



OTAGO museum



ANNUAL REPORT 2010 - 2011



Credit: Otago Daily Times

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Supreme Award Winner –
Westpac/Otago Chamber
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Excellence Awards



STATEMENT OF PURPOSE

The Otago Museum is a non-profit-making, permanent institution, founded by the people of Otago for the service and development of their community.

The Museum's vision is

“to be an inspirational museum of which the people of Otago and New Zealand are proud”.

To achieve this the Museum has a strong community focus in presenting its products and services and an emphasis on collection care, ensuring the preservation of the heritage of the region.

The mission of the Museum is

“to inspire and enrich our communities, and enhance understanding of the world through our collections, our people and the stories we share”.

The Museum seeks to achieve its mission through preservation, research and education. It acquires, records, researches, conserves, communicates and exhibits material evidence of people, knowledge and the environment for the education, entertainment and inspiration of local communities and visitors. The Otago Museum has three primary areas of focus: culture, nature and science.

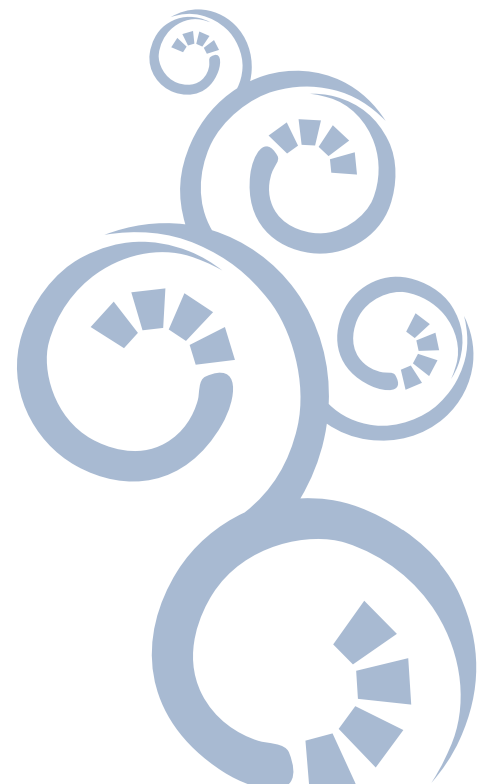
The Otago Museum's Strategic Plan 2011-2014 identifies the following strategic initiatives to be considered over the coming years:

- People and culture
- Collection care
- Depth rather than extended breadth
- Expanding joy
- Strategic capital development
- Demonstrating relevancy
- Responsible operations
- 150th celebration (2018) – initiative considered from 2014

In order to achieve these objectives two key result areas have been determined:

- The Museum is considered a leader in the community offering knowledge, learning opportunities and experiences that are relevant, contemporary, topical, widely accessible and consistently high in quality, as perceived by our communities
- All staff and Board work together to demonstrate effective and positive management of collections, resources and skills

The Otago Museum is proud of its collections and its position as an internationally respected museum. It continues to strive to provide the community of Otago with a comprehensive range of high quality opportunities for a variety of audiences provided through an efficient use of public and self-generated resources.





Credit: Otago Daily Times



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CHAIRPERSON'S FOREWORD



It is my pleasure as Chairperson of the Otago Museum Trust Board to report on a successful year's operation.

I was appointed to the Board and the Chair in February 2011 along with several new members. I would like to recognise my predecessor,

Margaret Collins and the retiring board members for their contribution to Otago Museum over a long period.

Once again Otago Museum has been involved in a number of high profile activities during the year and contributed strongly to our local community. These are outlined in this annual report. We continue to have strong attendances to a wide range of new and exciting exhibitions and the feedback from our visitors is very positive.

From a governance perspective we have been working hard at putting processes in place to ensure the future of Otago Museum is well aligned to the needs of our stakeholders.

We have signed off a revised strategic plan for the period 2011 – 2014 and are looking forward to seeing the implementation of this plan over the next few years.

As we approached the end of our financial year, a significant amount of work was coming to conclusion around the opening of *Te Ao Māori: Māori Treasures from the Otago Museum* in Shanghai. I was delighted to attend the opening ceremonies in Shanghai in July and there is no doubt the quality of this exhibition and the response of our Chinese hosts is significant and a further development in our sister city relationship.

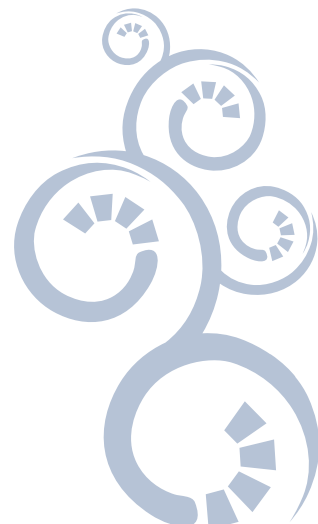
We, like all institutions, are operating in a difficult financial environment at present. We greatly appreciate the support of our contributing local authorities, Central Otago District Council, Clutha District Council, Waitaki District Council and the Dunedin City Council. We are planning to operate in a similar environment for the foreseeable future and are focusing on strategies to produce positive outcomes within our resource constraints.

My appreciation goes to my fellow board members. We are currently settling down as a new board and I appreciate the energy and commitment they bring to Otago Museum.

I would also like to reflect my thanks for the work of the management team and all staff at Otago Museum. The commitment and dedication shown to the institution is significant and most appreciated.

Graham Crombie

Chairperson, Otago Museum Trust Board



CHIEF EXECUTIVE'S REVIEW OF THE YEAR



It has once again been my pleasure to lead the Museum through a highly successful, yet demanding, year. 2010-2011 has been a time of ongoing challenge for the Museum, as it has for many others; our resources have been tightly constrained, with little prospect of this situation being alleviated in the near future. We remain, of course,

committed to inspiring and enriching our community and have continued to make the best of opportunities and new initiatives to ensure that we are doing this as best we can within our resources.

We have sought to enhance our overall revenue streams while allocating our resources with great care. We have done our best to ensure that resourcing constraints have a minimum impact on our visitor experience.

Fortunately, however, there have been many varied initiatives and exciting opportunities that we have been able to harness in the period. I would like to take this opportunity to share some of the highlights.

Following a complex and lengthy process, our application to be able to import 52 new butterfly species into New Zealand was successful towards the end of 2010. This was incredibly exciting for the Tropical Forest, allowing more variety and a greater rate of change.

With Kati Huirapa Runaka ki Puketeraki support we were able to acquire a rare Leopard seal specimen for our collections. The taxidermied mount has formed a stunning centrepiece for a newly added Otago's Ocean section in the Nature Galleries, and the skeleton is being prepared for future articulation.

Our exhibition, *West Africa: Rhythm + Spirit*, was hired for tour to Museum Victoria's Immigration Museum in Melbourne, following its time at Pataka Museum in Porirua. Touring our exhibitions is an opportunity to raise additional revenue, and also raises our profile in other centres.

A further opportunity was identified in RFID technology. This radio frequency identification tagging system will allow enhanced tracking of the location of collection items as well as more efficient storeroom auditing and records management. Following negotiations, we have been selected as Australasia's test site for use of this technology in museums – resulting in an affordable application of a future-looking, resource saving initiative.

The opportunity presented by adaptive re-use of the former Dunedin North Post Office is very exciting. Our plans are well underway and we hope to open a fresh new exhibition space and multi-use venue areas in 2013.

International relationships built over many years have led to exciting outcomes. Two major projects with our sister museums in Dunedin's sister cities of Otago and Shanghai have been progressed in the period. *Contemporary Traditions: Dunedin and Otago Celebrate 30 Years* featured works by Kāi Tahu and Ainu artists, and was displayed in our Special Exhibitions Gallery from August through until November. Substantial progress towards *Te Ao Māori: Māori Treasures from the Otago Museum*, New Zealand has been made in the period. This exhibition is the reciprocal show to be sent to the Shanghai Museum in exchange for their exhibition *The Emperors Dragons: Precious Collections from the Shanghai Museum*, which featured in our Special Exhibitions



Gallery over the 2008-2009 summer. An opportunity for collection development has been identified alongside this; a waharoa (carved gateway) was commissioned to feature in this exhibition as well as forming part of our permanent collection for the future.

Closer to home the exhibitions schedule has had some wonderful highlights. *Your Face Here*, fully developed by our own team, attracted among our highest ever visitor numbers for an exhibition – over 140,000, a truly remarkable achievement. Featuring the story of faces from the points of view of culture, nature and science, *Your Face Here* enabled visitors to capture their own faces and experiment with them in interactive exhibits - including seeing what they might look like as they got older. A generous gift of items from the life of Sir Edmund Hillary (from June, Lady Hillary, along with two items from Peter Hillary and Sarah Hillary) has been given pride of place in what we anticipate will be a long-running display in the cases in our main stairwell. *Sir Edmund Hillary: New Zealander* represents various aspects of Sir Ed's life and work through the iconic objects and their stories. As always we have also featured our annual wildlife photography competition. The 2011 *Otago Wildlife Photography Exhibition* was, as ever, a community favourite.

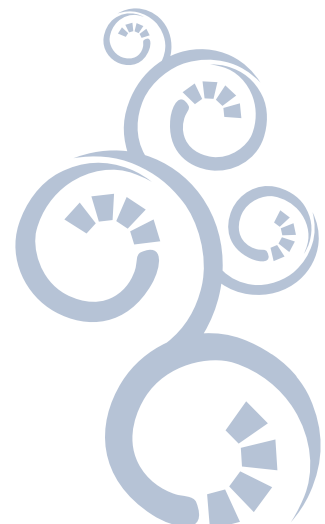
We were proud in the period to reach an important milestone – our first year of operation of the Museum Cafe. Formerly leased out, the Cafe is now able to contribute a much more significant proportion of takings towards the Museum's operational expenditure – important in a time when we are experiencing financial challenge on other fronts. The remainder of our business units continue to strive to make the largest contribution possible. This income from our Shop, Tours, Facilities hire, and other revenue generators is absolutely vital.

Despite the challenges and financial restraints of the past period, the Museum team is in good heart. Working together we have created a new Strategic Plan, which has refreshed and refocused our forward thinking, and put in place new strategic objectives

to strive for. We continue as a team to be optimists – seeing 'the opportunities in every difficulty', as Sir Winston Churchill put it.

Thank you to all who have contributed in 2010-2011. To those who have given freely of their time - our Trust Board, Māori Advisory Committee, Honorary Curators, and interns – your contributions are very much valued. To the inspired and inspiring individuals who make up our team - my sincere gratitude is given; what we are able to achieve together is a marvellous reward for us all.

Shimrath Paul
Chief Executive



OTAGO MUSEUM TRUST BOARD

MEMBERS OF THE BOARD

Mr Graham Crombie (Chairperson)
Mrs Kate Wilson (Deputy Chairperson)
Mr Sydney Brown
Assoc Prof Peter Dearden
Mrs Gaynor Finch
Dr David Hutchinson
Mrs Julie Pearse
Prof Glenn Summerhayes
Mr Colin Weatherall
Dr Jim Williams

Ex Officio

Mr Mike Horne, Deloitte (Treasurer/Accountant)
Ms Lisa Robinson, Deloitte (Deputy Treasurer Accountant)
Mr Shimrath Paul (Secretary)

Executive Committee

Graham Crombie
Kate Wilson
Sydney Brown
Glenn Summerhayes

Audit, Finance and Risk Management Committee

Graham Crombie
Kate Wilson
Gaynor Finch
David Hutchinson

Staffing Committee

Graham Crombie
Sydney Brown
Peter Dearden



AN EXTRAORDINARY GIFT

An selection of personal items belonging to the late Sir Edmund Hillary were received this year from June, Lady Hillary and Peter and Sarah Hillary, Sir Edmund Hillary's children. An undoubted highlight of the year, the 16 personal items were unveiled in November 2010. Part of New Zealand's cultural heritage, the items represent many aspects of the inspiring story of Sir Edmund's life. The gifts, including his personalised mug, and ice axe, his passports and the camera from his famous Everest expedition, are on display in the heart of the Museum – the Atrium foyer and stairwell, where the items make up a small but highly impactful exhibition.

"Fantastic exhibitions. Very helpful and well informed staff! Really great."

