



MOTAT ANNUAL REPORT 2014/15

## OUR VISION:

To be the “must experience” venue that uses New Zealand’s heritage, Kiwi ingenuity, transport, technology and the associated stories in a creative and interactive way to educate and inspire the innovators of tomorrow.

## OUR VALUES:

COLLABORATION is the way we work together internally and externally as a team that respects and supports one another, sharing ideas, knowledge and skills so that we achieve our full potential.

INTEGRITY is the foundation on which our relationships, reputation and authority are built. We will act morally, ethically and with respect and transparency at all times.

CREATIVITY is the quality that allows us to be courageous and to try new things so as to inspire those we interact with.

STEWARDSHIP is our individual and collective duty as custodians to manage, develop and preserve MOTAT’s collection, skills and knowledge and to pass them on to the next generation.

## OUR APPROACH:

In order to inspire and engage with our visitors and each other we will:

**MAKE IT SIMPLE:** easy to understand, remember and use.

**MAKE IT PERSONAL:** relevant and meaningful so that it stimulates thought, conversation and debate.


**MAKE IT ACTIVE:** a hands-on, multi-dimensional experience.

**MAKE IT CONNECT:** put the collection and the associated information into context in a way that connects people, concepts and ideas.

**MAKE IT HAPPEN:** deliver what is promised in accordance with the Strategy and the Annual Plan.

## SUSTAINABILITY:

To us, sustainability is not just limited to reducing our impact on the environment and reducing our use of non-renewable resources; it is also about preserving Auckland and New Zealand’s heritage, the associated skills and knowledge and passing those on to the next generation.

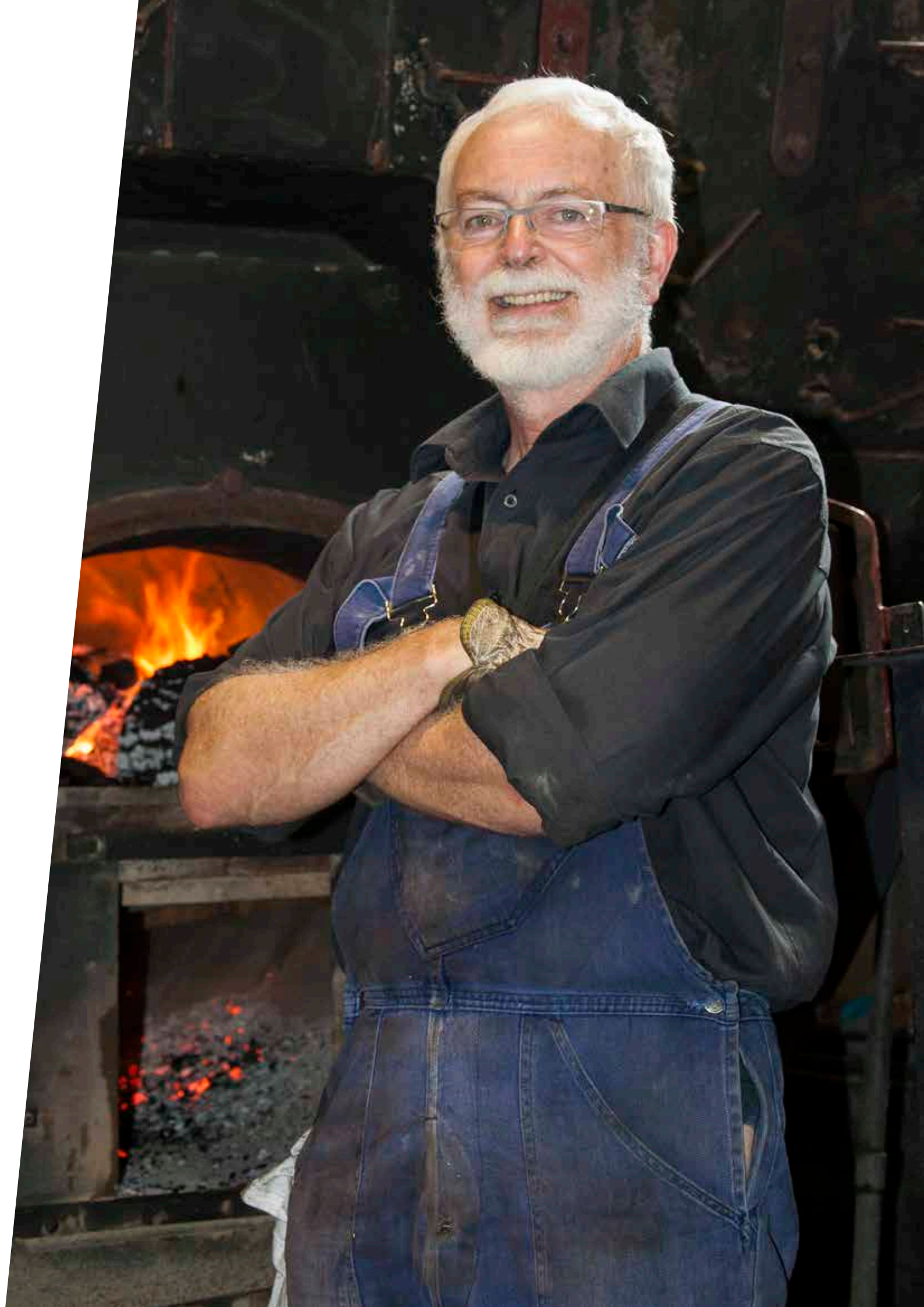
A close-up, profile shot of a young child with light brown, curly hair. The child is looking out of a window, with their face partially in shadow. The background is a bright, out-of-focus view of a window with dark frames. The child is wearing a dark blue or grey hooded garment.

**Hapaitia te ara  
tika pū mau ai te  
rangatiratanga mo ngā  
uri whakatipu**

Foster the pathway of  
knowledge to strength,  
independence and growth  
for future generations

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## MOTAT CHAIR & CEO OVERVIEW

We are pleased to present our Annual Report for 2014/15.

As outlined in last year's Annual Report, MOTAT needed a new focus and culture if it was to remain relevant to the Auckland community and evolve from being a "collection of things", albeit ones that moved, to a "light bulb institution" that inspires its visitors and provokes thought and dialogue in the community.

Our financial year started with the launch of our new five-year strategy which focusses on our heritage collection and Kiwi technology and ingenuity in a creative, hands-on and interactive way that inspires our visitors to become the innovators of the future. This strategy was developed in conjunction with members of the MOTAT Team (employees and volunteers), our Stakeholders, Regional Facilities Auckland, the MOTAT Society and Ngati Whatua amongst others.

To achieve this vision, our strategy focuses on four core objectives: (1) Maximising the visitor experience (2) Empowering the MOTAT Team (3) Improving the quality of our collection and its care and (4) Improving business and community sustainability.

We also developed and launched a new management structure (see Appendix B) that was specifically designed to support and facilitate the achievement of the objectives outlined in the strategy. This structure comprises three Hubs (i.e. Museum Experience, Collection and Business Services) headed up by a General Manager who reports to the Chief Executive.

The roll out of a new strategy and structure, especially on this scale, is always a challenge and we would like to acknowledge and thank the MOTAT Team for their positive response and support for our new strategy.

Our first exhibition under the strategy, 'Welcome to the Machine' opened in September 2014 and this was followed by our second major exhibition, 'Get Smart' in July 2015.

'Welcome to the Machine' won the 'ServiceIQ 2015 NZMA Most Innovative use of Te Reo Māori in an exhibition' award at the Museums Aotearoa Awards

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in Dunedin in May 2015 which was a fantastic endorsement of our new strategy and approach.

During the course of the year we took steps to address the building and infrastructure issues identified in the Asset Management Plan that was developed by the engineering consultancy firm, Beca. We also worked with the late Sir Ian Athfield and his team on the development of a plan for the replacement or redevelopment of our buildings and the associated grounds as they were looking tired and we need to provide a stimulating visitor and work environment that is in line with our strategic objectives. This plan is referred to the Athfield Plan in honour of Sir Ian and it will ensure that his legacy lives on at MOTAT.

We commenced some of the 'quick wins' outlined in the Athfield Plan which included the installation of a new fence along the Great North Road boundary and the introduction of more colour and vibrancy to the Museum (e.g. the mural on one of the Tram Sheds). The redevelopment and upgrading work on the Pioneers of Aviation building was completed during the year and the Walsh Memorial Library moved back into the building towards the end of the financial year.

Unfortunately our visitor numbers remained relatively static at 245,000 due in part to the major road works on the Great North Road and the St Lukes overpass and some of the building and infrastructure work we undertook at the Museum.

Operationally, our audited financial accounts were unqualified for the sixth year in a row. We took the opportunity to repay the balance of the bank loan we took out for the development of our Aviation Display Hall in 2011. We also reviewed our insurance premium which resulted in significant savings without any material reduction in the associated cover.

Our inventory and digitisation projects, which are funded by the Lottery Grants Board, continued as did the restoration of the "Meg Merrilies" steam locomotive. Air New Zealand funded the restoration of two of the Solent flying boat's cabins.

Ngati Whatua assisted us with a number of our projects (e.g. 'Welcome to the Machine') and we met with the

Auckland Council's senior advisors on Māori Outcomes to establish a strategy for engaging with the other local Iwi. This is an important objective for us as we want to involve the Iwi in the incorporation of Māori technology, innovation, customs and principles in the experience we offer our visitors. We also took steps during the year to build on our relationship with the Local Waitemata Board.

Part of our strategy involves us in working with tertiary and other educational institutions on the development of new learning programmes in addition to those required by our LEOTC contract so as to expand our offering to a different group of users. During the year we worked with Jiwi's Machines, Bubble Dome and the Science Street Fair exhibitors.

As outlined above, we made significant progress during the course of the year and the level of change and the challenges we face going forward should not be underestimated but there are early indications are that our strategy is having a positive effect.

We will continue to work with the other arts, cultural and heritage institutions in the region to make Auckland the most liveable city in the world.

Finally we would like to take this opportunity to acknowledge the contribution of Sir Ian Athfield (Ath) to MOTAT before his untimely death in January 2015. As outlined above, Ath's legacy will live on at the Museum through the Athfield Plan.



Michael Frawley  
**CHIEF EXECUTIVE OFFICER**



Dr Lesley McTurk  
**BOARD CHAIR**

## OUR YEAR

As outlined in the Chair and CEO Overview, we launched our new five year strategy and the associated structure at the start of the financial year. Our management structure (see Appendix B) is made up of three Hubs namely Museum Experience, Collection and Business Services and the following is a summary of their contribution to our success over the year.

