



**NAPIER**  
CITY COUNCIL  
*Te Kaunihera o Ahuriri*

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# PROSPEROUS NAPIER COMMITTEE

## Open Agenda

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Meeting Date:	Thursday 28 April 2022
Time:	Following the Napier People and Places Committee
Venue:	The Ocean Suite East Pier Hotel 50 Nelson Quay Napier

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*Livestreamed via Council's Facebook site*

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Committee Members	<b>Chair:</b> Councillor Taylor <b>Members:</b> Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson, Tapine and Wright
Officer Responsible	Director Corporate Services
Administration	Governance Team

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**Next Prosperous Napier Committee Meeting**  
**Thursday 9 June 2022**

# ORDER OF BUSINESS

## Karakia

## Apologies

Councillor Wright

## Conflicts of interest

## Public forum

Nil

## Announcements by the Mayor

### Announcements by the Chairperson including notification of minor matters not on the agenda

*Note: re minor matters only - refer LGOIMA s46A(7A) and Standing Orders s9.13*

A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the Chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However, the meeting may not make a resolution, decision or recommendation about the item, except to refer it to a subsequent meeting for further discussion.

## Announcements by the management

### Confirmation of minutes

That the Minutes of the Prosperous Napier Committee meeting held on Thursday, 17 March 2022 be taken as a true and accurate record of the meeting. ....37

That the Public Excluded Minutes of the Prosperous Napier Committee meeting held on Thursday, 17 March 2022 (*previously circulated*) be taken as a true and accurate record of the meeting

## Agenda items

- 1 Health and Safety Report - Quarter 2 YTD .....3
- 2 Hawke's Bay Museums Trust Draft Statement of Intent and Financial Reporting.....10
- 3 Hawke's Bay Museums Trust Annual Report for Year Ending 30 June 2021 (**To be circulated**)
- 4 Financial Forecast to 30 June 2022 (**To be circulated**)

## Minor matters not on the agenda – discussion (if any)

## Public Excluded

Nil

# AGENDA ITEMS

## 1. HEALTH AND SAFETY REPORT - QUARTER 2 YTD

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1457871
<i>Reporting Officer/s &amp; Unit:</i>	Adele Henderson, Director Corporate Services Michelle Warren, Health and Safety Lead

### 1.1 Purpose of Report

The purpose of this paper is to provide Council with an overview of Health & Safety activity for the period Quarter 2 FY22.

#### Officer's Recommendation

The Prosperous Napier Committee:

- a. Receive the Health and Safety report..

### 1.2 Background Summary

Below provides analysis of health and safety activity for the financial year to date.

#### COVID-19

As at 14 April 2022, there were 17 staff with Covid and 104 that have recovered, with 6 current household contacts.

Napier City Council's vaccination policy for staff came into force on 28 February 2022. Proof of vaccination has been obtained from all staff. Considerable effort has been made to accommodate those staff who remain unvaccinated. This has included finding alternative ways of working, such as working from home, redeployment to alternative work that can be done from home, and bubble of one work arrangements.

A Mask Wearing Policy was introduced on 14 February which provided guidance to staff and visitors when a mask must be worn.

On 28 February 2022 a vaccination policy was introduced for Contractors, Volunteers and Visitors.

Both policies were put into abeyance with the changes to the traffic light setting to orange on Wednesday 13<sup>th</sup> April.

Rapid Antigen Testing was introduced on 28 February 2022. Staff in essential roles are screened weekly. This group of workers includes Water, Cemeteries and Aquarium Animal Keepers. All staff have received 5 RATS test for self-monitoring purposes.

Buddy system introduced – staff volunteer to be a buddy and anybody needing support or assistance can reach out.

Covid-19 case management module under development for My Safety. Allows managers to register and update with staff information. Staff update with their most recent test result and H&S update with return to work management.

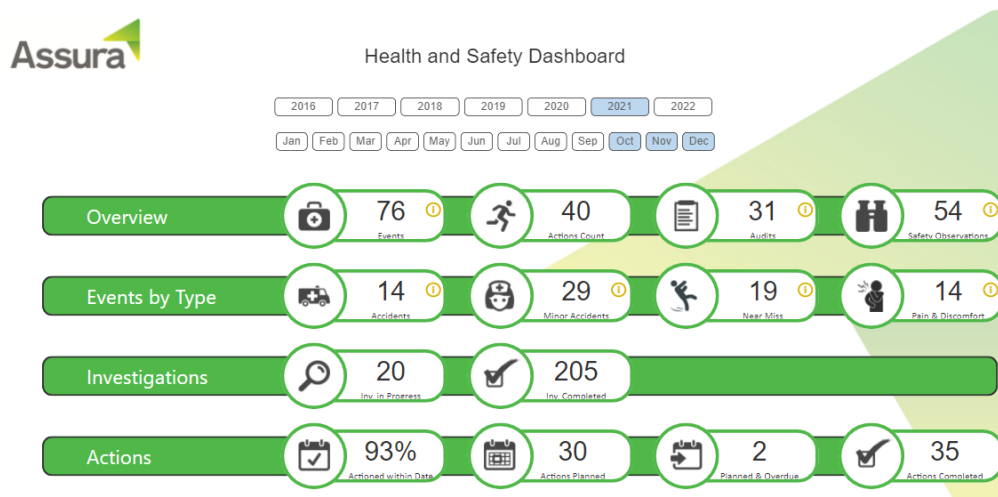
Exposure decision flowchart published for staff along with leave scenario table.

### Incident Reporting

Reported Incidents	July to Dec 2021
Lost time injuries (LTIs):	1
Medically treated injuries (MTIs):	15
Near miss/hit & property damage reporting	42
Incidents Involving Public using our facilities	19
Incidents involving Contractors	8

### Health and Safety Dashboard

The dashboard below provides an overview of events during Quarter 2 (Oct to Dec 2021).



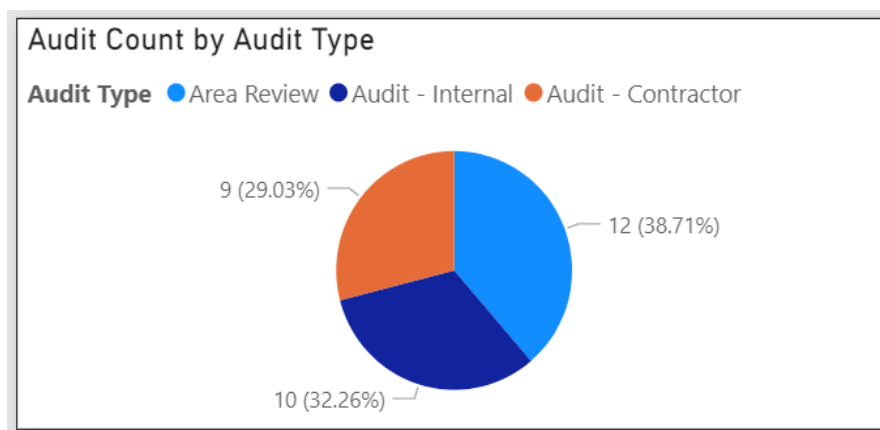
- There were 76 H&S related events logged and 40 actions performed, relating to the events
- 31 Audits completed of contractors and internal works
- 54 Safety Observations of contractors and internal works
- 14 Accidents, 29 Minor Accidents, 19 near misses and 14 Pain and Discomfort recorded
- There are 20 events still open and in progress
- 205 investigations completed

- Investigations relate to any event, incident, or near miss. An investigation can take a few minutes, to a full investigation which can take a few weeks depending on the severity of the event
- 93% of actions that were required to be completed, were completed within the specified date
- There are 30 actions planned, and 2 to be finalised

### Audits & Inspections

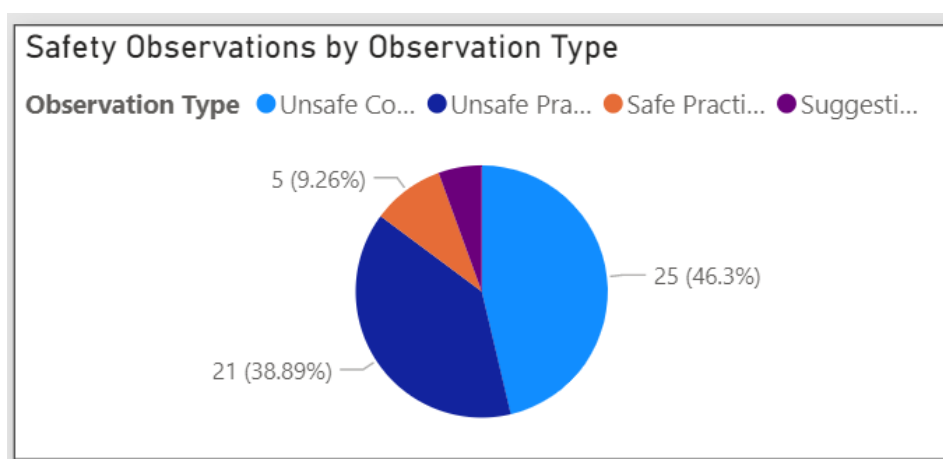
In this quarter there were 31 Audits.