A local visitor, December 2010

2 - OTAGO MUSEUM STAFF AS AT 30 JUNE 2011 (excludes Casual Staff)

Amadeo Enriquez BSc	Science Communicator
Amy McCormick BCapSc	Exhibition Officer
Andrew Charlton BSc	Systems Development Coordinator
Anna Millar-Coote BA, LLB	Communicator
Bernard Hamlin BSc	IT Coordinator
Brenda Barron	Building Services Officer
Cameron Burns BA	Communicator
Chris Farry BCom	Finance and Support Services Manager
Christy Ballard BA, MMHS	Collection Officer - Humanities
Clare Wilson BCom, BA, PGDip	Director - Exhibitions, Development and Planning; Director - Collections and Research
Cody Fraser BSc, PGDip	Collection Coordinator - Natural Science
Craig Scott BDes (Com)	Exhibitions Officer
Danielle Hart BSocSc	Communicator
Eleanor Ross BA (Hons), MA	Content Services Coordinator
Eliza Jones BPhEd, BCom	Tourism and Facilities Officer
Liz Marshall BA	Corporate Services Officer
Lizzie Reynolds BTchg	Communicator
Garry Gibson	Production and Projects Officer
Gwendolen Jackson	Café Host
Heather Robertson BA, MSciComm	Education Coordinator
Helen Horner DipTchg (Higher)	Director - Programmes
Iwan Pieterse BCom (Hons)	Accountant
Jemma Milford BSc	Communicator
Jenna Dudley BA, DipGrad	Collection Officer
Jennie Henderson BA (Hons), DipGrad, MA	Communicator
Jessie Bray Sharpin BA	Communicator
Jill Bagley Dip Phty	Communicator
Joel Oldridge BSc	Property Services Coordinator
Juliet Pierce BCom (Hons)	Marketing Coordinator
Katie Topham BA	Visitor Programmes Officer

Lucy Rowe BSc, PGDip, MSc	Research and Interpretation Coordinator - Natural Science
Marilyn Washington	Building Services Officer
Melanie Hamlin	Cafe Coordinator
Shelly Chapman BSc, BFA	Communicator
Moira White MA	Research and Interpretation Coordinator - Humanities
Murray McGuigan BA (Hons), DPH, MA	Living Environments Coordinator
Nikita Turner	Cafe Host - Barista
Rebecca McDowell BA, BTour	Tourism and Facilities Coordinator
Rebecca McMaster BA (Hons)	Design Services Coordinator
Robin Lamont	Shop Communicator
Samanta Luzzi	Shop Communicator
Sarah Byrne BCom	Shop Coordinator
Scott Reeves BA	Collection Coordinator - Humanities
Shanaya Allan	Exhibitions Assistant
Shimrath Paul BSc, MBA, AAT	Chief Executive
Teresa Fogarty BA	Communicator Coordinator
Thom Adams BSc, BA (Hons)	Communicator
Trudi Webster BSc (Hons), MSc	Project Officer - Natural Science
William McKee BA, DipGrad	Communicator





THE BIG GET TOGETHER

Our annual community concert *The Big Get Together* was again a highlight this year. Despite a rainy day, large numbers flocked to enjoy the many acts, events and activities inside the Museum, which included live performances, a caricaturist, a juggling unicyclist and science demonstrations – all free for our community to enjoy. Now in its fifth year, the concert is a great way for the community to gather at the Museum, and is an inspiring and uplifting day for the Museum team.

"Otago Museum is a wonderful example of the way museums should be operating. Interesting, easily accessible, informative, free. The butterfly house is exquisite, as is the Animal Attic."

A visitor from Wellington, January 2011

MEMBERS OF THE MĀORI ADVISORY COMMITTEE

Matapura Ellison – Chairperson
 John Broughton
 Jane Graveson
 Pat Hoffman
 Paulette Tamati-Elliffe
 Moana Wesley
 Koa Whitau-Kean
 Jim Williams

HONORARY CURATORS

Dimitri Anson, PhD	Humanities
Jim Bootten	Maritime
Melville Carr, MSc, PhD, DIC, FNZIC	Philately
Brian Connor, OSTJ, ANZMSI, ANSIST	Medals
Warwick Don, MSc	Entomology
Warren Featherston, MSc, PhD	Natural Science
Robert Hannah, BA, MPhil	Classics
Anthony Harris, MSc	Entomology
Jane Malthus, BHSc, MSc, PhD	Dress and Textiles
Tony Reay, PhD	Geology
Peter Schweigman	Ornithology
Gary Wilson, BSc, BMus, PhD	Natural Science

ACKNOWLEDGEMENTS

Robyn Gordon
 Chrissy Anderson
 Ngaire Broadfoot
 John Broughton
 Wendy Deans
 Joan Gardiner
 Margaret Gardiner
 Peter Hillary
 Sarah Hillary
 James McLean
 Margot Yates
 Daniel Anderson
 Susan Auty
 Department of Conservation
 Frank Kinney

Sponsors of Exhibitions and Programmes and Grants Received

Aurora Energy
 Deloitte
 Dr Marjorie Barclay Trust
 Jack Illot Oral History Trust
 Jonathan's Photo Warehouse
 NZ 2011 Festival Lottery Fund
 Natural History New Zealand Limited
 Otago Daily Times
 Trustees Executors

ASSOCIATION OF FRIENDS OF THE OTAGO MUSEUM

This has been my first year as President of the Friends and I most sincerely thank Deputy President Alan McLay and council members for their support and enthusiastic efforts for the organisation.

Upon his retirement, we were pleased to acknowledge the tremendous contribution which Richard Skinner has so generously made to the Friends, as a member, and his splendid effort on the Trust Board for many years.

A significant triumph has been to resolve to re-establish the position of Patron of the Friends and we are absolutely delighted that John Farry has agreed to the role – thank you John.

Our membership drive resulted in a significant number of new Friends and we hope that our new fees will attract more people – \$60 individual membership, \$100 family membership and \$500 for a decade membership.

Sadly Friends special events failed to draw more than a handful of people in recent years, so we have set up a special Friends' email that will provide news about exhibitions, speakers and events at the Museum. I do hope that you will attend these functions as they are an important opportunity for us to get to know each other within the Friends Association and as a means of supporting the Museum by becoming more directly involved in Museum activities.

Margaret Collins
President

PUBLICATIONS BY OTAGO MUSEUM STAFF 2010-2011

Books and refereed journals:

- Anderson, A., Rowe, L., and Petchey F. 2010. 'Radiocarbon Dates on Desiccated Moa (Dinornithiformes) Flesh from Inland Otago' in *Journal of Pacific Archaeology* 1 (2): 192-194
- Boutsikas, E., and Hannah, R. 2011. 'Ritual and the cosmos: astronomy and myth in the Athenian Acropolis' in *Proceedings of the "Oxford IX" International Symposium on Archaeoastronomy* No. 278: 342-348
- Don, W. 2010. 'The titi project, traditional ecological knowledge and science: a critique' in *Journal of the Royal Society of New Zealand* 40 (2): 39-43
- Kaulfuss, U., Harris, A. C., and Lee, D. E. 2010. 'A new fossil termite (Isoptera, Stolotermitidae, Stolotermes) from the Early Miocene of Otago, New Zealand' in *Acta Geologica Sinica* (English edition) 84 (4): 801-805.
- Lusby, S., Hannah R. and Knight, P. 2010. 'Navigation and Discovery in the Polynesian Oceanic Empire' in *The Hydrographic Journal* 134: 15-25
- Shaw, B., Buckley, H., Summerhayes, G., Anson, D., Garling, S., Valentin, F., Mandui, H., Stirling, C. and Reid, M. 2010. 'Migration and mobility at the Late Lapita site of Reber-Rakival (SAC), Watom Island using isotope and trace element analysis: a new insight into Lapita interaction in the Bismarck Archipelago' in *Journal of Archaeological Science* 37: 605-613



CHRISTMAS CHEER!

The jovial Mr Santa Claus himself spent some time in the Animal Attic to spread the Christmas spirit this year. Visitors were able to have their photo taken with Santa and enjoy activities including face painting, story time with Santa, creating Christmas cards and tree decorations and even making fun reindeer feet for children to walk around on. As well as this, the Museum team once again took part in the annual Dunedin Santa Parade. The Museum float travelled with the parade through the town centre as part of the community celebrations for the festive season, themed to suit the *Your Face Here* special exhibition

"I think your museum is fascinating as there is much opportunity for children's interaction."

A visitor from the UK, June 2011



TROPICAL FOREST

50 new butterfly species can now be imported into New Zealand following the Museum's initiative to add them to the list. The various stages of application and approval were successfully worked through, with greater variety and colours for our visitors to enjoy in the Tropical Forest the result. Visitors had the chance to find out more about some of these new arrivals, which had never been seen before in New Zealand, as they were especially highlighted by Tropical Forest Communicators. The new species are responding well to the conditions of Tropical Forest and visitors are enjoying the additions to this great attraction.

"This place is a fantastic asset to the city. One of the best we have been to around the world."

A visitor from Australia, June 2011

Other publications:

Hannah, R. 2011. 'Arktos' pp. 96-7 in *The Homer Encyclopedia* Volume 1, ed. Margalit Finkelberg. Chichester, West Sussex; Malden, MA: Wiley-Blackwell

Hannah, R. 2011. 'Boötes' p. 142 in *The Homer Encyclopedia* Volume 1, ed. Margalit Finkelberg. Chichester, West Sussex; Malden, MA: Wiley-Blackwell

Hannah, R. 2011. 'Hesperos' pp. 355-6 in *The Homer Encyclopedia* Volume 1, ed. Margalit Finkelberg. Chichester, West Sussex; Malden, MA: Wiley-Blackwell

Hannah, R. 2011. 'Hyades' p. 382 in *The Homer Encyclopedia* Volume 1, ed. Margalit Finkelberg. Chichester, West Sussex; Malden, MA: Wiley-Blackwell

Hannah, R. 2011. 'Orion' p. 613 in *The Homer Encyclopedia* Volume 1, ed. Margalit Finkelberg. Chichester, West Sussex; Malden, MA: Wiley-Blackwell

Hannah, R. 2011. 'Pleiades' p. 675 in *The Homer Encyclopedia* Volume 1, ed. Margalit Finkelberg. Chichester, West Sussex; Malden, MA: Wiley-Blackwell

Hannah, R. 2011. 'Seasons' p. 785 in *The Homer Encyclopedia* Volume 1, ed. Margalit Finkelberg. Chichester, West Sussex; Malden, MA: Wiley-Blackwell

Hannah, R. 2011. 'Sirius' p. 806 in *The Homer Encyclopedia* Volume 1, ed. Margalit Finkelberg. Chichester, West Sussex; Malden, MA: Wiley-Blackwell

Harris, A. C. 2010. 'A nest of *Sceliphron caementarium* (Hymenoptera: Sphecidae) intercepted in Dunedin' in *The Weta* 39: 3-5

Harris, A. C. 2010. 'Book review. Coleoptera: Carabidae, Trechini. Fauna of New Zealand Number 62. Manaaki Whenua Press, Lincoln' in *The Weta* 40: 45-46

Harris, A. C. 2010. 'Halyomorpha halys (Hemiptera: Pentatomidae) and *Protactia brevitarsis* (Coleoptera: Scarabaeidae: Cetoniinae) intercepted in Dunedin' in *The Weta* 40: 42-44

Harris, A.C. 2011. 'Flight enhances versatility'. Ask A Scientist. *Otago Daily Times*, 29 April 2011

Harris, A.C. 2011. 'Many bugs yet to be named'. Ask A Scientist. *Otago Daily Times*, 24 June 2011

Harris, A.C. 2010-2011. 52 weekly articles in the *Otago Daily Times*

Lowrey, S., Fraser, C., Leader, J. and Hodgkinson, I. 2010. 'Colour and polarization signatures of Southland chafer beetles' in *The Weta* 40: 23-26

Malthus, J. 2010. 'Hanging by a Thread. Symposium Report' in *Context* 21: 9-11

Malthus, J. 2010. 'Contemporary traditions. Otago Museum Special Exhibition Gallery 14 August-28 November 2010, Exhibition Review' in *Context* 21: 53-56

Rowe, L. 2010. 'Making things Right' in *The Listener* 16 October 2010: 32-35

Vink, C. J., Hutton, R. W., and Fraser, C. 2011. 'The mysterious Waitetola, type locality of several New Zealand spiders' in *The Weta* 41: 35-37

STATEMENT OF INTENT (ANNUAL PLAN 2011-2012)

The Statement of Intent sets out objectives as at July each year. Performance against targets is measured in terms of timeliness, quality, cost and value. Strategies have been aligned to the achievement of the Museum's mission.

In September 2010 a Strategic Planning Workshop was held to which the Board, staff and representatives from the contributing Local Authorities were invited. In June 2011 a new Strategic Plan for the period 2011-2014 was approved by the Trust Board and adopted. The new Strategic Plan is reflected in this Annual Plan.

Throughout 2011-2012 a focus will remain on the implementation of the Museum's Strategic Plan and as such specific measures relating to the strategic objectives are noted in this Statement of Intent before objectives for each of the Museum's divisions within the organisational structure are identified.