### MUSEUM EXPERIENCE HUB OVERVIEW

The Museum Experience Hub is focused on our physical and digital visitor offering and the extension of the MOTAT experience beyond the Museum's boundaries. The Hub consists of the following teams:

- Education
- Exhibitions
- Commercial operations
- Marketing and Communications
- Experiences
- Weekend Operations
- Digital Experiences (part year)
- Strategic Learning Advisor (part year)

The Education Team's primary objective is to **develop and align MOTAT's education programme** with the strategy. During the year the team:

- Hosted over 1,000 visitors at our Science Street Fair
- Accommodated 25,000 children as part of our Learning Experiences Outside The Classroom (LEOTC) contract obligation
- Developed education and other programmes in relation to Jiwi's Machines including the hosting of interns
- Worked with Bubble Dome in relation to our school holiday programmes
- Developed two new learning programmes aimed at different audiences

The Exhibition Team's objective is to **develop a comprehensive exhibition programme** in line with the strategy. During the year the team:

- Developed and opened 'Welcome to the Machine'
- Planned and developed 'Get Smart'
- Won the 'ServiceIQ 2015 NZMA Most Innovative use of Te Reo Māori in an exhibition' award (2015 Museums Aotearoa Awards)
- Developed a plan for the revamp of the exhibitions in our Aviation Display Hall
- Trialled a new wayfinding process to improve the visitor experience

The Commercial operations objective is to **consider all appropriate measures to increase revenue**. During the year the team:

- Attracted new clients to private events across MOTAT
- Revamped our private events processes and procedures
- Hosted over 3,800 visitors for Olde Hollows Eve
- Hosted over 20,000 visitors for MOTAT Nights, Christmas Lights
- Secured \$250k in grants

The Experience Team's objective is to **develop quality experiences that extend beyond the physical visit**. During the year the team:

- Launched Demo Days in addition to the Live Days held every third Sunday
- Undertook joint ventures with various partners (e.g. Auckland LEGO® User Group)
- Developed and hosted various holiday programmes that were aligned to our strategic objectives
- Facilitated the First of the Few (World War I) project which focused on the Walsh Brothers' Flying School and the pilots who trained there.

**3,449**

MOTAT MATES  
MEMBERSHIPS

PR VALUE INCREASED  
NEARLY **300%** TO  
**\$2,960,377**

PR REACH  
INCREASED  
NEARLY

**200%** TO  
**55,602,463**  
CONTACTS

MOTAT VISITORS

**244,994**

**20,000+**

VISITORS TO  
MOTAT NIGHTS,  
CHRISTMAS  
LIGHTS

WEBSITE  
VISITS INCREASED  
BY OVER

**35%**

**24,948**

STUDENTS  
EXPERIENCED LEOTC  
PROGRAMMES



A Digital Experience team was established during the year with a view to **developing a Digital Strategy for MOTAT** including disruptive technology and approaches that are designed to provoke thought and debate.

Our Strategic Learning Advisor also joined us part way through the year and their objective is to extend education at MOTAT to beyond the traditional education sectors and to strengthen ties with the tertiary sector (e.g. Auckland University) as well as with technology and innovation partners (e.g. Vex Robotics).



Our Marketing and Communications team's objective was to **grow attendance numbers and communications around visitor opportunities**. The team was a finalist in Westpac Business Awards (Central) for the Excellence in Marketing category and during the year they:

- Launched the new MOTAT website (i.e. [motat.org.nz](http://motat.org.nz))
- Introduced an internal MOTAT Team e-newsletter across the Museum (on average 40% of recipients opened this newsletter)
- Increased website visitation by over 35% year on year
- Extended our social media presence by introducing a Twitter handle to marketing communications.

While our visitor numbers at 244,994 were below our target, it was still a good outcome when the amount of disruption created by the works on the Great North Road and St Lukes Overpass is taken into account.

Our reputation in the "technology and innovation" space grew during the year and this attracted a number of technology-aligned entrepreneurs and other like-minded institutions seeking to become involved with the future experiences and activities of the Museum.



## COLLECTION HUB OVERVIEW

The General Manager of the Collection Hub joined us towards the end of the calendar year. The Hub's responsibilities include collection care, registry (eg. acquisitions and de-accessions) collection operations (eg. our seven day a week tramway operation) and collection projects (eg. restorations, infrastructure and maintenance and workshop operations).

During the course of the year the Hub took steps to **improve the governance framework** for our Collection. We developed a new collection policy which was aligned to our strategy and its focus on kiwi technology, innovation, ingenuity and transport. This policy provides us with the governance platform for the management and development of our collection going forward. We also developed a comprehensive plan for our collection review/rationalisation project which will start during the course of 2015/16. This plan is being developed in line with similar collection reviews that are being undertaken overseas.

The Hub also took prudent steps to **develop our collection** within the parameters of the new collection policy. During the course of the year we accepted 20 significant acquisitions into the collection; the majority being as a result of donation. The highlights included the donation by the late Les Munro DFC CNZM, Dambuster pilot and Bomber Command veteran, of his medals and flying log books. Another notable outcome was the loan and ultimate donation of the VW Beetle owned by Ivan and Beth Hodge. The adventures of Ivan and Beth have been well documented in the book 'For love and a beetle: a tale of two journeys'.

Our **collection inventory** project was progressed following the successful application to the Lottery Grants Board for year three of the five year project. During the year:

- More than 3,600 collection objects were sighted and their detailed location data recorded on our Vernon system.

- Over 400 unnumbered objects were 'isolated', assigned temporary numbers and recorded for further research and assessment.
- More than 240 objects from the collection backlog were assessed in line with our new collection policy and in consultation with the Collection team, accessioned into the collection.
- Over 900 objects were photographed ready to be uploaded to public access via collections online on [www.motat.org.nz](http://www.motat.org.nz)

Since this project began in 2013, 11,179 objects have been audited, 7,881 accessioned (i.e. added) and 3,298 un-accessioned (i.e. removed) from our collection.

**Online access** to our collections was improved during the year. We uploaded over 1,000 new records relating to our collection items and over 3,000 images from the Library pictorial collection onto our collections online site, the NZ Museums website and e-hive website so that visitors could access this information.

We undertook an audit of our **collection projects** (including restoration, conservation and preservation projects) and 16 'legacy' projects were completed. We also worked on addressing a number of other collection legacy issues such as 'long term loans' of collection material both into and out of MOTAT. Many of these issues go back a significant period of time and required careful and detailed investigation to resolve.

We got more of our **collections operating** over the year where this was appropriate and could be safely undertaken. This included a number of objects from our tram, rail, steam, military and road transport collections. There was also a significant increase in tram passengers during the year (i.e. we carried 189,602 passengers compared to 182,930 in the previous year).

MORE THAN  
**3,600**

COLLECTION OBJECTS  
HAVE BEEN SIGHTED AND  
DETAILED LOCATION DATA  
RECORDED ON VERNON

**189,602** TRAMWAY  
PASSENGERS

ACCEPTED

**20**

SIGNIFICANT  
ACQUISITIONS  
TO OUR  
COLLECTION

OVER  
**3,000**

IMAGES FROM THE  
LIBRARY PICTORIAL  
COLLECTION UPLOADED  
TO COLLECTIONS  
ONLINE

**11,179**

OBJECTS,

**7,881** ACCESSIONED  
AND **3,298**

UN-ACCESSIONED OR  
UNNUMBERED OBJECTS,  
HAVE BEEN AUDITED  
SINCE 2013

OVER

**1,000**

NEW RECORDS FOR  
COLLECTION ITEMS  
WITH IMAGES  
UPLOADED TO  
COLLECTIONS  
ONLINE

## COLLECTION HUB OVERVIEW

The **Walsh Memorial Library**, which had been relocated offsite while essential building improvements were undertaken to the Pioneers of Aviation building at our Great North Road site, was moved back on site towards the end of the year so that it could be reopened to the public in July 2015.

During the year, several long term conservation and restoration projects were progressed including the F180 steam locomotive “Meg Merrilies”, the conservation and reconstruction works on the interior of the Short Solent flying boat and the restoration of the No. 20 Tram carriage for our steam tram. The restoration of the New Zealand Rail Hand Crane originally built in 1874 was recognised with a Restoration Award from the Federation of Rail Organisations of New Zealand. These projects were progressed thanks to the ongoing support of our motivated and passionate volunteer team.

One of our significant achievements during the year was the recruitment of a number of key people in the Collection Hub. This included the appointment of the General Manager - Collections, Registrar, Assistant Registrar, Collection Technician, Collection Project Manager, Library Manager and

Research, and Collections Operations Coordinator. These appointments increase the professional museum support we have at MOTAT and this will ensure that we can build on our reputation as a museum working to the highest professional standard.

The Collection Team also worked with People & Performance to develop and roll out a new volunteer structure and agreement so that our volunteers’ efforts were aligned to our strategic objectives. This process also enabled us to align the volunteer’s terms of engagement with our policies and procedures (e.g. Health & Safety) and we rolled out a number of initiatives designed to attract a more diverse range of volunteers according to age, gender, skills and culture. The roll out went smoothly but, as can be expected with change, it will take time to bed in the new arrangements.





## BUSINESS SERVICES HUB OVERVIEW

The Business Services Hub consists of the People & Performance, Finance & ICT, Environment & Infrastructure and Health & Safety (including Regulation and Compliance) teams. The primary purpose of the Hub is to support the other Hubs and to ensure that we operate in a safe, compliant and robust way.

## PEOPLE & PERFORMANCE

The primary focus of the People & Performance team was the **implementation and bedding in of the new structure** and ensuring that each Hub and team was adequately resourced and supported. This included the recruitment and appointment of the three general managers, five management positions, and several others across our organisation.

We also developed and introduced a **new Employment Agreement and MOTAT Team handbook**. The team also worked closely with the Collections Hub on the roll out of a **new Volunteer Agreement** and the associated procedures in May 2015. This process enabled us to clarify who our active volunteers were, what they did at the museum and when. By the end of the year 162 MOTAT volunteers

had been transferred to the new agreement and 13 new volunteers had joined the Museum.

People & Performance also worked with other teams across the museum to identify volunteer opportunities. A good example of this was the recruitment of four new tram drivers for the Collections Operations team.

The People & Performance and Finance & ICT teams worked on the **implementation of the MYOB Payroll and HR System and the Wrike Project Management System**. The Wrike programme supports the wider MOTAT Team and provides a consistent and robust approach to the management of our projects across the Museum.

The team also undertook an **Employee Engagement Survey** towards the end of the year so as to establish a baseline of employee engagement, leadership, enablement, alignment and development. The outcomes of the survey provide us with the foundation to develop the MOTAT Team going forward.



**1ST**

UNDERTOOK  
FIRST EMPLOYEE  
ENGAGEMENT SURVEY

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IMPLEMENTED NEW  
MYOB PAYROLL AND  
HR SYSTEM

**13**

NEW  
VOLUNTEERS  
RECRUITED

LAUNCHED

**WRIKE**

CLOUD-BASED PROJECT  
MANAGEMENT SYSTEM  
ACROSS THE MUSEUM

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INTRODUCED NEW  
VOLUNTEER  
AGREEMENT

UPGRADED  
EMAIL SYSTEM TO

**OFFICE365**

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UPGRADED LED  
**SECURITY**  
LIGHTING

INTRODUCED  
NEW HEALTH  
& SAFETY  
HANDBOOK

## BUSINESS SERVICES HUB UPDATE

### FINANCE & ICT

The team managed to secure a number of savings during the year particularly in relation to our insurance premium without any material reduction in our cover. We also took the opportunity to repay the balance of the bank loan we had in relation to building of our Aviation Display Hall in 2011 which not only reduced our funding costs but enabled us to move to a new bank on more favourable terms.

The team started a review of our ICT systems and successfully migrated our email exchange server to the Cloud and upgraded our system to Office365. The review of our systems will continue over the next two to three years.

The upgrade of our Pioneers of Aviation building included increased ICT capability and we started the roll out of Wi-Fi across our two sites so as to meet the Museum's and our visitors' needs going forward.

### ENVIRONMENT AND INFRASTRUCTURE

Considerable progress was made in relation to the upgrading of our buildings, infrastructure and systems, including:

- **LIGHTING UPGRADE**

We upgraded the security lighting across both sites and changed a significant number of our internal and external lights to LED as part of sustainability/energy saving strategy.

