

**MUSEUMS AOTEAROA TE TARI O NGA WHARE TAONGA O TE MOTU  
THE MUSEUMS OF NEW ZEALAND INCORPORATED**



**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**



**MUSEUMS AOTEAROA TE TARI O NGA WHARE TAONGA O TE MOTU  
THE MUSEUMS OF NEW ZEALAND INCORPORATED**

**Statement of Financial Position  
As at 31 December 2013**

	NOTES	2013 \$	2012 \$
<b>CURRENT ASSETS</b>			
Trade debtors and other receivables		190,122	254,294
Cash and bank current accounts	3	125,715	104,165
Bank term deposits and savings	3	232,180	136,978
Interest accrued		1,293	1,838
<b>TOTAL CURRENT ASSETS</b>		<b>549,310</b>	<b>497,274</b>
<b>CURRENT LIABILITIES</b>			
Trade creditors and other payables		16,637	15,501
Special purpose funds	5	30,231	18,031
GST payable		39,815	30,825
Employee entitlements		9,839	9,204
Income in advance	5	241,040	245,682
<b>TOTAL CURRENT LIABILITIES</b>		<b>337,561</b>	<b>319,244</b>
<b>WORKING CAPITAL</b>		<b>211,749</b>	<b>178,030</b>
<b>NON-CURRENT ASSETS</b>			
Savings accounts - restricted project	3	89,619	86,632
Office equipment and furniture	7	8,973	233
<b>TOTAL NON-CURRENT ASSETS</b>		<b>98,592</b>	<b>86,865</b>
<b>NET ASSETS</b>		<b>310,341</b>	<b>264,895</b>
<b>Accumulated funds</b>			
Accumulated funds		220,721	178,263
Trust and special funds reserve	6	89,619	86,632
<b>TOTAL EQUITY</b>		<b>310,341</b>	<b>264,895</b>

For and on behalf of the Board Museums Aotearoa the Museums of New Zealand Incorporated which authorised the issue of the financial report on 20 February 2014.

  
 \_\_\_\_\_  
 Chairperson  
  
 \_\_\_\_\_  
 Board Member

\_\_\_\_\_  
 20/2/14  
 Date  
 \_\_\_\_\_  
 20/2/14  
 Date

The accounting policies and notes of pages 4-7 should be read in conjunction with these financial statements



**MUSEUMS AOTEAROA TE TARI O NGA WHARE TAONGA O TE MOTI  
THE MUSEUMS OF NEW ZEALAND INCORPORATED**

**Statement of Movements in Equity  
For the year ended 31 December 2013**

	NOTES	2013 \$	2012 \$
<b>Accumulated Funds</b>			
Balance 1 January		178,263	132,029
Net surplus for the year		45,446	49,221
Total recognised income and expenditure		<u>45,446</u>	<u>49,221</u>
Transfer from / (to) trust and special funds	6	(2,988)	(2,987)
<b>Balance at reporting date</b>		<b><u>266,168</u></b>	<b><u>178,263</u></b>
<b>Trust and Special Funds Reserve</b>			
Opening		86,632	83,645
Transfer from / (to) accumulated funds	6	2,988	2,987
<b>Balance at reporting date</b>		<b><u>89,620</u></b>	<b><u>86,632</u></b>
<b>TOTAL EQUITY</b>		<b><u>355,788</u></b>	<b><u>264,895</u></b>

The accounting policies and notes of pages 4-7 should be read in conjunction with these financial statements



**MUSEUMS AOTEAROA TE TARI O NGA WHARE TAONGA O TE MOTU  
THE MUSEUMS OF NEW ZEALAND INCORPORATED**

**Statement of Financial Performance  
For the year ended 31 December 2013**

	NOTES	2013 \$	2012 \$
<b>INCOME</b>			
Membership Fees		236,606	221,796
AGM and conference		74,107	77,464
MA Awards		14,139	11,927
Creative NZ - Clark Collection Scholarship		-	12,000
Project Income		-	10,000
Interest		8,585	8,698
Other Income		27,404	42,440
<b>TOTAL INCOME</b>		<b>360,840</b>	<b>384,325</b>
<b>LESS EXPENSES</b>			
AGM and conference		52,789	63,651
MA Awards		13,933	14,866
Creative NZ - Clark Collection Scholarship		-	11,523
Project expenses		13,867	10,110
Audit fees		4,800	5,200
Depreciation		2,900	818
Employment expenses		143,957	139,469
Insurance		1,211	1,163
Interest and bank charges		1,271	1,161
Membership communications		14,506	17,508
Office rent		9,060	9,060
Postage and courier		4,006	4,378
Printing and stationery		5,692	4,578
Professional Fees		7,733	4,024
Publications		9,472	29,515
Travel		16,781	7,411
Other overheads		13,415	10,667
<b>TOTAL EXPENSES</b>		<b>315,393</b>	<b>335,103</b>
<b>NET SURPLUS FOR THE YEAR</b>		<b>45,446</b>	<b>49,221</b>

The accounting policies and notes of pages 4-7 should be read in conjunction with these financial statements



MUSEUMS AOTEAROA TE TARI O NGA WHARE TAONGA O TE MOTU  
THE MUSEUMS OF NEW ZEALAND INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

**1 NATURE OF THE SOCIETY**

The objectives of Museums Aotearoa The Museums of New Zealand Incorporated (the "Society") are to do any and all things as are conducive or likely to promote and foster the development of Museums and art galleries as essential public resources, for the collection, care, development, dissemination and interpretation of the natural and cultural heritage of Aotearoa/New Zealand, in a manner which respects and promotes the dual heritage of the partners of Te Tiriti o Waitangi (the Treaty of Waitangi).

**2 STATEMENT OF ACCOUNTING POLICIES**

**Statutory Base**

The Society is incorporated under the Incorporated Societies Act 1908.

**Statement of Compliance**

The financial statements have been prepared under Generally Accepted Accounting Practice in accordance with the External Reporting Board's financial reporting standards.

They comply with approved Financial Reporting Standards (FRSs) and Statements of Standard Accounting Practice (SSAPs) as appropriate for entities that qualify for and apply differential reporting concessions, with the exception of FRS 19 Accounting for Goods and Services Taxes which has been fully complied with.

**Basis of Measurement**

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the Society.

**Presentation Currency**

The financial statements are presented in New Zealand dollars. All numbers presented have been rounded to the nearest dollar, unless otherwise stated.

**SPECIFIC ACCOUNTING POLICIES**

The specific accounting policies recognised as appropriate in the preparation of these financial statements are:

**Goods and Services Tax**

The statement of financial performance has been prepared on a GST exclusive basis, except accounts receivable and accounts payable which are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Balance Sheet.

**Cash and Cash Equivalents**

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

**Accounts Receivable**

Receivables are valued at expected realisable value after providing against debts where collection is doubtful. Bad debts are written off during the period in which they are identified.

**Property, Plant and Equipment**

Office furniture and equipment, and website development are recorded at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset.

**Operating Leases**

An operating lease is a lease that does not transfer substantially all the risk and rewards incidental to ownership of an asset. Payments made under operating leases are recognised in the Statement of Financial Performance on a straight line basis over the term of the lease.

**Depreciation**

Depreciation is provided on all assets held on a straight line basis over an estimated useful life of 3 years.

### Employee entitlements

Employee benefits that the entity expect to be settle within 12 months of reporting date are accrued and measured based on accrued entitlements at current rate of pays.

These include salaries and wages up to the reporting date and annual leave earned, but not yet taken at the reporting date.

### Revenue

Membership, AGM and conference fee income is recognised as revenue when received and all associated obligations have been met. Where grants have been given for a specific purpose, or with conditions attached, income is not recognised until agreed upon services and conditions have been satisfied. Government grants relating to income are recognised over the period to which they relate. Grants received for which the requirements and services have not been met is treated as "income in advance" under current liabilities. See note 5.

### Restricted Funding

See Trust & Special Funds Reserve, note 6.

### Interest Income

Interest Income is recognised when it is earned.

### Differential Reporting

The Society qualifies for differential reporting exemptions on the basis that is not publicly accountable and isn't large under the External Reporting Board's Framework for Differential Reporting. All differential reporting exemptions have been utilised, with the exception of FRS19 Accounting for Goods and Services Taxes, which has been fully complied with.

### Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, the impact of new and amended standards and interpretations applied in the year was limited to additional note disclosures.

## 3 BANK SAVINGS AND DEPOSITS

Accounts held with the Bank of New Zealand total \$447,406.16 (2012: \$327,737). The deposits are on varying lengths. Interest rates on savings accounts and deposits are between 0% and 3.8% (2012: 0.25% to 4.25%)

		2013	2012
		\$	\$
<b>Comprising:</b>			
<b>Operating Accounts:</b>			
BNZ Current Account		125,607	104,127
<b>Term Investments:</b>			
BNZ Term Deposit 86-3016	Matures 19/02/2014 3.25%	54,617	52,950
BNZ Term Deposit 86-3020	Matures 16/05/2014 3.25%	77,374	73,994
BNZ Term Deposit (non-Kaitiaki portion)	Matures 22/01/2014 3.80%	24,802	7,963
BNZ Term Deposit (non-Mina McKenzie portion)	Matures 8/02/2014 3.00%	58,600	2,071
BNZ Term Deposit 13-3001	Matures 22/04/2014 3.25%	16,787	
<b>Trust and Special Fund Accounts (Note 6):</b>			
BNZ - Kaitiaki Maori (Portion of TD 3000)			15,906
BNZ - Mina McKenzie (Portion of TD 2376/3001)			54,688
BNZ - Museum Standard Scheme			16,038
BNZ Savings Account - Mina McKenzie Special Funds	2.60%	56,463	
BNZ Savings Account - Kaitiaki Maori Special Funds	2.60%	16,513	
BNZ Savings Account - Museum Standards Special Funds	2.60%	16,644	
		<b>447,406</b>	<b>327,737</b>

Monies held in Trust and Special Fund Accounts are not available for the general operating costs of the Society, but are held in separate accounts to be used on specific projects in subsequent reporting years. In December 2013 designated savings accounts were opened and funds transferred for each of the Special Funds accounts.

The totals for BNZ Current Account do not include Petty Cash of \$108 on hand at balance date (2012: \$38).

## 4 TAX

The Society is registered as a charitable entity with the Charities Commission (CC32927) and is therefore exempt from income tax.



5 INCOME IN ADVANCE

	2013	2012
	\$	\$
Prepaid Museum Membership	225,232	213,255
Prepaid Individual Membership	1,957	2,215
Prepaid Associate Membership	12,012	11,981
ICOM	-	200
Asia New Zealand Foundation Grants	16,031	18,031
CCCRC	14,199	-
Museums Aotearoa Prepaid Conference Registrations	1,839	-
	<u>271,270</u>	<u>245,682</u>

The Society has received grants from the Asia New Zealand Foundation to fund activities that increase an awareness of Asia through New Zealand museums and galleries. All undisbursed amounts at balance date are shown as income in advance. 2014 memberships were invoiced in December 2013; this income is reflected as 2013 income in advance. Conference registrations opened in December 2013, monies received up to 31.12.13 are shown as income in advance. Donations and funds were received for the CCCRC. Funds were subsequently distributed. The residual funds are shown as income in advance.

6 TRUST & SPECIAL FUNDS RESERVE

The Society holds funds in trust for a number of special projects (as designated by the donors of these funds). These funds are held in separate investment reserves.

When donation funding has been provided for specific future investment purposes or to meet specific future costs of the Society, the initial donation received is recognised as income in the reported surplus or deficit and then transferred from accumulated funds to a separate equity reserve – "Trust and Special Funds Reserve". This treatment recognises that restricted funding received is preserved in investments and can only be used to fund the specific future costs of the Society.

All income and expenditure in relation to Trust and Special Reserve Fund activities is first recognised in the reported surplus or deficit for the year and taken to retained earnings. The net balance of Trust and Special Fund activities for the year is then transferred to the "Trust and Special Funds Reserve".