STRATEGIC SUMMARY

Strategic Initiative 1: People and culture

Performance Measures:

- Create an online hub for effective and engaging transfer of information between individuals, teams and the collective which becomes the internal knowledge base, integrating the existing intranet
- Hold an annual culture workshop to establish an action plan for the year
- Update and distribute the staff handbook annually
- Ensure all new staff are supported through a formal, comprehensive induction process
- Implement a performance planning programme for all full and part-time staff, encompassing one formal annual review and two interim reviews
- Develop and implement an annual training plan across the organisation, offering not less than 25 sessions which match in-house and outsourced training opportunities with identified staff needs

Strategic Initiative 2: Collection care

Performance Measures:

- 90% (aim 100%) of artefacts and specimens are housed in conditions appropriate for their type and material to international standards
- Collections are kept safe through the use of effective security measures and internal systems and processes – no damage or theft occurs
- Develop a comprehensive plan for the collection audit and commence implementation
- Develop plan of action for implementing Radio Frequency Identification Devices (RFID) into collection care practices – installing hardware and attaching 1000 tags in testing phase

Credit: Otago Daily Times



A SPECIAL WAHAROA

This Waharoa (gateway) was commissioned by the Museum from James York, a Ngāi Tahu carver, who used the stories of the origin of pounamu to draw inspiration for the piece. The maihi (bargeboards) represent two taniwha who were traditional enemies: Poutini (who guards the South Island's West Coast) and Whātipu (a guardian for Hinehoaka, the atua (deity) of sandstone). The koruru (carved face at the apex of the barge boards) shows Waitaiki, a beautiful woman with whom Poutini fell in love. Tamaahua, Waitaiki's husband, is shown on one of the amo (side panels); the other amo depicts Tumuaki, his slave. As a group, the figures refer to the story of the flight of Poutini and Waitaiki (who Poutini abducted) across the Pacific Ocean, pursued by Waitaiki's husband, Tamaahua.

The Waharoa was commissioned in time for the *Te Ao Māori: Māori Treasures from the Otago Museum* exhibition, travelling to the Shanghai Museum in 2011. It is an important addition to the permanent collection of the Otago Museum.

This is a wonderful museum. We look forward to returning to Dunedin and the Otago Museum in the future."

A visitor from Australia, January 2011



REACHING OUT TO OUR COMMUNITY

From Balclutha, to Lawrence, to Oamaru, Mosgiel and Alexandra, the Otago Museum experience extends well beyond the walls of our Great King Street building. Science shows celebrating 150 years since the discovery of gold as well as the International Year of Chemistry were held at events and museums around the region during the period. Though funding for smaller regional museum support has been unavailable for some years now, we do our best to do what we can, offering resources and advice when possible, as well as a six monthly regional museums gathering that provides valuable networking opportunities and professional development.

This museum is perfect in every possible way. I come often and bring friends and family. I'm nearly 83 and still learning!

A local visitor, November 2010

Strategic Initiative 3: Depth rather than extended breadth

Performance Measures:

- Implement the Research Strategy, seeing not less than two research collaborations in place
- Organise and host a Public Forum before April 2012 to gain community input into Museum exhibitions and programmes

Strategic Initiative 4: Expanding joy

Performance Measures:

- Welcome 300,000 visitors to the Museum
- 90% of visitors satisfied with their experience at Otago Museum as determined by market research measures – all general measures score five or above in quarterly satisfaction survey ten point scale
- Identify one community group before April 2012, make direct contact with them and encourage their participation in Museum activities

Strategic Initiative 5: Strategic capital development

Performance Measures:

- Fundraise for Development Plan projects, making no less than five approaches
- 10 year Capital Development Plan developed and approved by end December 2011

Strategic Initiative 6: Demonstrating relevancy

Performance Measures:

- Present budget and levies from contributing Local Authorities and seek additional funding as required by May 2012
- Maori Advisory Committee meets at least quarterly and actions issues raised – four meetings held per annum
- The Museum is represented in not less than six relevant external committees
- Initiate discussions to establish a Memorandum of Understanding with at least one other like organisation

Strategic Initiative 7: Responsible operations

Performance Measures:

- Identify and implement not less than five initiatives which positively impact the Museum's ability to use resources efficiently or minimise waste

DIVISIONAL SUMMARY

Collections and Research

Nature and Scope: This division covers the areas of research and interpretation as well as collection care, across the natural sciences, science and technology and the humanities. Collections and Research staff are responsible for the development of the collection and for facilitating and undertaking research and interpretation that will add to the knowledge base. This information is also used to generate content for exhibitions, community programmes and other Museum communications.

Key Plans for 2011-2012:

Collections and Research staff will be focussed on implementing positive collection care strategies, undertaking a research and interpretation programme to add value to collection data and to exhibitions, programmes and community knowledge, and contributing to the implementation of the Museum's exhibition programme and development plan projects as appropriate.

Key Objectives for 2011-2012

Develop the Museum's collections and knowledge base

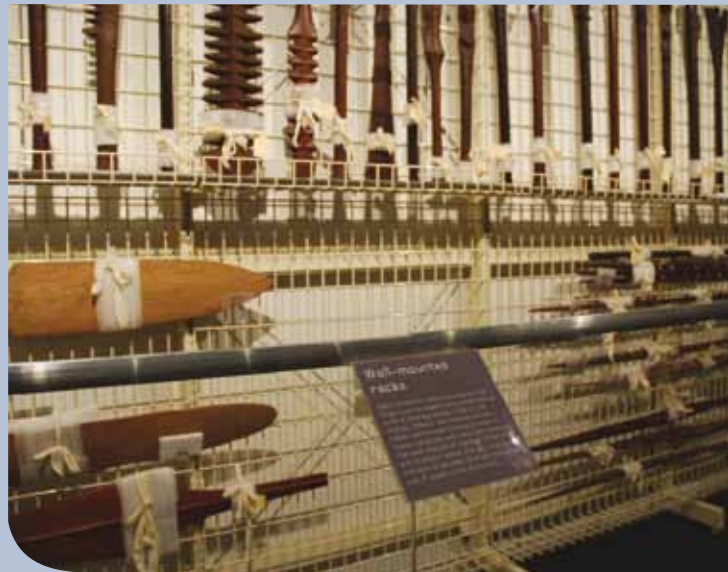
Performance Measures:

- Strategically add to the Museum's collections by exploring opportunities for acquisition in line with the Collection Policy – not less than 10 sought after items added to both natural science and humanities collections
- Add accurate entries into the collection management system to bring the total to 350,000 by June 2012

Share knowledge on Museum collections and themes

Performance Measures:

- Develop content for not less than one exhibition
- Facilitate access to the collections - satisfy 80% of all requests for items and information, in line with Museum priorities
- Satisfy 90% of requests for identification of artefacts and specimens, in line with Museum priorities
- Publish not less than 10 articles



A GLIMPSE BEHIND THE SCENES

The Vault: Neil Pardington, featured photographs of behind the scenes collection and storage areas in museums and galleries throughout New Zealand. This touring show was enhanced especially by our team for its Otago showing, with an exhibition within the exhibition showcasing the 'Otago Museum Vault'. Storage areas were replicated in the gallery, allowing Museum visitors a peek at how collections not on display are cared for and managed. *The Vault* was complemented by a series of programmes allowing visitors an even more in-depth understanding of collection care and management – including collection storage tours and a series of weekend Q+A sessions with members of the Collections and Research team.

"Excellent, friendly staff, interesting and informative."

A visitor from Australia, February 2011



OTAGO'S OCEAN

Otago's Ocean opened in February as a long-term addition to the Nature Galleries.

A celebratory open day was held, with visitors excited to meet Autahi the Leopard seal! Karakia and waiata from the Kāti Huirapa Runaka ki Puketeraki were a special feature of the day, along with film screenings, public lectures and ocean-themed activities. Prior to the celebration, a competition invited contestants to welcome Autahi to the Museum with a drawing of a delicious snack from under the sea. Willem van Plateringen took out the prize, which included the special responsibility of helping to reveal Autahi to the community for the first time on the day.

"A fantastic and beautiful museum. Well done."

A visitor from Australia, July 2010

Visitor Interaction and Programmes

Nature and Scope: This division comprises staff who interface directly with Museum visitors in the day-to-day operation, including Education staff, Community Programmes staff and Communicators working in the Galleries, Search Centre, Discovery World Tropical Forest and at the Information Desk. The research, development and presentation of programmes and public events of a wide variety and the front-line handling of visitor enquiries are the responsibility of this team, as is the operation of the membership programmes.

Key Plans for 2011-2012: This period will see a continued focus on developing and presenting a range of Learning Experiences Outside the Classroom for school students in our community. In addition the Programmes team will concentrate on adding value to the exhibition programme, development plan projects and to the general visitor experience.

Key Objectives 2011-2012:

Encourage community learning through programmes which support the Museum's long term galleries and special exhibitions

Performance Measures:

- Two free family-oriented activities on weekend and holiday days to complement the visitor experience
- One special event or activity on weekend and holiday days to complement the visitor experience
- Six specialist talks presented to the community
- Two programmes presented which support each special exhibition
- Two significant community oriented events developed and delivered
- Five supervised holiday programmes for children in each school holidays
- 20 gallery based presentations with supporting factsheets available
- Four science based shows developed and presented in Discovery World
- Six activities offered which complement Discovery World and Tropical Forest themes and exhibitions
- Four cases developed and displayed in the Museum foyer which engage visitors

Provide formal education programmes for school visitors

Performance Measures:

- 4,700 students participate in formal education programmes achieving satisfaction levels of at least 90% as determined through the evaluation programme undertaken with each teacher
- At least three curriculum-based programmes delivered to school groups

Present a range of outreach programmes (external to the Museum complex)

Performance Measures:

- Present at least 20 STARLAB planetarium programme sessions throughout Otago and Southland

- Develop and offer to present outreach programmes in cooperation with regional museums in Balclutha, Oamaru and Alexandra at least twice a year
- Arrange talks and/or presentations at least five community events or to community groups

Experience and Development

Nature and Scope: This division comprises design, production, and marketing staff and is responsible for the public presentation of exhibits, exhibitions, wayfinding and promotion throughout the Museum complex and all marketing of the Museum via media and advertising channels. The special exhibitions programme is managed, shows are externally sourced or developed working together with staff from across the organisation, and Galleries are maintained and refreshed within an extensive quality control system. This division is also responsible for strategic planning, fundraising, the execution of the development plan, new business opportunities and the management of Otago Museum exhibitions touring to external venues. The tourism and facilities business operation, incorporating the Café, and staff are also within this team.

Key Plans for 2011-2012: Presenting a high profile, attractive special exhibitions programme and keeping the Museum's profile high through effective marketing campaigns will be important in this period. Identifying funding sources and securing contributions toward the Development Plan initiatives and effectively progressing these within the time and resource constraints will be a priority. Maintaining the return from the tourism and facilities business operation and the Museum Café remains a strategic goal.

Key Objectives for 2011-2012:

Source and install a special exhibitions programme

Performance Measures:

- One externally sourced exhibition presented

Design and install an internally-generated exhibition and exhibits

Performance Measures:

- One exhibition produced that may tour to other venues
- Four exhibits refurbished/created for Discovery World which encourage hands-on interaction and learning

Conduct high profile marketing campaigns for exhibitions, programmes and activities

Performance Measures:

- Update and implement a general Marketing Plan for the Museum within budget
- Develop and implement marketing plans for each special exhibition within individual budgets
- Achieve at least 52 news items and 75 paid promotions by June 2012
- Produce and distribute three issues of the Museum's Newsletter



BATTLE OF THE BRAINS

Discovery World's Mindball exhibit aims to test your mind's ability to relax – all you need to concentrate on is concentrating. The only one of its kind in New Zealand, it has proven to be very popular in Discovery World, both as an exhibit and a spectator event. Much like 'table soccer for the brain', the aim is to use your brain's ability to motion the magnetic ball to the opposite end of the table. Contestants attach a headband that senses their brain activity, and as the screen tracks both players' ability to focus their minds, the ball travels to the goal of the most relaxed of the two.

"I am all for getting kids and teenagers involved in museums. Otago proves it works, well done!"

A visitor from Wales, U.K., September 2010



A NEW STRATEGIC PLAN

In September 2010, the full and part-time staff of the Otago Museum relocated to Naseby to create the 2011-2014 Strategic Plan. The Otago Museum Trust Board, along with the Mayors, Deputy Mayors and Chief Executives of the four Contributing Local Authorities were invited to the workshop for front-end input. Here, the team established the strategy forward for the next 4 years. During the process, eight initiatives with tangible goals were developed. The initiatives include: positive development of people and culture, best practice collection care, depth in our research content and community offerings, reaching out to and enabling access for all, capital commitments identified within context and funds raised, communicating relevance and leadership within our community and region and optimal resource management and sustainability in operation.

"This is wonderful! Came here 10 years ago and really wanted to return - loved it all over again."