- **SECURITY CAMERAS**

We upgraded our security cameras to IP CCTV and increased the number of cameras we have especially around the perimeter of our sites.

- **SECURITY FENCING**

Towards the end of the financial year we started an upgrade our security fencing in line with the 'quick wins' outlined in the Athfield Plan. The fence, which starts at Great North Road, not only improved the look and feel of the Museum but it also substantially improved the security of our site. The installation will continue down Stadium Road in 2015/16.

- **SITE RE-KEYING**

We undertook a site-wide audit and upgrade of our locks and introduced a more robust system for monitoring access to the areas in question.

### HEALTH & SAFETY

Our Health & Safety team undertook a complete review of our Health & Safety Management System (HSMS) and the associated policies. The policies were then incorporated into the MOTAT Team Health & Safety handbook and rolled out to all of the MOTAT Team.

The team also worked closely with the Collection Operations and Collection Project teams in relation to the review of the Safety cases for our Railway and Tramway operations. This was a significant undertaking that resulted in the development of a new Regulation and Compliance System based on the core regulatory requirements and how we intended to operate and manage those activities going forward.

We also took the opportunity to co-ordinate the workshop activities of our various volunteer groups so as to improve the monitoring and alignment of their activities to the Museum's policies and procedures, especially in relation to Health & Safety.



## GOVERNANCE: BOARD SUB-COMMITTEES

The Board established the following sub-committees to ensure that it can effectively govern and monitor our financial, legal, social and health and safety obligations:

### AUDIT & RISK COMMITTEE

CHAIR: Mike Spraggon

COMMITTEE MEMBERS: James Douglas, Vern Walsh and Judith Tizard

This Committee was established in June 2006 to assist the Board with its statutory and oversight responsibilities in relation to financial monitoring and reporting, risk assessment and audit and regulatory compliance. The Committee seeks input and guidance from independent external advisors (e.g. the Museum's auditors and insurance brokers) as and when required.

### APPOINTMENTS PERFORMANCE & REMUNERATION COMMITTEE

CHAIR: Bruce Howat

COMMITTEE MEMBERS: Lindsay Corban and Lesley McTurk

The Annual Performance Review Committee oversees the performance and remuneration of the Museum's Chief Executive Officer/Museum Director and Senior Management Team. The Committee seeks independent advice on performance management and remuneration as and when required.

### HEALTH & SAFETY

BOARD REPRESENTATIVE: Bruce Howat

The Board has a representative on MOTAT's Health & Safety Committee which meets every month.

### PROJECT CONTROL GROUP COMMITTEE

BOARD REPRESENTATIVE: James Douglas and Graeme Osborne

The Project Control Group oversees any significant projects in relation to the Museum's buildings and infrastructure and it seeks independent legal and other advice as and when required.

### STRATEGY COMMITTEE

CHAIR: Lesley McTurk

COMMITTEE MEMBERS: John McElhinney and Richard Jeffrey

The Strategy Committee is responsible for overseeing the implementation of the Museum's strategy and the development of the long term plans so that they can be considered by the Board as a whole.



STRONG ★ STRONGER

★ ★ ★ ★ ★  
DR CRANKENSTEIN'S  
World Famous



STRONGULATATOR

Outstrong your strongest friend!

ENT. #2 1989-072463  
LIVING COMPANY INCORPORATED

## ANNUAL ACCOUNTS 2014-2015

### INTRODUCTORY STATEMENT

We are pleased to report that we received an unqualified audit opinion in 2014/15. The numbers presented in the audited accounts were sound and there were no material issues.

As has occurred in previous years, the \$2.024 million surplus shown in the Statement of Comprehensive Income was reinvested in the Museum, particularly for capital projects like the Pioneers of Aviation building work undertaken in 2014/15.

This confirms that we are financially stable and well positioned to progress our strategy and the implementation of the Athfield Plan.

# FINANCIAL STATEMENTS for the year ended 30th June 2015

## **STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE** **for the year ended 30<sup>th</sup> JUNE 2015**

	Note	2015	2014
<b>Revenue from non-exchange transactions</b>			
Levies from Territorial Authorities		11,987,000	11,695,000
Grants and Donations	2	498,563	433,503
Rent – Donation	17	528,750	409,875
		<b>13,014,313</b>	<b>12,538,378</b>
<b>Revenue from exchange transactions</b>			
Interest Received		283,057	322,967
Other Operating Income	3	1,694,279	1,611,945
		<b>1,977,336</b>	<b>1,934,912</b>
<b>Total Revenue</b>		<b>14,991,648</b>	<b>14,473,290</b>
<b>Expenses</b>			
Employee Benefits Expense		4,652,327	4,026,606
Depreciation and Amortisation Expense	4	1,222,847	1,270,212
Finance Expense		115,141	360,270
Rent – Expense	17	528,750	409,875
Other Expenses	5	6,448,353	6,321,191
		<b>12,967,418</b>	<b>12,388,154</b>
<b>Surplus</b>		<b>2,024,230</b>	<b>2,085,136</b>
<b>Other comprehensive revenue and expenditure</b>			
Movement in revaluation reserve	8b	3,669,500	603,500
<b>Total Comprehensive Revenue and Expenditure</b>		<b>5,693,730</b>	<b>2,688,636</b>

## **STATEMENT OF CHANGES IN EQUITY** **for the year ended 30<sup>th</sup> JUNE 2015**

	Projects Reserve	Asset Revaluation Reserve	Retaining Earnings	Total Equity
<b>Balance as at 1 July 2014</b>	175,015	825,080	50,698,539	51,698,634
Surplus	563	-	2,023,667	2,024,230
<i>Other Comprehensive Revenue and Expenditure</i>				
Asset revaluation reserve	-	3,669,500	-	3,669,500
<b>Total Comprehensive Revenue and Expenditure</b>	563	3,669,500	2,023,667	5,693,730
<b>Balance as at 30 June 2015</b>	175,578	4,494,580	52,722,206	57,392,364

	Projects Reserve	Asset Revaluation Reserve	Retaining Earnings	Total Equity
<b>Balance as at 1 July 2013 (restated)</b>	190,842	221,580	48,597,576	49,009,998
Surplus	(15,827)	-	2,100,963	2,085,136
<i>Other Comprehensive Revenue and Expenditure</i>				
Asset revaluation reserve	-	603,500	-	603,500
<b>Total Comprehensive Revenue and Expenditure</b>	(15,827)	603,500	2,100,963	2,688,636
<b>Balance as at 30 June 2014</b>	175,015	825,080	50,698,539	51,698,634

The accounting policies and notes to these financial statements form part of, and should be read in conjunction with these financial statements.

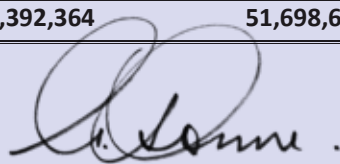
**STATEMENT OF FINANCIAL POSITION**
**as at 30<sup>th</sup> JUNE 2015**

	Note	2015	2014
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	7	1,271,538	4,330,377
Receivables from exchange transactions		74,494	95,763
Prepayments		32,411	42,160
Shop Inventory		71,156	49,519
GST Receivable		181,905	234,726
		<b>1,631,504</b>	<b>4,752,545</b>
<b>NON CURRENT ASSETS</b>			
Intangible Assets		102,086	102,086
Property, Plant and Equipment	8a	30,609,816	29,739,247
Collections	8b	27,993,226	24,195,325
		<b>58,705,128</b>	<b>54,036,658</b>
<b>TOTAL ASSETS</b>		<b>60,336,632</b>	<b>58,789,203</b>
<b>CURRENT LIABILITIES</b>			
Payables under exchange transactions	9	1,518,868	1,628,723
Other accounts payable		14,950	-
Current portion of RFA Term Loan	10	67,798	64,567
Interest rate swap liabilities	10	-	27,886
ASB Bank Loan	10	-	1,600,000
Hire Purchase < 1 Year	10	7,221	-
Traction Engine Loan	10	70,000	70,000
Income in advance	6	304,821	222,095
		<b>1,983,658</b>	<b>3,613,271</b>
<b>NON CURRENT LIABILITIES</b>			
RFA Term Loan	10	895,359	963,157
Hire Purchase > 1 Year	10	15,211	-
ASB Bank Loan	10	-	2,400,000
Traction engine loan	10	50,040	114,141
		<b>960,610</b>	<b>3,477,298</b>
<b>TOTAL NET ASSETS</b>		<b>57,392,364</b>	<b>51,698,634</b>
<b>EQUITY</b>			
Retained Earnings		52,722,206	50,698,539
Asset Revaluation Reserve		4,494,580	825,080
Projects Reserve	11	175,578	175,015
<b>TOTAL EQUITY</b>		<b>57,392,364</b>	<b>51,698,634</b>

Board member



Board member



Date: 12/11/2015

Date: 12/11/2015

The accounting policies and notes to these financial statements form part of, and should be read in conjunction with these financial statements.

**STATEMENT OF CASH FLOWS****for the year ended 30<sup>th</sup> JUNE 2015**

	Note	2015	2014
<b>Cash from Operating Activities</b>			
<b>Cash was provided from:</b>			
Levies from Territorial Authorities		11,987,000	11,695,000
Grants and Donations		324,162	395,404
Receipts from operations		1,770,852	1,575,004
Interest income		302,005	325,601
<b>Cash was disbursed to:</b>			
Payments to Suppliers, Employees and others		10,840,290	10,127,719
Borrowing costs paid		187,993	395,132
<b>Net Cashflow from/(applied to) Operations</b>		<b>3,355,736</b>	<b>3,468,158</b>
<b>Cashflow from Investing Activities</b>			
<b>Cash was applied to:</b>			
Payments for property, plant & equipment		2,308,338	641,236
Payments for heritage assets		64,101	77,500
<b>Net Cash (applied to)/from Investing Activities</b>		<b>(2,372,439)</b>	<b>(718,736)</b>
<b>Cash flow from Financing Activities</b>			
<b>Cash was provided from:</b>			
Proceeds from borrowings		-	-
<b>Cash was applied to:</b>			
Repayment of borrowings		4,042,136	1,661,493
<b>Net Cash (applied to)/from Financing Activities</b>		<b>(4,042,136)</b>	<b>(1,661,493)</b>
<b>Net Increase/ (Decrease) in cash held</b>		<b>(3,058,839)</b>	<b>1,087,927</b>
<b>Opening Cash Balance</b>		<b>4,330,377</b>	<b>3,242,450</b>
<b>Closing Cash Balance</b>		<b>1,271,538</b>	<b>1,087,927</b>
Represented by:			
<b>Cash and Cash Equivalents</b>	7	<b>1,271,538</b>	<b>4,330,377</b>

The accounting policies and notes to these financial statements form part of, and should be read in conjunction with these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 June 2015****1. Statement of Accounting Policies****Reporting Entity**

The Museum of Transport and Technology Board is an entity established under the Museum of Transport and Technology Act 2000 which came in force on 1 April 2000. The Board has been established exclusively for charitable purposes. The museum registered as a charitable entity under the Charities Act 2005 on 30 June 2008, registration number CC30945. It is also a public entity as defined by the Public Audit Act 2001.

The Museum is spread over the two geographical sites at 805 Great North Road, and Motions Road, Western Springs, Auckland.

