southland
MUSEUM & ART GALLERY
NIHO O TE TANIWHA

Notice is hereby given of the Extraordinary 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 9 February 2023 at 11.30 am

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

Thilini Amarasingha
For Secretary

A4300395

Extraordinary Southland Museum and Art Gallery Trust Board - Public

09 February 2023 11:30 AM

Agenda Topic — Page

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SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD – FINANCIAL REPORT - FEBRUARY 2023

To:	Southland Museum and Art Gallery Trust Board
Meeting Date:	Thursday 9 February 2023
From:	Jaimee Botting – Team Leader Finance, Nida Dela Cruz - Accountant
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

To supply the Trust Board a financial update of the financial performance and position.

Recommendations

That the Southland Museum and Art Gallery Trust Board:

1. Receive the "Interim Annual Report for the six months ending 31 December 2022"

2. Approve the Draft Statement of Intent 2023/2024

3. Agree to issue copies of the Interim Annual Report for the six months ending 31 December 2022 and Statement of Intent 2023/2024 to Invercargill City Council, Southland District Council & Gore District Council for comment

4. Approve the payments for Audit New Zealand and Invercargill City Council.

5. Approve the repayment of the $52,768.78 Invercargill City Council grant towards funding a portion of the costs in relation to the collection relocation project, run by Invercargill City Council.

Interim Annual report for the six months ending 31 December 2022

The Trust has recorded a deficit of $14,644 for the six months ending 31 December 2022.

The deficit relates to one off costs incurred for the new trustees appointment process $18,278. The $20,000 annual operational grant from Invercargill City Council will offset this deficit and has yet to be applied for.

The cash position is stronger than last year due to the balance of various payables and accrued expenses outstanding as at 31 December 2022.

Draft Statement of Intent 2023/2024

The draft Statement of Intent outlines the strategic targets for the Southland Museum & Art Gallery Trust Board for the financial year ending 30 June 2024.

Under the Local Government Act 2002, draft statement of intents are required to be adopted by 1 March each year.

With a new board due to come in shortly, it is intended this version is to meet the legislation requirements and the new board will develop their own version once established.

Payments for authorisation

$9,969.35 to Audit New Zealand for auditing the financial statements year ended 30 June 2022.

$6,845.30 to Invercargill City Council for reimbursement of the Trust's IRD GST payment Jul-Aug 2022, which was paid by the Council.

$3,892.80 to Invercargill City Council for reimbursement of PR Law invoice in relation to amendments to trust deed March 2022, which was paid by the Council.

$286,638.00 to Invercargill City Council for reimbursement of the service contract invoices for July–Sept 2021 incorrectly charged. The service contract, which provided funds from Invercargill City Council to the Trust to cover some of the costs of management contract, ended in June 2021 when the Council took back to operating function of the museum. The management contract reimbursement to the Trust for the same amount was received in July 2022.

$20,533.25 ($17,853.75 + $2,679.50) to Invercargill City Council for reimbursement of Sheffield South Island invoices in relation to appointment of trustees, which was paid by the Council

$487.00 to Invercargill City Council for venue hire costs for trustee applicant interviews.

Grants with conditions and reserves

The Trust has a fund of $52,768.78 from an unspent grant for a museum redevelopment received in 2014/2015. This was repurposed to assist with the collection relocation project. These funds were moved from being a liability to revenue recognised during the 2021/2022 audit process. It is recommended to grant these funds back to Invercargill City Council towards the museum, redevelopment, specifically focused on the relocation of the collection to the new Tisbury facility this financial year in order to complete the previous grant commitment.

Due to the nature of some of the requirements, restricted reserves and special purpose reserves should remain within the trust until expenditure is approved by the board and the funds can be allocated against this. This is so Bequest related fund requirements can be met.

These funds also sit on term deposit which matures 29 March 2023.

Attachments

1. Appendix 1 - SMAGTB Six Months Report Ended 31 December 2022 (A4324389)
2. Appendix 2 - SMAG Statement of Intent 2024 – Draft (A4303293)
3. Appendix 3 - Invoices for Payment February 2023 (A4299667)

A4324389

Southland Museum & Art Gallery Trust Board Inc

INTERIM ANNUAL REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

southland
MUSEUM & ART GALLERY
NIHO O TE TANIWHA

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.

	Current Trustee(s) appointment
Invercargill City Council	C Hadley
Southland District Council	C McIntosh
Gore District Council	S Parry
Representative of the four Rūnaka	E Cook

The Trust has a management contract with Invercargill City Council for the care of the collection.