- 12 NCC area reviews, e.g. include offices, workshops
- 10 NCC internal worksite audits – NCC staff
- 9 Contractor audits on their sites e.g. projects



In the quarter there were 54 Safety Observations

- 25 Unsafe condition reported which have all been resolved
- 21 Unsafe work practices sited and all resolved
- 5 Safe work practices notes and the people advised of their good work practices
- 3 Suggestions: 1 cancelled and 2 resolved



## Health & Safety Meetings

There were:

- 5 health & safety committee meetings
- 29 meetings where Safety was discussed as an agenda items
- 22 team meetings where safety was discussed as an agenda item
- 3 safety alerts were distributed relating to:
  - Warning of severe thunderstorms to staff in Oct
  - Changes to NCC CVC sites to advise all staff

Oct-21	Nov-21	Dec-21
<ul style="list-style-type: none"> <li>● Committee Meeting 3</li> <li>● Other 2</li> <li>● Safety Alerts 1</li> <li>● Safety Meeting 8</li> <li>● Team Meeting 4</li> </ul>	<ul style="list-style-type: none"> <li>● Committee Meeting 2</li> <li>● Leadership Team Meeting 1</li> <li>● Other 5</li> <li>● Safety Alerts 1</li> <li>● Safety Meeting 16</li> <li>● Team Meeting 9</li> </ul>	<ul style="list-style-type: none"> <li>● Other 3</li> <li>● Safety Alerts 1</li> <li>● Safety Meeting 5</li> <li>● Team Meeting 9</li> </ul>

## Health Monitoring

Worker health monitoring is undertaken by Loop Health & Safety. Workers are monitored depending on the work they carry out. Monitoring includes hearing, lung function, blood pressure, trace metals.

Hearing Screening	<ul style="list-style-type: none"> <li>• 1 worker screened as normal hearing.</li> <li>• 1 worker referred to the Audiologist, screening indicated hearing loss.</li> <li>• 1 worker screened as mild hearing loss in 1 frequency, to be rescreened in 2022.</li> </ul>
Respiratory screening questionnaire	<ul style="list-style-type: none"> <li>• 3 workers completed the questionnaire there were no referrals to GP</li> </ul>
Hepatitis A & B vaccinations	<ul style="list-style-type: none"> <li>• 19 workers have hepatitis vaccinations due to the tasks they do.</li> <li>• 15 of the above workers next vaccination is their last dose.</li> <li>• The Occupational Health Nurse will arrange a blood test one month after this dose to confirm the worker has immunity.</li> </ul> <p>There are an additional 14 workers waiting on a blood test to check they have immunity to Hepatitis A &amp; B.</p>
Annual Whole blood lead level	<ul style="list-style-type: none"> <li>• The painters have had their blood lead studies completed for 2021.</li> <li>• Reference range (less than 0.24 umol/L)</li> </ul>

	<ul style="list-style-type: none"> <li>1 x worker was 0.24 umol/L (blood taken in October 2021).</li> </ul> <p>Repeat bloods have been taken in November 2021, results were within acceptable level.</p>
Toxoplasma	<p>Annual blood screening for Animal Control Workers: screening for Animal to Human (zoonotic) transmission illness/diseases.</p> <ul style="list-style-type: none"> <li>4 workers lab result for Toxoplasma Antibodies have been above the reference range for Toxoplasma IgG.</li> <li>Workers have been to their GP.</li> <li>The Pathologist at Southern Community Laboratory has provided the following communication. <ul style="list-style-type: none"> <li>Workers could be exposed periodically due to the job they do</li> <li>Toxoplasma antibodies go up and down.</li> <li>If the antibodies stay the same or decrease it appears that's fine.</li> <li>If it increases, then it is considered an active infection.</li> </ul> </li> </ul> <p>The 4 workers had bloods repeated in November 2021.</p> <ul style="list-style-type: none"> <li>2 x workers the Toxoplasma IgG has decreased</li> <li>1 x worker the Toxoplasma IgG was the same</li> <li>1 x worker the Toxoplasma IgG increased; this worker referred to the GP</li> </ul>

### Wellbeing

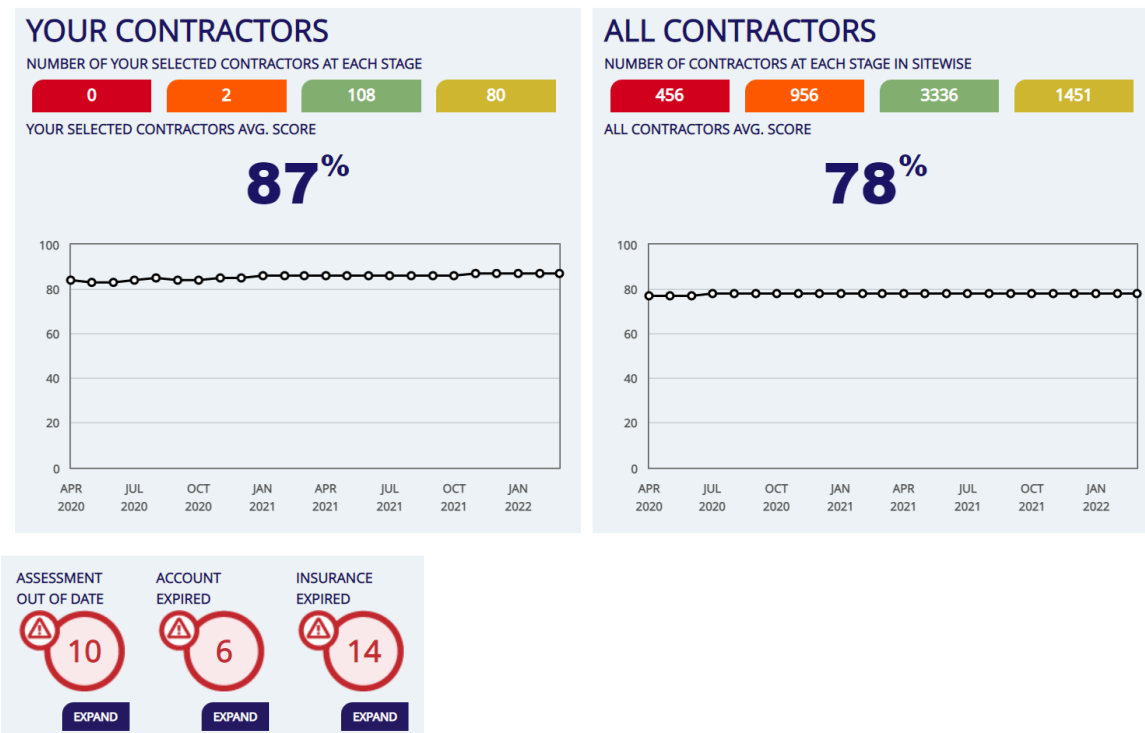
During Quarter 2 the following activities were undertaken.

1. Mental Health Awareness Week with daily events, including quizzes, factual information, podcasts, men's health, suicide awareness.
2. Men's Health Week which included daily quizzes, facts on men's health, included the whanau by having drawing competitions for the children, podcasts.
3. White Ribbon Week – quiz, facts and information, surveys, challenges.
4. Shake Out – Evacuation drill
5. Step Out (NZ Diabetes)
6. Movember
7. Sun Smart

### SiteWise Pre-Qualification

SiteWise is NCCs contractor pre-qualification system. The Health and Safety team are constantly working with the contractors to get them to the desired levels and keeping their documentation up-to-date.

