, identify key hazards, and ensure that the items ready for relocation. 		Stage 1: July-Dec 2019 = 1,182 records. 7627 records updated to date; 5365 skeletal records (housed for transport) to date
<ul style="list-style-type: none"> Collections items to have digital images made. 		45 items	0 items (Photography will only be undertaken as required for the purposes of condition reporting, online presence, and the temporary gallery space.)
			Stage Three: 0 items 753 items updated to date (focus on stages one and two)

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF SERVICE PERFORMANCE FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

OUTPUTS & OUTCOMES FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

Below are the outputs planned by the organisation and the strategies that will be used to achieve these.

The Collections: Caring for, developing, and researching collections.			
Outputs	Strategies to achieve Outputs	2019/20 Outcome	2019/20 Target
<p>The collection is prepared for removal from the building by 2021/22 (4 years)</p>	<ul style="list-style-type: none"> • Pack items for storage and transportation. Stage 2a of the current Collection Relocation Plan involves packing and physically readying objects for relocation. Stage 2b of the current Collection Relocation Plan involves implementing a temporary transporting/packing solution for objects to be safely transported off-site. 	614 records	<p>2,000 records across Stage 2a and 2b.</p> <p>Stage Two A: 5,447 records completed in total to date.</p> <p>Stage Two B: 458 records completed in total to date.</p>
<p>Collections are maintained in optimal conditions for their long term preservation.</p>	<ul style="list-style-type: none"> • Storage space is kept at temperature of 19oC±1oC, percentage of time in range. 	Variations outside range	<p>Minimise variance</p> <p>68% of time</p>
<p>Collections are maintained in optimal conditions for their long term preservation.</p>	<ul style="list-style-type: none"> • Storage space is kept at humidity of 50%±5%, percentage of time in range • Storage space is monitored for infestation by pests and moulds. • A procedure to minimise deterioration by light is followed. • A procedure to avoid loss or damage to objects in the collection or on loan is followed. 	<p>Variations outside range</p> <p>Minimum pests, moulds and pollutants found.</p> <p>Followed</p> <p>Followed</p>	<p>Minimise variance</p> <p>12% of the time</p> <p>Minimum pests, moulds and pollutants found.</p> <p>Followed</p> <p>Followed</p>

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF SERVICE PERFORMANCE FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

OUTPUTS & OUTCOMES FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

The Community: Be the facilitator , connector, activator, conductor and co-creator working with community			
Outputs	Strategies to achieve Outputs	2019/20 Outcome	2019/20 Target
Maintain strong relationships with iwi over issues relating to the collections, exhibitions and tuatara management	<ul style="list-style-type: none"> Iwi Liaison Komiti (representing the four Southland runanga; Waihopai, Oraka-Aparima, Hokonui, Awarua) meets regularly. 	Two meetings	Four meetings
Promotion of a museum presence	<ul style="list-style-type: none"> Develop & implement a marketing strategy for a museum presence. Provide outreach to other museums and related organisations in the region and community. 	Marketing strategy was developed by December 2019 and implemented prior to the opening of He Waka Tuia. Much of the curatorial outreach has been focused on Dawn Raids exhibition tour and "The Last Tour" documentary with Heritage South	Develop by December 2019 & implement by June 2020 No target
			Two meetings 76 hours
			Developed. Awaiting fitout and exhibition installation to be activated.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF SERVICE PERFORMANCE FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

OUTPUTS & OUTCOMES FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

<p>The Experience: Interactive and social connections. A whole brain learning – sparking memories of lifetime connections with the past and the future, connecting with the mauri of our taonga, celebrating our land, people and culture.</p>			
Outputs	Strategies to achieve Outputs	2019/20 Outcome	2018/19 Outcome
Establish a temporary museum presence within the city.	<ul style="list-style-type: none"> Deliver short-term exhibitions within the museum presence. 	He Waka Tuia was opened on 12 September 2020. The first exhibition has had a change over in December.	Nil as museum presence is not open
<p>The Development: Planning, consulting and establishing a future direction.</p>			
Outputs	Strategies to achieve Outputs	2019/20 Outcome	2018/19 Outcome
Awaiting decision on SMAGTB future governance structure			

TO: SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD

FROM: JAIMEE BOTTING, ACCOUNTANT

MEETING DATE: THURSDAY 11 FEBRUARY 2021

<p align="center">STATEMENT OF INTENT FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022 (DRAFT)</p>
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SUMMARY

The draft Statement of Intent outlines the strategic targets for the Southland Museum & Art Gallery Trust Board for the financial year ending 30 June 2022.