A visitor from Australia, September 2010

Gain an understanding of community and visitor views through a comprehensive and strategically-focussed market research programme

Performance Measures:

- Complete the visitor satisfaction survey on a quarterly basis and report to Board and staff
- Undertake market research on at least two special exhibitions to gauge community response

Maintain the return to the Museum from the Tourism and Facilities operation

Performance Measures:

- Review the business and marketing strategies with the goal of maintaining the business at the current level

Maintain the return to the Museum from the Museum Cafe operation

Performance Measures:

- Review the business and marketing strategies with the goal of maintaining the business at the current level

Finance, Assets and Commercial

Nature and Scope: This division undertakes the main financial support functions for the organisation, operates the Museum Shop and oversees the administration for all revenue generation areas. The management of the computer resources of the Museum is within this area, with a focus on adding value to systems and processes throughout the business. Property Services focuses on asset development and maintenance, contributing to the successful day to day operation of the Museum and taking responsibility for the security and safety of the total Museum and its visitors.

Key Plans for 2011-2012: Effective administration of management information systems remains a core priority in this period. Ensuring the day-to-day systems administration occurs, minimising downtime and maximising efficiencies through good use of technology will be important. Maintaining the sales and revenue contribution of the Museum Shop will continue to be a focus. Asset management and maintenance, and all aspects of security will be prioritised.

Key Objectives 2011-2012:

Administer management information systems to efficiently provide effective data for decision making

Performance Measures:

- Accurate monthly income and expenditure reports produced on divisional activity

Maintain the return to the Museum from the Shop operation

Performance Measures:

- Review the business and marketing strategies with the goal of maintaining the business at the current level

Ensure that information technology can be used productively within the Museum

Performance Measures:

- Undertake an annual audit of the Museum's information technology resources and recommend improvements

Develop and maintain Museum assets

Performance Measures:

- All asset maintenance requirements carried out and a Building Warrant of Fitness attained

Maintain public spaces to an excellent standard

Performance Measures:

- All public spaces maintained to a high standard and a clean and comfortable environment is achieved throughout the year, as perceived by visitors and expressed through market research – 'clean and comfortable' scores five or above in quarterly satisfaction survey ten point scale



WEST AFRICA: RHYTHM + SPIRIT ON TOUR

West Africa: Rhythm + Spirit, a highlight of the 2009 exhibition schedule at the Otago Museum, has continued to be enjoyed by visitors elsewhere during the period.

The exhibition crossed the Tasman to Museum Victoria's Immigration Museum in Melbourne, following an earlier showing at Pataka Museum of Arts and Cultures in Porirua. Visited by over 45,000 people at Pataka and over 67,000 people in Melbourne, the exhibition's tour greatly increased its audience reach.

Featuring an extensive collection brought together by local collectors Joel and Patricia Vanderburg, *West Africa: Rhythm + Spirit* foregrounded the diversity and flavour of daily life in West Africa. The exhibition was conceptualised and developed through collaboration between the Vanderburgs and the Otago Museum, and included over 250 artefacts, supported by music and contemporary film footage.

"A most excellent museum. We were really impressed with all the exhibits. Dunedin can be very proud."

A visitor from Canada, November 2010



YOUR FACE HERE

Fully conceptualised, developed, written and designed in-house by the Museum team, *Your Face Here* proved very popular with the community, attracting more than 140,000 visitors. As well as being rich in objects and stories, the exhibition included many computer based interactive exhibits, allowing visitors to email their own face creations to themselves at the end of the exhibition and share their images with others through email and social networking. The 'Age your face' station, which allowed visitors to see what they may look like at the age of 72 (with or without factoring sun damage, obesity or smoking), was especially popular. The interactive elements of the show will be featured in Discovery World this summer.

"Superbly laid out - clear labelling, informative yet concise info. Great range of exhibits, loved the moa!"

A visitor from the UK, September 2011

Executive

Nature and Scope: The Executive Office manages relationships with funding agencies, principally the four Contributing Local Authorities. The Chief Executive manages the overall functions of the Museum, matching internal operations with external opportunities, culminating in a high quality, engaging experience being provided for all visitors. The Executive Office is responsible for human resource administration, co-ordinates the Museum's intern and volunteer programmes and provides support services for the achievement of Museum projects and goals.

Key Plans for 2011-2012: Continuing measures to achieve market levels in the Museum pay rates, addressing key issues of recruitment, retention, and staff motivation remains prioritised for this period. Keeping the focus on the Museum's continued development and harnessing opportunities in the marketplace will be important.

Key Objectives 2011-2012:

Develop policy, strategy and operational guideline documents to consolidate, confirm or establish governance, management and operational plans or processes

Performance Measures:

- Put in place a plan for the annual review of policies, strategies and operational guidelines as required by end December 2011

Manage the implementation of the Development Plan

Performance Measures:

- Progress Development Plan as much as possible within resource constraints and subject to limitations of other factors including consultation with and involvement of external groups

STATEMENT OF SERVICE PERFORMANCE 2010-2011

STRATEGIC SUMMARY

NOTE: Where practicable in directly numeric measures, a comparative has been included (last year's figure). This is necessarily applicable only to those measures that were exactly the same in the 2009-2010 Statement of Intent and the 2010-2011 Statement of Intent.

Strategic Objective 1: To develop our culture and capabilities		
PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Develop an intranet, accessible to all on-site staff which holds up-to-date information on the Museum's operations	Intranet is reviewed and kept up to date	Achieved: Intranet accessible daily
Update and distribute the staff handbook annually	Staff handbook is updated and distributed	Achieved: Staff handbook 2010-2011 distributed
Ensure all new staff are supported through a formal, comprehensive induction process	All staff inducted as per induction action list on Otago Museum Central	Achieved: All new staff inducted as per the induction action list on Otago Museum Central
Implement a performance planning programme for all full and part-time staff, encompassing one formal annual review and two interim reviews	Performance planning programme undertaken for all full and part-time staff, encompassing one formal annual review and two interim reviews	Achieved: Performance planning programme undertaken for all full and part-time staff, encompassing one formal annual review and two interim reviews
Develop and implement an annual training plan across the organisation	Not less than 25 sessions which match in-house and outsourced training opportunities with identified staff needs offered	Achieved: 65 sessions offered matching in-house and outsourced opportunities with identified staff needs. <i>Last year: 50</i>
Strategic Objective 2: To continue to evolve and grow		
PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Welcome visitors to the Museum	300,000 people visit the Museum	Achieved: Over 460,000 visitors welcomed. Last year: over 475,000
Organise and host a Public Forum to gain community input into Museum exhibitions and programmes	Before April 2011	Achieved: Public Forum held on 17 March 2011; feedback collated, assessed and replies sent to participants
Strategic Objective 3: To increase engagement and quality of experience for our communities through access to and outreach from the Museum		
PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Ensure visitor satisfaction with Museum experience	90% of visitors satisfied with their experience at Otago Museum as determined by market research measures – all general measures score 5 or above in quarterly satisfaction survey 10 point scale	Achieved: Quarterly statistical visitor satisfaction surveys indicate 100% of visitors satisfied with their experience, with satisfaction scores for all general measures greater than 5/10 in all survey reports
Identify one community group, make direct contact with them and encourage their participation in Museum activities	Identify a community group by April 2011 and commence planning	Achieved: Astronomy Society targeted; connection established to create astronomy themed programmes in partnership with the Society

Strategic Objective 4: To actively care for, protect and develop our collections and physical environment

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
House collections appropriately	90% (aim 100%) of artefacts and specimens are housed in conditions appropriate for their type and material to international standards	Achieved: All storerooms checked regularly by Collection Coordinators; 98.9% of collection items in appropriate conditions for their type and material to international standards
Collections are kept safe through the use of effective security measures and internal systems and processes	No damage or theft occurs	Achieved (no theft occurs): No theft occurred. Not achieved (no damage occurs): 2 incidents involving collection items resulted in extremely minor damage

Strategic Objective 5: To increase our resources and use them wisely

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Present budget and levies from contributing local authorities and seek additional funding as required	By May 2011	Achieved: Budget and levies presented in October 2010; additional funding sought
Generate sponsorship and grant income	Make no less than five approaches for grants and sponsorships	Achieved: 8 approaches made for grants and sponsorships
Implement the fundraising strategy for Development Plan projects	Make not less than five approaches	Not achieved: 1 approach made, resulting in a grant for Nature Gallery development; other Development Plan projects not progressed to the point where limited potential sources of fundraising warrant being applied for

Strategic Objective 6: To build and contribute to productive partnerships and strategic alliances

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Māori Advisory Committee meets at least quarterly and actions issues raised	Four meetings held per annum	Achieved: 6 meetings held
Progress the Hei Tiki exhibition initiative as a precursor to the Te Matapihi project	By June 2011	Achieved: <i>Te Ao Māori: Treasures from the Otago Museum, New Zealand</i> progressed and sent to the Shanghai Museum for exhibition presentation
Museum representation in the wider community	The Museum is represented in not less than six external committees	Achieved: Museum represented in 10 external committees: Otago Polytechnic Communication Design Permanent External Advisory Committee; Otago Chamber of Commerce Board of Directors; Centre for Science Communication Board of Studies; Otago Regional RoboCup Committee; Otago Science and Technology Association (OSTA) Science Fair Committee; Matapihi Advisory Group; Guardians/Kaitiaki of the Alexander Turnbull Library; Shanghai Sister City Committee; Otago Polytechnic School of Art Permanent External Advisory Committee; Otago Institute
Initiate discussions to establish a Memorandum of Understanding with at least one other like organisation	At least one Memorandum of Understanding established.	Achieved: Agreement for staff exchange programme between the Otago Museum and Science Centre Singapore established

DIVISIONAL SUMMARY

Collections, Research and Property Services Key Objectives for 2010-2011

Develop the Museum's collections and knowledge base

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Strategically add to the Museum's collections by exploring opportunities for acquisition in line with the Collection Policy	Not less than 10 sought after items added to both natural science and humanities collections acquired at competitive market rates	Achieved: 25 actively sought after items added to natural sciences and humanities collections.
Develop and implement a Research Strategy	Not less than two research collaborations in place	Achieved: Research Strategy developed and implemented; two research collaborations in place
Add accurate entries into the collection management system	Total of entries brought to 330,000 by June 2011	Achieved: 359,069 records in collection management system. <i>Last year: 334,192.</i>

Share knowledge on Museum collections and themes

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Develop content for exhibitions	Content developed for not less than two exhibitions	Achieved: Content developed for 3 exhibitions
Facilitate access to the collections	80% of all requests for items and information satisfied, in line with Museum priorities	Achieved: 98% of all requests for items and information satisfied
Undertake identification of artefacts and specimens, in line with Museum priorities	90% of all requests for identification satisfied	Achieved: 96% of all requests for identification satisfied
Publish articles	Not less than 10 articles published	Achieved: 15 articles and 8 encyclopaedia entries published. <i>Last year: 18.</i>

Develop and maintain Museum assets

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Maintain the building and assets	All asset maintenance requirements carried out and a Building Warrant of Fitness obtained	Achieved: Building Warrant of Fitness attained in February 2011; all asset and building maintenance requirements carried out

Maintain public spaces to an excellent standard

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
All public spaces maintained to a high standard and a clean and comfortable environment is achieved throughout the year	As perceived by visitors and expressed through market research – 'clean and comfortable' scores 5 or above in quarterly satisfaction survey 10 point scale	Achieved: Quarterly satisfaction surveys indicate visitor satisfaction with cleanliness and comfort of the Museum scoring five or above in all survey reports

**Programmes
Key Objectives 2010-2011:**

Encourage community learning through programmes which support the Museum's long term galleries and special exhibitions

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Family-oriented activities to complement the visitor experience	Two free family-oriented activities offered and weekend and holiday days	Achieved: At least two free family-oriented activities offered on all weekend and holiday days
Special events or activities to complement the visitor experience	One special event or activity on weekend and holiday days	Achieved: At least one special event or activity offered on all weekend and holiday days
Specialist talks presented to the community	Six specialist talks presented	Achieved: 8 specialist talks presented.
Programmes presented which support each special exhibition	Two programmes presented per special exhibition	Achieved: At least 2 programmes presented supporting each special exhibition
Develop and deliver significant community oriented events	Two significant community oriented events developed and delivered	Achieved: The Grand Celebration Day and The Big Get Together developed and delivered
Offer supervised holiday programmes for children in the school holidays	Five supervised holiday programmes offered each school holidays	Achieved: 8 or more supervised school holiday programmes for children offered each school holidays
Gallery based presentations with supporting factsheets available	Twenty presentations and fact sheets available	Achieved: 89 presentations with supporting fact sheets made available to visitors
Science based shows developed and presented in Discovery World	Four science based shows developed and delivered	Achieved: 8 science based shows developed and delivered
Activities offered which complement Discovery World and Tropical Forest themes and exhibitions	Six activities offered	Achieved: 13 activities offered complementing Discovery World Tropical Forest themes and exhibitions
Cases developed and displayed in the Museum foyer which engage visitors	Six cases developed and displayed	Achieved: 6 engaging cases developed and displayed in the Museum foyer