## CONTRACTOR ASSESSMENT SCORES



### Action Taken:

- 2 x Contractors in amber have been contacted and supported on how to bring their score 75%+
- Insurance – contacted advising to upload their current insurances
- Assessments – all contacted and offered advice.
- Account Expired – Advised to contact SiteWise for copy of invoice for payment

### Health & Safety Compliance Training

207 staff completed the following H&S training during Quarter 2.

Compliance Courses	Staff #
First Aid	12
Confined Space	2
Working at Heights	5
Elevated Work Platform	21
Fire Extinguisher	4
Hazardous Substances	16
Site Safe Civil/tools/health	40
Aggressive Customer Training	72
Dangerous Goods	3
Traffic Controller	5
Working Alone	1
Mental Health Matters	12
ICAM Investigator	1



Asbestos Awareness	1
ConstructSafe	1
Site Traffic Management (STMS)	1
Emergency Procedures	10
<b>Total Staff Trained</b>	<b>207</b>

### 1.3 Attachments

Nil

## 2. HAWKE'S BAY MUSEUMS TRUST DRAFT STATEMENT OF INTENT AND FINANCIAL REPORTING

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1442352
<i>Reporting Officer/s &amp; Unit:</i>	Jaimie McIvor, Finance Accountant

### 2.1 Purpose of Report

To receive the Hawke's Bay Museums Trust Financial Report for the six months ended 31 December 2021 and draft Statement of Intent 2022/23.

#### Officer's Recommendation

The Prosperous Napier Committee:

- a. Receive the Hawke's Bay Museums Trust Financial Report for the six months ended 31 December 2021.
- b. Receive the Hawke's Bay Museums Trust draft Statement of Intent 2022/23 and provide any feedback to the Trust prior to the Statement of Intent being brought back to Council for adoption.

### 2.2 Background Summary

At the meeting of the Hawke's Bay Museums Trust held on 23 February 2022, the Trustees adopted their Financial Report for the six months ended 31 December 2021. A copy is **attached** to this report for Council's information.

The Trustees also accepted the **attached** draft Statement of Intent 2022/23 at their meeting on 23 February 2022. This has been provided to Council for review and feedback to the Trust.

### 2.3 Issues

#### Draft Statement of Intent

The draft 2022/23 Statement of Intent contains the following performance indicators and targets for the key result areas:

- **Protection** – including storage, security and records management
- **Quality** – including conservation, accessioning and de-accessioning.
- **Access** – including ensuring the collection is available for exhibitions and research.
- **Development** – including fundraising, reserve management, and stakeholder relations

#### Joint Working Group

The Napier City Council continues to participate in a Joint Working Group with Hastings District Council that is considering the future structure of the Hawke's Bay Museums Trust, its funding, the storage of the collection, and the role of the MTG Hawke's Bay in the display of the collection.

Good progress has been made with the design of the storage facility under way. External funding has been received by Lotteries and an application for funding have been submitted to ECCT by the Hawke's Bay Museums Trust.

The Joint Working Group continues to focus its attention on alternative governance structures for the collection.

## **2.4 Significance and Engagement**

The draft Statement of Intent has been assessed under the Council's Significance and Engagement Policy as being of low significance.

## **2.5 Implications**

### **Financial**

Council makes a financial contribution to the Trust which is detailed in the attached draft Statement of Intent.

### **Social & Policy**

The Hawke's Bay Museum collection includes significant taonga and in acknowledging the significance of that collection, one of the Trustees to the Trust is appointed by Ngāti Kahungunu Iwi.

### **Risk**

This report is to receive the Hawke's Bay Museums Trust draft Statement of Intent 2022/23 and therefore poses little risk to Council.

## **2.6 Preferred Options**

The options available to Council are as follows:

- a. Receive the Financial Report for the six months ended 31 December 2021.
- b. Receive the Hawke's Bay Museums Trust draft Statement of Intent 2022/23 and provide any feedback to the Trust prior to the Statement of Intent being brought back to Council for adoption.

## **2.7 Attachments**

- 1 HBMT covering letter from the Chair (Doc Id 1452536) [↓](#)
- 2 HBMT Statement of Intent 2022/2023 (Doc Id 1452537) [↓](#)
- 3 HBMT Financial Report six months ended 31 December 2021 (Doc Id 1452535) [↓](#)



24 February 2022

Hon. Kirsten Wise  
Mayor  
Napier City Council  
Private Bag 6010  
Napier 4142

Dear Kirsten,

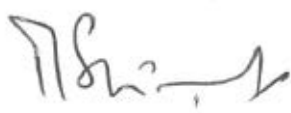
**Hawke's Bay Museums Trust Statement of Intent 2023-2025**

Enclosed please find the draft Statement of Intent for the upcoming period 2023 to 2025. The trustees accepted this draft at their quarterly board meeting on Wednesday 23 February 2022.

The trustees felt that it was not appropriate to make major adjustments to the Trust's strategic intentions due to the on-going work of the HBMT Joint Working Group. This was the approach adopted last year which was supported by both Councils.

This is for your Council's initial review and feedback, and subsequent adoption.

Yours sincerely,



Richard Grant  
Chairman



## ***Hawke's Bay Museums Trust Ruawharo Ta-u-rangi***

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### **STATEMENT OF INTENT 22/23-24/25**

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The Hawke's Bay Museums Trust is a Council Controlled Organisation as three of the five members of the Board are either the two Councils' respective nominees, or the jointly appointed chair.

As a Council Controlled Organisation, the Trust acknowledges the 2012 and 2019 amendments to the Local Government Act 2002.

#### **The Objectives of the Trust are:**

- To hold and protect the collection for the people of Hawke's Bay
- To encourage the development of quality cultural facilities capable of accessing or drawing upon the collection within Hawke's Bay
- To advance and promote cultural heritage and the arts through the use of the collection
- To oversee collection management through the development of collection policy, conservation and risk management strategies via a contract for services with the Napier City Council
- To oversee collection development through the regulation of the acquisition and disposal of collection items
- To manage the bequests vested in the Trust in a way in which best industry practices benefit to the collection.

#### **Governance of the Trust is:**

The Board is constituted to have five members appointed as follows:

- One appointed by the Napier City Council
- One appointed by the Hastings District Council
- One appointed by the Hawke's Bay Museums Foundation Charitable Trust
- One by Ngati Kahungunu Iwi (Incorporated)
- One Chairperson who is jointly appointed by the Napier City Council and the Hastings District Council.

The Trust Board will govern on a high-level strategic direction basis. It will ensure regional balance and Iwi representation. It will undertake a management agreement with Napier City Council for the care and management of the regional collection.

#### **The strategic intentions of the Trust for 22/23-24/25 are:**

The Trust will:

- work closely with the Napier City Council and the Hastings District Council and other local authorities in the Hawke's Bay region to promote public appreciation of the collection
- consult regularly with the Director of MTG to advance the standing of the MTG in the community and further afield
- review annually the performance of the Napier City Council in the execution of its contract for care and management of the collection
- ensure that the Trust's investment policy is managed in a manner that satisfies the guiding principles set by Hastings District Council and Napier City Council for their own investment policies.

- work closely with Napier City Council, Hastings District Council and Hawke's Bay Regional Council to determine a solution to develop long-term storage for the collection.

The Nature and Scope of Activities to be undertaken by Napier City Council are outlined below. These activities will be achieved in accordance with agreed best industry practice and consistent with HBMT policies and procedures.

#### 1) Protection

- Storage including pest control, storage media, shelving and air quality
  - Pest control
  - Storage media
  - Shelving
  - Air quality
- Security including alarm and access systems and monitoring, and insurance
  - Alarm systems (burglary, fire)
  - Alarm monitoring
  - Access systems
  - Insurance (loan items, owed items)
- Records Management including Vernon database and other records
  - Vernon database
  - Other records

#### 2) Quality including conservation, accessioning and de-accessioning.

- Conservation - appropriate conservation to accepted best industry practice and consistent with HBMT collection policies.
- Accessioning - appropriate accessioning to accepted best industry practice consistent with HBMT collection policies.
- De-accessioning - appropriate de-accessioning to accepted best industry practice consistent with HBMT collection policies.