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 SIX MONTHS ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
Revenue			
Grant - Southland Regional Heritage Committee		622,731	610,845
Interest revenue		4,574	590
Total revenue		627,305	611,435
Expenses			
Cost of providing services	1	641,034	610,870
Depreciation of property, plant, and equipment	5	915	1,019
Total expenses		641,949	611,889
Surplus / (Deficit) for the year		**(14,644)**	**(454)**
Other comprehensive revenue and expenses			
		-	-
Total other comprehensive revenue and expenses for the year		-	-
Total comprehensive revenue and expense for the year		**(14,644)**	**(454)**
Surplus / (Deficit) attributable to:			
Owners of the parent entity		(14,644)	(454)
		(14,644)	**(454)**
Total comprehensive revenue and expense attributable to:			
Owners of the parent entity		(14,644)	(454)
		(14,644)	**(454)**

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 2022

	Attributable to owners of the parent entity			
	Retained surplus $	Restricted reserve $	Special purpose reserve $	Total equity $
Balance at 1 July 2021	**952,385**	**251,792**	**36,717**	**1,240,894**
Surplus / (Deficit) for the year	(454)			(454)
Total other comprehensive revenue and expenses for the year	-			-
Transfers	(21)	13	8	-
Balance at 31 December 2021	**951,910**	**251,805**	**36,725**	**1,240,440**
Balance at 1 July 2022	**1,045,710**	**220,815**	**36,732**	**1,303,257**
Surplus / (Deficit) for the year	(14,644)			(14,644)
Total other comprehensive revenue and expenses for the year	-			-
Transfers	(306)	93	213	-
Balance at 31 December 2022	**1,030,760**	**220,908**	**36,945**	**1,288,613**

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

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	2	475,223	193,062
Receivables	3	76,880	32,038
Other financial investments	4	209,370	207,821
Total current assets		761,473	432,921
Non-current assets			
Property, Plant and Equipment	5	867,754	868,734
Total Non-current assets		867,754	868,734
TOTAL ASSETS		**1,629,227**	**1,301,655**
Liabilities			
Current Liabilities			
Payables and accrued expenses	6	340,614	8,446
Unused grants with conditions	7	-	52,769
TOTAL LIABILITIES		**340,614**	**61,215**
NET ASSETS		**1,288,613**	**1,240,440**
Equity			
Retained surplus		1,030,759	951,910
Restricted reserve	10	220,908	251,805
Special purpose reserve	10	36,945	36,725
		1,288,612	**1,240,440**

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 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from grants and donations		622,978	610,845
Receipts from providing services		-	-
Interest receipts		1,637	65
Payments to suppliers		(361,620)	(627,132)
GST (net)		6,845	(1,764)
Net cash flows from operating activities		269,840	(17,986)
Cash flows from investing activities			
Receipts from sale of investments		-	-
Payments to acquire property, plant and equipment		-	(32,081)
Payments to acquire investments		-	-
Net cash flows from investing activities		-	(32,081)
Net increase/(decrease) in cash & cash equivalents		269,840	(50,067)
Cash & cash equivalents at the beginning of the financial year		205,383	243,129
Cash & cash equivalents at the end of the financial year	2	**475,223**	**193,062**

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 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.

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 with unaudited prior year numbers. This is due to a delay in the audit process that has been comuicated to the Board.

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 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 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 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.

(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.

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.

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.

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.

Southland Museum & Art Gallery Trust Board Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

1 *COST OF PROVIDING SERVICES*	2022 $	2021 $
Operating costs	18,303	25
Management Fee - Invercargill City Council	622,731	610,845
Total cost of providing services	**641,034**	**610,870**

2 *CASH AND CASH EQUIVALENTS*	2022 $	2021 $
Westpac Cheque account	367,688	53,633
Westpac Redevelopment Account	70,629	70,354
Bank accounts		
- Bequest	11,193	43,621
- Baird Library	750	742
- Capital acquisition	24,963	24,712
Total cash and cash equivalents	475,223	193,062

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

3 *RECEIVABLES*	2022 $	2021 $
GST - Inland Revenue	72,843	31,285
Accrued interest - Westpac	4,037	530
Other receivables	-	223
Total Receivables	76,880	32,038

All Receivables above are recognised as non-exchange transactions

Southland Museum & Art Gallery Trust Board Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