Provide formal education programmes for school visitors		
PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Provide formal education programmes	4,700 students participate achieving satisfaction levels of at least 90% as determined through the evaluation programme undertaken with each teacher	Achieved: 9,595 students participate in formal education programmes, with satisfaction levels of 100%
Deliver curriculum-based programmes	At least three curriculum-based programmes delivered to school groups	Achieved: Curriculum-based programmes <i>Your Face Here, Explorers, Inventors and Collectors</i> and <i>Defence and Attack</i> delivered to school groups
Present a range of outreach programmes (external to the Museum complex)		
PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Present STARLAB planetarium programmes throughout Otago and Southland	At least 30 sessions presented	Achieved: 62 Starlab programme sessions presented throughout Otago and Southland
Develop and offer to present outreach programmes in cooperation with regional museums in Balclutha, Oamaru and Alexandra	Develop and offer to present at least twice a year	Achieved: Outreach programmes on chemistry and gold developed; offers to present made to regional museums in Balclutha, Oamaru and Alexandra
Arrange talks and/or presentations to community events or community groups	At least 5 talks/presentations arranged	Achieved: 8 talks and/or presentations arranged and presented to community groups or community events
Exhibitions, Development and Planning Key Objectives for 2010-2011:		
Source and install a full special exhibitions programme		
PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Externally sourced exhibitions presented	Two externally produced exhibitions presented	Achieved: <i>Aesthetics and Astronomy</i> and <i>Mō Tātou</i> presented
Design and install internally-generated exhibitions and exhibits		
PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Exhibitions produced	Two exhibitions produced, including one that may tour to other venues	Achieved: 4 exhibitions produced, including <i>Your Face Here</i> which may tour to other venues
Exhibits refurbished/created for Discovery World which encourage hands-on interaction and learning	Six exhibits refurbished/created	Achieved: 13 exhibits either created or refurbished in the period
Staircase exhibition installed which highlights the objects within	One exhibition installed	Achieved: <i>Sir Edmund Hillary: New Zealander</i> installed

Conduct high profile marketing campaigns for exhibitions, programmes and activities

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Update and implement a general Marketing Plan for the Museum within budget	By June 2011	Achieved: Marketing Plan updated and implemented by June 2011
Develop and implement marketing plans for special exhibitions	Individual marketing plans implemented for each special exhibition.	Achieved: Marketing plans implemented for each special exhibition
News items and paid promotions	Achieve at least 52 news items and 100 paid promotions by June 2011	Achieved: Over 120 news items and 336 paid promotions by June 2011. <i>Last year: over 77 news items and 174 paid promotions</i>
Museum Newsletter	Four issues produced and distributed	Achieved: Newsletters produced and distributed for Spring, Summer, Autumn and Winter

Gain an understanding of community and visitor views through a comprehensive and strategically-focused market research programme

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Visitor satisfaction survey	Complete on a quarterly basis and report to Board and staff	Achieved: Surveys completed in September, December, February and June; reported to the Board and published on the staff intranet
Undertake market research to gauge community response	Undertake on at least three special exhibitions	Achieved: Surveys conducted for <i>Contemporary Traditions, Finely Furnished, Mo Tatou and Your Face Here</i>

Maintain the return to the Museum from the Tourism and Facilities operation

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Review the business and marketing strategies with the goal of maintaining the business at the current level	Business and marketing strategies are in place; business is maintained at the current level	Achieved: Business and marketing strategies in place, business maintained above current level

Cafe to be operated by the Museum and not leased out

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Review the operations, business outcomes and marketing strategies over the period and bring together all relevant information to carry out a review after having operated the Café for one year	By 30 June	Achieved: Cafe progress reviewed regularly; broader reviews carried out in June 2010 and December 2010

**Finance & Support Services
Key Objectives 2010-2011:**

Administer management information systems to efficiently provide effective data for decision making

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Provide income and expenditure reports on divisional activity	Accurate monthly income and expenditure reports produced on divisional activity	Achieved: Monthly reports produced and distributed to Divisional Directors/Managers

Maintain the return to the Museum from the Shop operation

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Review the business and marketing strategies for the Museum Shop with the goal of maintaining the business at the current level	Business and marketing strategies are in place; business is maintained at the current level	Partially achieved: business and marketing strategies in place; but due to downward turn in the economy trading conditions have not been conducive to growth

Ensure that information technology can be used productively within the Museum

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Undertake an annual audit of the Museum's information technology resources and recommend improvements	Improvements recommended to management team for year ahead by 30 June	Achieved: IT strategy proposals for coming year presented to Resources, Operations and Priorities workshop in April 2011

**Executive Office
Key Objectives 2010-2011:**

Develop policy, strategy and operational guideline documents to consolidate, confirm or establish governance, management and operational plans or processes

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Policies, strategies and operational guidelines developed/reviewed	Two policies, two strategies and eight sets of useful operational guidelines	Achieved: 2 policies, 3 strategies and 8 sets of useful operational guidelines developed/reviewed

Manage the implementation of the Development Plan

PERFORMANCE OUTPUT	PERFORMANCE TARGET/INDICATOR	STATUS
Development Plan progresses	Progress the Development Plan as much as possible within resource constraints and subject to limitations of other factors including consultation with and involvement of external groups	Achieved: Nature Galleries addition Otago's Ocean installed and opened; development plans for the Otago Art Society Building/Formal Dunedin North Post Office progressed



Credit: Otago Daily Times



OTAGO MUSEUM TRUST BOARD FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2011

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**OTAGO MUSEUM TRUST BOARD STATEMENT OF FINANCIAL PERFORMANCE
FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011**

	Notes	2011 \$	Budget \$	2010 \$
Income				
Grants-Government & Other		187,986	258,903	235,095
Local Authorities		4,027,532	4,048,317	3,942,706
Public	2	2,336,862	2,408,802	2,427,105
Legacies & Bequests		198,570	500,000	890
Investment income		122,155	189,335	123,851
- Dividends		549,519	521,424	443,140
- Interest				
Total income		7,422,624	7,926,781	7,172,787
Expenditure				
Employee benefits expense		(2,784,045)	(2,880,214)	(2,837,929)
Depreciation and amortisation expense	3 (a)	(929,101)	(1,430,082)	(994,969)
Other expenses	3 (b)	(2,885,961)	(3,637,671)	(3,311,832)
Total operating expenditure		(6,599,107)	(7,947,967)	(7,144,730)
Surplus/(Loss) for the year		\$823,517	\$(21,186)	\$28,057

The accompanying notes form part of these financial statements.

**OTAGO MUSEUM TRUST BOARD STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011**

	Notes	2011 \$	2010 \$
Other Comprehensive Income			
Realised net gains/loss on sale of financial instruments		73,290	(54,764)
Available-for-sale financial assets valuation gain/ (loss)	13(a)	209,295	300,758
Total other comprehensive income (net of tax)		282,585	245,994
Surplus/(loss) for the year		823,517	28,057
Total comprehensive income for the year		\$1,106,102	\$274,052
OTAGO MUSEUM TRUST BOARD STATEMENT OF CHANGES IN EQUITY For the Financial Year Ended 30 June, 2011			
Equity at beginning of year		25,821,137	25,665,719
Total comprehensive income for the year		1,106,102	274,052
Movement in retirement leave special fund reserve		-	(118,634)
Equity at end of year		\$26,927,239	\$25,821,137


The accompanying notes form part of these financial statements.

**OTAGO MUSEUM TRUST BOARD STATEMENT OF FINANCIAL POSITION
BALANCE SHEET AS AT 30 JUNE, 2011**

	Notes	2011 \$	Budget \$	2010 \$
Current assets				
Cash and cash equivalents	18(a)	8,480,052	4,428,300	7,413,565
Trade and other receivables	6	193,688	516,502	200,587
Inventories	7	199,415	153,821	184,710
Other financial assets	8	384,639	274,673	378,369
Other current assets	9	148,244	-	94,919
Total current assets		9,406,038	5,373,296	8,272,150
Non-current assets				
Other financial assets	8	5,030,070	3,872,282	4,364,396
Property, plant and equipment	10	14,339,989	17,089,721	14,966,180
Total non-current assets		19,370,059	20,872,003	19,330,576
Total assets		28,776,097	26,245,299	27,602,726
Current liabilities				
Trade and other payables	11	713,708	488,684	716,652
Employee entitlements	12	1,135,150	-	1,064,937
Total current liabilities		1,848,858	488,684	1,781,589
Total liabilities		1,848,858	488,684	1,781,589
Net assets		\$26,927,239	\$25,756,605	\$25,821,137
Equity				
Reserves	13	13,362,770	-	11,656,134
Capital	14	13,564,469	-	14,165,003
		\$26,927,239	\$25,756,605	\$25,821,137

The accompanying notes form part of these financial statements.

On behalf of the Otago Museum Trust Board

 Chairperson

 Secretary/Chief Executive

20 October 2011

**OTAGO MUSEUM TRUST BOARD STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011**

	Notes	2011 \$	Budget \$	2010 \$
Cash flows from operating activities				
Government, Local Authorities and the public		6,858,767	7,616,946	6,595,044
Dividends		122,155	-	123,851
Interest received		508,918	710,760	411,762
Payments to employees		(2,902,030)	(2,880,215)	(2,826,051)
Payments to suppliers		(2,944,968)	(4,040,678)	(3,001,480)
Net cash inflow/ (outflow) from operating activities	18(b)	1,642,842	1,406,813	1,303,126
Cash flows from investing activities				
Proceeds from maturity and sale of other financial assets		251,732	-	320,128
Proceeds from sale of property, plant and equipment		-	-	-
Purchase of property, plant and equipment		(186,992)	(2,452,600)	(173,194)
Purchase of other financial assets		(641,095)	-	(503,946)
Net cash inflow/ (outflow) from investing activities		(576,355)	(2,452,600)	(357,012)
Net increase in Cash and cash equivalents		1,066,487	(1,045,787)	946,114
Cash and cash equivalents at the beginning of the financial year		7,413,565	5,474,088	6,467,451
Cash and cash equivalents at the end of the financial year	18(a)	\$8,480,052	\$4,428,301	\$7,413,565

The accompanying notes form part of these financial statements.

OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Otago Museum Trust Board ("the Museum") is a special purpose local authority constituted under the Otago Museum Trust Board Act, 1996.

The Otago Museum Trust Board administers the Otago Museum which is a non-profit making permanent institution, founded by the people of Otago for the service and development of their community with a particular responsibility for the natural and scientific heritage of the Otago region. The Museum has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Statement of Compliance

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

All available public benefit entity reporting exemptions under NZ IFRS have been adopted.

Basis of Preparation

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

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

The financial statements have been prepared on the basis of historical cost, except for heritage assets and the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

Heritage assets are valued as per note 1, Property Plant and Equipment, Heritage Assets.

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

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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

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

OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS (CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011

STATEMENT OF ACCOUNTING POLICIES CONT.

SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

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

Local Authority Levy Revenue

Local Authority Levy revenue is recognised when it is levied.

Other Revenue

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

Government grants are recognised when received.

Other grants and bequests are recognised when control over the asset is obtained.

Dividends are recognised when the entitlement to the dividends is established.

Interest revenue is recognised on an accrual basis.

Leasing

Leases which effectively transfer to the lessee substantially all the risks and benefits incident to ownership of the leased item are classified as finance leases.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases.

Payments made under these leases are charged as expenses in the periods in which they are incurred.

(a) The Museum as Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Museum's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Museum's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS (CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011

STATEMENT OF ACCOUNTING POLICIES cont.

- (b) The Museum as Lessee

Assets held under finance leases are recognised as assets of the Museum at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

- (c) Lease Incentives

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

Taxation

The Museum is exempt from Income Tax in accordance with Section CW39 of the Income Tax Act 2007.

Goods and Services Tax

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

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

Financial Instruments

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

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

- (i) Financial Assets

Financial Assets are classified into the following specified categories: 'available-for-sale', and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The effective interest method, referred to below, is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS (CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011

STATEMENT OF ACCOUNTING POLICIES cont.

- Available-for-Sale Financial Assets

Equity securities held by the Museum are classified as being available-for-sale due to the fact that they are all tradeable on public markets and are stated at fair value. Fair value is determined in the manner described later in this note. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, with the exception of impairment losses which are recognised directly in the Statement of Financial Performance. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in the Statement of Financial Performance for the period.

Dividends on available-for-sale equity instruments are recognised in the Statement of Financial Performance when the Museum's right to receive payments is established.

Fair Value Estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Museum is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Museum uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term investment and debt instruments held.

Foreign Currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of financial performance.

- Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. An allowance for doubtful debts is established when there is objective evidence that the Museum will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is expensed in the Statement of Financial Performance.

- Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each Statement of Financial Position date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011**

STATEMENT OF ACCOUNTING POLICIES cont.

- (ii) Financial Liabilities
 - Trade and Other Payables
- Trade payables and other accounts payable are recognised when the Museum becomes obliged to make future payments resulting from the purchase of goods and services.
- Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest method.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis with an appropriate allowance for obsolescence and deterioration.

Property, Plant and Equipment

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

Operational Assets and Heritage Assets

Operational Assets

Operational assets include land, buildings, plant and equipment, motor vehicles, office furniture and equipment.

- Cost/Valuation
- Property, plant and equipment is recorded at cost less accumulated depreciation.
- Additions

Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

- Depreciation

Depreciation is calculated as detailed below:

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

Operational Assets	Rate
Land	Nil
Buildings	3% S.L.
Cafe Equipment	19.2% - 24% D.V.
Computer Equipment	40% - 60% D.V.
Electrical & Mechanical Services	9.5% - 12% D.V.
Fitout Exhibitions	18% D.V.
Furniture, Fittings & Equipment	18% - 48% D.V.
Golden Kiwi Lottery Fund Equipment	10% D.V.
Motor Vehicles	26% D.V.

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

- Disposal
- An item of property, plant and equipment is derecognised upon disposal or recognised as impaired when no future economic benefits are expected to arise from the continued use of the asset.
- Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Performance in the period the asset is derecognised.

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011**

STATEMENT OF ACCOUNTING POLICIES cont.

Heritage Assets

The Otago Museum Trust Board owns an extensive collection of material and information relating to the national, cultural and scientific heritage of the peoples of the World.

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

All assets acquired prior to 30 June 2001 are recognised at cost at the date of acquisition. As a large number of the Heritage assets are donated or subsidised generally such cost will be nil unless they have been acquired as a result of a purchase by the Museum.

All assets acquired from 1 July 2001 are recognised at fair value at the date of acquisition for donated or subsidised assets where it is possible, practical and meaningful to arrive at such fair value or at cost where the assets have been acquired as a result of a purchase by the Museum. The difference between fair value and cost is recognised in the Statement of Financial Performance.

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

The result of this accounting policy means that the vast majority of the Museum's collection, having been obtained prior to 30 June, 2001, is effectively valued for accounting purposes at nil, or at historical cost for those few items purchased.

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

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

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

Impairment of Non-Financial Assets

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

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

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

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

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011**
STATEMENT OF ACCOUNTING POLICIES cont.

Superannuation Schemes

- Defined Contribution Schemes
- Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of financial performance as incurred.

Provisions

Provisions are recognised when the Museum has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee Entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, and sabbatical leave when it is probable that settlement will be required and they are capable of being measured reliably. Sabbatical leave has been calculated on the basis of current salary costs of the entitled employees. The sabbatical provisions also provide for reimbursement of related costs. These have not been calculated as they aren't capable of being reliably measured as they may vary significantly or not even be incurred depending on when or where the leave is taken.

Provisions 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.

Provisions 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 the Museum in respect of services provided by employees up to reporting date.

Statement of Cash Flows

Operating activities include cash received from all income sources of the Museum and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt structure of the Museum.

Equity

Equity is the community's interest in the Museum and is measured as total assets less total liabilities. Equity is disaggregated and classified into Museum Capital and a number of reserves.

The components of equity are:

- Museum Capital Account
- Available-for Sale Revaluation Reserve
- Equalisation Fund
- Redevelopment Fund
- Special & Trust Funds

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011**
STATEMENT OF ACCOUNTING POLICIES cont.

Reserves

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

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

Museum reserves are reserves established by Museum decision. The Museum may alter them without reference to any third party. Expenditure or transfers to and from these reserves is based on established Museum policy.

The Museum's objectives, policies and processes for managing capital are described in Note 20.

Budget Figures

The budget figures are those approved by the Museum at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Museum for the preparation of the financial statements.

Critical Accounting Estimates and Assumptions

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

Key Sources of Estimation Uncertainty

Judgements made by management in the application of NZ IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Key Sources of Estimation Uncertainty include:

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

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

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011**

	2011	2010
	\$	\$
2. INCOME		
Local Authorities		
Levy budgeted and invoiced	4,048,210	3,968,812
Levy paid	(4,027,532)	(3,942,706)
	\$26,106	\$15,417

The variance between the budgeted (invoiced) and paid amounts arises because the Clutha District Council has not as yet endorsed the proposed new Heads of Agreement, which sets out the formula for levy calculations, and they have instead paid their levy on the basis as set out in the Otago Museum Trust Board Act, 1996.

	2011	2010
	\$	\$
3. EXPENDITURE		
(a) Employee Benefits Expense		
Salaries and wages	2,699,523	2,684,614
Defined contribution plans	73,171	56,302
Movement in sabbatical leave provision	11,351	97,013
	\$2,784,045	\$2,837,929

(b) Other Expenses		
Computer costs	26,746	23,055
Maintenance	144,655	97,611
Other expenses	2,714,560	3,191,166
	\$2,885,961	\$3,311,832

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011**

4. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel include Trust Board Members, the Chief Executive and other members of the Museum Management Team. With the exception of the Chairperson of the Board who receives a small honorarium, other Trust Board members do not receive any remuneration.

	2011	2010
	\$	\$
Short-term employee benefits	518,809	614,694
Other benefits	11,351	97,013
	\$530,160	\$711,707

5. REMUNERATION OF AUDITORS

Audit fees for financial statement audit

	\$20,700	\$19,900
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The auditor of Otago Museum Trust Board is Audit New Zealand on behalf of the Auditor-General.

6. TRADE AND OTHER RECEIVABLES

Trade receivables ⁽¹⁾	73,654	62,224
Sundry receivables and accruals	73,654	62,224
Estimated doubtful debts	66,189	144,840
Goods and services tax (GST) receivable	(34,670)	(34,670)
	88,515	28,193
	\$193,688	\$200,587

⁽¹⁾ Trade Receivables

Ageing of past due but not impaired:

0 - 30 days	23,629	47,679
31 - 60 days	2,461	12,326
61 - 90 days	8,031	99
90 days+	39,533	2,120
	\$73,654	\$62,224

The Museum holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

7. INVENTORIES

Shop stock	191,716	179,005
Cafe stock	7,699	5,705
	\$199,415	\$184,710

The carrying amount of inventories pledged as security for liabilities is \$Nil (2010: \$Nil).

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011**

8. OTHER FINANCIAL ASSETS

Available-for-Sale at fair value:

	2011 \$	2010 \$
<u>Current</u>		
Deposits	384,639	378,369
<u>Non-Current</u>		
Equity securities - Company shares	3,493,615	2,947,408
Fixed Rate Bonds	1,536,455	1,416,988
	5,414,709	4,742,765
Disclosed in the financial statements as:		
Current	384,639	378,369
Non-current	5,030,070	4,364,396
	\$5,414,709	\$4,742,765

There are no impairment provisions for other financial assets.

Equity securities and fixed rate bonds are held in the name of Otago Museum Trust Board.

All banking activities relating to these Other Financial Assets are conducted by the Otago Museum Trust Board through its bank account.

9. OTHER CURRENT ASSETS

Prepayments	\$148,244	\$94,919
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OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011

10. PROPERTY, PLANT AND EQUIPMENT

	Cost/ Valuation 1 July 2010	Additions	Disposals	Transfers	Cost/ Valuation 30 June 2011	Accumulated Depreciation & Impairment Changes 1 July 2010	Depreciation Expense	Accumulated Depreciation Reversed on Disposal	Accumulated Depreciation Adjusted for Transfers	Accumulated Depreciation & Impairment Changes 30 June 2011	Carrying Amount 30 June 2011
Museum Operational Assets											
At Cost											
Land	979,952				979,952	-	-	-	-	-	979,952
Buildings	5,893,661				5,893,661	(2,145,754)	(207,761)	(2,145,754)	(2,145,754)	(2,353,515)	3,540,146
- Discovery World	2,256,032				2,256,032	(1,022,629)	(60,000)	(1,022,629)	(1,022,629)	(1,082,629)	1,173,403
Redevelopment - Phase 1											
Building	3,000,616				3,000,616	(1,096,177)	(90,017)	(1,096,177)	(1,096,177)	(1,186,194)	1,814,422
Fitout exhibitions	245,813				245,813	(184,933)	(10,958)	(184,933)	(184,933)	(195,891)	49,922
Mechanical services	362,465				362,465	(200,229)	(15,412)	(200,229)	(200,229)	(215,641)	146,824
Electrical	509,315				509,315	(281,352)	(21,656)	(281,352)	(281,352)	(303,008)	206,307
Redevelopment - Phase 2											
Building	5,409,584				5,409,584	(1,443,966)	(162,287)	(1,443,966)	(1,443,966)	(1,606,253)	3,803,331
Fitout exhibitions	2,906,971				2,906,971	(2,100,052)	(145,245)	(2,100,052)	(2,100,052)	(2,245,297)	661,674
Mechanical services	1,970,917				1,970,917	(982,214)	(93,927)	(982,214)	(982,214)	(1,076,141)	894,776
Electrical	451,183	190,511			641,694	(224,850)	(21,502)	(224,850)	(224,850)	(246,352)	204,831
Computer Equipment	866,632				866,632	(773,746)	(41,073)	(773,746)	(773,746)	(814,819)	242,324
Conservation Unit Equipment	11,944				11,944	(11,944)	-	(11,944)	(11,944)	-	-
Emergency Response Equipment	7,152				7,152	(6,692)	(82)	(6,692)	(6,692)	-	378
Exhibits	284,992	23,306			308,298	-	-	-	-	(6,774)	308,298
Furniture & Fittings	937,579	88,313			1,025,892	(698,275)	(49,075)	(698,275)	(698,275)	(747,350)	278,542
Golden Kiwi Lottery Fund	17,837				17,837	(17,385)	(45)	(17,385)	(17,385)	(17,430)	407
Motor Vehicles	108,753	780			109,533	(88,752)	(5,200)	(88,752)	(88,752)	(93,952)	14,801
Cafe Equipment	26,963				26,963	(3,231)	(4,861)	(3,231)	(4,861)	(8,092)	19,651
	26,074,919	154,785	-	-	26,403,146	(11,282,181)	(929,101)	-	-	(12,211,282)	14,339,989
At Cost											
Land	979,952				979,952	-	-	-	-	-	979,952
Buildings	5,823,266	70,395			5,893,661	(1,929,814)	(215,940)	(1,929,814)	(1,929,814)	(2,145,754)	3,747,907
- Discovery World	2,256,032				2,256,032	(962,629)	(60,000)	(962,629)	(962,629)	(1,022,629)	1,233,403
Redevelopment - Phase 1											
Building	3,000,616				3,000,616	(1,006,159)	(90,018)	(1,006,159)	(1,006,159)	(1,096,177)	1,904,439
Fitout exhibitions	245,813				245,813	(171,569)	(13,364)	(171,569)	(171,569)	(184,933)	60,880
Mechanical services	362,465				362,465	(183,199)	(17,030)	(183,199)	(183,199)	(200,229)	162,236
Electrical	509,315				509,315	(257,422)	(23,930)	(257,422)	(257,422)	(281,352)	227,963
Redevelopment - Phase 2											
Building	5,409,584				5,409,584	(1,281,678)	(162,288)	(1,281,678)	(1,281,678)	(1,443,966)	3,965,618
Fitout exhibitions	2,906,971				2,906,971	(1,922,924)	(177,128)	(1,922,924)	(1,922,924)	(2,100,052)	806,919
Mechanical services	1,970,917				1,970,917	(878,428)	(103,786)	(878,428)	(878,428)	(982,214)	988,703
Electrical	451,183	22,305			473,488	(201,091)	(23,759)	(201,091)	(201,091)	(224,850)	226,333
Computer Equipment	844,327				844,327	(726,278)	(47,468)	(726,278)	(726,278)	(773,746)	92,886
Conservation Unit Equipment	11,944				11,944	(11,944)	-	(11,944)	(11,944)	-	-
Discovery World - Other	22,078		(22,078)		-	(22,078)	22,078	-	-	-	-
Emergency Response Equipment	7,152				7,152	(6,591)	(101)	(6,591)	(6,591)	(6,692)	460
Exhibits	261,266	23,726			284,992	(648,427)	(49,848)	(648,427)	(648,427)	(698,275)	284,992
Furniture & Fittings	885,448	52,131			937,579	(17,335)	(50)	(17,335)	(17,335)	(17,385)	239,304
Golden Kiwi Lottery Fund	17,837				17,837	(81,724)	(7,028)	(81,724)	(81,724)	(88,752)	452
Motor Vehicles	108,753				108,753	(8,231)	(3,231)	(8,231)	(8,231)	(8,231)	20,001
Cafe Equipment	-	26,963			26,963	-	-	-	-	(3,231)	23,732
	26,074,919	195,520	(22,078)	-	26,248,361	(10,309,290)	(994,969)	22,078	-	(11,282,181)	14,966,180

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011**

	2011 \$	2010 \$
11. TRADE AND OTHER PAYABLES		
Trade payables (i)	696,814	688,151
Other accrued charges	16,894	28,501
	\$ 713,708	\$ 716,652

(i) The average credit period on purchases is 30 days.

12. EMPLOYEE ENTITLEMENTS

Accrued salary and wages	315,544	284,798
Annual leave	182,131	154,015
Sabbatical leave	518,841	507,490
Retirement leave	118,634	118,634
	\$ 1,135,150	\$ 1,064,937

Sabbatical leave entitlement is based on the number of days leave owing at the relevant employees wage rate. Although the relevant provisions of the employment contracts provide for travel and related costs (which may be significant) these have not been provided for as they are contingent and would vary based on when, where, and if the leave is taken.

13. RESERVES

Available-for-sale revaluation reserve (a)	376,879	167,584
Equalisation Fund (b)	245,558	230,514
Restricted Reserves (c) (Trust Funds)	4,750,826	4,217,940
Museum Reserves (d) (Special Funds)	7,924,265	6,934,259
Unallocated accrued interest	65,242	105,837
	\$ 13,362,770	\$ 11,656,134

(a) Available-for-Sale Revaluation Reserve

Balance at beginning of year	167,584	(133,174)
Valuation gain/(loss) recognised	282,585	245,994
Loss transferred to Income Statement on Sale of financial assets	(73,290)	54,764
Balance at end of year	\$ 376,879	\$ 167,584

The available-for-sale revaluation reserve represents gains (net) on revaluation of financial assets held.

(b) Equalisation Fund

Balance at beginning of year	230,514	220,095
Interest transfer (Note 21a)	15,044	10,419
Balance at end of year	\$ 245,558	\$ 230,514

A fund established to enable the Board to handle expenditure on major maintenance projects which occur irregularly.

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011**

	2011 \$	2010 \$
13. RESERVES cont		
(c) Restricted Reserves (Trust Funds)		
Balance at beginning of year	4,217,940	4,110,821
Transfer from/(to) Retained Earnings	532,886	107,119
Balance at end of year	\$ 4,750,826	\$ 4,217,940

Notes

13 (e)

Restricted reserves include:

- trust and bequest funds that have been provided to the Museum for specific purposes.

(e) Museum Reserves (Special Funds)

Balance at beginning of year	6,934,259	6,402,257
Transfer from/(to) Retained Earnings	990,006	532,002
Balance at end of year	\$ 7,924,265	\$ 6,934,259

Museum reserves are made available for specific events or purposes, based on established Museum policy.

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011**

13 (f) Restricted Reserves (Trust Funds)

TRUST FUND	BALANCE 01/07/10	ADD INCOME & TRANSFERS	DEDUCT EXPENDITURE & TRANSFERS	BALANCE 30/06/11 TOTAL	CAPITAL	INCOME
Elizabeth Alexander	117,977	Gain on sale of shares Investment income 1,942 7,799	1,942 7,799	127,718	86,547	41,171
Beth and Mark Anderson	78,295	Gain on sale of shares Investment income 1,289 5,177	1,289 5,177	84,761	74,006	10,755
Avice Bowlyes - Costumes	148,747	Gain on sale of shares Investment income 2,488 9,836	2,488 9,836	161,031	67,294	93,737
Colquhoun	397,893	Gain on sale of shares Investment income 6,549 26,309	6,549 26,309	430,751	170,440	260,311
De Beer Publications & Research	911,966	Gain on sale of shares Royalties Investment income (15,082) 71 60,580	(15,082) 71 60,580	983,380	365,281	618,099
Fairweather	268,892	Loss on sale of shares Investment income 4,503 18,087	4,503 18,087	286,214	139,630	146,585
Fairweather - Collections	487,298	Loss on sale of shares Investment income 33,788	33,788	43		
		Purchase of Maori artefacts Purchase of Dance Band Drums Taxidermy of leopard seal 16,856 783 5,625				
Freda Stuckey		- Bequest received Gain on sale of shares Investment income 197,850 3,323 13,526	197,850 3,323 13,526	214,699	198,001	16,077
Gollan	157,655	Gain on sale of shares Investment income 10,425	10,425	170,675	41,082	129,593
Brenda Joyce Harding	81,266	Gain on sale of shares Investment income 1,338 5,373	1,338 5,373	87,977	39,819	48,158
Cowie Nichols	117,063	Gain on sale of shares Investment income 281 1,128	281 1,128	18,472	2,467	16,005
Cyril Nichols	789,126	Gain on sale of shares Investment income 12,989 52,175	12,989 52,175	854,290	216,466	637,824
Lyders	142,890	Gain on sale of shares Investment income 2,352 9,448	2,352 9,448	154,690	38,691	115,999
Peter Snow MAC Fund	867	Gain on sale of shares Investment income 14 57	14 57	938	-	938
Willi Fels	618,005	Gain on sale of shares Investment income 10,173 40,861	10,173 40,861	669,039	249,752	419,287
TOTAL RESTRICTED RESERVES	\$4,217,940		\$565,780	\$4,750,826	\$1,676,917	\$2,864,658

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011**

13 (g) Museum Reserves (Special Funds)

SPECIAL FUND	BALANCE 01/07/09	ADD INCOME & TRANSFERS	DEDUCT EXPENDITURE & TRANSFERS	BALANCE 30/06/10 TOTAL	CAPITAL	INCOME
Allocation for Special Purposes	34,924	Est. E.O. Naylor Investment income 720	2,230	37,864	-	37,864
Barclay	231,831	Majorie Barclay Trust Investment income 45,000 12,196		289,027	-	289,027
Conservation Materials	136,601	Budget Transfer Investment income 6,656 8,481		151,738	-	151,738
Development	2,083,314	Budget Transfer Grants/Sponsorship Charitable Trust Rentals Received Transfer from Income & Expenditure Investment income 3,392 15,500 - 68,070 522,641 107,982	38,690 Conference & study/leave			
Emergency Response	36,410	Investment income 2,377		38,787	-	38,787
Loss of Heart Compensation	1,908,181	Investment income 45,208		1,953,189	1,101,053	853,501
Maori Ethnology	80,530	Investment income 5,257		85,787	-	85,787
Purchase of Collections	72,967	Budget Transfer Investment income 906 4,705		78,578	-	78,578
Retirement Leave	141,831	Budget Transfer Investment income 17,206	Retirement Payments	171,984	-	171,984
Scientific Publications	52,874	Budget Transfer Investment income 3,399	817	57,090	-	57,090
Shop and Publication Sales	785,335	Investment income Sales and commissions Closing stock 306,736 191,716	Opening stock Purchases Expenses & wages Equipment 179,005 189,989 100,148 15,000	833,791		
TOTAL CARRIED FORWARD TO PAGE	\$5,564,998		\$1,462,588	\$6,504,754	\$1,099,888	\$5,404,866

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011**

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011**

13 (g) Museum Reserves (Special Funds) cont.

SPECIAL FUND	BALANCE 01/07/09 & TRANSFERS	BALANCE ADD INCOME & TRANSFERS	DEDUCT EXPENDITURE & TRANSFERS	BALANCE 30/06/10 TOTAL	CAPITAL	INCOME
TOTAL BROUGHT FORWARD FROM PAGE	\$5,564,998	\$1,462,588	\$522,832	\$6,504,754	\$1,099,888	\$5,404,866
Special Exhibitions & Programmes	445,306	Budget Transfer Investment income 36,799 41,827	Interactive exhibition Survival factor exhibition -	523,932		523,923
Study & Training	114,671	Budget Transfer Investment income 2,925 9,105	Staff - conference & study leave 17,403	109,298		109,298
Technology, Software & CMS	809,284	Transfer from Income & Expenditure Investment income 84,021 48,715	Equipment & upgrades & Maintenance 142,341 14,239	786,281		786,281
TOTAL MUSEUM RESERVES	\$6,934,259	\$1,686,821	\$696,815	\$7,924,265	\$1,099,888	\$6,824,377

14. CAPITAL

	2011 \$	2010 \$
Capital		
Balance at beginning of year	14,165,003	14,991,261
Plus exhibits and equipment purchased from Restricted and Museum Reserves	165,648	37,961
Net surplus/(deficit)	(64,237)	(328,729)
Transfers from/(to) reserves: Restricted and Museum Reserves	(701,945)	(535,490)
Balance at end of year	\$13,564,469	\$14,165,003

15. COMMITMENTS FOR EXPENDITURE

(a) Capital and Other Expenditure Commitments
Capital and other expenditure commitments at 30 June 2011 were \$204,510 AUD (30 June 2010: \$Nil). The Otago Museum Trust Board approved expenditure towards the SmartTrackRFID project (Radio Frequency Identification) in June 2011. This project aims to electronically tag the Museum's collection items so location can be tracked within the Museum premises.

The Otago Museum Trust Board entered into a 33 year lease with the Dunedin City Council on the 19th of October 2010 for the Old Post Office building located on the Museum Reserve. The initial yearly rental is set at \$12,000 plus GST and is subject to yearly rental reviews. The rental expense is to be rebated in full by the Dunedin City Council until 1 January 2012 or when the premises becomes open to the public (whichever comes first) per clause 1a of the lease agreement.

16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities
ATA Carnet
(A Customs document to facilitate the temporary duty free admission of goods into the Republic of China).
2011 \$ 19,930
2010 \$ 69,930

Contingent Assets
There were no contingent assets at 30 June, 2011 (2010: Nil).

17. RELATED PARTY DISCLOSURES

Contributing Local Authorities

Under the Otago Museum Trust Board Act, 1996 contributing authorities are required to provide certain levels of funding to the Otago Museum.

Transactions with Related Parties

During the year the following receipts (payments) were received from (made to) contributing authorities and these were conducted on normal commercial terms:

	2011 \$	2010 \$	
Central Otago District Council	Levy received	25,253	24,757
Clutha District Council	Levy received	183,874	174,434
Dunedin City Council	Levy received	3,767,900	3,694,000
Waitaki District Council	Levy received	50,505	49,515
	\$4,027,532	\$3,942,706	
Dunedin City Council	Rates paid	\$58,092	\$56,806
Dunedin City Council	Services from the Otago Museum totalling	\$722	(2010: \$8,079)
Otago Museum	Services from Dunedin City Council totalling	\$8,565	(2010: \$12,128)

18. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	2011 \$	2010 \$
Cash and cash equivalents	8,480,052	7,413,565
	\$8,480,052	\$7,413,565

(b) Reconciliation of Surplus for the Year to Net Cash Flows From Operating Activities

Surplus for the year	823,517	28,057
Add/(less) non-cash items:		
Depreciation	929,101	994,969
	1,752,618	1,023,026
Movement in working capital:		
(Increase) Decrease in Trade and other receivables	(46,426)	(42,130)
(Increase) Decrease in Inventories	(14,705)	(30,889)
Increase (Decrease) in Trade and other payables	(48,650)	353,119
	\$1,642,837	\$1,303,126

OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS (CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011

19. SEVERANCE PAYMENTS

For the year ended 30 June 2011 the Museum made no severance payments to employees (2010: \$Nil).

20. FINANCIAL INSTRUMENTS

(a) Capital Risk Management

The Otago Museum Trust Board Act 1996 (the Act) requires the Museum to manage and account for its revenue, expenses, assets, liabilities, investments and financial dealings generally and in accordance with the relevant financial management principles of the Local Government Act 2002 and Generally Accepted Accounting Practice. Museum Capital is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The Museum has the following reserves:

- Restricted Reserves (Trust Funds); and
- Museum Reserves (Special Funds).

Interest and realised gains or losses on the sale of shares are recognised through the Statement of Financial Performance. They accordingly form part of the surplus or deficit transferred to Museum Capital. Investment income is then allocated to the Reserves on a pro-rata basis. Subsequent use of these funds may be restricted by Trust Deed or established policy.

The Museum's overall strategy remains unchanged from 2010.

(b) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, and the basis of measurement applied in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(c) Categories of Financial Instruments

	2011	2010
	\$	\$
Financial Assets		
Cash and cash equivalents	8,480,052	7,413,565
Trade and other receivables	193,687	200,587
Other financial assets:		
• Loans and receivables	-	-
• Available-for-sale financial assets	5,428,358	4,578,870
Financial Liabilities		
Trade and other payables	708,721	716,652

(d) Financial Risk Management Objectives

The Museum has a series of policies to manage the risks associated with financial instruments. The Museum is risk averse and seeks to minimise exposure from its treasury activities. The Museum has established Museum approved Financial Management and Investment policies. These provide a framework for the management of financial resources in an efficient and effective way.

The Museum does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS (CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011

20. FINANCIAL INSTRUMENTS cont.

(e) Market Risk

Interest Rate Risk

The Museum is exposed to interest rate risk as it invests cash in short term deposits at fixed interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Investments at fixed interest rates expose the Museum to fair value interest rate risk.

(f) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Museum.

The Museum has no significant concentrations of credit risk arising from trade receivables.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Museum's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(g) Liquidity Risk Management

Liquidity risk is the risk that the Museum will encounter difficulty in raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash.

The Museum manages liquidity risk by maintaining adequate funds on deposit, reserves, banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturity Profile of Financial Instruments

The following tables detail the Museum's exposure to interest rate risk on financial instruments:

	2011	Weighted Average Effective Interest rate %	Variable Interest Rate \$	Less than 1 year \$	Fixed Maturity Dates						Non Interest Bearing \$	Total \$	
					1-2 Years	2-3 Years	3-4 Years	4-5 Years	5+ Years				
Financial assets:													
Cash and cash equivalents		3.16	8,480,052										8,480,052
Trade and other receivables												193,687	193,687
Other financial assets													
- Current													
- Short term deposits		4.10		384,639									384,639
- Non current													
- Equity securities - NZ											685,907		685,907
- Equity securities - Aust											1,931,395		1,931,395
- Equity securities - UK											519,141		519,141
- Equity securities - USA		7.59		102,080	108,320	214,890	362,089	170,951	578,125		357,173		1,536,455
- Fixed rate bonds													
Financial liabilities:													
Trade and other payables													708,721

**OTAGO MUSEUM TRUST BOARD NOTES TO THE FINANCIAL STATEMENTS
(CONT.) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2011**

20 (h). FINANCIAL INSTRUMENTS cont.

	Weighted Average Effective Interest Rate %	Variable Interest Rate \$	Fixed Maturity Dates					Non Interest Bearing \$	Total \$
			Less than 1 year	1-2 Years	2-3 Years	3-4 Years	4-5 Years		
Financial assets:									
Cash and cash equivalents	4.40	7,413,565						7,413,565	
Trade and other receivables							200,587	200,587	
Other financial assets									
- Current									
- Short term deposits	4.10	378,369						378,369	
- Non current									
- Equity securities - NZ							573,311	573,311	
- Equity securities - Aust							1,699,351	1,699,351	
- Equity securities - UK							420,947	420,947	
- Equity securities - USA							253,799	253,799	
- Fixed rate bonds	6.78	62,049	103,490	-	319,690	321,290	610,469	1,536,455	

Financial liabilities:

Trade and other payables

\$716,652

(i) Fair Value of Financial Instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The Museum considers that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values.

21. ANNUAL REPORT

The Otago Museum Trust Board Act (1996) requires adoption of the audited Annual Report by 30 November.

**OTAGO MUSEUM TRUST BOARD SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 30 JUNE, 2011**

COMPARISON OF OPERATIONAL INCOME AND EXPENDITURE TO THE ANNUAL PLAN
(Refer Note 1 page 31)

	2010	Notes	2011	Budget
DEPARTMENT TRADING ACCOUNTS				
EXECUTIVE OFFICE				
Income				
- Local Authority levies	706,955		643,807	643,812
- Public	2,375		808	530
Total Income	709,330		644,615	644,348
Expenditure				
- Direct costs (includes \$17,007 of capital expenditure)	116,470		117,873	248,866
- Salaries, wages & contractor costs	394,857		331,292	331,040
- Transfers to Special funds	148,433		149,304	64,442
Total Expenditure	659,760		598,469	644,348
<i>Surplus/(Deficit) transferred to Statement of Financial Performance</i>	\$49,570		\$46,146	-
COLLECTIONS & RESEARCH				
Income				
- Government and other grants	8,889		8,696	8,000
- Local Authority levies	804,868		730,401	730,404
- Public and special projects	455,869		452,236	545,700
Total Income	1,269,626		1,191,353	1,284,104
Expenditure				
- Direct costs (includes \$Nil of capital expenditure)	151,997		218,992	197,553
- Salaries, wages & contractor costs	646,033		375,876	701,301
- Special projects (includes \$1,650 of capital expenditure)	128,382		128,165	196,000
- Transfer to Development Fund	271,700		263,808	189,050
Total Expenditure	1,198,112		986,841	1,284,104
<i>Surplus/(Deficit) transferred to Statement of Financial Performance</i>	\$71,514		\$204,512	-
EXHIBITIONS				
Income				
- Government and other grants	-		5,000	-
- Local Authority levies	630,788		713,576	713,580
- Public and special projects	1,245,169		1,275,427	913,538
Total Income	1,875,957		1,994,003	1,627,138
Expenditure				
- Direct costs (includes \$Nil of capital expenditure)	486,696		247,343	338,896
- Salaries, wages & contractor costs	788,194		976,669	713,655
- Special projects (includes \$21,884 of capital expenditure)	638,457		709,330	404,268
- Transfer to Development Fund	115,357		242,809	170,319
Total Expenditure	2,028,704		2,176,151	1,627,138
<i>Surplus/(Deficit) transferred to Statement of Financial Performance</i>	\$(152,747)		\$(182,148)	-

**OTAGO MUSEUM TRUST BOARD SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 30 JUNE, 2011**

COMPARISON OF OPERATIONAL INCOME AND EXPENDITURE TO THE ANNUAL PLAN (CONT.)
(Refer Note 1 page 31)

2010	Notes	2011	Budget
FINANCE & SUPPORT SERVICES			
-	Income	-	-
267,662	- Government & other grants	300,958	300,960
23,210	- Local Authority levies	24,179	59,750
	- Public and special projects		
290,872	Total Income	325,137	360,710
43,498	Expenditure	45,204	68,257
143,086	- Direct costs (includes \$4,768 of capital expenditure)	379,271	284,528
4,504	- Salaries, wages & contractor costs	5,501	7,925
	- Special projects		
191,088	Total Expenditure	429,976	360,710
	<i>Surplus/(Deficit) transferred to Statement of Financial Performance</i>		
\$99,784		\$(104,839)	
PROGRAMMES			
221,206	Income	158,790	120,440
650,695	- Government & other grants	606,931	606,936
142,395	- Local Authority levies	129,657	208,452
	- Public		
1,014,296	Total Income	895,378	935,828
1,270	Expenditure	1,711	2,463
897,034	- Direct costs	750,439	775,041
150,557	- Salaries, wages & contractor costs	96,705	158,324
	- Special projects (includes \$865 of capital expenditure)	46,024	-
	- Transfer to Development Fund		
1,048,861	Total Expenditure	894,879	935,828
	<i>Surplus (Deficit) transferred to Statement of Financial Performance</i>		
\$(34,565)		\$499	

**OTAGO MUSEUM TRUST BOARD SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 30 JUNE, 2011**

COMPARISON OF OPERATIONAL INCOME AND EXPENDITURE TO THE ANNUAL PLAN (CONT.)
(Refer Note 1 below)

STATEMENT OF FINANCIAL PERFORMANCE		Notes	2011	Budget
2010				
	Divisional Transfers			
49,570	Executive Office		46,146	-
71,514	Research and Collections		203,512	-
(152,747)	Exhibitions		(182,148)	-
99,784	Finance and Support Services		(104,839)	-
(34,565)	Programmes		499	-
33,556	Total Divisional Transfers		(36,830)	
	Income			
881,738	Local Authority levies - ordinary		1,031,859	1,052,544
46,192	Interest		45,517	34,000
50,920	Café		-	76,508
28,149	Collection boxes		29,422	21,636
30,821	Contract administration transfer		20,199	31,562
250	Donations		37	-
\$1,071,626	Total Income		1,090,204	1,216,250
	Less Expenditure & Appropriations			
194,550	Administration		194,095	195,476
20,249	Audit fee		19,800	21,535
522,552	Direct costs		471,955	609,565
22,733	Projects & maintenance		43,208	55,866
760,084	TOTAL EXPENDITURE & APPROPRIATIONS		729,058	882,432
311,542	SURPLUS BEFORE DEPRECIATION		361,146	333,818
	Less Depreciation funded by Local Authorities applied to:			
154,408	- Repairs & Maintenance		46,393	166,909
154,408	- Capital		289,095	166,909
2,726	SURPLUS		25,658	
686,153	Less Depreciation not funded by Local Authority levies		593,615	-
\$(683,427)	(DEFICIT) FOR YEAR		\$(567,957)	

NOTE:

- Each year the Otago Museum Trust Board prepares a budget for consideration and approval by the contributing local authorities. The above statement records actual compared with budget for the year and includes items of capital expenditure which are funded by the contributing local authorities. Until 30 June, 2002, depreciation was not funded by the contributing local authorities. For the year ended 30 June, 2011, depreciation of \$335,488 was funded by the contributing local authorities with the balance of depreciation of \$567,957 unfunded.

**OTAGO MUSEUM TRUST BOARD SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 30 JUNE, 2011**

Independent Auditor's Report
To the readers of
Otago Museum Trust Board's
financial statements and statement of service performance
for the year ended 30 June 2011

FIXED ASSETS AND EXHIBITS ACQUIRED DURING THE YEAR

Account	Capital Account	Local Body Levies
EXECUTIVE OFFICE		
Equipment & Furniture		1,468
COLLECTIONS & RESEARCH		
Equipment & Furniture		4,049
FINANCE & SUPPORT		
Equipment & Furniture		2,251
EXHIBITIONS		
Equipment & Furniture		Nil
PROGRAMMES		
Equipment & Furniture		865
STATEMENT OF FINANCIAL PERFORMANCE		
Equipment & Furniture		120,604
MUSEUM RESERVES		
Project and Development Fund	142,341	
FAIRWEATHER COLLECTIONS TRUST FUND		
Ceramics	43	
Maori artefacts	16,856	
Dance Band Drums	783	
Taxidermy of Leopard Seal	5,625	
	23,307	
TOTAL ACQUISITIONS FOR YEAR	\$ 165,648	\$ 129,237

The Auditor-General is the auditor of Otago Museum Trust Board (the Trust Board). The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Trust Board on her behalf.

We have audited the financial statements of the Trust Board on pages 28 to 43, that comprise the statement of financial position as at 30 June 2011, the Statement of Financial Performance, 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.

Modified Opinion – Inappropriate Accounting for Museum Collection Assets

As stated in the Accounting Policies on page 30 to 33, the Trust Board has not recognised the full value of the museum collection assets owned by the Trust Board in the Statement of Financial Position, nor the associated depreciation expense in the Statement of Financial Performance. This is a departure from applicable New Zealand Equivalent to International Financial Reporting Standard 16 (NZ IAS 16): *Property, Plant and Equipment*, which requires all assets to be recognised and depreciated in the financial statements. There are no practical audit procedures that we have been able to apply to quantify the effect of this departure from NZ IAS 16.

In our opinion, because of the effect of the inappropriate accounting for museum collection assets, the financial statements of the Trust Board on pages 28 to 43:

- do not comply with generally accepted accounting practice in New Zealand; and
- do not fairly reflect:
 - the Trust Board's financial position as at 30 June 2011; and
 - the results of its operations for the year ended on that date.

In our opinion:

- the financial statements on pages 28 to 43 fairly reflect the cash flows for the year ended 30 June 2011; and
- the performance information of the Trust Board on pages 28 to 43 fairly reflects the achievements measured against the performance targets adopted for the year ended 30 June 2011.

If it were not for the failure to account for the museum collection assets in the manner required by NZ IAS 16 as outlined above, then, in our opinion, the financial statements of the Trust Board would have fairly reflected the financial position as at 30 June 2011 and the results of its operations for the year ended on that date.

The audit was completed on 20 October 2011, and 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 Trust Board and the Auditor, and 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 the audit to obtain reasonable assurance about whether the financial statements 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. We found material misstatements that were not corrected, as we referred to in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; we consider internal control relevant to the entity's preparation of the financial statements 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 entity'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 Trust Board;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. We have obtained all the information and explanations that we have required, to provide a basis for our Modified opinion on the statement of financial position and the Statement of financial performance and our unmodified opinion on the statement of cash flows. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Trust Board

The Trust Board is responsible for preparing financial statements and statement of service performance that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Trust Board's financial position, financial performance and cash flows.

The Trust Board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Trust Board's responsibilities arise from the Trust Board's responsibilities arise from the Otago Museum Trust Board Act 1996.

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 and the Trust Board's responsibilities arise from the Otago Museum Trust Board Act 1996.

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.

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



Bede Kearney
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand