

A photograph of a red train carriage. The carriage has three windows. Through the windows, several people are visible, including a young child in the middle window. The train is on tracks, and the sky is blue with some clouds. The carriage has two cylindrical objects on its roof.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2018

ANNUAL ACCOUNTS 2017-2018

We are pleased to report that we received an unqualified audit opinion for the 2017-2018 financial year.

For the reasons explained below, we recorded a deficit of \$238,513 as shown in the Statement of Comprehensive Revenue and Expenditure.

Over the last three years, we have incurred costs in relation to the development of the MOTAT Athfield Masterplan, including costs associated with the Auckland Council's request that we prepare and submit a Treasury model Better Business Case, in support of our application for Long Term Plan funding of the Masterplan. These costs have been reflected as work in progress in our balance sheet as Redevelopment Costs. Due to the uncertainty around the timing of any funding for our Masterplan, it is prudent to now recognise the impairment of these assets as shown in the Statement of Comprehensive Revenue and Expenditure. This is the main contributor to the reported deficit.

It is pleasing to note a 16.4% increase in Other Operating Income and demonstrates the growth we have seen since the launch of our Strategy in 2014 and our objective to become the "must experience venue" in Auckland. It also meets one of our statutory objectives of greater self-sufficiency through revenue producing activities, thereby supplementing public funding.

We appreciate the support of the NZ Lotteries Grants Board and the Ministry of Education who have continued to support us by way of grants

towards our "Collection Inventory" and "Learning and Education Outside The Classroom" initiatives over several years.

Expenditure was carefully managed through the year. Additional unbudgeted costs were incurred during the year, and savings were made to reduce the impact of these costs. Some of these additional costs are employee related to providing new visitor experiences (e.g. hosting new exhibitions and increasing tram drivers) and expediting the shift of our collection from our offsite storage facility. Some of the unbudgeted costs were due to unforeseen circumstances or critical infrastructure that needed attention (e.g. repair and repainting of Cropper House in conjunction with the new exterior canopy and storm damage).

As outlined above this year's results reflect the additional costs associated with the relocation of our collection objects from our offsite storage facility. These additional costs included cleaning the heritage objects as they had been contaminated by hazardous material from the offsite storage facility, packaging and freight costs associated with moving over 20,000 collection items, make good of the premises we vacated, the cost of covering rent for two premises while the shift was undertaken, and the fit-out of our new storage facility.

A number of special projects were progressed during the year including the refit of Building 5 to accommodate our new partner, The Mind Lab by Unitech, scoping and the design of the upgrade of Building 6 in order to create a better visitor, exhibition, collection and work environment and to accommodate travelling exhibitions (e.g. Boeing's Above and Beyond), the development of our STEAM Cells which enables us to take our science, technology,

engineering, art and maths education programmes to the schools in Auckland and the commencement of our Customer Relationship Management project.

The timing around special projects in a Museum environment is often fluid, and accordingly some unspent funds will be carried over into the new financial year to complete the projects they were originally allocated to.



STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE FOR THE YEAR ENDED 30TH JUNE 2018

	NOTE	2018	2017
Levies from Territorial Authorities	2	15,222,110	13,100,000
Grants and Donations	2	373,130	468,609
Rent - Donation	2	560,625	528,750
Interest Received		263,801	235,102
Other Operating Income	3	2,315,441	1,990,045
Operating Revenue		18,735,107	16,322,505
Employee Benefits Expense		7,549,770	6,581,215
Depreciation Expenses	4	1,725,828	1,639,072
Finance Expenses		42,296	57,492
Rent - Expense		560,625	528,750
Other Expenses	5	8,609,352	7,357,798
Impairment of Redevelopment Expenses	8a	485,749	-
		18,973,620	16,164,327
Net (Deficit)/Surplus		(238,513)	158,178
Other comprehensive income			
Movement in revaluation reserve		164,000	344,205
Total Comprehensive Income		(74,513)	502,383

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2018

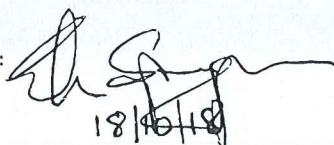
	Projects Reserves	Asset Revaluation Reserves	Retaining Earnings	Total Equity
Balance as at 1 July 2017	191,819	5,644,210	54,883,119	60,719,148
Net Deficit			(238,513)	(238,513)
Transfer to/(from) Project Reserve	(1,557)		1,557	
Other comprehensive income				
Asset revaluation reserve		164,000		164,000
Total Comprehensive Income	(1,557)	164,000	(236,956)	(74,513)
Balance as at 30 June 2018	190,262	5,808,210	54,646,162	60,644,634
Balance as at 1 July 2016	214,424	5,300,005	54,702,336	60,216,765
Net Surplus			158,178	158,178
Transfer to/(from) Project Reserve	(22,605)		22,605	
Other comprehensive income				
Asset revaluation reserve		344,205		344,205
Total Comprehensive Income	(22,605)	344,205	180,783	502,383
Balance as at 30 June 2017	191,819	5,644,210	54,883,119	60,719,148

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

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2018

	NOTE	2018	2017
Cash and Cash Equivalents	7	2,534,480	1,485,685
Accounts Receivable		192,827	289,328
Term Deposits and Investments		-	1,000,000
Shop Inventory		89,505	95,689
GST Receivable		172,378	232,073
		2,989,189	3,102,775
NON CURRENT ASSETS			
Intangible Assets		-	23,236
Property, Plant and Equipment	8a	30,657,392	31,182,731
Collections	8b	29,416,446	29,231,736
		60,073,838	60,437,793
TOTAL ASSETS		63,063,027	63,540,568
CURRENT LIABILITIES			
Creditors and Accruals	9	1,518,918	1,638,192
Regional Facilities Auckland	10	78,481	67,626
Hire Purchase	10	-	7,946
Income in advance	6	150,044	351,108
		1,747,443	2,064,872
NON CURRENT LIABILITIES			
Regional Facilities Auckland	10	670,950	756,550
		670,950	756,550
TOTAL NET ASSETS		60,644,634	60,719,148
EQUITY			
General Equity		54,646,162	54,883,119
Asset Revaluation Reserve		5,808,210	5,644,210
Projects Reserve	11	190,262	191,819
TOTAL EQUITY		60,644,634	60,719,148

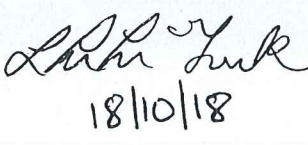
Board member:



Date:

18/10/18

Board member:



Date:

18/10/18

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2018

	Note	2018	2017
CASH FROM OPERATING ACTIVITIES			
Cash was provided from:			
Levies from Territorial Authorities		15,222,110	13,100,000
Grants and Donations		167,974	404,729
Receipts from operations		2,315,441	2,022,170
Interest income		263,801	235,102
Cash was disbursed to:			
Payments to Suppliers, Employees and others		16,280,497	13,884,343
Borrowing costs paid		42,296	57,493
Net Cashflow from/(applied to) Operations		1,646,533	1,820,165
Cashflow from Investing Activities			
Cash was applied to:			
Payments for property, plant & equipment		1,515,047	2,105,751
Payments for heritage assets		-	-
Net Cash (applied to)/from Investing Activities		(1,515,047)	(2,105,751)
Cash flow from Financing Activities			
Cash was provided from:			
Proceeds from borrowings		-	-
Cash was applied to:			
Repayment of borrowings		82,691	137,144
Net Cash (applied to)/from Financing Activities		(82,691)	(137,144)
Net Increase/ (Decrease) in cash held		48,795	(422,729)
Opening Cash Balance		2,485,685	2,908,414
Closing Cash Balance		2,534,480	2,485,685
Represented by:			
Cash and Cash Equivalents	7	2,534,480	1,485,685
Short Term Investments		-	1,000,000

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. Statement of Accounting Policies

REPORTING ENTITY

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

The Museum is spread over the three geographical sites at M1 (805 Great North Road), M2 (Motions Road), Western Springs, Auckland, and off-site storage.

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

The financial statements were authorised for issue by MOTAT on the date as evidenced as signed on the Statement of Financial Position. Once issued, members of the Board do not have the power to amend these financial statements.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

The Financial Statements are prepared in accordance with the Museum of Transport and Technology Act 2000 and include results of the Board for the year ended 30 June 2018.

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

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

SUMMARY OF ACCOUNTING POLICIES

The following accounting policies, which materially affect the measurement of comprehensive revenues and expenses, cash flows, and items in the

Statement of Financial Position of the Board, have been applied. The policies have been consistently applied to all the years presented.

a – Revenue Recognition

REVENUE FROM NON-EXCHANGE TRANSACTIONS

LEVIES

All levy revenue received by MOTAT is in accordance with the MOTAT Act 2000. Levy revenue is recognised as the revenue is received. This is from Auckland Council. The Auckland Council has an Advisory and Management agreement with Regional Facilities Auckland. The levy revenue is now received from the Regional Facilities Auckland.

GRANTS AND DONATIONS

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

RENT DONATION

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

REVENUE FROM EXCHANGE TRANSACTIONS

GATE REVENUE

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

SALE OF GOODS

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

MOTAT MATES PASSES

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

INTEREST INCOME

Interest is recognised in the Statement of Comprehensive Revenue and Expenditure as it accrues, using the effective interest method.

b – Employee Entitlements

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

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

c – Rent Expense

The property from which MOTAT operates is owned by the Auckland Council. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is

a non-cash expense recognised in the period that MOTAT uses the land.

d – Property, Plant and Equipment

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

DEPRECIATION

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

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

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

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

ADDITIONS

The cost of an item of Property, Plant and Equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to MOTAT and the cost of the item can be measured reliably.

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

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

DISPOSALS

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the Statement of Comprehensive Revenue and Expenditure.

IMPAIRMENT

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

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

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

If an asset's carrying amount exceeds its recoverable service amount, the asset is impaired and the carrying amount of the asset is reduced to its recoverable service amount.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Comprehensive Revenue and Expenditure.

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

e – Collections

MOTAT has an extensive collection acquired over a long period of time. The Board has developed a full register and catalogue of the collection. From this register, all assets with a value in excess of \$5,000 were identified and valued as at 30 June 2010 by appropriate independent experts. This valuation has been accepted by the Board as deemed cost. Categories of significant collection assets are revalued by appropriate independent experts on a five year rolling basis, with the first cycle having commenced in 2012, and will be subject to an annual assessment for any potential impairment. For a period of three years starting from 01 July 2014 independent valuations of items not previously identified within the collection were made. To ensure that within the three year period all significant heritage asset collections belonging to MOTAT were valued. The collections are subject to a rolling five year valuation cycle.

The other low value assets in the collection have not been included in the financial statements as the

Board believes the cost of valuing and reporting these assets outweighs the benefit to the readers of the financial statements.

The cost of acquisition of collection items, or in the case of donated assets the deemed cost of those assets, will be recognised in the Statement of Financial Position.

For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a decrease greater than previous revaluation gains recognised, the impairment is recognised in the Statement of Comprehensive Revenue and Expenditure.

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

f – Intangible Assets

SOFTWARE ACQUISITION AND DEVELOPMENT

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

Staff training costs are recognised as an expense when incurred.

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

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

g – Inventories

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

h – GST

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

i – Accounts Receivable

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

A provision for impairment is established when objective evidence of collection is doubtful. When a debtor is considered uncollectible, it is written-off against the provision.

j – Cash And Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with domestic banks. Cash and cash equivalents also include highly liquid

investments with original maturities of three months or less and which are subject to an insignificant risk of changes in value.

k – Taxation

The Board has been granted charitable status and as such receives an exemption from Income Tax. MOTAT registered as a charitable entity under the

Charities Act 2005 on 30 June 2008. MOTAT's registered charity number is CC30945.

l – Creditors And Accruals

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

Accruals are made for benefits accruing to employees in respect of wages and salaries, annual leave, and alternative leave when it is probable that settlement will be required and they are capable of being measured reliably. Accruals made in respect

of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Accruals made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by MOTAT in respect of services provided by employees up to reporting date.

m – Income In Advance

MOTAT receives grants from organisations for specific capital projects. Funds are recognised as revenue when the conditions of the contracts have been met. An income in advance liability reflects funds that are subject to conditions that,

if unfulfilled, are repayable until the condition is fulfilled. MOTAT Mates annual pass income in advance represents unearned receipts as noted in note 1(a).

n – Leases

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

lease payments are recognised as an expense in the Statement of Comprehensive Revenue and Expenditure.

o – Statement Of Cash Flows

The following are the definitions of the terms used in the Statement of Cash Flows:

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

p – Critical Accounting Estimates And Assumptions

In preparing these financial statements MOTAT has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The areas where the most critical estimates and assumptions apply are in relation to:

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

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

q – Financial Instruments

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

RECEIVABLES AND PAYABLES

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

BORROWINGS

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

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

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

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

2. Grants and Donations

	2018	2017
Grants		
Donated Collection Assets	20,710	63,880
Ministry of Education Grant	121,589	135,099
The Lion Foundation	-	30,000
New Zealand Lottery Board	207,418	223,000
Four Winds Foundation	-	10,000
Other Donations & Grants	23,413	6,630
	373,130	468,609
Other Non Exchange Revenue		
Levies from Territorial Authorities	15,222,110	13,100,000
Rent Donation	560,625	528,750
Total Non Exchange Revenues	16,155,865	14,097,359

3. Other Operating Income

	2018	2017
Gate and Tram Admission	1,565,382	1,345,782
Hirage, Events and Functions	371,488	342,017
Other income	94,579	21,833
Shop Sales	283,992	280,414
	2,315,441	1,990,045

4. Depreciation Expenses

	2018	2017
Leasehold Improvements	1,112,083	1,119,377
Furniture and Fittings	53,266	27,604
Vehicles	14,745	10,862
Computers and Software	244,118	224,169
Display Equipment	29,849	20,303
Plant and Equipment	248,441	195,924
Intangible Assets	23,326	40,834
	1,725,828	1,639,072

5. Other Expenses

	2018	2017
Acquisitions - library	1,240	767
Amenities	150,300	5,439
Audit	50,000	53,150
Bank /Merchant + EFTPOS Fees	29,901	25,383
Board - associated/remuneration	151,357	152,634
Catering & Functions	140,820	133,674
Conservation	269,575	55,548
Consultancy/ Legal Fees	37,085	228,332
Cost of Shop Sales	159,615	152,846
Courier/Postage	75,989	8,906
Research Database	12,882	10,286
Energy / Fuel	138,082	140,221
Events/ Exhibitions/Signage	1,291,089	1,592,660
Expendable Programme Resources	2,000	3,059
Fees, subscriptions, permits & licences	82,234	60,274
Fixed Assets Expenses (<\$500)	3,794	3,720
Insurance - premiums	190,171	145,464
Internet Connection/ IT Support	326,264	274,111
Maintenance expenses	1,336,047	971,110
Travel/ Accommodation/Vehicle Hire	34,708	17,257
Lease of Tram 1808/1032	-	20,454
Equipment Hireage	5,927	-
Miscellaneous expenses	155,727	150,914
Marketing	509,089	491,623
Off-site Storage	1,290,781	457,392
Payroll/Staff, Stakeholder Care/Development	330,481	458,953
Care/Development	5,597	3,852
Photocopying & Printing/Stationery	48,140	48,539
Promotions	76,519	38,243
Rates - land/water	47,178	43,387
Redevelopment expenses	521,033	699,007
Restoration Expenses	437,189	264,737
Safety/Security	580,561	534,393
Subscriptions/Memberships	32,874	35,457
Sustainability	10,341	-
Telephones	74,762	76,007
	8,609,352	7,357,798

6. Income in Advance

	2018	2017
New Zealand Lottery Board	554	185,000
MOTAT Mates Annual Pass Liabilities	126,052	136,097
Other	23,438	30,011
Total	150,044	351,108

7. Cash and Cash Equivalents

	2018	2017
Cheque Account	647,565	392,355
Business Saver Account	1,878,642	1,085,125
Imprest Account	8,273	8,204
Total	2,534,480	1,485,685

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

8 a) Property, Plant and Equipment

PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2018 CURRENT YEAR (2017-2018)

	Building and Leasehold improvements	Redevelopment Costs	Furniture and Fittings	Motor Vehicles	Computer and Hardware	Display Equipment	Plant and Equipment	Total
	2018	2018	2018	2018	2018	2018	2018	2018
Opening Balance 1 July	28,856,916	603,048	155,381	79,324	342,835	94,786	1,050,439	31,182,730
Add: Additions during the year	630,217	668,343	121,738	-	120,496	125,000	92,272	1,758,068
Less: WIP Transfer from	-	-	-	-	-	-	-	-
Add: WIP Transfer to	-	-	-	-	-	-	-	-
Less: Disposal during the year	56,958	36,640	-	1,552	-	-	-	95,152
Less: Depreciation	1,112,083	-	53,266	14,745	244,118	29,849	248,441	1,702,504
Less: Impairment	-	485,749	-	-	-	-	-	485,751
Closing balance 30 June	28,318,092	749,002	223,853	63,026	219,213	189,936	894,271	30,657,392
Reconciled to:								
Cost	37,080,046	749,002	727,213	203,069	1,677,910	350,652	2,503,521	43,291,413
Less: Accumulated depreciation	8,761,954	-	503,360	140,042	1,458,697	160,715	1,609,251	12,634,020
Net Book Value	28,318,092	749,002	223,853	63,027	219,212	189,937	894,269	30,657,392

8 a) Property, Plant and Equipment continued

PREVIOUS YEAR (2016-2017)

	Building and Leasehold improvements	Redevelopment Costs	Furniture and Fittings	Motor Vehicles	Computer and Hardware	Display Equipmentd	Plant and Equipment	Total
	2017	2017	2017	2017	2017	2017	2017	2017
Opening Balance 1 July	29,399,453	191,182	84,868	47,670	444,077	85,689	422,278	30,675,218
Add: Additions during the year	576,840	411,866	98,117	42,515	122,927	29,400	824,085	2,105,752
Less: WIP Transfer from	-	-	-	-	-	-	-	-
Add: WIP Transfer to	-	-	-	-	-	-	-	-
Less: Disposal during the year	-	-	-	-	-	-	-	-
Less: Depreciation	1,119,377	-	27,604	10,862	224,169	20,303	195,924	1,598,237
Closing balance 30 June	28,856,916	-	155,382	79,324	342,834	94,786	1,050,439	31,182,731
Reconciled to:								
Cost	36,675,345	603,048	597,820	203,982	1,521,460	210,889	2,387,059	42,199,603
Less: Accumulated depreciation	7,818,429	-	442,439	124,659	1,178,624	116,102	1,336,620	11,016,872
Net Book Value	28,856,916	603,048	155,381	79,324	342,835	94,786	1,050,439	31,182,730

The amount of Borrowing costs capitalised during the period is \$Nil (2017-\$Nil).

IMPAIRMENT

Development costs, primarily consisting of the design cost and cost of preparing a Treasury standard better business case, were reviewed during the year for indicators of impairment. These costs were incurred over a number of years on the basis that a business case would be presented to Auckland Council, to secure a level of funding to progress the associated Masterplan. In the absence of approved Council funding, it has been deemed that these costs no longer represent a future economic benefit, and thus have been impaired. This impairment loss is recognised in the statement of comprehensive revenue and expenditure.

8 b) Collection Assets

CURRENT YEAR (2017–2018)

	Rail	Aviation	Industrial Heritage	Road	Social History	Trams	Comms	Health Science	Military and Medals	Library and 2D Works	Total
	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018
Opening Balance 1 July 2017	3,228,000	5,818,610	6,483,000	3,346,420	3,932,485	3,450,000	490,550	44,015	623,901	1,814,755	29,231,736
Add : Revaluation Gains	-10,000	-	-	79,500	-	-	52,000	-	42,500	-	164,000
Add : Additions during the year	-	15,280	2,730	2,700	-	-	-	-	-	-	20,710
Less : Disposals	-	-	-	-	-	-	-	-	-	-	-
Closing balance 30 June 2018	3,218,000	5,833,890	6,485,730	3,428,620	3,932,485	3,450,000	542,550	44,015	666,401	1,814,755	29,416,446
Reconciled to :											
Opening Balance 1 July 2017	3,228,000	5,818,610	6,483,000	3,346,420	3,932,485	3,450,000	490,550	44,015	623,901	1,814,755	29,231,736
Net Changes during the year	-10,000	15,280	2,730	82,200	-	-	52,000	-	42,500	-	184,710
Net Book Value	3,218,000	5,833,890	6,485,730	3,428,620	3,932,485	3,450,000	542,550	44,015	666,401	1,814,755	29,416,446