4 *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

5 *PROPERTY, PLANT AND EQUIPMENT*

	Land & buildings Assets $	Heritage Assets $	Total $
Cost amount at 1 July 2021	**37,910**	**815,582**	**853,492**
Accumulated depreciation amount at 1 July 2021	15,350	-	15,350
Carrying amount at 1 July 2021	**22,560**	**815,582**	**838,142**
Additions	-	*33,881*	*33,881*
Disposals (net of accumulated depreciation)	-	-	-
Depreciation expense	*(3,289)*	-	*(3,289)*
Impairment loss	-	-	-
Cost amount at 31 December 2021	**37,910**	**849,463**	**887,373**
Accumulated depreciation amount at 31 December 2021	18,639	-	18,639
Carrying amount at 31 December 2021	**19,271**	**849,463**	**868,734**
Cost amount at 1 July 2022	**37,910**	**850,416**	**888,326**
Accumulated depreciation amount at 1 July 2022	19,657	-	19,657
Carrying amount at 1 July 2022	**18,253**	**850,416**	**868,669**
Additions	-	-	-
Disposals (net of accumulated depreciation)	-	-	-
Depreciation expense	*(915)*	-	*(915)*
Impairment loss	-	-	-
Cost amount at 31 December 2022	**37,910**	**850,416**	**888,326**
Accumulated depreciation amount at 31 December 2022	20,572	-	20,572
Carrying amount at 31 December 2022	**17,338**	**850,416**	**867,754**

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.

6 *PAYABLES AND ACCRUED EXPENSES*

	2022 $	2021 $
Audit fee	-	8,446
Other payables	340,614	-
Total payables and accrued expenses	340,614	8,446

7 *UNUSED GRANTS WITH CONDITIONS*

	2022 $	2021 $
Invercargill City Council - Collection relocation	-	52,769
Total unused grants with conditions	-	52,769

The grant from the Invercargill City Council requires the Trust to spend the funds on the collection relocation project. The Grant was realised as revenue in 2022 and has yet to be spent.

8 *COMMITMENTS*

There are no capital or operating commitments at 31 December 2022 (31 December 2021: Nil).

9 *CONTINGENCIES*

There are no known contingent liabilities or contingent assets at 31 December 2022 (31 December 2021: nil).

Southland Museum & Art Gallery Trust Board Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

10 *RESERVES*	2022 $	2021 $
A) RESTRICTED RESERVES		
Estate C F Broadley - Tuatara		
Balance as at 1 July	17,944	50,180
Transfer to reserve	-	-
Interest revenue	8	3
Transfer from reserve	-	-
Balance at 30 June	17,952	50,183

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.

Estate D I Alloo - Tuatara		
Balance as at 1 July	37,678	37,444
Transfer to reserve	-	-
Interest revenue	16	2
Transfer from reserve	-	-
Balance at 30 June	37,694	37,446

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.

Estate D I Alloo - Natural History		
Balance as at 1 July	165,193	164,168
Transfer to reserve	-	-
Interest revenue	69	8
Transfer from reserve	-	-
Balance at 30 June	165,262	164,176

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 2022

	2022 $	2021 $
B) SPECIAL PURPOSE RESERVES		
Education Service Reserve		
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

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.

Baird Library		
Balance as at 1 July	743	742
Transfer to reserve	-	-
Interest revenue	6	1
Transfer from reserve	-	-
Balance at 30 June	749	743

The Baird Library reserve comprises for funds to be used for the purchase of books for the museum's collection

Collection acquisitions		
Balance as at 1 July	24,720	24,706
Transfer to reserve	-	-
Interest revenue	207	7
Purchases	-	-
Balance at 30 June	24,927	24,713

The Collection acquisitions reserve comprises for funds to be used for the purchase of items for the museum's collection

Total Reserves	***Balance at 30 June***	**257,853**	**288,530**

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF SERVICE PERFORMANCE FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

OUTPUTS & OUTCOMES FOR THE SIX MONTHS ENDED 31 DECEMBER 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**	**2022/23 Outcome Progress**	**2022/23 Target**	**2020/21 Outcome**
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.	The Collection Management Policy was reviewed in full during this period. Following review by the four Ruinaka, the Policy was approved by the Sout6hland Museum and Art Gallery Trust Board	One review annually	Policies continually reviewed and updated. Goverance policies drafted in relation to digitisation of taonga Māori and care of native wildlife. Policies and procedures for care of firearms completed.
	• New acquisitions are considered according to the Collection Management Policy. (minimal acquisitions desired while museum building is closed)	Achieved. All objects accessioned into the collection have been done on the basis that they comply with 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.
	• New acquisitions are entered into Vernon Collection Management System (CMS) to the level of Stripped Stage 1.	Not achieved. All acquisitions are entered into the Vernon collection at the time of purchase. Donations are recorded and entered on a collection by collection basis.	1,000 records	Not achieved. A significant donation to the collection along with resource availability and covid restrictions has increased the current backlog.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF SERVICE PERFORMANCE FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

OUTPUTS & OUTCOMES FOR THE SIX MONTHS ENDED 31 DECEMBER 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**	**2022/23 Outcome Progress**	**2022/23 Target**	**2020/21 Outcome**
The collection is developed to enable the Museum to document, illustrate and explore Southland's unique natural and cultural heritage	• 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.	In 2021/2022 8392 records were completed in full to Stage 1; Stage 2a and 2b and Stage 3.	2,400 records	Stage One: 881 records completed in 2020/21 (37% of target - target not achieved) (9,169 total records completed to date, representing around 20,400 items)
	• Collections items to have digital images made.	27,000 digital items for an online presence have been captured. These images are used for condition reporting, Vernon records, and the temporary exhibition space.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)

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF SERVICE PERFORMANCE FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

OUTPUTS & OUTCOMES FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

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

Collection Storage: Ensuring appropriate storage of collections.				
Outputs	**Strategies to achieve Outputs**	**2022/23 Outcome Progress**	**2022/23 Target**	**2020/21 Outcome**
The collection is prepared for removal from the building by 2022/23 (4 years)	• 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.	In 2021/22 ICC agreed to construct a permament collection storage facility at Tisbury Reserve. In 2022 the time line for the relocation of the collection was compressed from 6 to 4 months. Relocation of the collection is to begin in December 2023 and to be completed by the end of April 2024. In 2021/2022 8392 records were completed in full to Stage 1; Stage 2a and 2b and Stage 3.	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.	• Storage space is kept at temperature of 19oC±1oC, percentage of time in range.	Minimal variance in conditions	Minimise variance	97% of time
Collections are maintained in optimal conditions for their long term preservation.	• Storage space is kept at humidity of 50%±5%, percentage of time in range	Not achieved.	Minimise variance	3% of the time
	• Storage space is monitored for infestation by pests and moulds.	Weekly monitoring for pests and rodents. No rodents have been recorded.	Minimum pests, moulds and pollutants found.	Rodent procedures reviewed and updated following sighting. Monitoring ongoing. Achieved
	• A procedure to minimise deterioration by light is followed.	Achieved	Followed	Achieved (Followed)
	• 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 SIX MONTHS ENDED 31 DECEMBER 2022

OUTPUTS & OUTCOMES FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

The Community: **Be the facilitator , connector, activator, conductor and co-creator working with community**				
Outputs	**Strategies to achieve Outputs**	**2022/23 Outcome Progress**	**2022/23 Target**	**2020/21 Outcome**
Maintain strong relationships with iwi over issues relating to the collections.	• Iwi Liaison Komiti (representing the four Southland runanga; Waihopai, Oraka-Aparima, Hokonui, Awarua) meets regularly.	Six meetings were held of the Iwi Liaison Komiti	Four meetings	Four meetings
Promotion of a museum presence	• 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. Ongoing support of: Bluff Maritime Museum, Rakiura Museum, Te Hikoi, Invercargill Public Art Gallery, volunteer museums; as well as Marae. Supported through policy development assistance, object loans, professional advice and support of 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)

Southland Heritage Collection

SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD

STATEMENT OF INTENT

01 July 2023- 30 June 2024

DRAFT

This document has been prepared with the intent to inform incoming board of the scope and operations of the Trust Board. The incoming Trust Board will develop the Statement of Intent. The current Interim Board's activity is largely confined to the essential custodial duties for the collection and the appointment of the incoming board.

Southland Museum and Art Gallery Trust Board
Statement of Intent 2023/24
A4303293

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1. The purpose of this Statement of Intent

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.

NB: this document is indicative only and not in place as a legal document.

2. About The Southland Heritage Collection

The Scotch Pie Shop, which opened on Dee St, Invercargill in 1863 is credited as having been the site of the first Museum in Southland, which opened on 6 September 1872. The collection had been purchased by Andrew McKenzie over a three year period and several items in the collection are from the first Museum.

In 1861 there was a public call in Invercargill for the establishment of a public library. A decade later, the opening of the Riverton Reading Room and Library prompted the selection of a site for the Invercargill Athenaeum, and its incorporation in 1871 ensured the development of a scientific collection, which by 1874 formed the nucleus of the Museum (which included works of art). The collection of Andrew McKenzie was purchased by the Athenaeum and in August 1874 the Foundation stone was laid. IN July 1876, with the statue of Minerva on top of the building the Invercargill Athenaeum was opened.

There was a significant focus on collecting in the early years, including moa bones, Maori implements, natural history and objects which the settlers had bought with them. A year later the Museum was put up for sale, and its failure to sell prompted a

discussion on whether or not it should be gifted to Otago Museum. In 1907 the first step to relocating the Museum to the Southland Technical College began, and in 1912 it was officially opened.

The desire for a stand alone Museum prompted James Stewart, of Georgetown and Mary Judith Massey (nee Hocken) to loan collections to the Museum in 1912 in the hope that they would prompt the establishment of a permanent home. In 1937 the conference for Local Bodies agreed that a Museum and Art Gallery would be built as a Centennial Memorial for the Province of Southland.

It took until February 1941, with nearly 1/3 of the building completed, before the foundation stone of a permanent Museum was laid, and even with the backing of Sir Robert Anderson and Frederick Hall-Jones the funds to include an Art Gallery were not available at that time. In May 1942 the first purpose built Museum opened in Queens Park.

Collections were added to throughout this period. Kaoreore, the pounamu associated with the whanau of Tuhawaiki was presented prior to the opening.

In June 1944 the first donation towards the Art Gallery was received from T H Jenkin; and the Invercargill Rotary Club began a fundraising campaign to build an Art Gallery Wing.

In October 1961 the Art Gallery extension was opened; and the Southland Art Gallery Trust Board collection was developed.

In 1980 the Southland Art Foundation was established as a joint partnership between the Southland Museum & Art Gallery Trust Board and the Southland Savings Bank. In April 1981 the fundamental object of the Trust was that The Trust is further empowered to purchase works of art from time to time independent of the biennial exhibition. All articles so acquired to be labelled with applicate plaque and vested with the Southland Museum Trust Board Incorporated and should not be disposed of without first obtaining the approval of the trustees of the Foundation.

During this period the deterioration of the existing building and extensions let to the development of a roof over the existing buildings by 1990 with the opening of Niho o Te Taniwha, colloquially known as the Pyramid.

-In 2022 the collection is now estimated to be:

Category	Approximate Numbers
Taoka Maori	750,000
Natural History	200,000
Social History	100,000
Archaeological (This collection contains a high number of items that are significant to iwi)	1,000,000
Pasifika	1,000
Textiles	10,000
Photographic	1,500,000
Rare Book Collection	2,500
Art, Pottery, Sculpture, Fine Art Photography	4,000
Archives, Maps & Library	4,000
	3,571,500

This is based on survey estimates of the collection which are being refined as the rehousing of the collection is undertaken.

In addition to the above, there are items on loan from other institutions, iwi and individuals, that are cared for and managed under the management contract.

Both owned and loaned items are currently stored at the building known as the Pyramid. The collections require approximately xx m^2 of storage and auxiliary space. A project to build purpose-built storage was approved by Invercargill City Council during 2019-2022 triennium.

3. About The SMAG Trust Board

4.1 Role of the Board

The Board is responsible for the governance of the Southland Heritage Collection*. The Board is responsible for setting the strategic direction of SMAG Trust Board, approving the Statement of Intent and monitoring the performance of the Management Contract with the Invercargill City Council (ICC).

4.2 Board Membership

The SMAG is a Council Controlled Organisation with 6 trustees 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.

Whilst a full permanent board is being appointed an interim SMAG Trust Board is in place and comprised of;

CHIEF EXECUTIVE OFFICER INVERCARGILL CITY COUNCIL
C Hadley,

CHIEF EXECUTIVE OFFICER SOUTHLAND DISTRICT COUNCIL
C McIntosh,

CHIEF EXECUTIVE OFFICER GORE DISTRICT COUNCIL
S Parry,

DULY ELECTED REPRESENTATIVE OF THE FOUR RUNAKA – WAIHOPAI RUNAKA; TE RUNAKA O AWARUA; TE RUNAKA O ORAKA APARIMA; HOKONUI RUNANGA
Evelyn Cook,

4.3 Mana Whenua and Iwi Engagement

In addition to representation on the Trust Board the Trust maintains a working relationship with iwi through the Iwi Liaison Komiti, which has representatives from the four Southland runanka. The Iwi Liaison Komiti meets at least quarterly to discuss issues relating to the collections.

4.4 Management of the Southland Museum and Art Gallery

The SMAGTB has a Management Contract with Invercargill City Council to carry out the Principal Activities of the Board. The Council employs the museum manager and staff who care for the collections and facility at the Southland Museum and Art Gallery; and work in partnership with the Invercargill Public Art Gallery to provide the operation of He Waka Tuia on Kelvin Street. The Trust Board will approve the budget for expenditure in the Management Contract each year.

4.5 Alignment with Community Outcomes

The SMAGTB contributes towards the achievement of the community outcomes and aspirations of the represented Councils and iwi. The broad community outcomes contributed to by the operations of the SMAGTB are;

Invercargill City Council

- Enhance Our City
- Preserve its Character
- Embrace Innovation and Change

Southland District Council

- kaitiakitanga for future generations
- A diverse economy creating healthy and affordable lifestyles

Gore District Council

- We value our history and heritage

Ngāi Tahu – Waihopai- Runaka, Te Runaka O Awarua, Te Runaka O Oraka aparima, Hokonui Runanga

- Whanaungatanga
- Tohungatanga
- Kaitiakitanga
- Mana Whenua

5. Mission, Vision, and Strategic Objectives

5.1 Mission Statement

To celebrate the people, land and culture of Southland through the collection of stories and taoka.

5.2 Vision Statement

To be custodians of a nationally valued and unique collection that is expertly managed and enriches the pride, sense of belonging, curiosity and celebration of Southland.

5.3 Strategic Objectives

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

- Continue to support and grow our relationships with Mana Whenua.
- Advocate for the collections and the organisations that exhibit them.
- Ensure a balanced approach between preservation/ conservation and accessibility to the collection.
- Enhance the collection through strategic acquisition, rationalisation and repatriation in order to ensure an authentic, relevant and comprehensive reflection of Southland, its people and its stories.
- Promote the collection and work cooperatively with the sector to encourage public display and access.

5.4 Key Activities

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

i. The Collections – Caring for, enhancing the collections
ii. Collection Storage – Ensuring appropriate storage of collections
iii. The Community – Be the facilitator , connector, activator, conductor and co-creator working with community

6. Outputs Planned for the Year Ended 30 June 2024

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.

6.1 The Collection

Caring for, enhancing the collections

Output	Strategies to achieve Output	2023-24 Target
The collection is enhanced 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 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.)
	Deaccessions are considered according to the Collection Management Policy.	The collections are reviewed to identify items appropriate for deaccessioning.

6.2 Collection Storage

Ensuring appropriate storage of collections

Output	Strategies to achieve Output	2023-24 Target
The collection is prepared for removal from the building.	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.	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 19oC±1oC, 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.	Followed
	A procedure to avoid loss or damage to objects in the collection or on loan is followed.	Followed

6.3 The Community

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

Output	Strategies to achieve Output	2023-24 Target
Maintain strong relationships with iwi over issues relating to the collections.	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.	Continue existing partnerships to show Art and Artefacts

7. Financial Forecasts

Financial Forecasts	2023/2024	2024/2025	2025/2026
Income			
Grant - SRHC	1,290,000	1,330,000	1,360,000
Grant - ICC - Trust operations	20,000	20,000	20,000
Total Income	**1,310,000**	**1,350,000**	**1,380,000**
Expenditure			
Museum management fee	1,290,000	1,330,000	1,360,000
Trust Board operating expenses	10,000	10,000	10,000
Audit fees	10,000	10,000	10,000
Depreciation & impairment	1,642	1,478	1,330
Total Expenditure	**1,311,642**	**1,351,478**	**1,381,330**
Net Operating Profit/(Loss)	**(1,642)**	**(1,478)**	**(1,330)**

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

The SMAGTB receives an annual grant from the Southland Regional Heritage Committee.

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 most of the collection and is guardian of other parts of the collection.

8. Accounting Policies

8.1 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.

8.2 Changes in Accounting Policies

There has been no change in accounting policies.

8.3 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.

8.4 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.

8.4.1 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.

8.4.2 Donations

Donations are recognised as revenue upon receipt.

8.4.3 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.

8.4.4 Interest revenue

Interest revenue is recognised on an accrual basis.

8.4.5 Other revenue

Revenue is measured at the fair value of consideration received.

8.5 Expenditure

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

8.6 Income Tax

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

8.7 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.

8.8 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.

8.9 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.

8.10 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.

8.11 Creditors And Accrued Expenses

Creditors and other payables are measured at the amount owed.

8.12 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

8.12.1 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.

8.12.2 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

8.12.3 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 $10,380,000.

A4299667

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

P O Box 3928
Wellington, 6140

Phone No. 04 496 3099
Fax 04 496 3095

Customer No. D839
Invoice No. SINV30716
Invoice Date 31 January 2023

Engagement No. 22J
Due Date 7 February 2023
GST No. 14-290-338

Attn: Jamiee Botting (22J)
Southland Museum & Art Gallery Trust Board Inc
C/-Invercargill City Council
Private Bag 90104
INVERCARGILL , 9840

TAX INVOICE

Memorandum of Professional Fees

Invoice #1 for the audit of the financial statements year ended 30 June 2022	8,219.00
ASQS Fee	450.00

Subtotal	**8,669.00**
G.S.T	1,300.35
Invoice Total $	**9,969.35**

Please direct credit to Audit New Zealand at Westpac account number 030049-0000407-00 and provide your Customer number as a reference

If you have any enquiries regarding this invoice please contact accountsreceivable@auditnz.parliament.nz

Invercargill
CITY COUNCIL

TAX INVOICE
GST Number 10-432-146

Invoice Number: 2004999
Debtor Number: DR 40039/0
Date : 20-Dec-2022

Southland Museum Trust Board and
Southland Museum and Art Gallery
Attention: ICC Management Accountant
Private Bag 90104
INVERCARGILL 9840

Description	GST Amount	Inc GST
On charge invoice to SMAG as SMAG TRUST does not have any bank approvers with Westpac set up yet		6,845.30

GST Amount	Total Inc GST
0.00	6,845.30

Electronic Payments Bank Account – 02-0924-0019668-03
Payment is to be made at the Civic Administration Building, 101 Esk Street, between 8.00am and 5.00pm
Or mailed to Private Bag 90104, Invercargill
Or by Internet Banking – Use Debtor Number as Reference
For account inquiries please telephone (03) 211 1777 or email service@icc.govt.nz
Please forward remittance advice below with your payment

REMITTANCE ADVICE

INVERCARGILL CITY COUNCIL
Private Bag 90104, 101 Esk Street
INVERCARGILL

Southland Museum Trust Board and Southland Museum and Art Gallery

Debtor No: DR 40039/0 Date: 20-Dec-2022

Invoice : 2004999 Total : 6,845.30

Inland Revenue
Te Tari Taake

Submission Details

Name: **SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD**
IRD number: **011-006-590**
Period: **01 July 2022 - 31 August 2022**
Address: **P O BOX 90104, INVERCARGILL 9840**

Received: **23 September 2022 09:28:15 AM**
Submitted by logon: **ICC100JB**
Confirmation number: **1-940-770-448**

Goods and Services Tax

Sales and income

Total sales and income	286,638.04
Zero-rated supplies	
Net sales and income	286,638.04
GST collected on sales and income	37,387.57
Debit adjustments	
Total GST collected on sales and income	$37,387.57

Purchases and expenses

Total purchases and expenses	234,157.40
GST collected on purchases and expenses	30,542.27
Credit adjustments	
Total GST on purchases and expenses	$30,542.27

Total GST	**$6,845.30**

Payment information

Go to **www.ird.govt.nz/pay** to find out about payment options

TAX INVOICE
GST Number 10-432-146

Invoice Number: 491935
Debtor Number: DR 40039/0
Date : 31-May-2022

Southland Museum Trust Board and
Southland Museum and Art Gallery
Attention: ICC Management Accountant
Private Bag 90104
INVERCARGILL 9840

Description	GST Amount	Inc GST
On Charge of Legal fees for Amendments to Trust Deed	507.76	3,892.80

GST Amount	Total Inc GST
507.76	3,892.80

Electronic Payments Bank Account – 02-0924-0019668-03
Payment is to be made at the Civic Administration Building, 101 Esk Street, between 8.00am and 5.00pm
Or mailed to Private Bag 90104, Invercargill
Or by Internet Banking – Use Debtor Number as Reference
For account inquiries please telephone (03) 211 1777 or email service@icc.govt.nz
Please forward remittance advice below with your payment

REMITTANCE ADVICE

INVERCARGILL CITY COUNCIL
Private Bag 90104, 101 Esk Street
INVERCARGILL

Southland Museum Trust Board and Southland Museum and Art Gallery

Debtor No: DR 40039/0 Date: 31-May-2022

Invoice : 491935 Total : 3,892.80

Tax Invoice: 139531

Invoice Date: 31/03/2022

PRLaw

Southland Museum & Art Galley Board
PO Box 1012
Invercargill

45 Yarrow Street, Invercargill 9810
PO Box 355, Invercargill 9840
Tel: (03) 211 0080
Email: reception@prlaw.co.nz

GST No: 42-547-937

Amendments to Trust Deed
050684-8

Our Fee for Professional Services:

- Receiving your instructions regarding updating the Board's rules;
- Reviewing Rules and updating and amending as required;
- Corresponce with Mr Marriott regarding comments from Board Members;
- Updating Rules to incorporate comments as required;
- Forwarding Board Report;
- All matters incidental thereto to date.

OUR FEE	$3,244.00
GST	$486.60
Office Services	
Office Administration Expenses	$162.20
Total	$3,892.80

Payment terms within 14 days from date of invoice
Direct Credit/Internet banking: ASB 12-3195-0007889-00 (quote your account number as reference)
Visa or MasterCard options are available - 3% surcharge applies

The services supplied to you are based on the terms and conditions previously provided to you and as set out on our website www.prlaw.co.nz

PAYMENT ADVICE

To: PRLaw
PO Box 355
Invercargill, 9840

Account Number: 050684-8
Invoice Number: 139531
Amount Due: $3,892.80
Amount Enclosed:

Invercargill
CITY COUNCIL

TAX INVOICE
GST Number 10-432-146

Invoice Number: 494363
Debtor Number: DR 40039/0
Date : 05-Jul-2022

Southland Museum Trust Board and
Southland Museum and Art Gallery
Attention: ICC Management Accountant
Private Bag 90104
INVERCARGILL 9840

Description	GST Amount	Inc GST
Reimbursement of Service contract invoices July - Sep 2021	37,387.57	286,638.00

GST Amount	Total Inc GST
37,387.57	286,638.00

Electronic Payments Bank Account – 02-0924-0019668-03
Payment is to be made at the Civic Administration Building, 101 Esk Street, between 8.00am and 5.00pm
Or mailed to Private Bag 90104, Invercargill
Or by Internet Banking – Use Debtor Number as Reference
For account inquiries please telephone (03) 211 1777 or email service@icc.govt.nz
Please forward remittance advice below with your payment

REMITTANCE ADVICE

INVERCARGILL CITY COUNCIL
Private Bag 90104, 101 Esk Street
INVERCARGILL

Southland Museum Trust Board and Southland Museum and Art Gallery

Debtor No: DR 40039/0 Date: 05-Jul-2022

Invoice : 494363 Total : 286,638.00

sheffield
Sheffield South Island

LEADERS FOR OVER 60 YEARS Est. 1961

TAX INVOICE

Southland Museum and Art Gallery Interim Trust Board
Registered Office of the Board
108 Gala Street
Invercargill

Attention:
Steve Gibling
Steve.gibling@icc.govt.nz

Invoice Date
30 Sep 2022

Customer
C046478

Invoice Number
INV-0054

Job Number
8075

GST Number
136-237-624

Sheffield South Island Limited
Level 3, Anthony Harper Tower
62 Worcester Boulevard
PO Box 13823
City East Christchurch 8141
NEW ZEALAND

Telephone +64 3 379 7334
Email southaccounts@sheffield.co.nz

Description		Amount NZD
Professional Services		
Our first instalment invoice in relation to the appointment of Directors		15,000.00
Disbursements		
Office Service Charge 3.5%		525.00
	Subtotal	15,525.00
	Total GST 15%	2,328.75
	Invoice Total NZD	17,853.75
	Total Net Payments and Credits Applied NZD	0.00
	Amount Due NZD	**17,853.75**

Due Date: 20 Oct 2022

Please Note: New Bank Account Details

Please Note: If this is a final fee invoice, additional disbursements may follow at a later date.
Our bank account details for payment via direct credit: 02-0278-0351665-000
Please include your name and invoice number in the reference field for identification of the payment.

sheffield
Sheffield South Island

LEADERS FOR OVER 60 YEARS Est. 1961

TAX INVOICE

Southland Museum and Art Gallery Interim Trust Board
Registered Office of the Board
108 Gala Street
Invercargill

Attention:
Steve Gibling
Steve.gibling@icc.govt.nz

Invoice Date
31 Oct 2022

Customer
C046478

Invoice Number
INV-0078

Job Number
8075

GST Number
136-237-624

Sheffield South Island Limited
Level 3, Anthony Harper Tower
62 Worcester Boulevard
Christchurch 8013
NEW ZEALAND

Telephone +64 3 379 7334
Email southaccounts@sheffield.co.nz

Description		Amount NZD
Purchase Order PP10012261		
Our advertising invoice in relation to the appointment of Directors.		2,330.00
	Subtotal	2,330.00
	Total GST 15%	349.50
	Invoice Total NZD	2,679.50
	Total Net Payments and Credits Applied NZD	0.00
	Amount Due NZD	**2,679.50**

Due Date: 20 Nov 2022

Please Note: New Bank Account Details

Please Note: If this is a final fee invoice, additional disbursements may follow at a later date.
Our bank account details for payment via direct credit: 02-0278-0351665-000
Please include your name and invoice number in the reference field for identification of the payment.

TAX INVOICE
GST Number 10-432-146

Invoice Number: 2005106
Debtor Number: DR 40039/0
Date : 20-Dec-2022

Southland Museum Trust Board and
Southland Museum and Art Gallery
Attention: ICC Management Accountant
Private Bag 90104
INVERCARGILL 9840

Description	GST Amount	Inc GST
SMAG Board Appointments Committee	24.39	187.00
	39.13	300.00

GST Amount	Total Inc GST
63.52	487.00

Electronic Payments Bank Account – 02-0924-0019668-03
Payment is to be made at the Civic Administration Building, 101 Esk Street, between 8.00am and 5.00pm
Or mailed to Private Bag 90104, Invercargill
Or by Internet Banking – Use Debtor Number as Reference
For account inquiries please telephone (03) 211 1777 or email service@icc.govt.nz
Please forward remittance advice below with your payment

REMITTANCE ADVICE

INVERCARGILL CITY COUNCIL
Private Bag 90104, 101 Esk Street
INVERCARGILL

Southland Museum Trust Board and Southland Museum and Art Gallery

Debtor No: DR 40039/0 Date: 20-Dec-2022

Invoice : 2005106 Total : 487.00