#### 3) Access including exhibitions, research and archives.

- Exhibitions - Collection available to Hastings City Art Gallery and MTG Hawke's Bay and other institutions as appropriate within accepted best industry practice.
- Research - Collection made available through MTG Hawke's Bay as appropriate within accepted best industry practice.
- Archives - Archives made available through MTG Hawke's Bay as appropriate within accepted best industry practice.

#### 4) Development including fundraising, reserves management and relationship development.

- Fundraising - To work with the MTG Hawke's Bay Foundation to provide funding.
- Reserves - To appropriately manage accession reserves.
- Relationships - To appropriately manage relationships to allow the collection to develop appropriately.
  - Funding Councils
  - Te Rōpū Kaiawhina Taonga
  - MTG Friends

**Accounting Policies adopted by the Hawke's Bay Museums Trust will be:**

#### Reporting entity

The Hawke's Bay Museums Trust is registered under the Charitable Trusts Act 1957 and is registered as a charitable entity under the Charities Act 2005.

**Statutory base**

The financial statements will be prepared in accordance with Part 3 (Audits and Reports), Section 15, of the Public Audit Act 2001.

**General accounting policies**

The general accounting policies recognised as appropriate for the measurement and reporting of results and financial position under the historical cost method as modified by any revaluation of certain assets, will be followed in the preparation of the financial statements.

The Board has elected to apply PBE-SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million. The financial statements will be prepared on the assumption that the Trust will continue to operate in the foreseeable future. All transactions in the financial statements will be reported using the accrual basis of accounting

**Specific accounting policies****Bank Accounts and Cash**

Bank Accounts and Cash comprise cheque or savings accounts and deposits held on call with banks.

**Investments**

Investments comprise bank term deposits. Investments will be stated at lower of cost or net realisable value.

**Interest Revenue**

Interest revenue will be recorded as it is earned during the financial year, and accrued at year-end.

**Accounts receivable**

Any accounts receivable will be stated at their estimated net realisable value.

**Grants**

Any grants received will be recognised in the Statement of Financial Performance when the requirements under the grant agreement are met. Any grants for which the requirements under the grant agreement are not completed will be carried as liabilities until the conditions are fulfilled.

**Donated Assets**

Revenue from donated assets will be recognised upon receipt of the asset if the asset has a useful life of more than 12 months and the value of the asset is readily obtainable and significant.

**Artworks and Collection**

The Trust has elected to apply Public Sector Accounting Standard 17 – Property, Plant and Equipment (PBE IPSAS 17). Items contained in collection assets tend to have an indefinite life, and are generally not of a depreciable nature. Depreciation will therefore not be applicable and collection assets will be carried at fair value. Carrying values will be reviewed at least every three years by an independent qualified valuer, to ensure those values are not materially different from fair value. Carrying values will be reassessed annually in the intervening years.

Purchases of collection items will be recorded at cost, and donated collection assets will be recorded without attached values at the time of acquisition. These values will be captured during annual update revision of the valuation as noted above.

**Creditors and Accrued Expenses**

Creditors and accrued expenses will be measured on the amount owing.

**Goods and Services Tax (GST)**

The Trust is registered for GST. The Statement of Financial Performance will be prepared so that components are stated exclusive of GST. All items in the Statement of Financial Position will be stated net of GST, with the exception of receivables and payables, which will include GST invoiced.

**Income tax**

Hawke's Bay Museums Trust is exempt from paying income tax.

**Changes in accounting policies**

Any changes in accounting policies will be clearly signified and quantified.

**Performance Targets**

Key Result Area	Performance Indicator	Target/Reporting Method	
		2022/23 target	2022/23 actual
<b>Protection</b>	Full insurance cover is provided for the collection.	Yes	
	Collections are stored in an acceptable environment.	No items reported to have suffered deterioration due to environment	
<b>Quality</b>	Every item accessioned into the collection has undergone a detailed selection process within the framework of the Collection Strategy	Yes	
	De-accessions are managed in accordance with the Collection Strategy and reported to the Board	Yes	
<b>Access</b>	HBMT collections are used for academic and personal research	1,500 enquiries	
	Collections are made available to the public through quality exhibitions	2 - 5 collection-based exhibitions	
<b>Development</b>	Bequest funds income is used in the manner determined by the donor.	Yes	
	Conservation funds income is used solely for collection care.	Yes	



**Financial Performance Targets**

Financial Performance	Note	2022/23	2023/24	2024/25
<b>Revenue</b>				
Council Funding (NCC & HDC)	A	1,147,921	1,173,978	1,176,245
Interest Income	B	15,000	18,500	17,300
Donations		4,500	4,500	5,000
Total Revenue		1,167,421	1,196,978	1,198,545
<b>Expenses</b>				
Management Fee & Education Grant		933,917	955,397	957,265
Off-Site Storage	E	164,004	167,776	168,104
Education Grant (LEOTC)		15,000	15,000	15,000
Trust Admin & Management		25,100	25,677	25,728
Audit, Insurance & Legal etc	C	9,900	10,128	10,148
Conservation		9,750	11,500	11,150
Accessions		9,750	11,500	11,150
Total Expenses		1,167,421	1,196,978	1,198,545
<b>Surplus/(Deficit)</b>		-	-	-
<b>Financial Ratio Target:</b>				
Ratio of Shareholders Funds to Total Assets (minimum ratio):	D	95%	95%	95%

- A Net Council Funding results from inflation-adjusting some of the Trust's expenses in accordance with the same inflation rates used in both Councils' Annual Plans (2024 2.3% and 2025 2.5%). Future year Statement of Intent Financial Targets may differ from the above targets.
- B Interest income is based on maintaining capital funds at present levels with projected interest rates, and therefore no inflation adjustment is applied. Early spending of these funds will reduce the interest income.
- C Audit, Insurance & Legal etc for 2022/23 includes Audit Fees \$5,610, Insurance \$2,270, Legal Fees \$1,600, Charities Filing \$45, MYOB Subscription \$255, and Sundries \$120.
- D The ratio of Shareholders Funds to Total Assets measures the percentage of assets on which equity holders have a residual claim. Shareholders Funds is the amount of equity that belongs to the shareholders and represents an estimate of the amount the shareholders would receive if the Trust liquidated. Assets are the resources, for which the Trust has ownership or guardianship, that can be measured and expressed in dollars.
- E Please note we have assumed the off-site storage facility will continue to be leased for the next three years. There has been a new storage facility obtained by Hastings District Council, it is not yet known when this will be available for the HB Museum Trust collection or the associated costs.

Other than the funding shown in Financial Targets above, no additional council funding is requested. No dividend back to the two contributing councils is recommended.

**Compensation from Local Authority**

The costs of maintaining the collection will be equally funded by Napier City Council and Hastings District Council. Additional funding may be sought from other sources as appropriate.

**Capital Expenditure**

There is no planned expenditure on 'Buildings' or 'Plant and Machinery' for the 22/23-24/25 periods. Accessions and conservation will be funded from grants, donations, de-accessions, and bequest and investment interest income.

**Hawke's Bay Museums Trust Projected Statements of Financial Position**

<b>Projected Statements of Financial Position</b>	<b>30/6/2023</b>	<b>30/6/2024</b>	<b>30/6/2025</b>
<b>Current Assets</b>			
Bank Accounts and Cash	22,441	22,441	22,441
Investments	615,552	615,552	615,552
Prepayments and Accrued Revenue	1,487	1,487	1,487
<b>Total Current Assets</b>	<b>639,480</b>	<b>639,480</b>	<b>639,480</b>
<b>Non-Current Assets</b>			
Artworks and Collection	28,371,740	29,183,240	29,994,390
<b>Total Non-Current Assets</b>	<b>28,371,740</b>	<b>29,183,240</b>	<b>29,994,390</b>
<b>Total Assets</b>	<b>29,011,220</b>	<b>29,822,720</b>	<b>30,633,870</b>
<b>Current Liabilities</b>			
Accounts Payable and Accruals	5,610	5,610	5,610
GST Payable	195	195	195
<b>Total Current Liabilities</b>	<b>5,805</b>	<b>5,805</b>	<b>5,805</b>
<b>Non-Current Liabilities</b>			
Trust Funds Held on Behalf	75,260	75,260	75,260
<b>Total Non-Current Liabilities</b>	<b>75,260</b>	<b>75,260</b>	<b>75,260</b>
<b>Total Liabilities</b>	<b>81,065</b>	<b>81,065</b>	<b>81,065</b>
<b>Accumulated Funds</b>			
Retained Earnings	1,780,655	1,792,155	1,803,305
Asset Revaluation Reserve	26,645,433	27,445,433	28,245,433
Special Funds	507,067	504,067	504,067
<b>Total Accumulated Funds</b>	<b>28,390,155</b>	<b>29,741,655</b>	<b>30,552,805</b>
<b>Total Funds Employed</b>	<b>29,011,220</b>	<b>29,822,720</b>	<b>30,633,870</b>

**Financial Reports**

Full and final audited accounts will be included in the 2022/23 Annual Report.

**Reporting against intended performance**

The 2022/23 Annual Report will include comparisons of both financial and non-financial performances against the relevant targets outlined in this Statement of Intent.

**Compensation from Local Authority**

The Board estimates the commercial value of the Hawke's Bay Museums Trust collection will be \$28.4million (including the Faraday Collection). The collection is revalued at least every three years by an independent registered valuer, to ensure carrying values are not materially different from fair value.

**Faraday Centre**

Trustees are reviewing the future direction of the Faraday Centre which includes potentially separating this activity from the Hawke's Bay Museums Trust when an appropriate and sustainable model is identified.



# *Hawke's Bay Museums Trust*

## *Ruawharo Tā-ū-rangi*

### FINANCIAL STATEMENTS

OR THE SIX MONTHS ENDED 31 DECEMBER 2021

## **HAWKE'S BAY MUSEUMS TRUST**

### **INDEX TO THE FINANCIAL STATEMENTS**

#### **FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

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# HAWKE'S BAY MUSEUMS TRUST

## STATEMENT OF FINANCIAL PERFORMANCE

### FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

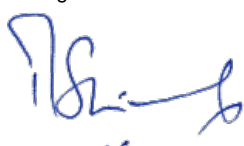
	Note	6 Months Ended 31-Dec-21 \$	6 Months Ended 31-Dec-20 \$	Year Ended 30-Jun-21 \$
<b>Revenue</b>				
Council grants	1	593,617	595,864	1,191,729
Other grants and donations received	2	1,222	4,414	146,751
Interest revenue		3,030	6,156	8,842
<b>Total Revenue</b>		<b>597,869</b>	<b>606,434</b>	<b>1,347,322</b>
<b>Expenses</b>				
Audit fees		-	2,700	5,610
Accounting charge	3	14,400	14,150	28,300
Accounting software charge		128	128	255
Conservation		-	400	6,843
Donation- storage facility		-	-	40,000
General expenses		-	379	450
Insurance		2,270	3,294	3,294
Management fee	3	574,264	576,915	1,153,829
<b>Total Expenses</b>		<b>591,062</b>	<b>597,965</b>	<b>1,238,581</b>
<b>Net Surplus/(Deficit) for the Period</b>		<b>6,807</b>	<b>8,469</b>	<b>108,741</b>

# HAWKE'S BAY MUSEUMS TRUST STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	6 Months Ended 31-Dec-21 \$	6 Months Ended 31-Dec-20 \$	Year Ended 30-Jun-21 \$
<b>Current Assets</b>				
Bank accounts and cash	4	28,854	89,636	22,448
Investments	5	615,553	655,260	615,552
Accounts receivable and accrued revenue	6	2,483	59,848	1,487
GST receivable		99	589	695
<b>Total Current Assets</b>		<b>646,989</b>	<b>805,333</b>	<b>640,182</b>
<b>Non-Current Assets</b>				
Artworks and collection	7	28,354,340	41,097,357	28,354,340
<b>Total Non Current Assets</b>		<b>28,354,340</b>	<b>41,097,357</b>	<b>28,354,340</b>
<b>Total Assets</b>		<b>29,001,329</b>	<b>41,902,101</b>	<b>28,994,522</b>
<b>Current Liabilities</b>				
Accounts payable and accruals	8	6,507	130,329	6,507
<b>Total Current Liabilities</b>		<b>6,507</b>	<b>129,740</b>	<b>6,507</b>
<b>Non-Current Liabilities</b>				
Trust funds held on behalf	9	75,260	75,260	75,260
<b>Total Non-Current Liabilities</b>		<b>75,260</b>	<b>75,260</b>	<b>75,260</b>
<b>Total Liabilities</b>		<b>81,767</b>	<b>205,000</b>	<b>81,767</b>
<b>Accumulated Funds</b>				
Retained earnings	10	1,765,810	1,619,962	1,763,255
Asset revaluation reserve	10	26,645,433	39,530,051	26,645,433
Special funds	11	508,319	547,088	504,067
<b>Total Accumulated Funds</b>		<b>28,919,562</b>	<b>41,697,101</b>	<b>28,912,755</b>
<b>Total Funds Employed</b>		<b>29,001,329</b>	<b>41,902,101</b>	<b>28,994,522</b>

The Trust Board of Hawke's Bay Museums Trust authorised these financial statements for issue on Wednesday 23 February 2022 and are signed on behalf of the Board by:



Chairman



Trustee

# HAWKE'S BAY MUSEUMS TRUST

## STATEMENT OF MOVEMENTS IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

	Note	6 Months Ended 31-Dec-21 \$	6 Months Ended 31-Dec-20 \$	Year Ended 30-Jun-21 \$
<b>Opening Balance of Equity</b>		<b>28,912,754</b>	<b>41,688,632</b>	<b>41,688,632</b>
<b>Net Surplus/(Deficit) for Period Allocated to:</b>				
Retained earnings		2,555	(2,100)	94,749
Special funds	11	4,252	10,570	13,991
<b>Net Surplus/(Deficit) for year</b>		<b>6,807</b>	<b>8,469</b>	<b>108,740</b>
Movement in Asset Revaluation Reserve		-	-	(12,884,618)
<b>Closing Balance of Equity</b>	10	<b>28,919,561</b>	<b>41,697,101</b>	<b>28,912,754</b>



# HAWKE'S BAY MUSEUMS TRUST

## STATEMENT OF CASHFLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

	Note	6 Months Ended 31-Dec-21 \$	6 Months Ended 31-Dec-20 \$	Year Ended 30-Jun-21 \$
<b>Cash Flows From Operating Activities</b>				
Receipts of council grants		593,617	545,584	1,191,729
Donations received		1,222	4,414	5,150
Interest receipts		2,034	10,823	14,047
Other operating revenue		-	8,000	-
Goods and Services Tax		596	7,956	617
Audit fee		-	-	(5,445)
Management fee & education grant		(574,264)	(480,762)	(1,153,829)
Accounting fee		(14,528)	(11,792)	(28,300)
Donations paid		-	-	(40,000)
Conservation expenses		-	-	(6,843)
Insurance		(2,270)	(3,294)	(3,294)
Other expenses		-	(507)	(705)
<b>Net Cash Flows from Operating Activities</b>	12	<b>6,407</b>	<b>80,423</b>	<b>(26,873)</b>
<b>Cashflows from Investing Activities</b>				
Purchase of Collection Assets		-	(10,845)	(10,446)
<b>Net cashflows from Investing Activities</b>		<b>-</b>	<b>(10,845)</b>	<b>(10,446)</b>
<b>Opening Cash Balance</b>		<b>638,000</b>	<b>675,319</b>	<b>675,319</b>
<b>Net Increase/(Decrease) in Cash</b>		<b>6,407</b>	<b>69,577</b>	<b>(37,319)</b>
<b>Closing Cash Balance</b>		<b>644,407</b>	<b>744,896</b>	<b>638,000</b>

# HAWKE'S BAY MUSEUMS TRUST ACCOUNTING POLICIES

FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

## Statement of Accounting Policies

### Reporting Entity

The Hawke's Bay Museums Trust (Incorporated) is registered under the Charitable Trusts Act 1957 and is registered as a charitable entity under the Charities Act 2005.

### Basis of Preparation

The Board has elected to apply PBE-SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

## Significant Accounting Policies

### Bank Accounts and Cash

Bank Accounts and Cash comprise cheque or savings accounts and deposits held at call with banks.

### Investments

Investments comprise bank term deposits.

### Accounts Receivable

Accounts receivable are stated at their estimated net realisable value.

### Grants

Grants received are recognised in the Statement of Financial Performance when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement have not been completed will be carried as liabilities until the conditions have been fulfilled.

### Donated Assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of more than 12 months and the value of the asset is readily obtainable and significant.

### Artworks and Collection

The Trust has elected to apply International Public Sector Accounting Standard (IPSAS) 17 - Property, Plant and Equipment. Items contained in collection assets tend to have an indefinite life and are generally not of a depreciable nature. Depreciation is therefore not applicable and collection assets are carried at fair value. Carrying values are reviewed at least every three years to ensure those values are not materially different to fair value.

# HAWKE'S BAY MUSEUMS TRUST ACCOUNTING POLICIES

FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

## Creditors and Accrued Expenses

Creditors and accrued expenses are measured on the amount owing.

## GST

The Trust is registered for GST. The Statement of Financial Performance has been prepared so that all components are stated net of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

## Interest Revenue

Interest revenue is recorded as it is earned during the year.

## Income Tax

Hawkes Bay Museums Trust is exempt from paying income tax.

## Changes in Accounting Policies

There have been no changes in accounting policies for the 2021/22 financial year.

# HAWKE'S BAY MUSEUMS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

#### 1. Council Grants

	6 Months Ended 31-Dec-21	6 Months Ended 31-Dec-20	Year Ended 30-Jun-21
	\$	\$	\$
Hastings District Council- Operating grant	293,058	294,182	588,365
Napier City Council- Operating grant	293,058	294,182	588,365
Hastings District Council- Education grant	7,500	7,500	15,000
<b>Total Council Grants</b>	<b>586,117</b>	<b>595,865</b>	<b>1,191,730</b>

#### 2. Other Grants and Donations Received

	6 Months Ended 31-Dec-21	6 Months Ended 31-Dec-20	Year Ended 30-Jun-21
	\$	\$	\$
Donations- General	1,222	4,414	5,150
Donations - Acquisitions	-	-	141,601
<b>Total Other Grants and Donations Received</b>	<b>1,222</b>	<b>4,414</b>	<b>146,751</b>

#### 3. Related Parties

Hastings District Council and Napier City Council are related parties, to the extent that they contribute funds and are represented on the Board.

The Hawkes Bay Museums Trust has contracted Napier City Council to provide administrative and accounting services for the Trust's operations. Payment for these services during the six months ended 31 December 2021 financial year was \$14,400 (2020: \$14,150).

The Hawkes Bay Museums Trust has also contracted Napier City Council to provide administrative and management services specifically for the care and management of the collection. Payment for services for the six months ended 31 December 2021 was \$574,264 (2020: \$576,915).

The Board members are not paid (2020: nil).

# HAWKE'S BAY MUSEUMS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

#### 4. Bank Accounts and Cash

	6 Months Ended 31-Dec-21	6 Months Ended 31-Dec-20	Year Ended 30-Jun-21
	\$	\$	\$
<b>Bank Accounts and Cash</b>			
Westpac Bank - Current account	28,854	89,636	22,448
<b>Total Bank Accounts and Cash</b>	<b>28,854</b>	<b>89,636</b>	<b>22,448</b>

#### 5. Investments

	6 Months Ended 31-Dec-21	6 Months Ended 31-Dec-20	Year Ended 30-Jun-21
	\$	\$	\$
Westpac Term Deposits	540,293	580,000	540,292
<b>Westpac Term Deposits - Trusts Held on Behalf</b>			
M S Spence Trust	33,387	33,387	33,387
L D Bestall Trust	20,834	20,834	20,834
Estate L D Bestall	21,039	21,039	21,039
<b>Total Investments</b>	<b>615,553</b>	<b>655,260</b>	<b>615,552</b>

#### 6. Accounts Receivable and Accrued Revenue

	6 Months Ended 31-Dec-21	6 Months Ended 31-Dec-20	Year Ended 30-Jun-21
	\$	\$	\$
Accounts receivable	-	57,822	-
Accrued interest	2,483	2,026	1,487
<b>Total Accounts Receivable and Accrued Revenue</b>	<b>2,483</b>	<b>59,848</b>	<b>1,487</b>

## HAWKE'S BAY MUSEUMS TRUST NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

### 7. Artwork and Collections

	Library Archives	Textiles & Associated Items	Taonga Maori-Owned	Taonga Maori- Custodial	Fine Arts	Social History	Pottery Porcelain Glass	Ethnology	Subtotal	Faraday Centre	Total
<b>Carrying amount at 1 July 2020</b>	<b>1,857,127</b>	<b>791,127</b>	<b>9,095,489</b>	<b>16,352,000</b>	<b>9,764,567</b>	<b>991,358</b>	<b>426,660</b>	<b>1,267,348</b>	<b>40,545,676</b>	<b>541,235</b>	<b>41,086,911</b>
Acquisitions	-	-	-	-	-	1,519	8,927	-	10,446	-	10,446
Donations	16,135	8,195	-	-	117,250	21	-	-	141,601	-	141,601
Deaccessions	-	-	-	(14,352,000)	-	-	-	-	(14,352,000)	-	(14,352,000)
Revaluation	-	-	1,030,500	-	419,700	-	(2,818)	20,000	1,467,382	-	1,467,382
<b>Carrying amount at 30 June 2021</b>	<b>1,873,262</b>	<b>799,322</b>	<b>10,125,989</b>	<b>2,000,000</b>	<b>10,301,517</b>	<b>992,898</b>	<b>432,769</b>	<b>1,287,348</b>	<b>27,813,105</b>	<b>541,235</b>	<b>28,354,340</b>
<b>Carrying amount at 1 July 2021</b>	<b>1,873,262</b>	<b>799,322</b>	<b>10,125,989</b>	<b>2,000,000</b>	<b>10,301,517</b>	<b>992,898</b>	<b>432,769</b>	<b>1,287,348</b>	<b>27,813,105</b>	<b>541,235</b>	<b>28,354,340</b>
Acquisitions	-	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-	-
Deaccessions	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-
<b>Carrying amount at 31 December 2021</b>	<b>1,873,262</b>	<b>799,322</b>	<b>10,125,989</b>	<b>2,000,000</b>	<b>10,301,517</b>	<b>992,898</b>	<b>432,769</b>	<b>1,287,348</b>	<b>27,813,105</b>	<b>541,235</b>	<b>28,354,340</b>

The Faraday Centre Collection was valued by independent registered valuer Craig S Scoullar MPINZ of Asset Valuations Ltd as at 30 June 2020 using fair value. The other Museum Art & Collection Assets were valued by independent registered valuer Jessica Pearless MPINZ of Paragon Matter Limited as at 30 June 2021 using fair value. The basis for both valuations is 'Estimated Market Value'.

# HAWKE'S BAY MUSEUMS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

#### 8. Accounts Payable & Accruals

	6 Months Ended 31-Dec-21	6 Months Ended 31-Dec-20	Year Ended 30-Jun-21
	\$	\$	\$
Accounts payable	5,610	129,432	5,610
Unspent grants	897	897	897
<b>Total Accounts Payable &amp; Accruals</b>	<b>6,507</b>	<b>130,329</b>	<b>6,507</b>

#### 9. Trust Funds Held on Behalf

	6 Months Ended 31-Dec-21	6 Months Ended 31-Dec-20	Year Ended 30-Jun-21
	\$	\$	\$
M S Spence Trust	33,387	33,387	33,387
L D Bestall Trust	20,834	20,834	20,834
Estate L D Bestall	21,039	21,039	21,039
<b>Total Trust Funds Held on Behalf</b>	<b>75,260</b>	<b>75,260</b>	<b>75,260</b>