MOTAT's goal is to move away from being a museum that predominantly focuses on its objects to an institution that uses its collection and its focus on Kiwi ingenuity, transport, technology and the associated stories in a creative and interactive way that motivates and inspires the innovators of tomorrow. By doing this MOTAT will provide a multidimensional experience that its visitors will find rewarding and will make them want to return for more on a regular basis.

The financial statements were authorised for issue by the Museum of Transport and Technology Board on the date as evidenced as signed on the statement of financial position. Once issued, members of the Board do not have the power to amend these financial statements.

**Statement of compliance and basis of preparation**

For financial reporting purposes, The Museum of Transport and Technology Board is considered a public sector Public Benefit Entity. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand. They comply with Tier 2 Public Benefit Entity Standards (PBE Standards) that have been authorised for use by the External Reporting Board. The entity is able to and has elected to apply Tier 2 PBE Standards on the basis that it does not have public accountability and it is not considered large. In preparing these financial statements, the Board has taken advantage of all applicable Reduced Disclosure Regime (RDR) disclosure concessions. These are the first financial statements prepared under Tier 2 PBE Standards.

The Financial Statements are prepared in accordance with the Museum of Transport and Technology Act 2000 and include results of the Board for the year ended 30 June 2015.

The financial statements are presented in New Zealand dollars rounded to the nearest dollar.

The Measurement Base adopted is that of historical cost, except for specific policies outlined below that adopt fair value accounting.

**Change in Accounting Policies**

For the year ended 30 June 2014, the Museum of Transport and Technology Board presented financial statements using NZ IFRS PBE. As required under the accounting standards framework, these have now been restated to PBE Standards. An explanation of the transition to PBE Standards is provided in Note 19.

**Summary of Accounting Policies**

The following accounting policies, which materially affect the measurement of comprehensive revenues and expenses, cash flows, and items in the statement of financial position of the Board, have been applied. The policies have been consistently applied to all the years presented, except as identified in Note 19.

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## **(a) REVENUE RECOGNITION**

### ***Revenue from non-exchange transactions***

#### ***Levies***

All levy revenue received by MOTAT is in accordance with the MOTAT Act 2000. Levy revenue is recognised as the revenue is received. Previously this was from the seven local bodies, being Auckland City Council, Waitakere City Council, North Shore City Council, Rodney City Council, Papakura City Council, Manukau City Council and Franklin City Council. The councils have amalgamated under Auckland Council who have an Advisory and Management agreement with Regional Facilities Auckland. The levy revenue is now received from the Regional Facilities Auckland.

#### ***Grants and Donations***

Grants and donations are recognised as income when they become receivable unless MOTAT has a liability to repay the grant if the conditions of the grant or donation are not fulfilled. A liability is recognised to the extent that such conditions are unfulfilled at the end of the reporting period.

#### ***Rent Donation***

The land on which MOTAT operates is leased at subsidised rates from the Auckland Council. The rent donation is not directly received in cash by MOTAT and equates to the deemed expense for using the land. This notional income is recognised as income in the period in which MOTAT uses the land.

### **Revenue from exchange transactions**

#### ***Gate Revenue***

Gate admissions are recognised at the time cash is received or an invoice is issued.

#### ***Sale of Goods***

Revenue from the sale of goods is recognised when MOTAT has transferred to the buyer the significant risks and rewards of ownership of the goods.

#### ***MOTAT Mates Passes***

Revenue from the annual pass is recognised monthly, over the period of the membership.

#### ***Interest and Dividend Income***

Interest is recognised in the statement of comprehensive income as it accrues, using the effective interest method. Dividend income is recognised in the statement of comprehensive income when the right to receive payments is established.

## **(b) EMPLOYEE ENTITLEMENTS**

Annual leave is measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned to, but not yet taken, at balance date.

After the completion of five years continuous service an employee, who is under collective agreement with The Northern Amalgamated Workers Union, shall receive a special one off additional holiday of 5 days.

## **(c) RENT EXPENSE**

The property from which the MOTAT operates is owned by the Auckland Council. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense recognised in the period that MOTAT uses the land.

#### **(d) PROPERTY, PLANT & EQUIPMENT**

Property, Plant and Equipment are initially stated at cost less accumulated depreciation and accumulated impairment losses as outlined below. Maintenance costs are recognised as an expense as incurred in the statement of comprehensive income.

##### ***Depreciation***

Depreciation is provided on a straight line basis on all Property, Plant and Equipment at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Depreciation is recognised and charged to the statement of comprehensive income.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Furniture and Fittings	20%
Leasehold Improvements	3%
Motor Vehicles	10%
Computers and Software	40%
Plant & Equipment	17.5%

Redevelopment costs relate to costs incurred in the planning stage of the redevelopment of MOTAT 2 and other ongoing projects. Costs incurred to date represent work in progress and therefore have not been depreciated. Once the asset becomes available for use, the costs associated to that asset will be transferred to the appropriate asset category and depreciated accordingly. Any redevelopments in progress that are abandoned are written off.

##### ***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 MOTAT and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

Donated assets are recorded at fair value less any impairment costs.

##### ***Disposals***

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the statement of comprehensive income.

##### ***Impairment***

All items of property, plant and equipment owned by MOTAT have been deemed by the board to be non-cash generating as the primary objective for holding those assets is not to generate a commercial return.

All items of property, plant and equipment including collection assets are reviewed to identify any indicators of impairment at each balance date. Where there is an indicator of impairment the asset's recoverable service amount is measured, being the higher of the asset's fair value less costs to sell and value in use. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount.

Value in use is the present value of the asset's remaining service potential. Fair value is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties.

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If an asset's carrying amount exceeds its recoverable service amount, the asset is impaired and the carrying amount of the asset is reduced to its recoverable service amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of comprehensive income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of comprehensive income.

Where the asset does not generate cash flows that are independent from other assets, MOTAT estimates the recoverable amount of the cash generating unit to which the asset belongs.

#### **(e) COLLECTIONS**

MOTAT has an extensive collection acquired over a long period of time. The Board has developed a full register and catalogue of the collection. From this register, all assets with a value in excess of \$5,000 were identified and valued as at 30 June 2010 by appropriate independent experts. This valuation has been accepted by the board as deemed cost. Categories of significant collection assets are revalued by appropriate independent experts on a 3 year rolling basis, with the first cycle having commenced in 2012, and will be subject to an annual assessment for any potential impairment.

The other low value assets in the collection have not been included in the financial statements as the board believes the cost of valuing and reporting these assets outweighs the benefit to the readers of the financial statements.

The cost of acquisition of collection items, or in the case of donated assets the deemed cost of those assets, will be recognised in the statement of financial position.

In the Board's opinion, as the collections tend to have an indefinite useful life and are generally not of a depreciable nature, depreciation is not considered applicable. Collection assets are reviewed annually at balance date by the board and management for indicators of impairment.

#### **(f) INTANGIBLE ASSETS**

##### Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use by MOTAT are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Computer software is a finite life intangible asset and is recorded at cost less accumulated amortisation and impairment losses. It is amortised over 2.5 years on a straight line basis.

#### **(g) INVENTORIES**

Inventories are stated at the lower of cost, using the first in, first out basis and net realisable value. Allowance has been made for deterioration and obsolescence based on age, condition and sale value of the various items.

#### **(h) GST**

All balances are presented net of goods and service tax (GST), except for receivables and payables, which are presented inclusive of GST.

#### **(i) ACCOUNTS RECEIVABLE**

Debtors and other receivables for both exchange and non-exchange transactions are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method less any provision for impairment. A provision for impairment is established when objective evidence

of collection is doubtful. When a debtor is considered uncollectible, it is written-off against the provision.

#### **(j) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash on hand and deposits held at call with domestic banks. Short term investments include highly liquid investments with original maturities of three months or less and which are subject to an insignificant risk of changes in value.

#### **(k) TAXATION**

The Board has been granted charitable status and as such receives an exemption from Income Tax. MOTAT registered as a charitable entity under the Charities Act 2005 on 30 June 2008. MOTAT's registered charity number is CC30945.

#### **(l) CREDITORS AND ACCRUALS**

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

Accruals are made for benefits accruing to employees in respect of wages and salaries, annual leave, and alternative leave when it is probable that settlement will be required and they are capable of being measured reliably. Accruals made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Accruals made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by MOTAT in respect of services provided by employees up to reporting date.

#### **(m) INCOME IN ADVANCE**

MOTAT receives grants from organisations for specific capital projects. Funds are recognised as revenue when the conditions of the contracts have been met. An income in advance liability reflects funds that are subject to conditions that, if unfulfilled, are repayable until the condition is fulfilled. MOTAT Mates annual pass income in advance represents unearned receipts as noted in note 1(a).

#### **(n) LEASES**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Operating lease payments are recognised as an expense in the statement of comprehensive income.

#### **(o) STATEMENT OF CASH FLOWS**

The following are the definitions of the terms used in the statement of cash flows:

1. Cash is considered to be cash and cash equivalents.
2. Operating activities include cash received from all income sources and cash payments made for the supply of goods and services that are not investing or financing activities.
3. Investing activities are those activities relating to acquisition and disposal of non-current assets.
4. Financing activities include activities that change the equity and debt capital structure.

#### **(p) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

In preparing these financial statements MOTAT 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 areas where the most critical estimates and assumptions apply are in relation to:

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Valuation of Collection assets – whereby independent valuers are used to estimate fair values (refer note 8b).

Depreciation – whereby management makes an estimate of the useful lives of depreciable assets (refer policy d).

#### **(q) FINANCIAL INSTRUMENTS**

Financial instruments are recognised in the statement of financial position when the entity becomes party to a financial contract. They include cash balances, bank overdrafts, receivables, payables, investments in and loans to others, and term borrowings.

##### ***Receivables and Payables***

Receivables and payables are initially recorded at fair value and subsequently carried at amortised cost using the effective interest method. Due allowance is made for impaired receivables (doubtful debts). The resulting carrying amount for receivables is not materially different from estimated realisable value.

##### ***Borrowings***

Borrowings (comprising the RFA loan, ASB Bank loan and traction engine engine loan) are initially recorded at fair value net of transaction costs incurred, and subsequently at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the borrowings or, where appropriate, a shorter period, to the net carrying amount of the borrowings.

Borrowings are classified as current liabilities unless MOTAT has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Borrowing costs are capitalised over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of Comprehensive Income.

##### ***Derivative financial instruments***

The Museum uses derivative financial instruments (interest rate swaps) to manage its exposure to interest risks arising from borrowings. The interest rate swaps convert certain variable interest rate borrowings to fixed interest rates reducing the exposure to fluctuations in floating interest rates.

Such derivative financial instruments are carried at fair value. Any resulting gain or loss on remeasurement is recognised in the Statement of Comprehensive Income. The fair value is the estimated amount that the Museum would receive or pay to terminate the swap at the Statement of Financial Position date, taking into account current interest rates and the current creditworthiness of the counterparties to the swap.

MOTAT does not undertake speculative trading transactions or hold derivative financial instruments for trading purposes.

## 2. GRANTS & DONATIONS

<b>Grants</b>	<b>2015</b>	<b>2014</b>
Donated Collection Assets	174,401	25,000
Ministry of Education Grant	135,099	135,099
Air New Zealand	-	86,957
Trillian Trust	15,000	-
New Zealand Lottery Board	156,691	185,614
New Zealand Communities Trust	15,000	-
Other Donations & Grants	2,372	833
	<b>498,563</b>	<b>433,503</b>

## 3. OTHER OPERATING INCOME

	<b>2015</b>	<b>2014</b>
Gate and Tram Admission	1,179,949	1,102,161
Hirage, Events and Functions	245,448	240,493
Other income	25,107	53,967
Shop Sales	243,774	215,325
	<b>1,694,279</b>	<b>1,611,945</b>

## 4. DEPRECIATION EXPENSE

	<b>2015</b>	<b>2014</b>
Leasehold Improvements	1,035,070	1,032,777
Furniture and Fittings	19,877	25,177
Vehicles	12,305	14,148
Computers and Software	53,382	81,667
Display Equipment	10,842	10,493
Plant & Equipment	91,372	105,950
	<b>1,222,847</b>	<b>1,270,212</b>

## 5. OTHER EXPENSES

	2015	2014
Acquisitions - library	2,356	936
Amenities	6,061	5,230
Audit	41,000	41,000
Bank /Merchant + EFTPOS Fees	32,663	41,107
Board - associated/remuneration	156,382	165,001
Catering & Functions	114,284	74,554
Conservation	41,528	49,876
Consultancy/ Legal Fees	352,290	556,648
Cost of Shop Sales	116,525	100,674
Courier/Postage	15,440	14,547
Research Database	9,535	9,859
Energy / Fuel	183,792	163,983
Events/ Exhibitions/Signage	1,046,789	779,356
Expendable Programme Resources	4,990	2,305
Fees, subscriptions, permits & licences	61,658	69,382
Fixed Assets Expenses (<\$500)	5,286	7,207
Insurance - premiums	179,969	286,861
Internet Connection/ IT Support	317,434	138,103
Leases - Equipment	-	-
Loss on Disposal	46,000	57,500
Maintenance expenses	955,426	928,984
Travel/ Accommodation/Vehicle Hire	36,141	17,664
Miscellaneous expenses	3,178	21,351
Marketing	387,719	290,045
Off-site Storage	449,761	434,429
Payroll/Staff, Stakeholder Care/Development	406,188	339,008
Care/Development	2,905	452
Photocopying & Printing/Stationery	67,217	52,963
Promotions	3,007	4,810
Publications Costs	14,741	23,143
Rates - land/water	54,281	67,075
Redevelopment expenses	126,293	151,975
Restoration Expenses	678,315	894,512
Safety/Security	388,871	406,490
Subscriptions/Memberships	77,581	67,304
Telephones	62,748	56,857
	<b>6,448,353</b>	<b>6,321,191</b>

## 6. INCOME IN ADVANCE

These reserves consists of grants received for a specified purpose which have yet to be expended

	2015	2014
New Zealand Lottery Board	191,025	107,917
New Zealand Community Trust	-	15,000
Other	18,787	1,645
MOTAT Mates Annual Pass Liabilities	95,009	97,533
	<b>304,821</b>	<b>222,095</b>

## 7. CASH AND CASH EQUIVALENTS

	2015	2014
Cheque Account	274,292	69,900
Business Saver Account	989,871	1,753,612
Short Term Investment	-	2,500,000
Imprest Account	7,375	6,865
Total	<b>1,271,538</b>	<b>4,330,377</b>

Cash and Cash Equivalents include items that have a maturity date of less than 3 months and other liquid items such as cash floats. The utilisation of these funds is for the day to day operations of the museum.

## 8A) PROPERTY PLANT AND EQUIPMENT

### MUSEUM OF TRANSPORT & TECHNOLOGY

#### Property Plant and Equipment for the Year Ended June 2015

	Building & Leasehold improvements 2015 (\$)	Redevelopment Costs 2015 (\$)	Furniture & Fittings 2015 (\$)	Motor Vehicles 2015 (\$)	Computer Hardware 2015 (\$)	Display Equipment 2015 (\$)	Plant & Equipment 2015 (\$)	Total 2015 (\$)
Opening Balance 1 July	28,181,199	843,016	67,459	71,502	171,623	72,454	331,992	29,739,247
Add: Additions during the year	1,715,946	-	29,903	-	116,545	7,500	223,524	2,093,418
Less: WIP Transfer from	-	843,016	-	-	-	-	-	843,016
Add: WIP Transfer to	843,016	-	-	-	-	-	-	843,016
Less: Disposal during the year	-	-	-	-	-	-	-	-
Less: Depreciation	1,035,070	-	19,877	12,305	53,382	10,842	91,372	1,222,847
Closing balance 30 June	29,705,091	-	77,486	59,197	234,785	69,112	464,144	30,609,816
Reconciled to:								
Cost	35,298,854	-	467,263	161,467	1,083,703	149,513	1,479,889	38,640,689
Less: Accumulated depreciation	5,593,763	-	389,777	102,270	848,917	80,401	1,015,745	8,030,874
Net Book Value	29,705,091	-	77,486	59,197	234,785	69,112	464,144	30,609,816

	Building & Leasehold improvements 2014 (\$)	Redevelopment Costs 2014 (\$)	Furniture & Fittings 2014 (\$)	Motor Vehicles 2014 (\$)	Computer & Software 2014 (\$)	Display Equipment 2014 (\$)	Plant & Equipment 2014 (\$)	Total 2014 (\$)
Opening Balance 1 July	29,020,093	320,342	86,703	85,650	158,647	70,647	370,997	30,113,079
Add: Additions during the year	147,184	678,544	5,933	-	42,425	12,300	66,945	953,332
Less: WIP Transfer from	-	98,918	-	-	-	-	-	98,918
Add: WIP Transfer to	46,699	-	-	-	52,219	-	-	98,918
Less: Disposal during the year	-	56,951	-	-	-	-	-	56,951
Less: Depreciation	1,032,777	-	25,177	14,148	81,667	10,493	105,950	1,270,212
Closing balance 30 June	28,181,199	843,016	67,459	71,502	171,623	72,454	331,992	29,739,248
Reconciled to:								
Cost	32,739,893	843,016	437,359	161,467	967,158	142,013	1,256,366	36,547,273
Less: Accumulated depreciation	4,558,694	-	369,900	89,965	795,535	69,559	924,373	6,808,026
Net Book Value	28,181,199	843,016	67,459	71,502	171,623	72,454	331,992	29,739,247

The amount of Borrowing costs capitalised during the period is \$Nil (2014-\$Nil).

#### Impairment

Management and the Board have reviewed all fixed assets at the balance date and have not identified any indicators of impairment. That being the case, the Board is satisfied that there have been no fixed assets that have suffered impairment during the year.

## 8 b) COLLECTION ASSETS

Current Year (2014/2015)

	Rail	Aviation & Aviation Engines	Steam	Road	Village building contents and Textiles	Village Buildings	Trams	Telecoms & Computers	2D Works	Audio visual	Military & Medals	Printing, Library and Agriculture	Total
	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)
Opening Balance 1 July 2014	3,208,000	4,941,950	5,600,000	2,127,000	258,850	3,596,000	2,240,000	120,000	-	-	431,500	1,672,025	24,195,325
Add : Revaluation Gains	-	501,500	830,000	871,000	-	-	1,220,000	158,000	-	-	89,000	-	3,669,500
Add : Additions during the year	-	-	-	-	-	-	-	-	6,000	65,000	103,401	-	174,401
Less : Disposals	-	-	-	36,000	-	-	10,000	-	-	-	-	-	46,000
Closing balance 30 June 2015	3,208,000	5,443,450	6,430,000	2,962,000	258,850	3,596,000	3,450,000	278,000	6,000	65,000	623,901	1,672,025	27,993,226
Reconciled to :													
Opening Balance 1 July 2014	3,208,000	4,941,950	5,600,000	2,127,000	258,850	3,596,000	2,240,000	120,000	-	-	431,500	1,672,025	24,195,325
Net Changes during the year	-	501,500	830,000	835,000	-	-	1,210,000	158,000	6,000	65,000	192,401	-	3,797,901
Net Book Value	3,208,000	5,443,450	6,430,000	2,962,000	258,850	3,596,000	3,450,000	278,000	6,000	65,000	623,901	1,672,025	27,993,226

Previous Year (2013/2014)

	Rail	Aviation	Steam	Road	Village building contents and Textiles	Village Buildings	Trams	Telecoms	2D Works	Audio visual	Military	Printing, Library and Agriculture	Total
	2014 (\$)	2014 (\$)	2014 (\$)	2014 (\$)	2014 (\$)	2014 (\$)	2014 (\$)	2014 (\$)	2014 (\$)	2014 (\$)	2014 (\$)	2014 (\$)	2014 (\$)
Opening Balance 1 July 2013	3,208,000	4,415,950	5,600,000	2,125,500	258,850	3,617,000	2,240,000	120,000	-	-	359,500	1,672,025	23,616,825
Add : Revaluation Gains	-	531,000	-	500	-	-	-	-	-	-	72,000	-	603,500
Add : Additions during the year	-	-	-	32,500	-	-	-	-	-	-	-	-	32,500
Less : Impairment	-	5,000	-	31,500	-	21,000	-	-	-	-	-	-	57,500
Closing balance 30 June 2014	3,208,000	4,941,950	5,600,000	2,127,000	258,850	3,596,000	2,240,000	120,000	-	-	431,500	1,672,025	24,195,325
Reconciled to :													
Opening Balance 1 July 2013	3,208,000	4,415,950	5,600,000	2,125,500	258,850	3,617,000	2,240,000	120,000	-	-	359,500	1,672,025	23,616,825
Net Changes during the year	-	526,000	-	1,500	-	21,000	-	-	-	-	72,000	-	578,500
Net Book Value	3,208,000	4,941,950	5,600,000	2,127,000	258,850	3,596,000	2,240,000	120,000	-	-	431,500	1,672,025	24,195,325

Historically, collection assets have represented all assets under MOTAT ownership that have been assessed as having a significant value. A large number of collection assets have previously been excluded from the financial statements as their collective value was not thought to be large. A new strategy has been put in place commencing in the 2015 financial year, to incorporate and value the remaining non-valued collection holdings, many of which had been identified during the digitising project. In 2014-2015, assets were recognised for the first time in the following collection areas:

1. Aviation – Engines only (26 objects)
2. Medal Collection including military, aviation and fire and rescue (119 objects)
3. Computing (4 objects)
4. Audiovisual (1 object)
5. 2D Works (3 objects)

In addition to the above collection areas being added for valuation in FY 2014-2015 there were items added to the existing valued collection areas:

1. Bus Collection (8 added vehicles)
2. Fire and Emergency (15 added vehicles including all ambulances)

3. Road Transport – motorbikes only (14 vehicles added including all scooters)
4. Steam and Engineering (3 items added)
5. Tramways (11 items added)

The new collection areas and additional objects recognised for the first time in the 2015 financial year have added almost \$4 million in additional value to the collection.

During the year rolling valuations of collection assets, and valuations of those assets recognised for the first time, were performed by the following valuers and on the following bases:

- Webb’s valuation services re-valued, using current market value, the following collection areas (numbering 149 objects): Motorcycles, Buses, Fire Engines, Steam and Trams on 19 May 2015.
- Premi-Air Aviation Limited valued, using current market value, the Aircraft engines collection area as at 15 September 2015, but has been used for the year ended 30 June 2015 as it is not considered to be materially different had it been undertaken at balance date.

Collection assets are valued based on an estimated market value being the amount for which an asset is likely to be exchanged between a willing buyer and willing seller in an arms length transaction. The very limited and specialised market for these assets means that, in most instances, there are few transactions on which a value can be reliably based. The recorded values are therefore the best estimates of the valuers based on their knowledge of transactions of similar assets.

Collection assets not recognised in these financial statements have been considered by the board to have values that are not significant in comparison to the total value of the collection that has been recorded. Assets not currently recorded in the financial statements have no reliable information on which a valuation can be based.

## 9. CREDITORS AND ACCRUALS

	2015	2014
Trade Creditors	619,076	879,871
Sundry Creditors	680,922	568,245
Employee Entitlements - Holiday Pay	218,870	180,607
	<b>1,518,868</b>	<b>1,628,723</b>

## 10. LOAN

<b>Current</b>	<b>2015</b>	<b>2014</b>
ASB Loan	-	1,600,000
Interest rate swap liabilities	-	27,885
Secured RFA Loan	67,798	64,567
Hire Purchase	7,221	-
Traction Engine Loan	70,000	70,000
<b>Non current</b>	<b>2015</b>	<b>2014</b>
ASB Loan	-	2,400,000
Secured RFA Loan	895,359	963,157
Hire Purchase	15,211	-
Traction Engine Loan	50,040	114,141

MOTAT has a loan from Regional Facilities Auckland which is secured by first mortgage over the lease of MOTAT’s land. This loan was renegotiated with effect from 1 July 2003 at an interest rate of 5% p.a. MOTAT will repay the loan in monthly instalments of \$9,663 (\$115,956 per year consisting of principal and interest) for a period of 22 years.

The hire purchase relates to the lease of a forklift. Security is held by the lessor over the leased assets.

MOTAT had a loan with ASB Bank Limited, which was repaid in full during the year. Loan principal repayments were made during the year totalling \$1,600,000 (2014: \$1,600,000).

During the year ended 30 June 2013 MOTAT purchased two traction engines with payment being deferred over five years. Repayments of the vendor loan will be \$70,000 each year with final repayment being in 2017. The loan is interest free and unsecured.

<b>11. Projects reserve</b>	<b>2015</b>	<b>2014</b>
DC3 NAC Repaint Reserve	1,350	1,350
Engineers Cottage Reserve	11,932	11,932
KA & LA Locomotives	9,390	9,390
Lancaster Restoration	133,009	132,809
Mosquito Restoration	2,000	2,000
Stewart Family Memorial Trust	7,500	7,500
Tram #17 Fund	10,397	10,034
	<b>175,578</b>	<b>175,015</b>

Funds are collected for various restorations and other projects that the Museum undertakes from time to time. These funds have been previously collected and recognised by the Museum in the project reserve account until they are utilised on the intended project. Further funds received and expenditure incurred are recognised through the statement of Comprehensive Income as Revenue and Expenditure and the related net surplus is transferred between the project reserve and retained earnings.

## 12. LEASE COMMITMENTS

All significant operating lease commitments relate to:

- Rental of off-site storage facilities with a right of renewal from 1 August 2018 to 31 July 2021.

Non-cancellable operating lease rentals are payable as follows:

	<b>2015</b>	<b>2014</b>
Not later than one year	393,030	370,754
Later than one year and not later than five years	888,660	51,192
Later than five years	-	-
<b>Total</b>	<b>1,281,690</b>	<b>421,946</b>

## 13. AUDIT FEES

	<b>2015</b>	<b>2014</b>
RSM Hayes Audit:		
– Audit of financial statements and statement of service performance	41,000	41,000
– Loan staff assistance	1,975	-

#### 14. CONTINGENCIES AND CAPITAL COMMITMENTS

As at 30 June 2015 MOTAT had no capital commitments. As at 30 June 2014, a commitment in respect of the Pioneers of Aviation project of \$1,367,660 existed.

At balance date there were no known contingent liabilities (2014: Nil)

#### 15. RELATED PARTIES

MOTAT has a loan from the Regional Facilities Auckland of \$1,027,725 (Current portion: \$67,798, Noncurrent portion: \$895,359). This is being repaid as per the agreement terms. The total interest paid on the loan during the year was \$51,386 (2014: \$54,461). MOTAT also received levies from the Regional Facilities Auckland of \$11,987,000 (2014: \$11,695,000). The Regional Facilities Auckland are considered related due to their ability to appoint board members.

During the year, work was undertaken by Colonial Ironworks Company Limited, a director of whom was also a MOTAT Collection Manager. The value of work during the year was \$2,956.65 (2014 - \$27,274). Balance outstanding at year end \$Nil (2014 - \$Nil)

During the year, work was undertaken by Kerry Jimson, who is a partner of a MOTAT employee. The value of work during the year was \$58,769.20 (2014 - \$23,105). Balance outstanding at year end \$Nil (2014 - \$Nil).

During the year, work was undertaken by Freds Panel Shop, who is a relative of a MOTAT employee. The value of work during the year was \$5,855.00 (2014 - \$Nil). Balance outstanding at year end \$Nil (2014 - \$Nil).

During the year, work was undertaken by Bruce Mai, who is a MOTAT employee. The value of work during the year was \$208.16 (2014 - \$75). Balance outstanding at year end \$Nil (2014 - \$Nil).

Key Management Personnel Compensation	2015	2014
<b>Executive Management Team</b>		
Salaries and other short-term employee benefit	805,801	659,531
Other Benefits	-	-
Redundancy payment	-	47,943
	<u>805,801</u>	<u>707,474</u>
Number of persons classified as executive management	5	4
<b>Board Remuneration</b>		
Board fees	169,129	155,332
Number of board member	10	10
<b>Total key management personnel compensation</b>	<u><b>974,930</b></u>	<u><b>862,806</b></u>

Key management personnel include both board and senior management.

The above transactions were on an arms-length basis and the related interests were declared and approved by the Board. Other than the related party transactions identified above, there were no other transactions with related parties including those with key management personnel in the year ended 30 June 2015.

## 16. GOING CONCERN

As at 30 June 2015 the Board operates with general equity of \$52,722,206. The Board has prepared these financial statements on a going concern basis taking into account the ability of the Board in terms of the Museum of Transport and Technology Act 2000 to make a levy against Regional Facilities Auckland for the purposes of funding the Board's activities under the Act. For the year commencing 1 July 2015, the Board has received levies from Regional Facilities Auckland totalling \$12,287,000 (1 July 2014 - \$11,695,000).

Accordingly these financial statements have been prepared with the continued use of the going concern assumption.

## 17. OWNERSHIP OF BUILDINGS

MOTAT has leases for the land it occupies from Regional Facilities Auckland. MOTAT 1 (Great North Road site) has a 21 year lease expiring on 31 August 2027 for an amount of 10 cents per year. MOTAT 2 (Meola Road site, also called Motions Road) has a lease to 28 February 2044, with a right of a renewal for a further 33 years, for an amount of \$1 per year.

The buildings are considered under the control of the MOTAT board who are responsible for their ongoing maintenance and upkeep.

Under the terms of the property lease if MOTAT ceases to exist then the buildings on the site are required to be passed to Regional Facilities Auckland.

## 18. POST-BALANCE DATE EVENTS

The Board has received levies from Regional Facilities Auckland totalling \$12,287,000 for the year commencing 1 July 2015.

## 19. Explanation of the transition to PBE Accounting Standards

The financial statements for the year ended 30 June 2015 are the first annual financial statements prepared in accordance with PBE Accounting Standards. The entity has applied PBE FRS 46 "First-time Adoption of PBE Standards by Entities Previously Applying NZ IFRSs". The entity's transition date is 1 July 2013 and it has prepared its opening Statement of Financial Position under PBE Standards as at that date.

At the date of transition and in the periods disclosed in these financial statements, there has been a reduction in liabilities and an increase in equity as stated below. On transition, historical amounts received for the restoration of certain collection assets previously held as income in advance have been deemed to fall within the definition of income under PBE IPSAS 23 – *Revenue from non-exchange transactions*. At transition date, these amounts have been recognised within equity, with a separate project reserve created to reflect the Board's commitment to only use the donated monies on the projects for which the funds were originally received for. Those funds make up the projects reserve and are separately disclosed in note 11 of these financial statements. Certain other disclosures, such as the splitting of revenue and accounts receivable from exchange and non-exchange transactions, have been made that affect the presentation of both current and comparable figures but do not impact class totals.

	1 July 2013	30 June 2014
Previously reported equity	48,819,156	51,523,619
Income in advance recognised through equity	190,842	175,015
Restated equity	49,009,998	51,698,634
Previously reported surplus		2,100,963
Projects reserve recognised in restoration expenses		(15,827)
Restated surplus		2,085,136



## STATEMENT OF SERVICE PERFORMANCE

### OBJECTIVE 1 – MAXIMISE THE VISITOR EXPERIENCE

We will focus on increasing the number of people we directly and indirectly engage with by ensuring that our exhibitions, events, website and social media are aligned to our Vision. We will do this by:

- Increasing the number and quality of exhibitions and events that use our heritage objects, and focus on Kiwi ingenuity, transport, technology to increase the number of people who visit us on a regular basis.
- Developing education and other learning programmes (based on Kiwi ingenuity, transport, technology and innovation and its impact on New Zealand) that are designed to:
  - a. Appeal to a wide and diverse audience
  - b. Improve their knowledge
  - c. Encourage thinking and debate
  - d. Inspire them to become the innovators of tomorrow.
- Increasing our marketing profile so as to attract more visitors, partners and volunteers to MOTAT and to promote us as the 'must experience' venue in Auckland.



ANNUAL PLAN – OUTPUT/IMPACT	TARGET	ACHIEVEMENT	
<ul style="list-style-type: none"> <li>Develop a comprehensive exhibition programme that is consistent with the museum's vision and includes a major themed exhibition</li> </ul>	<ul style="list-style-type: none"> <li>An exhibition that highlights Kiwi ingenuity, transport, technology or innovation</li> <li>Interactive elements included in the design of the exhibition</li> <li>Technological or digital elements including the design of the exhibition</li> </ul>	<ul style="list-style-type: none"> <li>Achieved – 'Welcome to the Machine' opened on 25 September, 2014. This exhibition was internally developed by the MOTAT team, utilises collection objects and included technological and digital interactives and other elements in its design</li> <li>'Welcome to the Machine' won the Most Innovative Use of Te Reo Maori category at the Service IQ New Zealand Museum Awards in May 2015</li> <li>'The MOTAT Story' exhibition celebrating the history of Motat and the new strategy, opened on 25 September 2014</li> <li>Started on the design and development of 'Get Smart' based on the strategic focus of MOTAT and the associated targets</li> </ul>	
<ul style="list-style-type: none"> <li>Develop a quality experience that extends beyond the physical visit</li> </ul>	<ul style="list-style-type: none"> <li>Implement at least three programmes that expand the impact of the exhibitions beyond the museum's boundaries</li> </ul>	<ul style="list-style-type: none"> <li>Programme One: Kumon Institute</li> <li>Programme Two: View Road School-Teacher Workshop</li> <li>Programme Three: Teddy Bears Picnic in the Western Springs Park</li> </ul>	
<ul style="list-style-type: none"> <li>Develop a quality experience that extends beyond the physical visit</li> </ul>	<ul style="list-style-type: none"> <li>Google analytic results:               <ol style="list-style-type: none"> <li>(1) Increased number of site visits</li> <li>(2) Decrease in Bounce rates</li> <li>(3) Increase in time spent on site</li> </ol> </li> <li>Include questions about MOTAT online in survey tools</li> </ul>	<p>Google analytic results:</p> <ol style="list-style-type: none"> <li>(1) Increased number of site visits - Visitor numbers increased by 26.4% over the last year</li> <li>(2) Decrease in Bounce rates – Bounce rates have decreased by 9.1% The rate increased as more people are visiting MOTAT's site and finding the information they need on the homepage via the events calendar instead of having to go to the pages themselves</li> <li>(3) Increase in time spent on site – time spent on site has decreased by 6.09%. Time spent on site has decreased as people are now finding the site a lot easier to navigate as it is more user friendly and finding the information they need on the home page via the events calendar</li> </ol> <ul style="list-style-type: none"> <li>N/A no online survey was done</li> </ul>	
<ul style="list-style-type: none"> <li>Continue to build online educational content</li> <li>Develop and deliver recreational learning workshops to enhance the overall museum experience</li> <li>Develop and align MOTAT's education programmes to the Vision and the NZ Curriculum and the Ministry of Education's priority areas</li> </ul>	<ul style="list-style-type: none"> <li>Walsh Brothers online project goes live</li> <li>Deliver 3 recreational learning workshops</li> <li>Design, implement and promote 2 new education programmes</li> </ul>	<ul style="list-style-type: none"> <li>First of the Few website went live October 2014.</li> <li>Workshops:               <ol style="list-style-type: none"> <li>1. Arduino Robotics</li> <li>2. 3 Hour Film Festival</li> <li>3. Minecraft Labs</li> </ol> </li> <li>Education:               <ol style="list-style-type: none"> <li>1. Programme One: Wheels, Wheels, Wheels</li> <li>2. Bridge Building &amp; Structures</li> </ol> </li> </ul>	

## STATEMENT OF SERVICE PERFORMANCE

### OBJECTIVE 2 – EMPOWER THE MOTAT TEAM

MOTAT will ensure that it has the right structure and people to achieve the objectives outlined in its Strategy and to ensure that each member of the MOTAT Team embraces the Museum's values, policies and procedures and is prepared to be held accountable and responsible for what they do. In order to achieve this, we will:

- Refine the structures to ensure that the Business Services, Museum Experience and Collection Hubs and their respective teams and individual members' objectives are aligned to the achievement of MOTAT's Vision. This will ensure everyone knows what is expected of them.
- Ensure that each Hub and team works collaboratively with each other and across the Museum as a whole.
- Continue to build and strengthen the working relationships across the MOTAT Team to ensure that the staff and volunteers work together as one team, and towards the achievement of the Vision.
- Incorporate our values into everything we do.
- Provide a safe and enjoyable environment that supports an engaged workforce and a high quality museum experience for MOTAT's visitors.



ANNUAL PLAN – OUTPUT/IMPACT	TARGET	ACHIEVEMENT	
<ul style="list-style-type: none"> <li>Ensure that each section of the museum is appropriately resourced and aligned to the strategy</li> </ul>	<ul style="list-style-type: none"> <li>Progressive introduction of new roles and review of current roles and areas of responsibilities</li> <li>Review and analyse survey information at completion of orientation process and three month health check</li> <li>Develop new performance review format and supporting resources</li> </ul>	<ul style="list-style-type: none"> <li>Additional positions introduced as a result of an Organisation Review:               <ul style="list-style-type: none"> <li>GM - Museum Experience</li> <li>GM - Collection</li> <li>Experience Programme Manager</li> <li>Commercial Manager</li> <li>Collection Operations Coordinator</li> <li>Collection Project Manager</li> <li>Assistant Registrar</li> </ul> </li> <li>Orientations completed and adapted to include information on the Strategy and Collection Care</li> <li>Annual Achievement Review Programme put in place and further adapted for 2015/16</li> </ul>	
<ul style="list-style-type: none"> <li>MOTAT commitment to embracing a safety culture</li> </ul>	<ul style="list-style-type: none"> <li>Monthly meetings with action points completed in timely manner</li> <li>Committee activities reported back to monthly staff Health &amp; Safety meeting</li> <li>Ensure that Health &amp; Safety is discussed in all permanent employee annual performance reviews</li> <li>Dissemination of Health &amp; Safety information included in weekend team briefings each month for weekend employees and volunteers</li> <li>Proactive management of “early return to work” programmes when required</li> <li>Plans developed and circulated on every occasion</li> </ul>	<ul style="list-style-type: none"> <li>Action points completed</li> <li>Monthly H&amp;S committee meetings held and activities reported back to monthly staff H&amp;S meeting</li> <li>H&amp;S discussed in all permanent employee annual performance reviews</li> <li>H&amp;S information included in all weekend team briefings.</li> <li>N/A as was not required during the year</li> <li>Comprehensive safety plans developed and circulated prior to each activity/event/function</li> </ul>	

## STATEMENT OF SERVICE PERFORMANCE

### OBJECTIVE 3 – IMPROVE THE QUALITY OF THE COLLECTION AND ITS CARE

We will use our heritage objects to demonstrate Kiwi technology, transport, ingenuity and innovation and to highlight the associated history, stories and scientific principles.

In order to ensure that our collection is aligned with our Vision we will:

- Implement, communicate and monitor our Collection Policies and Procedures in accordance with the Museums Aotearoa Code of Ethics and ensure that they are aligned to best museum practices.
- Progress our Collection Review Programme by identifying the objects that:
  - a) Are consistent with our Vision and should be retained.
  - b) Are inconsistent with our Vision and should be disposed of.
  - c) Should be acquired as they will facilitate the achievement of our Vision.
- Progress our collection inventory and digitisation project to improve collection information and access to digitised collection items.
- Ensure that our collection objects are cared for in accordance with our Collection Policy.
- Use our collection to enhance and support the visitor experience and the achievement of our Vision.



ANNUAL PLAN – OUTPUT/IMPACT	TARGET	ACHIEVEMENT	
<ul style="list-style-type: none"> <li>Care for the Pumphouse reflect its significant heritage status</li> </ul>	<ul style="list-style-type: none"> <li>Prioritise the detailed condition assessment report for the Pumphouse within the AMP schedule being undertaken by external consultants</li> </ul>	<ul style="list-style-type: none"> <li>Not achieved – Heritage Architect to be engaged to complete this review</li> </ul>	
<ul style="list-style-type: none"> <li>Prepare comprehensive restoration plans for identified collection objects that are supported by the appropriate research and aligned with the MOTAT Vision to seek out sponsorship opportunities</li> </ul>	<ul style="list-style-type: none"> <li>All major restoration projects to have comprehensive restoration plans and identified resources and budget</li> </ul>	<ul style="list-style-type: none"> <li>Achieved – An audit of all the collection restoration/preservation projects being undertaken at MOTAT was completed end of April and 55 projects were identified. Many of the projects go back a number of years and remained unfinished. As at 30 June 16 of the projects have been completed</li> <li>Currently Partnerships Manager position vacant so no progress on sponsorship proposals</li> </ul>	
<ul style="list-style-type: none"> <li>Collection Inventory schedule remains on track</li> </ul>	<ul style="list-style-type: none"> <li>Six monthly report to Lotteries Commission continues to show good progress being made</li> </ul>	<ul style="list-style-type: none"> <li>Achieved – reports submitted to Lottery Grants Board demonstrate good progress</li> </ul>	
<ul style="list-style-type: none"> <li>Increase the proportion of the Collections that are accessible online and to generate high quality digital content</li> </ul>	<ul style="list-style-type: none"> <li>Up to 1,000 objects digitally accessible</li> </ul>	<ul style="list-style-type: none"> <li>Achieved – 1,012 images provided to Vernon for upload to eHive and NZ Museums website</li> </ul>	
<ul style="list-style-type: none"> <li>Align the Museum’s collection with the Vision and Mission</li> </ul>	<ul style="list-style-type: none"> <li>Finalise and commence the implementation of the Framework plan</li> </ul>	<ul style="list-style-type: none"> <li>Achieved – Draft methodology and plan presented to Board in June 2015. Collection Policy approved by Board in May meeting</li> </ul>	
<ul style="list-style-type: none"> <li>Support increased Museum-wide knowledge and understanding of MOTAT Team members in relation to the museum’s collective role as responsible stewards of the collection</li> </ul>	<ul style="list-style-type: none"> <li>All new MOTAT team members participate in orientation</li> </ul>	<ul style="list-style-type: none"> <li>Achieved – training module developed for implementation and provided to P&amp;P for integration into orientation programme</li> </ul>	
	<ul style="list-style-type: none"> <li>Zero instances of damage to objects attributed through careless handling</li> </ul>	<ul style="list-style-type: none"> <li>Not achieved - two instances of damage as a result of mishandling recorded to date (Tram No. 11 2004.309 and the “Flying Flea” 1965.4). The affected areas have been stabilised and/or treated and repaired and the staff member and volunteers involved have been counselled</li> </ul>	

## STATEMENT OF SERVICE PERFORMANCE

### OBJECTIVE 4 – IMPROVE BUSINESS AND COMMUNITY SUSTAINABILITY

MOTAT is of the view that there should be a closer working relationship between Auckland's Arts, Culture and Heritage institutions and local Iwi. Working in a more coordinated, efficient and sustainable way will improve the institutions offering to the Auckland Community and help Auckland become the "world's most liveable city". With this in mind, we will:

- Implement the Asset Management Plan (i.e. the plan for the maintenance or upgrading of MOTAT's buildings and infrastructure) prepared by Beca and align it to the Athfield Plan (i.e. the plan for the replacement of MOTAT's buildings overtime) being developed by Athfield Architects to ensure that the Museum's buildings and infrastructures provide a proper platform for the achievement of the Vision.
- Continue to refine MOTAT's sustainability programmes to reduce the Museum's impact on the environment.
- Continue to prudently and proactively manage MOTAT's finances and other resources.
- Build on the relationship with Ngā ti Whā tua in accordance with the principles of Te Tiriti o Waitangi/ the Treaty of Waitangi.
- Ensure that the principles of Te Tiriti o Waitangi and Māori customs and principles are reflected and acknowledged where possible.
- Continue to build on the relationships MOTAT has with important stakeholders (i.e. the Council, Regional Facilities Auckland and the MOTAT Society), the Western Springs Community and major learning institutions such as Unitec, AUT and the Auckland and Massey Universities.
- Work with Regional Facilities Auckland and Auckland's Arts, Cultural and Heritage institutions on the development of an integrated approach to the enhancement of Auckland's Cultural and Heritage offering.



ANNUAL PLAN – OUTPUT/IMPACT	TARGET	ACHIEVEMENT	
<ul style="list-style-type: none"> <li>Ensure that MOTAT has a long term strategy in place to progressively replace or refurbish MOTAT buildings and infrastructure, develop and efficiently operate the multiple sites</li> </ul>	<ul style="list-style-type: none"> <li>AMP completed</li> <li>Short term plan of work to be completed within the period of the strategy</li> <li>Commence implementation of the Development Plan after receiving budget approval</li> </ul>	<ul style="list-style-type: none"> <li>BECA and MOTAT completed AMP and it is being used to monitor and deal with the museum's buildings</li> <li>The Athfield/Development Plan was finished and the priorities identified. MOTAT has started on the implementation of the quick wins (e.g. pathway and fencing)</li> </ul>	
<ul style="list-style-type: none"> <li>Consider all appropriate opportunities to increase revenue including exploring new revenue streams</li> </ul>	<ul style="list-style-type: none"> <li>Increase commercial revenue to \$410,000 in 2014/15</li> </ul>	<ul style="list-style-type: none"> <li>Achieved. Commercial revenue for 2014/15 was \$472,337</li> </ul>	
<ul style="list-style-type: none"> <li>Exhibitions and Events will continue to appeal to a diverse audience with greater emphasis on attracting sponsorship for specific exhibitions and events (excludes restoration projects)</li> </ul>	<ul style="list-style-type: none"> <li>Increase sponsorship/fundraising funding to \$225,000</li> </ul>	<ul style="list-style-type: none"> <li>Funding from the following was received:  Lotteries Board \$208,500 for ongoing digitisation project  Trillian Trust \$15,000 towards cost of lights for Xmas Lights event  Specialised Lighting Concepts \$8,855 sponsorship towards Get Smart exhibition lighting and display cabinet costs </li> </ul>	
<ul style="list-style-type: none"> <li>Marketing strategies and expenditure continues to enhance 'brand MOTAT'</li> </ul>	<ul style="list-style-type: none"> <li>Increase paying visitor numbers to 270,000</li> </ul>	<ul style="list-style-type: none"> <li>Not achieved but the number of paying visitors increased by 10,000 on the previous year to 244,994</li> </ul>	
<ul style="list-style-type: none"> <li>Ensure that MOTAT develops, implements and monitors compliance of a Security Management System so as to ensure the security of its site, people and collectiond</li> </ul>	<ul style="list-style-type: none"> <li>Complete a review of the current security systems, policies and procedures</li> </ul>	<ul style="list-style-type: none"> <li>New Health &amp; Safety policy put in place. Review of security fencing and cameras started but not fully completed by the end of the year due to budget constraints</li> </ul>	
	<ul style="list-style-type: none"> <li>Commence the development of a Security Management System</li> </ul>	<ul style="list-style-type: none"> <li>Achieved. Development of a Security Management System commenced and implemented</li> </ul>	
<ul style="list-style-type: none"> <li>MOTAT being seen as Environmentally friendly within the immediate neighbourhood</li> </ul>	<ul style="list-style-type: none"> <li>Attend half yearly meeting</li> </ul>	<ul style="list-style-type: none"> <li>Achieved</li> </ul>	
<ul style="list-style-type: none"> <li>Museum wide sustainability practices</li> </ul>	<ul style="list-style-type: none"> <li>2% reduction based on 2012/13 actuals</li> </ul>	<ul style="list-style-type: none"> <li>Not Achieved. Refurbished buildings with new exhibitions focusing on technology have created higher power consumption than anticipated, however other energy saving improvements have been made as part of the AMP and Developmental Plan</li> </ul>	
	<ul style="list-style-type: none"> <li>Maintain current water harvesting methods</li> </ul>	<ul style="list-style-type: none"> <li>Achieved. With further improvements made as part of the AMP and Developmental Plan</li> </ul>	
<ul style="list-style-type: none"> <li>MOTAT working cooperatively with Auckland Zoo, Western Springs Stadium, Western Springs High School and TAPAC to resolve local issues</li> </ul>	<ul style="list-style-type: none"> <li>Meeting with Auckland Zoo, Western Springs Stadium, Western Springs School and TAPAC on a regular basis</li> </ul>	<ul style="list-style-type: none"> <li>Achieved – met with the various Western Spring and other stakeholders (e.g. the AWMM, Auckland Art Gallery, Stardome, and Maritime Museum) throughout the year</li> </ul>	
<ul style="list-style-type: none"> <li>Re-engage and develop a meaningful and mutually beneficial relationship with the local Iwi using the principles of Te Tiriti O Waitangi/ the Treaty of Waitangi in a way that recognises and respects their customary Kaitiaki role</li> </ul>	<ul style="list-style-type: none"> <li>Continue to work with local Iwi to deliver a minimum of 2 Wananga for the MOTAT team</li> <li>Meet with local Iwi at least 2 times to establish on how local Iwi and MOTAT can work together for the common good, the museum's visitors and Tamaki Makaurau/Auckland</li> <li>Establish a Maori Advisory Committee</li> <li>Commence the development of a Maori Partnership Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Achieved - 4 wanangas took place in December 2014 – Business Te Reo - Managers and Employees</li> <li>Partly achieved – Exhibition team worked closely with Ngati Whatua in the development of the Welcome to the Machine exhibition. Meeting with Auckland Council Maori Liaison group ( now called Te Waka Angamua to initiate establishment of the Maori Advisory Group.</li> <li>More informal discussions and meetings have taken place throughout the year reflecting the developing close relationship with Ngati Whatua however due to the informal nature of these meetings has not been presented as evidence but nevertheless worth noting.</li> </ul>	

## Independent Auditor's Report

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Newmarket, Auckland 1023  
T +64 (9) 367 1656  
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### To the readers of Museum of Transport and Technology Board's Financial Statements and Statement of Service Performance For the year ended 30 June 2015

The Auditor-General is the auditor of Museum of Transport and Technology Board (the Museum). The Auditor-General has appointed me, Colin Henderson, using the staff and resources of RSM Hayes Audit, to carry out the audit of the financial statements and statement of service performance of the Museum, on her behalf.

We have audited:

- the financial statements of the Museum on pages 23 to 40, that comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Museum on pages 42 to 49.

### Opinion

In our opinion:

- the financial statements of the Museum:
  - present fairly, in all material respects:
    - financial position as at 30 June 2015; and
    - financial performance and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime; and
- the statement of service performance of the Museum presents fairly, in all material respects, the performance achievements measured against the performance targets adopted for the year ended 30 June 2015.

Our audit was completed on 12 November 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and we explain our independence.

### Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Museum's preparation of the financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control 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 Museum's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

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

### **Responsibilities of the Board**

The Board is responsible for preparation and fair presentation of financial statements for the Museum that comply with generally accepted accounting practice in New Zealand. The Board is also responsible for the preparation of the statement of statement of service performance for the Museum.

The Board's responsibilities arise from Section 25 of the Museum of Transport and Technology Act 2000.

The Board is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the financial statements and statement of service performance, whether in printed or electronic form.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001, sections 24 and 25(3) of the Museum of Transport and Technology Act 2000.

### **Independence**

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

In addition to the audit we have carried out assignments in the areas of sundry accounting advice, including some minor loan staff assistance which was unrelated to the preparation of the financial statements, which are compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with, or interests in, the Museum.

A handwritten signature in blue ink, appearing to read 'C.B. Henderson'.

C.B. Henderson  
RSM Hayes Audit  
On behalf of the Auditor-General  
Auckland, New Zealand

## APPENDIX A: MOTAT BOARD

LINDSAY CORBAN

JAMES DOUGLAS

BRUCE HOWAT

RICHARD JEFFERY

JOHN McELHINNEY

DR LESLEY McTURK  
(CHAIR)

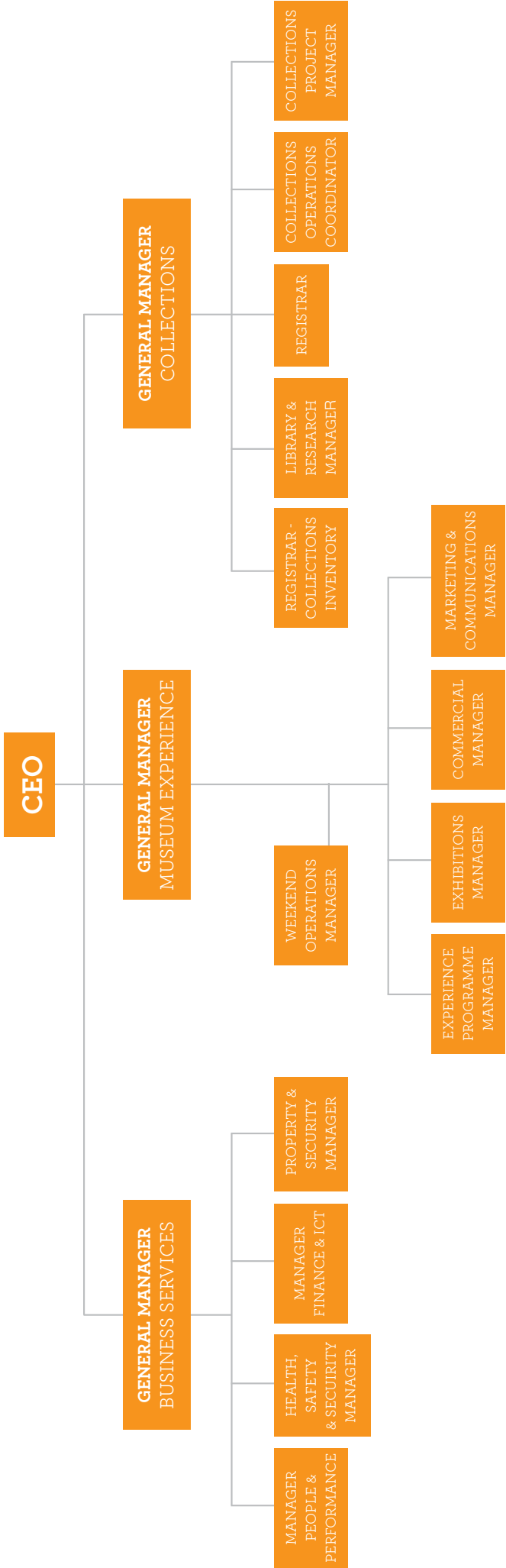
GRAEME OSBORNE

MIKE SPRAGGON  
(DEPUTY CHAIR)

HON. JUDITH TIZARD

VERN WALSH

APPENDIX B: CURRENT ORGANISATIONAL STRUCTURE



## APPENDIX C: CURRENT CEO AND MANAGEMENT TEAM

CEO/Museum Director Michael Frawley

### **BUSINESS SERVICES HUB**

General Manager Robyn Winks

Manager – People & Performance Robyn Winks

Health, Safety & Security Manager Paul Barnett

Manager – Finance & ICT Peter Elderkin

Property & Security Manager Janna Gilligan

### **MUSEUM EXPERIENCE HUB**

General Manager Malcolm Anderson

Weekend Manager Grant Feasey

Experience Manager Brent Hemi

Exhibitions Manager Lucinda Blackley-Jimson

Education Manager Julie Baddiley

Commercial Manager Jeff Morris

Marketing & Communications  
Manager Danielle Dunn

Digital Experience Coordinator Luke Diggins

### **COLLECTION HUB**

General Manager Steven Fox

Registrar – Collections Inventory Belinda Maingay

Curator Belinda Nevin

Library & Research Manager Lucy McClenaghan

Registrar Shae Trewin

Collections Project Manager Peter Fisk

Collections Operations Coordinator Toby Hutton

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## IN APPRECIATION:

There are a number of people and institutions that we would specifically like to thank for their continued support, assistance and advice, namely the MOTAT Society, Regional Facilities Auckland, Auckland Council and Ngati Whatua Orakei. We would also like to pay our respects to the late Sir Ian Athfield (Ath) - his legacy will live on at MOTAT through the implementation of the Athfield Plan.

We would also like to specifically thank Edwards Sound, First Scene Costume and Prop Hire, Rainbow Rascals Face Painting and Phineas Phrog Management for their support and continued support of our Olde Hallow's Eve event, Air New Zealand for their support in relation to our Solent Flying Boat and the Trillian Trust for their support of our MOTAT Nights Christmas Lights event.

Finally we would like to thank the MOTAT employees and volunteers who have contributed not only their knowledge and skills but a lot of their time and energy in helping the Museum achieve its vision.





MUSEUM OF TRANSPORT AND TECHNOLOGY

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