PREVIOUS YEAR (2016–2017)

	Rail	Aviation	Industrial Heritage	Road	Social History	Trams	Comms	Health Science	Military and Medals	Library and 2D Works	Total
	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
Opening Balance 1 July 2016	3,208,000	5,813,610	6,455,000	3,270,700	3,854,850	3,450,000	490,550	44,015	623,901	1,613,025	28,823,651
Add : Revaluation Gains	-	-	28,000	50,000	64,475	-	-	-	-	201,730	344,205
Add : Additions during the year	20,000	5,000	-	25,720	13,160	-	-	-	-	-	63,880
Less : Disposals	-	-	-	-	-	-	-	-	-	-	-
Closing balance 30 June 2017	3,228,000	5,818,610	6,483,000	3,346,420	3,932,485	3,450,000	490,550	44,015	623,901	1,814,755	29,231,736
Reconciled to :											
Opening Balance 1 July 2017	3,208,000	5,813,610	6,455,000	3,270,700	3,854,850	3,450,000	490,550	44,015	623,901	1,613,025	28,823,651
Net Changes during the year	20,000	5,000	28,000	75,720	77,635	-	-	-	-	201,730	408,085
Net Book Value	3,228,000	5,818,610	6,483,000	3,346,420	3,932,485	3,450,000	490,550	44,015	623,901	1,814,755	29,231,736

Historically, collection assets have represented all assets under MOTAT ownership that have been assessed as having a significant value. Previously, a large number of collection assets had been excluded from the financial statements as their collective value was not thought to be large. In 2015, a new strategy was put in place to incorporate and value the remaining significant, non-valued collection holdings, many of which had been identified during the digitalisation project. This project was essentially completed in 2017.

The collection areas additional objects recognised and net revaluation gains in the 2018 financial year have added \$164,000 in additional value to the collection.

During the year valuations of assets recognised include donated assets, non-significant pre-existing collection assets valued for the first time in 2018 and updated valuations on previously valued items. External valuations were performed by Ashley and Associates using current market value.

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

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

Area of Collection	Previous Year of Valuation	Next Year of Valuation
Agriculture (included in Industrial Heritage)	2017	2022
Audio Visual (included in Library and 2D Works)	2016	2021
Aviation-planes	2014	2019
Aviation-engines	2015	2020
Aviation-furniture	2016	2021
Aviation-civil aviation	2016	2021
Aviation-propellers	2016	2021
Computers (included in Comms)	2015	2020
Health Science	2016	2021
Library	2014	2019
Medals	2015	2020
Military	2018	2023
Printing (included in Comms)	2018	2023
Rail	2014	2019
Road Transport-cars/tractors	2018	2023
Road Transport-motorcycles/bus/fire and emergency	2015	2020
Road Transport-non motorised/cycles	2016	2021
Steam (included in Industrial Heritage)	2015	2020
Telecommunications (included in Comms)	2018	2023
Textiles (included in Industrial Heritage)	2014	2019
Trams (included in Rail)	2015	2020
Village (included in Social History)	2014	2019
Village Buildings (included in Social History)	2015	2020

9. Payables Under Exchange Transactions

	2018	2017
Trade Creditors	532,821	689,114
Sundry Creditors	666,961	685,645
Employee Entitlements - Holiday Pay	319,136	263,433
	1,518,918	1,638,192

10. Loan

	2018	2017
Current		
Regional Facilities Auckland	78,481	67,626
Hire Purchase	-	7,946
Non current		
Regional Facilities Auckland	670,950	756,550

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

year consisting of principal and interest) for a period of 22 years.

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

11. Project Reserve

	2018	2017
DC3 NAC Repaint Reserve	1,350	1,350
Lancaster Restoration	176,515	170,571
Mosquito Restoration	2,000	2,000
Stewart Family Memorial Trust	-	7,500
Tram #17 Fund	10,397	10,397
	190,262	191,818

Funds are collected for various restorations and other projects that the Museum undertakes from time to time. These funds have been previously collected and recognised by the Museum in the project reserve account until they are utilised on the intended project. Further funds received and expenditure incurred are recognised through

the Statement of Comprehensive Revenue and Expenditure as revenue and expenditure and the related net surplus is transferred between the project reserve and retained earnings.