As the governance is currently being reviewed, the Statement of Intent has been prepared on the assumption of "Business as usual" to meet the legislative requirements of supplying a draft copy to stakeholders by 1 March.

Changes may be required once the outcomes of the review are approved.

RECOMMENDATIONS

That the draft Statement of Intent be received

and

That the draft Statement of Intent is issued to stakeholders (Invercargill City Council & Southland District Council).

The Statement of Intent for the Southland Museum & Art Gallery Trust Board has been prepared in accordance with the Local Government act 2002.

A review of the governance of the Southland Museum & Art Gallery Trust Board is currently underway. As any changes to the governance structure is currently unknown, this Statement of Intent has been prepared with the assumption of business as usual.

SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD

STATEMENT OF INTENT

FOR THE FINANCIAL YEAR ENDING
30 June 2022



The purpose of this Statement of Intent is to:

- State publicly the activities and intentions of this Council Controlled Organisation for the year and the objectives to which those activities will contribute.
- Provide an opportunity for shareholders to influence the direction of the organisation.
- Provide a basis for the accountability of the Board to their stakeholders for the performance of the organisation.

This Statement of Intent covers the year 1 July 2021 to 30 June 2022.

1. MISSION, VISION, STRATEGIC OBJECTIVES AND THE THREE YEAR PLANNING PERIOD

1.1 Mission Statement

To celebrate our people, land and culture

1.2 Vision Statement

We are a nationally respected, unique, innovative, vibrant attraction providing a must-do experience with a positive culture from a team that is excited to be there, supported by diverse funding and revenue streams and meaningful partnerships protecting the collection of Southland, as custodians of our heritage

1.3 Strategic Objectives

Through its activities the Southland Museum and Art Gallery Trust Board (SMAGTB) will:

- Deliver a vibrant successful collaboration with the Invercargill Public Art Gallery in a temporary exhibition space that is bustling with people, activities and culture.
- Increase the sense of ownership by Southlanders, and the attractiveness, meaningfulness, relevance, value of the Museum and its programmes for them and visitors to Southland
- Contribute to the role of attracting visitors to Invercargill as part of the Southland visitor experience.
- Continue to strengthen our relationships with Mana Whenua.
- Have an aligned board and simple governance structure that is the best interest of the Southland Region
- Work with our Community using our Museum as a connector
- Collaborative organisational structure, shared authority and strong community engagement
- Provide support for regional museums in our province.

1.4 Principal Activities

The principal activities which contribute to the achievement of the Strategic Objectives will be provided by the Management Contract. These are categorised into four areas:

1. The Collections – Caring for, developing, and researching collections
2. The Community – Be the facilitator, connector, activator, conductor and co-creator working with community
3. The Experience – Interactive and social connections. A whole brain learning – sparking memories of lifetime connections with the past and the future, connecting with the mauri of our taonga, celebrating our land, people and culture.
4. The Development – Planning, consulting and establishing a future direction.

Southland Museum and Art Gallery Trust Board
Statement of Intent 2020/21

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1.5 Financial Forecasts

Note: the financial forecasts are prepared on a business as usual basis.

	2021/22	2022/23	2023/24
Revenue	1,225,074	1,248,709	1,248,709
Expenses	1,230,520	1,253,266	1,253,266
Net Surplus / Deficit	(5,446)	(4,557)	(4,557)

The loss is directly related to depreciation of assets the Trust has. Cash flow position is neutral each year.

The SMAGTB receives annual grants from the Southland Regional Heritage Committee and has an annual service contract with Invercargill City Council.

The SMAGTB will approve the budget for expenditure in the Management Contract each year. See Section 2.3, Management of the Southland Museum and Art Gallery.

The SMAGTB owns some of the collection and is guardian of other parts of the collection.

1.6 Bicultural Development

Southland Museum and Art Gallery maintains a working partnership with iwi through the Iwi Liaison Komiti, which has representatives from the four Southland runanga. The Iwi Liaison Komiti meets quarterly to discuss issues relating to the collections and exhibitions.

2.0 STATEMENT ON THE BOARD'S APPROACH TO GOVERNANCE

2.1 Role of the Board

The Board is responsible for the governance of the Southland Museum and Art Gallery. The Board is responsible for setting the strategic direction of SMAG, approving the Statement of Intent and monitoring the performance of the Management Contract.

2.2 Board Membership

The SMAGTB is a Council Controlled Organisation with up to 10 trustee members and three ex officio members who represent the contributing authorities. The Board also has the authority to appoint additional members whose skills and experiences benefit the Trust and its functions.

INVERCARGILL CITY COUNCIL

Cr D Ludlow
Cr R Amundsen
Vacant

SOUTHLAND DISTRICT COUNCIL

Mayor G Tong
Cr C Menzies

GORE DISTRICT COUNCIL

Cr Bret Highsted

TANGATA WHENUA

E Cook

APPOINTMENTS BY THE ABOVE TRUSTEES

G Neave
R Eagles

FRIENDS OF THE MUSEUM

C Henderson

EX OFFICIO

Manager – D Dudfield (interim)
Secretary – Vacant (ICC officers covering)
Treasurer – J Botting (ICC officers)

2.3 Management of the Southland Museum and Art Gallery

The SMAGTB has a Management Contract with the Invercargill City Council to carry out the Principle Activities of the Board. The Council employs the museum manager and staff who operate He Waka Tuia and the museum facility on Gala street. The Trust Board will approve the budget for expenditure in the Management Contract each year.

2.4 Alignment with Community Outcomes

The SMAGTB contributes towards the achievement of Invercargill City Council's community outcomes.

Enhance our City	Preserve its Character	Embrace Innovation and Change
<i>We will know success when:</i>	<i>We will know success when:</i>	<i>We will know success when:</i>
New residents feel welcomed and embraced by Invercargill culture.	Invercargill is celebrated for preserving its heritage character.	Invercargill's culture is embraced through Community projects.
Healthy and active residents utilise space, including green space, throughout the City.	Our natural and existing points of difference are celebrated.	Technology is utilised in both existing and new City services.
Invercargill's business areas are bustling with people, activities and culture.	Strong, collaborative leadership of the City is demonstrated.	Residents of, as well as visitors to, Invercargill give positive feedback and have great experiences.
		Invercargill has the 'wow factor' with the right facilities and events to enjoy.

3.0 OUTPUTS PLANNED FOR THE YEAR ENDED 30 JUNE 2021

Below are the outputs which are planned by the organisation to be delivered by the Management Contractor and the strategies that will be used to achieve these.

3.1 The Collections Caring for, developing, and researching collections.		
Output	Strategies to achieve Output	2020-21 Target
The collection is developed to enable the Museum to document, illustrate and explore Southland's unique natural and cultural heritage	Collection management policies are reviewed as required.	One review annually
	New acquisitions are considered according to the Collection Management Policy. (Minimal acquisitions desired while museum building is closed).	100% of objects acquired are considered
	New acquisitions are entered into Vernon Collection Management System (CMS) to the level of Stripped Stage 1.	1000 records
	Existing CMS records are updated to Stage 1 (Full Documentation). Stage 1 is designed to make the updated records searchable, identify key hazards, and ensure that the items ready for relocation.	2,400 records
	Collections items to have digital images made.	0 items (Photography will only be undertaken as required for the purposes of condition reporting, online presence, and the temporary gallery space.)

Output	Strategies to achieve Output	2020-21 Target
The collection is prepared for removal from the building by 2021/22 (4 years)	<p>Pack items for storage and transportation.</p> <p>Stage 2a of the current Collection Relocation Plan involves packing and physically readying objects for relocation.</p> <p>Stage 2b of the current Collection Relocation Plan involves implementing a temporary transporting/packing solution for objects to be safely transported off-site.</p>	2000 items across Stage 2a and 2b.
Collections are maintained in optimal conditions for their long term preservation	Storage space is kept at temperature of 19°C±1°C, percentage of time in range.	Minimise variance
	Storage space is kept at humidity of 50%±5%, percentage of time in range.	Minimise variance
	Storage space is monitored for infestation by pests and moulds.	Minimum pests, moulds and pollutants found
	A procedure to minimise deterioration by light is followed.	Yes
	A procedure to avoid loss or damage to objects in the collection or on loan is followed.	Yes

3.2 The Community

Be the facilitator , connector, activator, conductor and co-creator working with community

Output	Strategies to achieve Output	2020-21 Target
Maintain strong relationships with iwi over issues relating to the collections, exhibitions and tuatara management	Iwi Liaison Komiti (representing the four Southland runanga; Waihopai, Oraka-Aparima, Hokonui, Awarua) meets regularly.	Four meetings
Promote a museum presence	Provide outreach to other museums and related organisations in the region and community.	No target

3.3 The Experience

Interactive and social connections. A whole brain learning – sparking memories of lifetime connections with the past and the future, connecting with the mauri of our taonga, celebrating our land, people and culture.

Output	Strategies to achieve Output	2020-21 Target
Establish a temporary museum presence within the city.	Deliver short-term exhibitions within the museum presence.	Four exhibition

3.4 The Development

Planning, consulting and establishing a future direction.

Output	Strategies to achieve Output	2020-21 Target
Awaiting decision on SMAGTB future governance structure		

4.0 ACCOUNTING POLICIES

4.1 Basis Of Preparation

The Board has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime (RDR) disclosure concessions. This is on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of more than \$2 million and less than \$30 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared under the assumption that the Trust will continue to operate in the foreseeable future.

The Trust is domiciled in New Zealand, is a reporting entity for the purposes of the Charitable Trusts Act 1957 and its financial statements comply with that Act.

The trustees of the Trust do not have the power to amend the financial statements after issue.

4.2 Changes In Accounting Policies

There has been no change in accounting policies.

4.3 Goods And Services Tax (GST)

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

4.4 Revenue

Revenue is recognised to the extent that it is probable the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

4.4.1 Grants

Council, government, and non-government grants are recognised as revenue when the conditions attached to the grant has been complied with. Where there are unfulfilled conditions attached to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

4.4.2 Donations

Donations are recognised as revenue upon receipt.

4.4.3 Bequests

Revenue from estates that satisfies the definition of an asset is recognised as revenue when it is probable that future economic benefits or service potential will flow to the entity, and the fair value can be measured reliably.

4.4.4 Interest revenue

Interest revenue is recognised as it accrues, using effective interest method.

4.4.5 Other revenue

Revenue is measured at the fair value of consideration received.

4.5 Expenditure

All expenditure is recognised in the period in which it is incurred and expensed when the related services has been received.

4.6 Income Tax

The Trust is exempt from the payment of income tax. Accordingly no charge for income tax applies or has been provided for.

4.7 Donated Services

The work of the museum is dependent on the voluntary service of many individuals and organisations. Since these services are not normally purchased by the museum and because of the difficulty of determining their value with reliability, donated services are not recognised in the financial statements.

4.8 Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These comprise cash on hand, cheque or savings accounts, and deposits held at call with banks. Bank overdrafts are presented as a current liability in the statement of financial position.

4.9 Short term investments

Short term investments comprise term deposits which have a term greater than three months and therefore do not fall into the category of cash and cash equivalents.

4.10 Receivables

Short-term receivables are recorded at the amount due, less any provision for non-collectability. A receivable is considered uncollectable when there is evidence the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

4.11 Creditors And Accrued Expenses

Creditors and other payables are measured at the amount owed.

4.12 Property, Plant And Equipment

Property, plant and equipment is recorded on the cost basis, less accumulated depreciation and impairment losses.

Property, plant, and equipment held at cost that has a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell, and value in use. The total impairment loss is recognised in the surplus or deficit.

The Trust has elected not to revalue property plant and equipment

4.12.1 Additions

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

4.12.2 Depreciation

Depreciation has been charged in the Financial Statements on the basis of the economic life rates recommended by the Inland Revenue Department as follows:

Buildings	2%	SL
Fit-out	9 - 40%	DV

4.12.3 Heritage Assets

The Southland Museum & Art Gallery Trust Board owns an extensive collection of material and information relating to natural, cultural and scientific heritage. Heritage assets are valued at cost or fair value at the date of acquisition and are not depreciated.

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

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

The result of this accounting policy means that the vast majority of the Museum's collection is effectively valued for accounting purposes at nil, or at historical cost for those few items purchased.

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

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

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

For Insurance purposes, the collection is valued at \$10,000,000.

10. **PUBLIC EXCLUDED SESSION**

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting; namely

- (a) Minutes of the public excluded session held on 03 December 2020

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
(a) Minutes of the public excluded session held on 03 December 2020	Section 7(2)(i) To enable any local organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.