



**Notice is hereby given of the Annual General 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 Wednesday 14 December 2022 at 9.30 am**

Ms E Cook (Chair)
Mrs C Hadley
Mr C McIntosh
Mr S Parry

Thilini Amarasingha
For Secretary

Southland Museum & Art Gallery Trust Board - Annual General Meeting



14 December 2022 09:30 AM

Agenda Topic	Page
1. Apologies	
2. Minutes of the Annual General Meeting Held on 2 December 2021 (A3749477)	3
2.1 Matters Arising	
3. Chairperson's Report (A4205795)	6
4. Manager's Report (A4207955)	8
5. 2021 12 02 - SMAG - AGM - Annual Report 2022 (A4206907)	13
5.1 Appendix 1 - Annual Report for the Year Ended 30 June 2022 (A4206909)	15
6. Correspondence	
7. Appointments to the Trust Board	
8. Register of Trustees' Interests	
9. General	

**MINUTES OF THE SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD
ANNUAL GENERAL MEETING HELD IN THE COUNCIL CHAMBERS,
INVERCARGILL CITY COUNCIL, 101 ESK STREET, INVERCARGILL ON
THURSDAY 02 DECEMBER 2021 AT 3.05 PM**

PRESENT:

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

IN ATTENDANCE

Mr Paul Duffy (Chair – Southland Regional Heritage Joint Committee)
Mr W Marriott (Manager – Museum and Heritage Services)
Mr S Craig (Management Accountant)
Mrs T Amarasingha (Secretary)

1. APOLOGY

Mayor Tong
Cr Highsted
Mrs Hadley
Mr Gibling

Moved Cr Amundsen, seconded Ms Cook and **RESOLVED** that the apology be accepted.

2. CONFIRMATION OF MINUTES
A3298699

Moved Cr Menzies, seconded Cr Amundsen **RESOLVED** that the minutes of the meeting held on 3 December 2020 be accepted as a true and correct record.

3. MATTERS ARISING

Nil.

4. CHAIRPERSON'S REPORT
A3625682

Cr Ludlow spoke to the report and thanked everyone for their support.

Moved Cr Amundsen, seconded Cr Soper and **RESOLVED** that the Chairperson's report be received.

5. MANAGERS' REPORT

A3622185

Mr Marriott spoke to the report.

In response to a query regarding the timeframe for the cataloguing process, Mr Marriott said that the timeframe for the cataloguing process would be within the next five years which would provide a good understanding of the depth of the collection.

Moved Ms Cook, seconded Ms Neave and **RESOLVED** that the Managers report be received.

6. MANAGEMENT ACCOUNTANT'S REPORT

A3623309

Mr Craig spoke to the report and noted the correspondence received from Audit NZ on the inability to provide audited accounts for the AGM. After receiving the Audited Accounts, a Special General Meeting would be convened to receive the Audited Accounts.

Moved Ms Cook, seconded Cr Soper and **RESOLVED** that the report be received.

8. CORRESPONDENCE

Nil

9. APPOINTMENTS TO THE TRUST BOARD

9.1 Chairperson

Ms Neave nominated and seconded Ms Cook that Cr Ludlow to be reappointed to the role of Chair.

Moved Cr Soper, seconded Cr Amundsen and **RESOLVED** that the nomination to be closed.

Cr Ludlow was reappointed as a Chair of the Southland Museum and Art Gallery Trust Board.

9.2 Deputy Chair

Ms Neave nominated and seconded Mrs Henderson that Mr Eagles to be reappointed to the role of Deputy Chair.

Moved Cr Soper, seconded Ms Cook and **RESOLVED** that the nomination to be closed.

Mr Eagles was reappointed as Deputy Chair of the Southland Museum and Art Gallery Trust Board.

A3749477

9.3 Secretary and Treasurer

Moved Ms Neave, seconded Cr Menzies and **RESOLVED** that Invercargill City Council be appointed as Secretary and Treasurer of Southland Museum and Art Gallery Trust Board.

Invercargill City Council was reappointed as Secretary and Treasurer of the Southland Museum and Art Gallery Trust Board.

10. REGISTER OF TRUSTEES' INTERESTS

A2531243

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

11. GENERAL

Nil.

The meeting closed at 3.14 pm.

Report of the Chair, Southland Museum & Art Gallery

Tēnā koutou e rau rakatira mā,

2022 represented a year of significant change for both the Trust and the wider Invercargill City Council team who support us.

The challenge that is COVID again disrupted life in our community and also had an impact on our team. Thankfully, those changes were foreshadowed and the staff were ready to work from home. They transitioned well and continued to catalogue and ready our collection for the future move.

Despite the challenges, we were also able to complete full reviews of our Collections Policy, including strong engagement with the Iwi Liaison Komiti; an assessment of our collection for potential items of national significance; the major review of our Trust Deed; and, the recruitment of new highly skilled people to a number of newly established positions.

The Trust Deed review, the most significant change in the Trust's recent history, led to the establishment of the previous Trust structure and membership. The focus of the Trust, once ownership of the building was clarified, directed our mahi to the management, care, conservation, and enhancement of the Collection.

With this in mind, the new Trust Deed called for a more skills based board. I wish to acknowledge my former colleagues on the previous Board for their commitment and efforts on behalf of the Trust. There are many, many years of combined contribution amongst this group and I wish to acknowledge, on behalf of both the community and Trust, their important contribution to the management and care of the Collection and wish them all the best in their future endeavours. Ka nunui te mihi ki a koutou kua haere atu ki ētahi mahi hou. I wish all you the best in your new endeavour as you may have retired from our Trust but are almost certainly not 'retired'!