The fund balances and movements for the year are:

2013	31/12/2012	Contribution	Interest	Expenses	31/12/2013
	\$	\$	\$	\$	\$
Mina McKenzie Scholarship Fund	54,688	-	1,774	-	56,463
Kaitiaki Maori	15,906	-	607	-	16,513
Museum Standards	16,038	-	606	-	16,644
	<u>86,632</u>	<u>-</u>	<u>2,988</u>	<u>-</u>	<u>89,619</u>
2012	31/12/2011	Contribution	Interest	Expenses	31/12/2012
	\$	\$	\$	\$	\$
Mina McKenzie Scholarship Fund	52,873	-	1,815	-	54,688
Kaitiaki Maori	15,274	-	632	-	15,906
Museum Standards	15,498	-	540	-	16,038
	<u>83,645</u>	<u>-</u>	<u>2,987</u>	<u>-</u>	<u>86,632</u>

7 PROPERTY, PLANT AND EQUIPMENT

2013	Cost	Current year Depreciation	Accumulated Depreciation	Book Value
	\$	\$	\$	\$
Office Furniture & Equipment	3,494	233	3,494	-
Website/database upgrade	11,640	2,667	2,667	8,973
	<u>15,134</u>	<u>2,900</u>	<u>6,161</u>	<u>8,973</u>
2012	Cost	Current year Depreciation	Accumulated Depreciation	Book Value
	\$	\$	\$	\$
Office Furniture & Equipment	3,494	818	3,261	233





## 8 RELATED PARTY TRANSACTIONS

Museums Aotearoa's board members are also associated with Museums ('associated Museums') which are members of Museums Aotearoa. In 2013 the board members were as follows:

Thérèse Angelo, Chair – Director, Air Force Museum  
Tryphena Cracknell, Kaitiaki Taonga Maori  
Rhonda Paku - Senior Curator Mataranga Maori, Te Papa  
Brett Mason - Director, Museums Wellington  
Jenny Harper - Director, Christchurch Art Gallery  
Eric Dorfman – Director, Whanganui Regional Museum

Transactions between associated Museums include membership fees, conference attendance fees and grants to Museums Aotearoa.

## 9 CONTINGENT LIABILITIES

There are no known material contingent liabilities as at balance date (2012: nil).

## 10 GOING CONCERN

The Society's financial report has been prepared on a going concern basis, the validity of which depends upon the future funding becoming available.

The Board considers it reasonable adequate resources will continue to be received, allowing the Society to continue operating for the foreseeable future. For this reason, the Board continues to adopt the going concern assumption in preparing the financial statements.

## 11 COMMITMENTS

Operating Lease

Non-cancellable operating lease rentals are payable as follows:

	2013	2012
	\$	\$
Current	-	292
Non-current	-	-
<b>Total</b>	<b>-</b>	<b>292</b>

No other capital commitments are known to exist at balance date (2012: Nil).

## 12 DONATED SERVICES AND PROPERTY, PLANT AND EQUIPMENT

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

There was no donated property, plant and equipment during the year

## 13 EVENTS OCCURRING AFTER BALANCE DATE

There are no significant events subsequent to the balance date and up to the time of signing of these financial statements that materially affect the position as it existed at that date.



# Independent Auditor's Report

## Audit

### Grant Thornton New Zealand Audit Partnership

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## **To the Members of Museums Aotearoa Te Tari O Nga Whare Taonga O Te Motu The Museums of New Zealand Incorporated**

### **Report on the financial statements**

We have audited the financial statements of Museums Aotearoa Te Tari O Nga Whare Taonga O Te Motu The Museums of New Zealand Incorporated on pages 1 to 7, which comprise the statement of financial position as at 31 December 2013, and the statement of financial performance, statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Board Members' responsibilities**

The Board members are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that present fairly the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

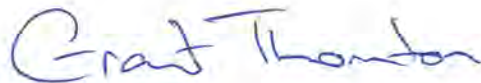
An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

Other than in our capacity as auditor we have no relationship with, or interests in Museums Aotearoa Te Tari O Nga Whare Taonga O Te Motu The Museums of New Zealand Incorporated.

#### Opinion

In our opinion, the financial statements on pages 1 to 7 present fairly, in all material respects, the financial position of Museums Aotearoa Te Tari O Nga Whare Taonga O Te Motu The Museums of New Zealand Incorporated as at 31 December 2013, and its financial performance, for the year then ended in accordance with generally accepted accounting practice in New Zealand.



**Grant Thornton New Zealand Audit Partnership**  
**Wellington, New Zealand**  
**20 February 2014**