# HAWKE'S BAY MUSEUMS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

#### 10. Equity

	6 Months Ended 31-Dec-21 \$	6 Months Ended 31-Dec-20 \$	Year Ended 30-Jun-21 \$
<b>Special Reserves</b>			
<b>Restricted Reserves</b>			
Opening balance	15,682	15,294	15,294
Grants, bequests and donations revenue	39	-	156
Interest revenue	82	277	232
<b>Closing Balance Restricted Reserves</b>	<b>15,803</b>	<b>15,571</b>	<b>15,682</b>
<b>Unrestricted Reserves</b>			
Opening balance	59,259	97,302	97,302
Grants, bequests and donations revenue	147	1,764	786
Interest revenue	311	-	1,171
Donations paid for storage facility	-	-	(40,000)
<b>Closing Balance Unrestricted Reserves</b>	<b>59,717</b>	<b>99,066</b>	<b>59,259</b>
<b>Acquisitions Reserve</b>			
Opening balance	400,116	400,556	400,556
Grants, bequests and donations revenue	994	-	4,018
Interest revenue	2,100	7,264	5,988
Acquisitions purchases	-	(10,446)	(10,446)
<b>Closing Balance Acquisitions Reserve</b>	<b>403,210</b>	<b>397,374</b>	<b>400,116</b>
<b>Conservation Reserve Fund</b>			
Opening balance	16,573	22,942	22,942
Grants, bequests and donations revenue	41	-	190
Interest revenue	86	416	284
Conservation purchases	-	(400)	(6,843)
<b>Closing Balance Conservation Reserve</b>	<b>16,700</b>	<b>22,958</b>	<b>16,573</b>
<b>Trusts Held on Behalf</b>			
Opening balance	12,437	11,270	11,270
Interest revenue	451	850	1,167
<b>Closing Balance Trusts Held on Behalf</b>	<b>12,888</b>	<b>12,120</b>	<b>12,437</b>
<b>Total Special Reserves</b>	<b>508,318.07</b>	<b>547,089</b>	<b>504,067</b>



# HAWKE'S BAY MUSEUMS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

	6 Months Ended 31-Dec-21 \$	6 Months Ended 31-Dec-20 \$	Year Ended 30-Jun-21 \$
<b>Revaluation Reserve</b>			
Opening balance	26,645,433	39,530,051	39,530,051
Deaccessions	-	-	(14,352,000)
Movement in Asset Revaluation Reserve	-	-	1,467,382
<b>Closing Balance Revaluation Reserve</b>	<b>26,645,433</b>	<b>39,530,051</b>	<b>26,645,433</b>
<b>Retained earnings</b>			
Opening balance	1,763,255	1,611,217	1,611,217
Net surplus/(deficit) for year	2,555	(2,101)	94,749
Transfer of donation to unrestricted reserve	-	-	40,000
Transfer of capital exp to acquisitions reserve	-	10,446	10,446
Transfer of capital exp to conservation reserve	-	400	6,843
<b>Closing Balance Retained Earnings</b>	<b>1,765,810</b>	<b>1,619,962</b>	<b>1,763,255</b>
<b>Total Equity</b>	<b>28,919,561</b>	<b>41,697,102</b>	<b>28,912,755</b>

**HAWKE'S BAY MUSEUMS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

**11. Special Funds**

	Opening Balance as at 1 Jul 2021	Transfer	Grants Donations & Bequests Received	Acquisitions & Conservation	De-accessions	Allocation of Proportion Interest & Donations Income	Closing Balance as at 31 Dec 2021
<b>Restricted Reserves</b>							
QEII Award Fund	15,682	-	-	-	-	121	15,803
<b>Total Restricted Reserves</b>	<b>15,682</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>121</b>	<b>15,803</b>
<b>Unrestricted Reserves</b>							
Lilliput Building Fund	59,259	-	-	-	-	458	59,717
<b>Total Unrestricted Reserves</b>	<b>59,259</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>458</b>	<b>59,717</b>
<b>Acquisitions Reserve Fund</b>							
Millin Estate	301,388	-	-	-	-	2,330	303,718
LJ Sanderson	89,129	-	-	-	-	689	89,818
M L Holt	1,603	-	-	-	-	13	1,616
Webb Trust	7,996	-	-	-	-	62	8,058
<b>Total Acquisitions Reserve Fund</b>	<b>400,116</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,094</b>	<b>403,210</b>
<b>Conservation Reserve Fund</b>							
M L Holt	13,419	-	-	-	-	103	13,522
R & D Crowther	518	-	-	-	-	4	522
Estate Kriyh Stichbury	1,037	-	-	-	-	8	1,045
Other - FHBMA Care Fund	350	-	-	-	-	3	353
Webb Trust	1,249	-	-	-	-	9	1,258
<b>Total Conservation Reserve Fund</b>	<b>16,573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127</b>	<b>16,700</b>
<b>Trusts Held on Behalf</b>							
M S Spence Trust	5,519	-	-	-	-	200	5,719
L D Bestall Trust	3,415	-	-	-	-	125	3,540
Estate L D Bestall	3,503	-	-	-	-	126	3,629
<b>Total Trusts Held on Behalf</b>	<b>12,437</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>451</b>	<b>12,888</b>
<b>Total Special Funds</b>	<b>504,067</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,251</b>	<b>508,318</b>

# HAWKE'S BAY MUSEUMS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

#### 12. Statement of Intent

In its 2020/21 Statement of Intent the Trust set financial targets for the year. The following table summarises actual results (to 31 December 2021) against those targets, with explanations for variances.

	Actual to 31-Dec-21 \$	Target to 31-Dec-21 \$	Variance \$
<b>Revenue</b>			
Council Funding (NCC & HDC)	593,617	593,617	-
Interest Income	3,030	2,650	380
Cash Donations *	1,222	5,000	(3,778)
<b>Total Revenue</b>	<b>597,869</b>	<b>601,267</b>	<b>(3,398)</b>
<b>Expenses</b>			
Management Fee and Education Grant	492,267	492,267	-
Off-Site Storage	82,000	82,000	-
Conservation **	-	3,825	3,825
Accessions **	-	3,825	3,825
Trust Admin & Management	14,400	14,400	-
Audit, Insurance, Legal Fees ***	2,270	4,950	2,680
<b>Total Expenses</b>	<b>590,937</b>	<b>601,267</b>	<b>10,330</b>
<b>Surplus/Deficit</b>	<b>6,932</b>	<b>-</b>	<b>6,932</b>
<b>Ratio of Shareholders Funds to Total Assets</b>	<b>99.7%</b>	<b>95.0%</b>	<b>4.7%</b>

Note: This ratio shows the proportion of assets on which the shareholders have a residual claim.

#### Explanation of variances

\* Cash donations are down against projected largely due to the MTG facility being closed for remedial work in July 2021 and also a Covid-19 lockdown from the 17th of August to the 31st of August 2021. Auckland remained in the lockdown up until December 2021 which negatively impacted visitor numbers.

\*\* There has yet to be conservation and accession expenditure however there are a number of invoices expected to come through in February and March 2022.

\*\*\* Due to the delayed audit of the annual accounts there has yet to be an audit fee. This is expected to be completed in February 2022.

# HAWKE'S BAY MUSEUMS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

	Actual to 31-Dec-20	Target to 31-Dec-20	Variance
	\$	\$	\$
<b>Revenue</b>			
Council Funding (NCC & HDC)	595,865	595,865	-
Interest Income	6,156	8,350	(2,194)
Cash Donations	4,414	3,000	1,414
<b>Total Revenue</b>	<b>606,435</b>	<b>607,215</b>	<b>-780</b>
<b>Expenses</b>			
Management Fee and Education Grant	486,915	486,915	-
Off-Site Storage	90,000	90,000	-
Conservation	400	5,675	5,275
Accessions	10,446	5,675	(4,771)
General	507	0	(507)
Trust Admin & Management	14,150	14,150	-
Audit, Insurance, Legal Fees	5,994	4,800	(1,194)
<b>Total Expenses</b>	<b>608,412</b>	<b>607,215</b>	<b>(1,197)</b>
<b>Surplus/Deficit</b>	<b>-1,977</b>	<b>-</b>	<b>(1,977)</b>
<b>Ratio of Shareholders Funds to Total Assets</b>	<b>99.5%</b>	<b>95.0%</b>	<b>4.5%</b>

Note: This ratio shows the proportion of assets on which the shareholders have a residual claim.

### 13. Commitments

The Trust has no capital commitments at 31 December 2021 (2020:\$nil)

### 14. Contingencies

The Trust has no contingent liabilities at 31 December 2021 (2020:\$nil)

# PROSPEROUS NAPIER COMMITTEE

## Open Minutes

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Meeting Date: Thursday 17 March 2022

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Time: 10.07am-10.56am (*Open*)  
11.05am-11.20am (*Public Excluded*)

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Venue Via Zoom (Audio Visual Link)

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*Livestreamed via Council's Facebook site*

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Present **Chair:** Councillor Taylor  
**Members:** Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson and Tapine

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In Attendance Chief Executive (Steph Rotarangi)  
Director City Services (Lance Titter)  
Director City Strategy (Richard Munneke)  
Director Community Services (Antoinette Campbell)  
Manager Communications and Marketing (Julia Atkinson)  
Director Corporate Services (Adele Henderson)  
Director Programme Delivery (Jon Kingsford)  
Acting Director Infrastructure Services (Debra Stewart)  
Pou Whakarae (Mōrehu Te Tomo)  
Chief Financial Officer (Caroline Thomson)  
Manager Property (Bryan Faulknor)

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Also Present Wendie Harvey (Chair, Hawke's Bay Airport Limited)  
Stephanie Murphy (Acting Chief Executive, Hawke's Bay Airport Limited)

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Administration Governance Advisors (Carolyn Hunt and Anna Eady)

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## Karakia

### Apologies

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Councillors Price / Boag

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That the apology from Councillor Wright be accepted.

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Carried

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**Conflicts of interest** - Nil

**Public forum** - Nil

**Announcements by the Mayor** - Nil

**Announcements by the Chairperson** - Nil

**Announcements by the management** – Nil

### Confirmation of minutes

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Councillors Chrystal / Mawson

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That the Minutes of the meeting held on 3 February 2022 were taken as a true and accurate record of the meeting.

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Carried

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# AGENDA ITEMS

## 1. QUARTERLY REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

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*Type of Report:* Legal and Operational

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*Legal Reference:* Local Government Act 2002

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*Document ID:* 1421309

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*Reporting Officer/s & Unit:* Caroline Thomson, Chief Financial Officer

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### 1.1 Purpose of Report

To consider the Quarterly Report for the six months (*Doc Id 1439805*) ended 31 December 2021.

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#### At the Meeting

The Chief Financial Officer spoke to the report, providing a brief overview summarising the Council's progress in the second quarter of 2021/22 towards fulfilling the intentions

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outlined in the Annual Plan. Quarterly performance is assessed against income, total operating expenditure, and capital expenditure. No allowance for COVID 19 impacts on revenue had been included in the 2021/22 budget.

In response to questions from Councillors, the following points were clarified:

- Ms Thomson explained that when setting the Annual Plan budget for 2021/22 it was at the end of the first COVID lockdown and the business tourism activities had bounced back and performed significantly better than predicted and based on that continued with the Annual Plan budgets and assumed no allowance for COVID impacts.
- It was noted that both the variances for the stormwater and special rates of \$4.1m offset each other as prior to the Revenue and Finance review the stormwater activity was funded through the general rate and now this rate was collected through the targeted rate. In effect the general rate reduced by \$4.1m and the targeted rate for stormwater has increased by the same amount. This will be rectified in the next year's budget.
- Council's contribution towards the property purchase for the Hawke's Bay Museums Trust storage facility of \$1.8m for 2021/22 is reported under the MTG section of the quarterly report.

#### **Committee's recommendation**

Councillor Chrystal / Mayor Wise

The Prosperous Napier Committee:

- Receive the Quarterly Report for the six months ended 31 December 2021.

Carried

## **2. HAWKE'S BAY AIRPORT LIMITED INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1436783
<i>Reporting Officer/s &amp; Unit:</i>	Caroline Thomson, Chief Financial Officer

### **2.1 Purpose of Report**

To receive the interim report for the six months ended 31 December 2021 from Hawke's Bay Airport Limited.

#### **At the Meeting**

The Acting Chief Executive, Stephanie Murphy and the Chair of the Board, Wendie Harvey from the Hawke's Bay Airport Limited addressed the meeting and gave a comprehensive power point presentation (*Doc Id 1444975*) providing an overview of the airport's half yearly operations, Draft Statement of Intent and Shareholders report.

Some points highlighted included:

- 
- A half year after tax loss of \$412,821 which is significantly worse than the budgeted loss of \$21,738 for the same period.
  - This has largely been driven by reduced airside and car parking revenue reflecting the impacts of the August and September 2021 lockdown restrictions.
  - Passenger movements at 171,851 are 15% down on last year and 32% less than budget. Despite the 15% reduction in passenger movements, total revenues are only 5% behind the same period last year due to increased passenger charges
  - Bank borrowings have increased to \$26m as at 31 December primarily relating to the Terminal redevelopment project which is nearing completion.
  - The Statement of Intent is comprehensive and details its key objectives across their 5 strategic pou.
  - Forecasting a modest net profit after tax of \$257,541 in 2022/23 when compared to pre-covid times with that forecast Net profit after tax improving to \$1.2m by June 2025.
  - The key focus for the next quarter was the forecourt project, revenue diversification, the solar farm project and prudent fiscal management in the current COVID environment.
  - Councillors were invited to the opening of the forecourt towards end of May and a tour of the airport and hopefully a completed terminal and forecourt.

On a procedural note the Chair advised that the Shareholders Report from the Hawke's Bay Airport Limited was to have been held in Public Excluded. The presentation had encompassed all three reports including the Shareholders information (*Doc Id 1439102*) and had been presented to the Hasting District Council in the open section of the meeting. Ms Harvey and Ms Murphy confirmed that there was nothing further to add and no requirement to address the Shareholders Report in Public Excluded.

It was agreed that all three reports be contained in one recommendation and that the Hawke's Bay Airport Limited Shareholders report be included in the attachments.

### **Committee's recommendation**

Councillors Simpson / Tapine

The Prosperous Napier Committee:

- a. Receive the Hawke's Bay Airport Limited interim report for the six months ended 31 December 2021 (*Doc Id 1439100*).
- b. Receive the Hawke's Bay Airport Limited Draft Statement of Intent for the 2022/23 year (*Doc Id 1442854*)
- c. Receive the Hawke's Bay Airport Limited half year report to shareholders, to December 2021 (*Doc Id 1439102*).

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Carried

### **Attachments**

- 1 Powerpoint presentation Statement of Intent and Half Yearly Report (*Doc Id 1444975*)
  - 2 Hawke's Bay Airport Limited Report to Shareholders to 31 December 2021 (*Doc Id 1439102*)
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### 3. HAWKE'S BAY AIRPORT LIMITED - DRAFT STATEMENT OF INTENT 2022/23

Type of Report:	Legal and Operational
Legal Reference:	Local Government Act 2002
Document ID:	1442532
Reporting Officer/s & Unit:	Adele Henderson, Director Corporate Services

#### 3.1 Purpose of Report

To present the Hawke's Bay Airport Limited Draft Statement of Intent for the 2022/23 year.

##### At the Meeting

Wendie Harvey and Stephanie Murphy from the Hawke's Bay Airport had provided an overview of the Draft Statement of Intent in the comprehensive powerpoint presentation (*Doc Id 1444975*) displayed in the previous item.

The recommendation to receive the report was included in the recommendation for Item 2.

### 4. HAWKE'S BAY AIRPORT LTD HALF YEAR REPORT TO SHAREHOLDERS TO 31 DECEMBER 2021

Type of Report:	Operational
Legal Reference:	Local Government Act 2002
Document ID:	1421310
Reporting Officer/s & Unit:	Caroline Thomson, Chief Financial Officer
Reason for Exclusion	<i>Section 7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</i>

#### 1.1 Purpose of Report

To receive the half year report to shareholders from Hawke's Bay Airport Limited to 31 December 2021.

##### At the Meeting

As confirmed in the Open Section of the meeting the Shareholders Report was addressed in the presentation by Wendie Harvey and Stephanie Murphy from the Hawke's Bay Airport Limited. It was noted that the Hastings District Council had included this report in the Open section of their Agenda and details had been released in the media.

# PUBLIC EXCLUDED ITEMS

Councillors Crown / Price

- a) That the public be excluded from the following parts of the proceedings of this meeting, namely:
1. Hawke's Bay Airport Ltd Half Year Report to Shareholders to 31 December 2021  
(this item was addressed in the Open Part of the meeting)
  2. Doubtful Debt

Carried

The general subject of each matter to be considered while the public was excluded, the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution were as follows:

General subject of each matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground(s) under section 48(1) to the passing of this resolution.
2. Doubtful Debt	7(2)(a) Protect the privacy of natural persons, including that of a deceased person	48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.

*The meeting adjourned at 10.56am and reconvened  
in Public Excluded at 11.05am*

*Councillor Tapine closed the meeting with a karakia at 11.20am*

Approved and adopted as a true and accurate record of the meeting.

Chairperson .....

Date of approval .....