Kā mihi atu ki a:

- Darren Ludlow
- Rebecca Amundsen
- Lesley Soper
- Gary Tong
- Bret Highsted
- Roger Eagles
- Gwen Neave
- Christine Menzies
- Paul Duffy

On 5 May, 2022, at its last meeting under the old Trust Deed, the above Board members and I agreed to the adoption of the new Trust Deed. This saw the introduction of an interim Trust Board to give effect to the intent of the new Deed. This comprises the Chief Executives of the three local territorial authorities – Clare Hadley, Cameron McIntosh, and Stephen Parry. At the time of writing this report, an Appointment Committee is deliberating on the selection of five new Trust members. The three Chief Executives and Dr Gerard O'Regan, will identify the new Trust members who will join with me to take on the mantle of Board Members of the Southland Museum and Art Gallery Trust.

This, when combined with the recent decision by Invercargill City Council to commit to a dedicated Regional Storage Facility as well as a new Museum and Cultural Centre (Project 1225), bodes very well for the ongoing care, conservation, and display of our precious taoka. The next year will be exciting for us all as long held dreams begin to take shape.

Kā mihi o te wā ki a koutou – Seasons greetings to you all.

Mauriora

Rev Evelyn A Cook

CHAIRPERSON, IWI REPRESENTATIVE

Managers' Report, Southland Museum and Art Gallery

For the Year Ending 30 June 2022

Overview:

Covid once again dominated the opportunities which were presented during the Year Ending 30 June 2022. During the previous twelve months work had continued on the rehousing of the collection to enable its relocation for the redevelopment of the Southland Museum and Art Gallery. Throughout the period of lock-down staff worked from home, continuing to catalogue, make stillages, and prepare the collection for packing once they returned to work.

The ongoing support of the exhibition programme at He Waka Tuia meant we had to find new ways to exhibit and be flexible in our approach to exhibitions. Window displays which could be achieved through digitisation provided a new opportunity to engage with an audience who could not access the building.

Museum Governance Group (MGG)

Following the adoption of the LTP in June 2021, the MGG was established at an Extraordinary Performance, Policy and Partnership (PPP) meeting on 30 June 2021. The MGG membership comprised of Rex Williams (Chair); Lou Sanson; Gavin Bishop; Simon Owen, Trish Lindsay; Roger Beattie and Evelyn Cook.

The Terms of Reference for the MGG included: *Create a unique and compelling vision for the Invercargill Museum that will define the nature of the service for the community of Invercargill and solidify its role in the Southland region.* The group had both a Service and Design focus and was charged with reporting back to ICC on the preferred location of the facility; most appropriate size and scale of the facility; the inclusion/exclusion of the Art Gallery; the Tuatara; and the budget envelope.

Despite the challenges of another Covid lockdown, the MGG met regularly between August and November and reported to the PPP Committee on 21 December 2021 with the Te Unua – Reimagining Phase Report. Of note was the recommendation to develop a long term, fit for purpose storage solution for the Collection. Tisbury Reserve was identified as the preferred location (out of 19 potential sites) and was transferred from a recreation reserve to a local purpose (museum) reserve on 25 July 2022. It is fair to say the collection, its scope and importance, directed a significant amount of the discussion both in terms of the level of specific and special care required, as well as the accessibility of it to our community.

Iwi Komiti

The Iwi Komiti has continued to support the Museum staff in the development of exhibitions, as well as in the development of policy. During the year the Komiti were also engaged as part of the MGG process supporting the development of a standalone storage facility and providing direct input into the architectural plans for the facility.

In January 2020 respected academic and leader Piri Sciascia passed away, which left the Iwi Komiti as the sole Trustee for Te Mauri o Te Maori, the pounamu which accompanied Te Maori – Te Hokinga Mai on its journey through New Zealand. The Komiti appointed four additional trustees. Te Mauri o Te Maori was subsequently loaned to Otago Museum for the duration of Kura Pounamu.

Ko Iwi held temporarily within the SMAG collection was researched by Amber Aranui and Jamie Metzger, of Te Papa. Additional research on the David Teviotdale collection (1920 – 1950) was however thwarted due to covid travel restrictions.

Pilot Digitisation Project:

Since mid-2021 a series of pilot digitisation projects have been undertaken across the collection. This has been used to audit, enhance catalogue information and to provide an accessible public digital file. Digitisation of the collection has identified some items held in the SMAG Collection which are identified as being of 'national importance'.

Through funding received by Invercargill City Libraries a pilot project to develop an online portal has been researched and reviewed during 2022. The partners included ICC Information Management (Archives), Community Archives, ICC Libraries and the Southland Museum and Art Gallery.

The project has highlighted some of the challenges in the development of a single platform. This includes different collection management systems. However, work continues to explore how these challenges can be overcome.

Collection	Description	No. Items Digitised
Glass Plate Negatives	General Collection. All plates have been cleaned, digitised and rehoused in acid free material	4350
Elmwood and Southland Times Collection	35mm film	22,000
Elmwood Collection catalogue	Photographer's notebooks recording the names and negative numbers	2500
Taoka Maori	Toki, Wooden; Whale Bone	4000
Pasifika	Wooden objects	1817
Art	Oil and Acrylic	50
Social History	Sub-Antarctic; Strangs; Fiordland	250

Outward Loans

A review of all outward loans was undertaken during the period with all outward loans reconfirmed with the borrowing institution.

Institution	Description	Date Loaned
Bluff Maritime Museum	Thirteen loans – earliest 1 Jan 1983- 8 March 2017	1 Jan 1983 ongoing
Te Hikoi	Ships Medicine Chest and Adze (2022)	28 Oct 2013 ongoing
Otago Museum	Seven loans – earliest 31 August 1989 – 6 June 2001	31 August 1989 ongoing
Lakes District Museum	Three loans – earliest 1 July 1975 – 1 June 2001	1 July 1975 ongoing
Canterbury Museum	Ten loans – earliest 27 January 1977 – 21 September 2018	27 January 1977 ongoing

Classic Motorcycle Mecca	Indian Scout and Ducati (replica)	22 December 2021 ongoing
-----------------------------	-----------------------------------	-----------------------------

Acquisitions:

The Museum generally receives two types of acquisitions. The first are gifts or bequests which are considered by the collections team and reviewed against the current Collection Management Policy. A decision is then made on whether to receive and accept the gift/bequest, or alternatively follow the instruction of the donor to return or pass on the item.

The second type of acquisition is purchase. These are deliberate purchases to fill gaps in the collection or to acquire objects which have a significance to Invercargill, Southland, Murihiku or our collection area.

Of note during this period was the Thomson family donation, as well as the Liz Miller Collection and Masonic Portraits. The significant purchase was the bronze bust by Invercargill born artist Molly MacIstair. This was acquired from the collection of Adrian Burr and Peter Tatham.

All items added to the collection during this period have been entered into the Vernon database.

Date Donated	Donation No.	Accession No.	Item(s)	Donor
6/07/2021	3736	2021.4	Oil Portraits (Feldwick; unidentified; Scandlers); Photographic portraits of local Masonic Lodge members.	Invercargill Freemasons Building Charitable Trust
16/08/2021	3743	2021.8	Marilynn Webb "In Hodges Wake"	Hannah Marriott Wilkes
1/09/2021	3744	2021.3.104	Autograph book belonging to Fred Miller	Estate of Elizabeth (Liz) Miller
10/08/2021	3745	2022.3	Janet de Wagt: Estuary series	Janet de Wagt
7/12/2021	3746	2021.5	Photographs of Appleby Cricket Club Senior Eleven 1953-54 and 1960-61	Margaret Rawson
13/12/2021	3747	2021.3	Liz Miller Collection: - Clothing, medals, scrapbooks, jewellery, photographs	Estate of Elizabeth (Liz) Miller
21/01/2022	3748	2022.2	Kathleen Sutton Collection: Wedding dress, Assorted Furs, Costume Jewellery	Estate of Kathleen Sutton
27/01/2022	3749	2022.1	George Thomson (Thomson's brewery and soft drink) Family Collection: - Wristwatch, Invercargill Civic Band Record, Pencil Box, Assorted books and newspaper articles, Photographs, Leather Wallet, Amber Bead necklace, Pearl Studs, Mizpah brooch, Box of pocket watches	Terrence O'Toole
29/01/2022	3750	2018.17	Janice Gill : "The Fish and Chip Kids," "The Annual General Meeting," Southland Art Society Exhibition Opening	Susan and Robert McIntyre on behalf of Gladwen McIntyre Family Trust

3/02/2022	3801	2022.7	Eileen Ferns: Artworks, Ephemera	Eileen Ferns
25/02/2022	3802	2022.8	Catalogues and Books from Marilyn Webb	Estate of Marilyn Webb
30/06/2022	3803	2022.9	Invercargill City Council Shields	Invercargill City Council
30/06/2022	3804	2022.11	Janice Gill: "Waiting for Me" (1992); "Self Portrait - Unentitled" (1985)	Janice Gill

Purchases:

Robert Park MacGoun (1834 – 1907). *Stewart Island (watercolour)*. \$650.00
Molly Macalister (b. Invercargill, 1920 – d. Auckland, 1979). *Victim* (Edition of 3). c. 1964. \$32,589
John Kalk "ITOC 1906 Te Anau", pottery tankard \$75.00
Murray Fox, pottery platter \$120.00

Collection Rationalisation:

In conjunction with the packing of the collection for relocation, the team began a focused project on Collection Rationalisation – or the deaccessioning of objects from the collection. This course of action is never taken lightly by any museum, however a number of objects which had little or no provenance or historical value to the region were considered and approved for deaccessioning.

As part of the review a number of items, such as Rory (the seal) and Ralph (also a seal) were identified as having been incorrectly accessioned. These items have now been formally deaccessioned, enabling them to play a role as props within the development of future exhibition, and to be handled by the public.

Exhibitions:

You, Me and the Sea	28 May – 18 July 2021	Community art project led by Janet de Wagt
Coastal Murihiku	28 May – 18 July 2021	Exhibition of landscapes by Janet de Wagt
<i>Our Landscape – through the brush of Jonathan R White</i> MNZM	31st July – 3rd October 2021	Jonathan White's exhibition was the last opening prior to the Covid-19 lockdown
Our Heritage – Your History – celebrating 150 years of Invercargill City Council	5 October – November 2021	Celebrated 150 years of architecture and built heritage of Invercargill City Council
Robert Park MacGoun	5 October – November 2021	Watercolours by the first Southland County Clerk, R P MacGoun
<i>Owen Allison - On Trend</i>	13 November – 12 December 2021	Exhibition featured 150 images, both in print and digital format, from Owen Allison's career spanning from the late 1980s – 2000s
Inhabit - Southland Art Foundation	17 December 2021 – 1 February 2022	Collection developed since 1980 when the Foundation was first established by the Southland Savings Bank and Southland Museum and Art Gallery Trust Board
<i>Local Knowledge: Collaborative Paintings</i> by Euan Macleod and Gregory O'Brien	3 February – 6 March 2022	Travelling exhibition from the Eastern Southland Gallery

<i>Nohi: Private Collections of Murihiku</i>	25 March – 1 May 2022	Private collectors from across Murihiku were invited to contribute and display two art works from their personal collection as part of this group exhibition
Frank Checketts Collection	6 May – 12 June 2022	Pottery collection gifted to the Eastern Southland Gallery, Gore by the late Frank Checketts
SMAG – Southland Potters Collection	6 May - 12 June 2022	Southland Potters Association Collection donated to SMAG
PLAY	Opened: 18 June 2022	Developed from the collections of SMAG and IPAG

Staff:

During the temporary closure of Splash Palace a number of pool staff worked at the Museum on materials required for the rehousing of the collection for relocation.

Following the passing of Assistant Registrar, Erin Tuhura in July 2021 Kate Gallaher was appointed Registrar in 2022.

Kimberley Stephenson resigned to take up a contract role at Otago Museum.

Laura Davies, Collection Technician resigned to take up a role at Heritage Properties. Kayla Brett and Hannah Cadelis were subsequently appointed Collection Technicians.

Rosemary Jackson-Hunter was contracted to begin work on the textile collection in June 2021.

Wayne Marriott

Manager – Museum and Heritage Services

SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD – ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

To: Southland Museum and Art Gallery Trust Board

Meeting Date: Wednesday 14 December 2022

From: Jaimee Botting – Team Leader Finance

Approved: Steve Gibling - Group Manager - Leisure and Recreation

Approved Date: Wednesday 7 December 2022

Open Agenda: Yes

Public Excluded Agenda: No

Purpose and Summary

To present to the Trust Board the audited annual report for the year ended 30 June 2022.

Recommendations

That the Southland Museum and Art Gallery Trust Board:

1. Receive and ratify the approval of the “Annual Report 2022 for the Southland Museum and Art Gallery Trust Board”.
2. Notes Audit New Zealand has issued the Trust a qualified audit opinion on the financial statements based on the Trust not recognising the whole heritage assets collection and donated assets on the balance sheet as a value, which is a requirement of the Tier 2 accounting standards.

Final Annual Report for the Year Ending 30 June 2022

The Trust has recorded a net surplus of \$62,364 for the year ending 30 June 2022, which represents an overall increase of \$67,249 from the 2021 year end result.

The surplus for the year is primarily due to the reclassification of the \$52,769 Invercargill City Council – Redevelopment Grant balance, previously sitting as a liability in unused grants with conditions, to revenue due to the length of time this balance has not moved. We will continue to track this amount outside the annual report.

The management fee with Invercargill City Council has decreased by just under \$1.0 million this year due to the operations of the museum activity being allocated and budgeted for by the Invercargill City Council, leaving the Trust to focus solely on the management and preservation of the regional collection via funding from the Southland Regional Heritage Committee. The decrease in the Management Fee expense has been offset by no service contract revenue received from Invercargill City Council.

Audit New Zealand carried out the audit of the annual report and issued a Qualified opinion on the Financial Statements and an Unmodified opinion on the Statement of Service Performance.

The Qualified opinion received is a result of the Trust not recognising the whole heritage assets collection and donated assets on the balance sheet as a value, which is a requirement of the Tier 2 accounting standards.

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

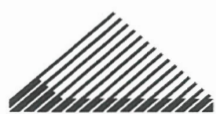
Attachments

Appendix 1 – Annual report for the year ended 30 June 2022 (A4206907)

Southland Museum & Art Gallery Trust Board Inc

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022



southland
MUSEUM & ART GALLERY
NIHO O TE TANIWHA

Southland Museum & Art Gallery Trust Board Inc

TABLE OF CONTENTS

	<i>Page No.</i>
Entity Information	3
Statement of Comprehensive Revenue and Expense	4
Statement of Changes in Equity	5
Statement of Financial Position	6
Statement of Cash Flows	7
Statement of Accounting Policies	8 - 14
Notes to the Financial Statements	15 - 22
Statement of Service Performance	23 - 26
Audit Report	27

Southland Museum & Art Gallery Trust Board Inc

ENTITY INFORMATION

Structure of the Trust's operations, including governance arrangements

The Trust comprised of a board of ten trustees who oversaw the governance of the Trust until this board was replaced by the initial board of four trustees in May 2022.

	<i>Current Trustee(s) appointment</i>
3 trustees are appointed by Invercargill City Council	Cr Ludlow (Chairperson) <i>Resigned May 2022</i> Cr Amundsen <i>Resigned May 2022</i> Cr Soper <i>Resigned May 2022</i>
2 trustees are appointed by Southland District Council	Mayor Tong <i>Resigned May 2022</i> Cr Menzies <i>Resigned May 2022</i>
2 trustees are appointed by trustees appointed by Invercargill City Council & Southland District Council	G Neave <i>Resigned May 2022</i> R Eagles <i>Resigned May 2022</i>
1 trustee is appointed by Tangata Whenua	E Cook <i>Resigned May 2022</i>
1 trustee is appointed by Friends of the Southland Museum & Art Gallery	C Henderson <i>Resigned May 2022</i>
1 trustee is appointed by Gore District Council	Cr Highsted <i>Resigned May 2022</i>
Chief Executive Officer Invercargill City Council	C Hadley <i>Appointed May 2022</i>
Chief Executive Officer Southland District Council	C McIntosh <i>Appointed May 2022</i>
Chief Executive Officer Gore District Council	S Parry <i>Appointed May 2022</i>
Duly elected representative of the four Rūnaka - Waihōpai Rūnaka; Te Rūnaka o Awarua; Te Rūnaka o Ōraka Aparima; Hokonui Rūnanga	E Cook <i>Appointed May 2022</i>

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 is 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 YEAR ENDED 30 JUNE 2022**

	<i>Note</i>	2022 \$	2021 \$
Revenue			
Grant - Invercargill City Council		72,769	20,000
Grant - Southland Regional Heritage Committee		1,221,691	1,181,976
Revenue from providing services	1	-	996,998
Bequests		607	552
Interest revenue		3,104	2,821
Total revenue	2	1,298,171	2,202,347
Expenses			
Cost of providing services	3	1,225,101	2,196,516
Depreciation of property, plant, and equipment	8	2,037	2,270
Audit fees	4	8,669	8,446
Total expenses		1,235,807	2,207,232
Surplus / (Deficit) for the year		62,364	(4,885)
Other comprehensive revenue and expenses			
		-	-
Total other comprehensive revenue and expenses for the year		-	-
Total comprehensive revenue and expense for the year		62,364	(4,885)
Surplus / (Deficit) attributable to:			
Owners of the parent entity		62,364	(4,885)
		62,364	(4,885)
Total comprehensive revenue and expense attributable to:			
Owners of the parent entity		62,364	(4,885)
		62,364	(4,885)

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

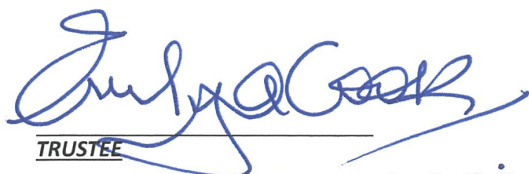
Southland Museum & Art Gallery Trust Board Inc
STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2022

	Attributable to owners of the parent entity			Total equity \$
	Retained surplus \$	Restricted reserve \$	Special purpose reserve \$	
Balance at 1 July 2020	938,674	268,601	38,504	1,245,779
Surplus / (Deficit) for the year	(4,885)			(4,885)
Total other comprehensive revenue and expenses for the year	-			-
Transfers	18,596	(16,809)	(1,787)	-
Balance at 30 June 2021	952,385	251,792	36,717	1,240,894
Balance at 1 July 2021	952,385	251,792	36,717	1,240,894
Surplus / (Deficit) for the year	62,364			62,364
Total other comprehensive revenue and expenses for the year	-			-
Transfers	30,962	(30,977)	15	-
Balance at 30 June 2022	1,045,711	220,815	36,732	1,303,258

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 2022**

	<i>Note</i>	2022	2021
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	5	205,383	243,129
Receivables	6	319,036	33,674
Other financial investments	7	209,370	207,821
Total current assets		733,789	484,624
Non-current assets			
Property, Plant and Equipment	8	868,669	837,672
Total Non-current assets		868,669	837,672
TOTAL ASSETS		1,602,458	1,322,296
Liabilities			
Current Liabilities			
Payables and accrued expenses	9	299,200	28,633
Unused grants with conditions	10	-	52,769
TOTAL LIABILITIES		299,200	81,402
NET ASSETS		1,303,258	1,240,894
Equity			
Retained surplus		1,045,711	952,385
Restricted reserve	11	220,815	251,792
Special purpose reserve	11	36,732	36,717
		1,303,258	1,240,894



TRUSTEE



TRUSTEE

30 November 2022

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 CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
<i>Cash flows from operating activities</i>			
Receipts from grants		1,491,548	1,202,528
Receipts from providing services		-	996,998
Interest receipts		1,764	2,826
Payments to suppliers		(1,495,480)	(2,187,356)
GST (net)		(995)	(265)
Net cash flows from operating activities		(3,163)	14,731
<i>Cash flows from investing activities</i>			
Receipts from sale of investments		207,821	225,203
Payments to acquire property, plant and equipment		(33,034)	(1,800)
Payments to acquire investments		(209,370)	(207,821)
Net cash flows from investing activities		(34,583)	15,582
Net increase/(decrease) in cash & cash equivalents		(37,746)	30,313
Cash & cash equivalents at the beginning of the financial year		243,129	212,816
Cash & cash equivalents at the end of the financial year	5	205,383	243,129

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 YEAR ENDED 30 JUNE 2022

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 30 November 2022.

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 YEAR ENDED 30 JUNE 2022

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

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 YEAR ENDED 30 JUNE 2022

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 YEAR ENDED 30 JUNE 2022

(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 YEAR ENDED 30 JUNE 2022

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 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 YEAR ENDED 30 JUNE 2022

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 YEAR ENDED 30 JUNE 2022

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 2022/23 year.

Southland Museum & Art Gallery Trust Board Inc**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

1 REVENUE FROM PROVIDING SERVICES	2022 \$	2021 \$
Service contract - Invercargill City Council	-	996,998
<i>Total revenue from providing services</i>	-	996,998

The service contract with Invercargill City Council was not renewed in 2021/22 due to He Waka Tuia being operated directly by the Council instead of via the Trust.

2 REVENUE

For financial reporting purposes, Grant revenue received from Invercargill City Council & Southland Regional Heritage Committee plus Bequests revenue are considered non-exchange revenue. These amount to \$1,295,067 in 2021/22 (\$1,202,528 in 2020/21).

Revenue from providing services and interest revenue are considered exchange revenue and amount to \$3,104 in 2021/22 (\$999,819 in 2020/21).

3 COST OF PROVIDING SERVICES	2022 \$	2021 \$
Operating costs	3,412	17,548
Management Fee - Invercargill City Council	1,221,689	2,178,968
<i>Total cost of providing services</i>	1,225,101	2,196,516

4 REMUNERATION OF AUDITORS	2022 \$	2021 \$
Audit fees for Financial Statements Audit	8,669	8,446
<i>Total cost of providing services</i>	8,669	8,446

The audit of the Southland Museum & Art Gallery Trust Board is Audit New Zealand on behalf of the Auditor-General.

5 CASH AND CASH EQUIVALENTS	2022 \$	2021 \$
Westpac Cheque account	98,400	103,738
Westpac Redevelopment Account	70,382	70,336
Bank accounts		
- Bequest	11,100	43,608
- Baird Library	744	742
- Capital acquisition	24,757	24,705
<i>Total cash and cash equivalents</i>	205,383	243,129

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 YEAR ENDED 30 JUNE 2022**

6 RECEIVABLES	2022 \$	2021 \$
GST - Inland Revenue	31,050	31,961
Accrued interest - Westpac	1,348	6
Other receivables	286,638	1,707
Total Receivables	319,036	33,674

All Receivables above are recognised as non-exchange transactions

7 OTHER FINANCIAL INVESTMENTS	2022 \$	2021 \$
Available-for-sale at fair value		
Term deposits (Bequest) Current	209,370	207,821
Total Other financial investments	209,370	207,821

8 PROPERTY, PLANT AND EQUIPMENT

	Land & buildings Assets \$	Heritage Assets \$	Total \$
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>	-	-	0
<i>Depreciation expense</i>	(2,270)	-	(2,270)
<i>Impairment loss</i>	-	-	-
Cost amount at 30 June 2021	37,910	817,382	855,292
Accumulated depreciation amount at 30 June 2021	17,620	-	17,620
Carrying amount at 30 June 2021	20,290	817,382	837,672
Cost amount at 1 July 2021	37,910	817,382	855,292
Accumulated depreciation amount at 1 July 2021	17,620	-	17,620
Carrying amount at 1 July 2021	20,290	817,382	837,672
<i>Additions</i>	-	33,034	33,034
<i>Disposals (net of accumulated depreciation)</i>	-	-	-
<i>Depreciation expense</i>	(2,037)	-	(2,037)
<i>Impairment loss</i>	-	-	-
Cost amount at 30 June 2022	37,910	850,416	888,326
Accumulated depreciation amount at 30 June 2022	19,657	-	19,657
Carrying amount at 30 June 2022	18,253	850,416	868,669

Southland Museum & Art Gallery Trust Board Inc**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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.

In 1994/95, the board agreed a change in accounting policies to include the land and buildings at 108 Gala Street at 75% of the government valuation. The Trust closed the museum buildings to the public on the 12 April 2018 as they could not provide a safe workplace under the Health and Safety at Work Act 2015. The Trust impaired the buildings value to nil in 2017/18 as the buildings currently do not supply economic benefit; repairing the buildings is likely to cost more than the building's previous cost value and is unlikely to be repaired to the same floor & wall layout. During the 2019/20 year, research into the ownership of the building and land has indicated that both are owned by the Invercargill City Council. On 4 June 2020 the board agreed to update the asset register to reflect this and the remaining land and building value transferred to the Invercargill City Council.

9 PAYABLES AND ACCRUED EXPENSES

	2022 \$	2021 \$
Audit fee	8,669	8,446
Other payables	290,531	20,187
<i>Total payables and accrued expenses</i>	299,200	28,633

10 UNUSED GRANTS WITH CONDITIONS

	2022 \$	2021 \$
Invercargill City Council - Redevelopment Grant	-	52,769
<i>Total unused grants with conditions</i>	-	52,769

The grant from the Invercargill City Council to fund a museum redevelopment project has been recognised as revenue in 2021/22.

Southland Museum & Art Gallery Trust Board Inc**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

11 RESERVES	2022 \$	2021 \$
A) RESTRICTED RESERVES		
<u>Estate C F Broadley - Tuatara & Cultural History</u>		
Balance as at 1 July	50,180	49,119
Transfer to reserve	363	552
Interest revenue	314	509
Purchases	(32,914)	-
Balance at 30 June	17,943	50,180
<i>The bequest requires the Trust to spend the funds on Tuatara or Cultural History 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	37,444	56,993
Transfer to reserve	-	-
Interest revenue	234	522
Purchases	-	(20,071)
Balance at 30 June	37,678	37,444
<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	164,168	162,489
Transfer to reserve	-	-
Interest revenue	1,026	1,679
Purchases	-	-
Balance at 30 June	165,194	164,168

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 YEAR ENDED 30 JUNE 2022**

	2022 \$	2021 \$
B) SPECIAL PURPOSE RESERVES		
<u>Education Service Reserve</u>		
Balance as at 1 July	11,269	11,269
Transfer to reserve	-	-
Interest revenue	-	-
Transfer from reserve	-	-
Balance at 30 June	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>		
Balance as at 1 July	743	743
Transfer to reserve	-	-
Interest revenue	-	-
Transfer from reserve	-	-
Balance at 30 June	743	743
<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>		
Balance as at 1 July	24,705	26,492
Transfer to reserve	-	-
Interest revenue	15	13
Transfer from reserve	-	(1,800)
Balance at 30 June	24,720	24,705
<i>The Collection acquisitions reserve comprises for funds to be used for the purchase of items for the museum's collection</i>		
Total Reserves	257,547	288,509

Southland Museum & Art Gallery Trust Board Inc**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022****12 RELATED PARTY TRANSACTIONS**

		2022 \$	2021 \$
<i>The Trust paid a management fee and other expenses to Invercargill City Council (throughout the year 4 trustees were part of the Invercargill City Council)</i>	Value for year	(1,225,074)	(2,161,470)
	Balance outstanding	(283,253)	70,267
<i>The Trust received revenue from providing services from Invercargill City Council (throughout the year 4 trustees were part of the Invercargill City Council)</i>	Value for year	-	998,483
	Balance outstanding	(286,638)	1,485
<i>The Trust received grants from Invercargill City Council (throughout the year 4 trustees were part of the Invercargill City Council)</i>	Value for year	72,769	20,000
	Balance outstanding	-	-
<i>The Trust received grants from Southland Regional Heritage Committee (2 trustees have been members of the Southland Regional Heritage Committee during the year)</i>	Value for year	1,221,691	1,181,976
	Balance outstanding	-	-

13 FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows

	2022 \$	2021 \$
Financial Assets		
Loans and Receivables		
Cash & cash equivalents	205,383	243,129
Receivables	319,036	33,674
Other Financial investments		
Term Deposits	209,370	207,821
Financial Liabilities		
Payables and accrued expenses	299,200	28,633

A) Credit Risk

Financial instruments which potentially subject the Trust to credit risk principally consist of bank balances, short term deposits and accounts receivable. The maximum exposure to credit risk at balance date is the fair value for the financial instrument as stated in the Statement of Financial Position.

B) Fair Value

The fair value of financial instruments is equivalent to the carrying amount as stated in the Statement of Financial Position.

Southland Museum & Art Gallery Trust Board Inc**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022****C) Currency Risk**

The Trust has no currency risk given that the financial instruments are transacted in New Zealand Dollars.

D) Interest Rate Risk

Interest rate risk is the risk that interest rate will change, increasing or decreasing the cost of borrowing or lending. The Trust's short term deposit is at a fixed rate with maturities not exceeding one year. Consequently the Trust is not exposed to significant interest rate risk.

E) Liquidity Risk

Liquidity risk is the risk that the Trust will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Trust aims to maintain flexibility in funding by keeping committed credit lines available.

15 EFFECTS OF COVID-19

The Trust has had no financial impact from Covid-19 this year. Grant revenue, revenue from providing services and management contract expense levels remaining unchanged during the lockdown period as museum staff were able to "work from home" to complete various tasks to meet contract requirements. The Trust does not expect any future financial impacts to occur except lower interest revenue from lower term deposit rates.

The Trust has had minimal non-financial impact from Covid-19 this year. Limited collection cataloging was able to take place during alert level 3 & 4, however resources were able to be diverted to complete other tasks like building collection transport crates and preparation work for the temporary museum presence exhibitions. The Trust does not expect any future non-financial impacts to occur but recognise a return of Covid-19 within the community may impact on the operations of the temporary museum presence.

Covid-19 pandemic timeline in New Zealand

11 Mar 2020	The World Health Organisation characterized the outbreak of Covid-19 as a pandemic
25 Mar 2020	The New Zealand Government issued a State of National Emergency
26 Mar - 27 Apr 2020	New Zealand under Alert level 4 and in lockdown
28 Apr - 13 May 2020	New Zealand under Alert level 3 and in lockdown
13 May 2020	The New Zealand Government ends State of National Emergency
14 May - 8 Jun 2020	New Zealand under Alert level 2
9 Jun 2020	New Zealand under Alert level 1
12 Aug 2020	New Zealand under Alert level 2 and Auckland under alert level 3
21 Sep 2020	New Zealand under Alert level 1 and Auckland under alert level 2
7 Oct 2020	New Zealand under Alert level 1
14 Feb 2021	New Zealand under Alert level 2 and Auckland under alert level 3
17 Feb 2021	New Zealand under Alert level 1 and Auckland under alert level 2
22 Feb 2021	New Zealand under Alert level 1
23 Jun 2021	New Zealand under Alert level 1 and Wellington under alert level 2
29 Jun 2021	New Zealand under Alert level 1

16 COMMITMENTS

There are no capital or operating commitments at 30 June 2022 (2021: Nil).

Southland Museum & Art Gallery Trust Board Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

17 CONTINGENCIES

There are no known contingent liabilities or contingent assets at 30 June 2022 (30 June 2021: nil).

18 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 YEAR ENDED 30 JUNE 2022

OUTPUTS & OUTCOMES FOR THE YEAR ENDED 30 JUNE 2022

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	2021/22 Outcome	2021/22 Target 2020/21 Outcome
The collection is developed to enable the Museum to document, illustrate and explore Southland's unique natural and cultural heritage	<ul style="list-style-type: none"> Collection management policies are reviewed as required. 	Collection management policy under review, including deaccessioning, and ko iwi takata	<p>One review annually</p> <p>Policies continually reviewed and updated. Governance policies drafted in relation to digitisation of taonga Māori and care of native wildlife. Policies and procedures for care of firearms completed.</p>
<ul style="list-style-type: none"> New acquisitions are considered according to the Collection Management Policy. (minimal acquisitions desired while museum building is closed) 	Not achieved. Due to the backlog of new acquisitions still to be entered into Vernon Collection Management system, it can not be confirmed all new acquisitions are considered according to the Collection Management Policy.	100% of objects acquired are considered	Not achieved. Resource availability and covid restrictions have contributed to a growth in the backlog of the collection being entered into the Vernon Collection Management system. Therefore not all donated objects could be considered during this year.
<ul style="list-style-type: none"> New acquisitions are entered into Vernon Collection Management System (CMS) to the level of Stripped Stage 1. 	Not achieved. Backlog of material from 2019/2021 is still being processed	1,000 records	Not achieved. A significant donation to the collection along with resource availability and covid restrictions has increased the current backlog.
<ul style="list-style-type: none"> 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. 	Not achieved. Packing priorities have resulted in full documentation being replaced by skeletal record	2,400 records	<p>Stage One:</p> <p>881 records completed in 2020/21 (37% of target - target not achieved)</p> <p>(9,169 total records completed to date, representing around 20,400 items)</p>

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

OUTPUTS & OUTCOMES FOR THE YEAR ENDED 30 JUNE 2022

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	2021/22 Outcome	2021/22 Target
The collection is developed to enable the Museum to document, illustrate and explore Southland's unique natural and cultural heritage	<ul style="list-style-type: none"> • Collections items to have digital images made. 	Maori/Pasifika 985 Objects/ 4817 Images Elmwood 5610 Objects/ 5610 Images Elmwood Diaries 2500 Objects/ 2500 Images Southland Times 8000 Objects/ 8000 Images Glass plates 3000 Objects/ 3000 Images Objects 70 Objects/ 70 Images	0 items (Photography will only be undertaken as required for the purposes of condition reporting, online presence, and the temporary gallery space.) Stage Three: 75 records updated in 2020/21 (exceeded target) (878 total records updated since start of project)
The collection is prepared for removal from the building by 2021/22 (4 years) 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.	<ul style="list-style-type: none"> • Pack items for storage and transportation. 	Collection items continue to be packed for relocation beginning November 2023. Relocation Plan under construction as part of the Tisbury Storage Facility development.	2000 items across Stage 2a and Stage 2b. Stage Two: 1,052 records updated to Stage 2 or Stage 2b in 2020/21 (53% of target - target not achieved) (7,269 total records updated to date)
Collections are maintained in optimal conditions for their long term preservation.	<ul style="list-style-type: none"> • Storage space is kept at temperature of 19oC±1oC, percentage of time in range. 	Minimal variance in conditions	Minimise variance 97% of time

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

OUTPUTS & OUTCOMES FOR THE YEAR ENDED 30 JUNE 2022

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	2021/22 Outcome	2021/22 Target	2020/21 Outcome
Collections are maintained in optimal conditions for their long term preservation.	<ul style="list-style-type: none"> Storage space is kept at humidity of 50%±5%, percentage of time in range 	Storage spaces continue to be monitored with limited fluctuation	Minimise variance	3% of the time
<ul style="list-style-type: none"> Storage space is monitored for infestation by pests and moulds. 		Achieved. Ongoing monitoring of all areas of the Museum. No recorded infestation.	Minimum pests, moulds and pollutants found.	Rodent procedures reviewed and updated following sighting. Monitoring ongoing. Achieved
<ul style="list-style-type: none"> A procedure to minimise deterioration by light is followed. 		Achieved	Followed	Achieved (Followed)
<ul style="list-style-type: none"> A procedure to avoid loss or damage to objects in the collection or on loan is followed. 		Achieved	Followed	Achieved (Followed)

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

OUTPUTS & OUTCOMES FOR THE YEAR ENDED 30 JUNE 2022

The Community: Be the facilitator, connector, activator, conductor and co-creator working with community				
Outputs	Strategies to achieve Outputs	2021/22 Outcome	2021/22 Target	2020/21 Outcome
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. 	Five meetings were held of the Iwi Liaison Komiti	Four meetings per Annum	Four meetings
Promotion of a museum presence	<ul style="list-style-type: none"> Provide outreach to other museums and related organisations in the region and community. 	Partnership with IPAG in showcasing Art and Artefact through He Waka Tuia. Support for Bluff Maritime Museum, Te Rau Aroha Marae; Rakiura Museum; Te Hikoi; Fiordland Museum Trust and the Southland Regional Heritage Committee.	No target	Ongoing partnership and engagement with Bluff Maritime Museum, Rakiura, Te Hikoi, volunteer museums, and with Marae (233 hrs)

Independent Auditor's Report

To the readers of Southland Museum and Art Gallery Trust Board's financial statements and statement of service performance for the year ended 30 June 2022

The Auditor-General is the auditor of Southland Museum and Art Gallery Trust Board (the Trust Board). The Auditor-General has appointed me, Chris Genet, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the statement of service performance of the Trust Board on his behalf.

We have audited:

- the financial statements of the Trust Board on pages 4 to 22, that comprise the statement of financial position as at 30 June 2022, the statement of comprehensive revenue and expense, statement of changes in equity, statement of cash flows, and statement of accounting policies for the year ended on that date, and the notes to the financial statements that include other explanatory information; and
- the statement of service performance of the Trust Board on pages 23 to 26.

Opinion

Qualified opinion on the financial statements

In our opinion, except for the effect of the matter described in the Basis for our opinion section of our report, the financial statements of the Trust Board on pages 4 to 22:

- present fairly, in all material respects:
 - its financial position as at 30 June 2022; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards Reduced Disclosure Regime.

Unmodified opinion on the statement of service performance

In our opinion, the statement of service performance of the Trust Board on pages 23 to 26 presents fairly, in all material respects, the Trust Board's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust Board's objectives for the year ended 30 June 2022.

Our audit was completed on 30 November 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Basis for our opinion

Financial statements: Non-recognition of certain heritage assets

As explained in the heritage assets section of the accounting policies on page 12 to 13 and note 8 on page 17, the Trust Board has not recognised certain heritage assets in the statement of financial position or donated asset revenue in the statement of comprehensive revenue and expense. These are departures from Public Benefit Entity International Public Sector Accounting Standard 17: *Property, Plant and Equipment*, which generally requires assets to be recognised, and the fair value of donated assets to be included as revenue.

There are no practical audit procedures that we have been able to apply, to quantify the effect of these departures from the accounting standards. It is our opinion that the heritage assets make up a significant proportion of the Trust Board's total assets. Our audit opinion for the year ended 30 June 2021 was modified for the same reason. As a result, the comparative information in the financial statements should be read in light of this fact.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Trustees for the financial statements and the statement of service performance

The Trustees are responsible on behalf of the Trust Board for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustees are also responsible for preparing the statement of service performance for the Trust Board.

The Trustees are responsible for such internal control as they determine is necessary to enable it to prepare financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of service performance, the Trustees are responsible on behalf of the Trust Board for assessing the Trust Board's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intend to liquidate the Trust Board or to cease operations or has no realistic alternative but to do so.

The Trustee's responsibilities arise from the Local Government Act 2002 and the Trust's Trust Deed.

Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, as a whole are 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the statement of service performance.

For the forecast information reported in the performance information, our procedures were limited to checking that the information agreed to the Trust Board's statement of intent.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, 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.
- We 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 Trust Board's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust Board's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Board'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 financial statements and the statement of service performance 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 Trust Board to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial

statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees 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.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Trustees are responsible for the other information. The other information comprises the information included on page 3, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

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

In connection with our audit of the financial statements and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Trust Board in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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



Chris Genet
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand