



# ANNUAL REPORT

## Purongo a Tau

For the year ending 30 June 2011



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## NZHPT OUTCOMES:

Present and future generations of New Zealanders experience and enjoy a sense of place, community and belonging

Identification	Survival	Appreciation
Places that contribute to New Zealand's culture and heritage are identified and their stories recorded.	Places that are identified as significant to New Zealand's culture and heritage survive.	New Zealanders appreciate those places that contribute to their sense of place, community and belonging.

## WE ARE GRATEFUL FOR THE GRANTS, SPONSORSHIPS, GOODS AND SERVICES RECEIVED FROM –

- |  |  |
|--|--|
| > ASB Community Trust                      | > Lion Foundation  |
| > Canterbury Community Trust               | > Mangatawa Beale Williams Memorial Trust                    |
| > Chisholm Whitney Family Charitable Trust | > NZ Lottery Grants Board Environment and Heritage Committee |
| > Christchurch City Council                | > Otago Community Trust                                      |
| > City of Nelson Civic Trust               | > Parkinson Memorial Park Trust                              |
| > Commemorating Waitangi Day Fund          | > Stout Trust  |
| > Embassy of the United States             | > Tararua District Council                                   |
| > Friends of Old St Paul's                 | > Thames Coromandel District Council                         |
| > Genesis Energy                           | > Tourism Facilities Grant                                   |
| > Wellington City Council                  |  |

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### Cover photos, clockwise from left:

Cracking the code: students from Wadestown School assist with trialling a new education programme at Old St Paul's, Wellington (Heritage Connection, Te Unga Mai Trust); Heritage lost, 22 June 2011: the timeball and its mast lie at the base of its crumpled original tower (NZHPT); Textile conservation at Old St Paul's (NZHPT); Bygone days: Frank van der Heijden (NZHPT) and Andy Dodd (Underground Overground Archaeology) at the excavation of brick furnaces on Colombo Street, Christchurch; Cathedral of the Blessed Sacrament, Christchurch after the June 22 earthquake (NZHPT); NZHPT staff on a site visit at Takamore urupa, Waikanae (NZHPT); Wedding lights at Alberton, Auckland (Steve Burgess) on page 10.



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## REPORT OF THE CHAIRS OF THE NZHPT BOARD AND MĀORI HERITAGE COUNCIL

Ko ngā maunga e tū mai rā, ngā awa e haerere ana, te whenua e hora nei, koinā ngā taonga tuatahi i tutuki ai a o tātou matua tūpuna i te wā o neherā.

Our oral and written history are records through which we tell the stories of our young country, but the buildings and places surrounding us form some of the most compelling visual reminders of our social, cultural, industrial and economic development. They track our growth and prosperity and our developing sense of identity as a proud, strong and independent country that is so evident today.

Middens, ancestral marae and pa sites, early trading or farm buildings, water-driven flour mills or engineering works, humble family homes and historic mansions, industrial and manufacturing complexes, shipwrecks, civic buildings and towers of industry; these are the places that remind us that this country is our home.

The past 12 months have been traumatic. The earthquakes in Canterbury impacted many lives and we and our colleagues on the Board and Māori Heritage Council offer our best wishes to everyone affected.

While the NZHPT is extremely fortunate that our people and their families were safe, significant historic places were lost or badly damaged. The face of Canterbury has changed forever; those who know it well have told of standing in Christchurch's CBD unable to find their bearings without its buildings.

Two properties we care for were affected.

Coton's Cottage (Category II) at Hororata, at the centre of the 4 September 2010 quake, was extensively damaged. Repairs are underway to that building but Lyttelton's Timeball Station (Category I) was not able to be saved. While strengthening work was underway when February's devastating quake struck, it became apparent that the building had to be dismantled. This was in train when, on 13 June, a 6.3 magnitude quake shook this beleaguered building to the point where much of the building collapsed. Salvage and the careful dismantling of what remained became the focus. Our story joins those of many other historic places within Lyttelton and Christchurch and across Canterbury and, like others, we will need to consider the future of this site.

This isn't the first time that natural disaster has changed the face of a New Zealand community, and it won't be the last, but steps can be taken to improve safety. While the most significant loss of life was associated with more recently constructed buildings, the NZHPT has long advocated for an increase in building standards, for both heritage and character buildings. We work closely with councils and owners to explore options for historic places that could be vulnerable to seismic activity, and recognise the need for places to have viable economic futures.

Adaptive reuse is a simple term we use to explain our understanding that buildings sometimes have to change if they are to remain useful. In many instances, it is not just the building's structure that changes, but its primary purpose too. A church becomes a restaurant, a factory becomes apartments, but the intrinsic heritage value can be retained with some care, thought and good advice.

Seismic strengthening often goes hand in hand with this work. Incentives, such as rates relief or tax credits, can help reduce the financial load for owners of heritage or character buildings and are worth exploring. The majority of New Zealand's commercial building stock is two-storeyed and a significant number owned by small investors who may need help to see a viable future for the buildings that form much of the character of both cities and towns. Working together we can ensure a vital part of our familiar streetscapes can be retained and strengthened, while giving a sense of greater security to those who live and work in and around them.

The thoughtful, intelligent and prudent approach that the NZHPT, as a Crown Entity, brings to its work is reflected in the many communities in which the organisation works.

The NZHPT's programme included a substantial workload to identify and record the heritage significance of places around the country and to ensure the Register remains the authoritative source of information about the country's built heritage.

Ongoing advice to owners of heritage buildings, combined with a heavy programme of community-focused education and outreach programmes helped raise awareness of the importance and the fragility of our shared heritage both with the wider community and with heritage professionals, and to empower them to protect it. Our preference is to work

proactively with owners, supporting them to make informed decisions and to consider options that may prove beneficial not only to heritage retention, but also of assistance economically.

The volume of archaeological consent applications continues to increase to record levels with 565 authorities processed, reflecting both planned changes, demolitions and site modifications, and unplanned events including the Canterbury earthquakes. This is set to continue over the coming year. Changes through the Order in Council to support earthquake recovery efforts saw a streamlined process and shorter timeframes for this work in 'quake-affected areas and the organisation was able to adapt quickly.

The first year of the NZHPT's three-year deferred maintenance work began at the properties it cares for, thanks to the one-off \$3 million funding allocation made by the Government at the end of the previous financial year. Alongside this, projects to improve interpretation and a host of events at our properties allowed New Zealanders and overseas tourists to engage with these important historic places, and to learn about their stories.

Preparations continued in anticipation of the introduction to the House of planned changes to the Historic Places Act. Support and advice were provided in the development of the draft legislation, hui were held around the country outlining proposed changes to archaeological provisions, and the NZHPT worked with branch committees as they consider future options for increased local heritage advocacy.

In a year marked and made harder by tragedy, we are proud of the organisation's achievements. The coming year will see New Zealanders continue to move on with their lives and more decisions made about the finite resource that is our precious shared heritage.



The decisions made now will have even more resonance in the future and the NZHPT will continue to identify our significant heritage places, and work towards their ongoing survival by supporting and advising those making decisions that affect the future and

outcomes for these places. Importantly, the organisation will continue to collect and share their stories with New Zealanders and with those who come to share our home and our history. Even if just for a while.



**Shonagh Kenderdine**

Chair NZHPT Board

Tumuaki a te Poari Te Pouhere Taonga

20 October 2011



**Sir Tumu te Heuheu KNZM**

Chair Māori Heritage Council

Tiamana o te Kaunihera Tuku Iho Māori

20 October 2011



## CHIEF EXECUTIVE'S INTRODUCTION

At the beginning of last year's annual report I commented that change is inevitable for heritage, but the past year's sweeping changes have been far more profound than anyone would have imagined.

Canterbury's earthquakes affected lives and wellbeing, our economic recovery, and our view of ourselves and the spaces in which we live. Like everyone, our focus was on people first, but the NZHPT also continued to work for the best outcomes for heritage – both in the 'quake-affected areas as well as around the country.

Along with my best wishes for everyone affected by the Canterbury earthquakes, I express my thanks to the staff of the NZHPT and acknowledge both those working directly in the affected areas, and everyone who managed the shifting workload that enabled their colleagues to respond to the crisis.

I acknowledge local council staff and the many professionals who have worked tirelessly alongside our staff in Canterbury to try to preserve as much of the heritage as possible, in spite of seemingly endless aftershocks.

And I also want to thank members who gave generously to the Canterbury Earthquake Heritage Building Fund.

The cost of this event – no matter how it's considered – has been enormous and New Zealand will have to manage and deal with the aftermath (social and cultural as well as economic) for many years to come. And it has come at a time that has been economically challenging worldwide.

We were fortunate to enter 2010/11 with the same level of Crown funding as the previous year. This allowed for certainty in planning, and reinforced the need to secure funding

from other sources. Thanks to the generosity of both grant funders and donors – the latter primarily the NZHPT's own members – we have been successful. Along with revenue from our properties, including events and merchandising, revenue over the past year exceeded our expectations.

But the challenge continues over the coming year, in a community environment where finances remain tight, and decisions on expenditure will be cautious and difficult. As a Crown Entity the NZHPT is expected to demonstrate value for money, to seek funding from a range of sources, and to improve efficiency both in its regulatory work, in its role as a trusted heritage advisor, and in its management as caretaker of significant heritage places. We set high standards for ourselves in this work as well.

As this report outlines, while most of our targets were met and some were exceeded, not all targets we set for ourselves were able to be met this year, and our recently published *Statement of Intent 2011-2014* shows that reprioritisation of our efforts have been made. As ever, our clear focus is on achieving the best outcomes for our shared heritage and we look forward to working with others around New Zealand to achieve this.

**Bruce Chapman**

Chief Executive



## THE YEAR IN REVIEW

The NZHPT Board established five strategic priorities for the year; achieving financial sustainability, telling the stories of our places, achieving results through partnership, enhancing the economic viability of heritage places, and achieving excellence through prioritisation.

The *Statement of Intent 2010-2013* saw the NZHPT's planned work programme focus on how these priorities could be achieved both directly and indirectly. Direct programmes such as the work to increase third party revenue saw increased financial targets for revenue from visitors, merchandising and events at properties cared for by the NZHPT, from membership, donations and bequests, and grant funding. These targets, set to help the organisation achieve financial sustainability, were achieved and exceeded. Targets have increased again this coming year and in a competitive market at a time of general economic downturn, this will be a challenge.

To help achieve these targets, the NZHPT is looking to new ways of both establishing beneficial relationships and telling our stories to a wider audience. One example is the TRENZ expo, held in Queenstown, where the NZHPT's stand attracted considerable attention. Our goal of increasing awareness of the national network of significant heritage properties that tourism operators can access has already yielded results. Strong interest at the event has been followed up with contact by operators.

NZHPT improved the representation of Māori in both the content of the Register and in its work with iwi, hapū and whānau on heritage projects. We achieved this through the addition of 14 registrations of significance to Māori and in addition a decision was made to add

information about wāhi tapu and wāhi tapu areas to the Register Online. Resources and workshop programmes were provided to Tānewhirinaki at Opotiki and Waikare Marae at Tauranga to develop capability in Māori heritage and taonga conservation.

Ongoing relationship building with the education sector, local community and the general public through various initiatives and events was continued during the year with a number of further initiatives proposed for future consideration. Examples of these are the new education programme at Old St Paul's and 121 specific heritage events around the country.

Demonstrating best practice in conservation is part of the NZHPT's leadership role.

A key priority over the three years to 2013 is implementation of a significant programme to address deferred maintenance and safety issues at properties cared for by the NZHPT. The results of a safety audit completed in 2009-10 saw Stage 1 of a three-year programme implemented during the past financial year. The majority of identified major risks as well as some minor matters have been resolved, supported by a one-off operating allocation agreed in Budget 2010.

To assist with preservation for buildings in private ownership NZHPT administers the National Heritage Preservation Incentive Fund. The Fund was allocated to eight applicants



(18 applications in total). The work is undertaken with guidance and review of NZHPT to ensure best practice and compliance with Fund conditions.

These are just some examples of the ongoing organisational sustainability and development work through which the NZHPT seeks to reinforce its value as a Crown Entity both to the Government and to the people of New Zealand, particularly in a changing environment.

Work relating to the proposed changes to the *Historic Places Act* 1993 continued. The NZHPT completed its input to the policy development processes for the review. Planned changes to the Act, originally announced by the Government in 2009, have not yet been introduced to the House and in the interim, the NZHPT undertook 11 hui around the country to advise iwi of proposed changes to archaeology regulations. The shorter time-frames proposed have also been tested through a pilot project as the NZHPT sought to test its ability to manage these.

Other significant changes the Government proposes include disestablishment of branch committees and appointment of all NZHPT Board members by the Crown; currently three members are elected by NZHPT members every three years. The NZHPT has worked with branch committees as they consider options for future locally focused organisations and the Board agreed on a financial support package that provides certainty for branch committees around funding, particularly at any future time of transition to new regional heritage organisations.

While the primary focus of the organisation's support and advice has been with branch committees, significant work has been done with other heritage groups involving both advocacy and heritage appreciation and promotion during the year reflecting that, organisationally, the majority of NZHPT staff continued to operate on a business-as-usual basis throughout the legislation review.

Involvement in development of the legislation and communication about proposed changes has seen a small group of staff engaged at a higher level.

The Canterbury earthquakes impacted on staff to a greater extent with workload shifting and rebalancing to ensure that both an immediate and a sustained emergency and recovery response could be provided, as well as ensuring staff working in a response capacity could be periodically relieved through rotation.

The NZHPT's work in response to the earthquakes was profiled strongly in the media including radio and television interviews. The organisation also coordinated a donation campaign with its members that resulted in over \$111,000 in donations being received and contributed to the Canterbury Earthquakes Heritage Building Fund, along with a donation of \$250,000 of reprioritised expenditure from the NZHPT directly. In addition a special Canterbury earthquake commemorative magazine was published and has received a very positive response.

The earthquakes had wider implications for New Zealanders. For many their confidence in building safety was shaken. The deaths of so many people, and in relatively modern buildings, led to a call for stronger compliance standards for older building stock. The NZHPT had been advocating for an increase in code for several years and recognises the need for discussion and debate about ways to incentivise this work.

The broad range of work undertaken by the NZHPT throughout the year cannot be fully expressed in one annual report, however this summary of some of the work done, along with the range of achievements across our three output areas in the Statement of Service Performance helps to paint the picture of a crown entity that strives to meet and exceed expectations in its work, the expectations of the Crown as well as the wide range of stakeholders with whom we work – from councils to developers, iwi to owners and the people of New Zealand.



# STATEMENT OF GOVERNANCE

## GOVERNANCE FRAMEWORK

NZHPT is an autonomous Crown Entity under the *Crown Entities Act 2004* and its governance framework includes:

- > *Crown Entities Act 2004* (CEA)
- > *Historic Places Act 1993* (HPA)
- > Governance policies adopted by the NZHPT Board, including terms of reference for Board Committees
- > Principles, practice and guidelines governing the relationship between Board and the Māori Heritage Council.

## NZHPT BOARD

### 1. Role

The Board is accountable to the key stakeholders for establishing NZHPT's vision and setting the strategies to be adopted to promote the identification, protection, preservation and conservation of the historical and cultural heritage of New Zealand and to set the values to be promoted throughout the organisation. The Board also approves the allocation of resources in accordance with the strategic priorities and to carry out duties which, under the Historic Places Act, it cannot delegate to management.

### 2. Appointment of Board Members and Composition of Board

The Board is composed of:

- > Three Board members elected by members of the NZHPT.
- > Six appointed by the Minister of Arts, Culture and Heritage (three of whom must, in the opinion of the Minister after consultation with the Minister of Māori Affairs, be qualified for appointment having regard to their knowledge of te ao Māori and tikanga Māori).

### 3. Board Members' Remuneration

Board members' remuneration is set by the Minister consistent with the guidelines set by the State Services Commission and Cabinet Office guidelines.

### 4. Board Meetings and Attendance at Meetings

The Board held 10 meetings in this financial year, four of these were teleconferences and one of these meetings was a joint meeting with the Māori Heritage Council. The Board's annual programme is set by the Board in conjunction with the Chief Executive.

Board meetings were attended as follows:

Board Member		Meetings attended
John Acland	(Chair until 22 August 2010)	2
Shonagh Kenderdine	(Chair, appointed 23 August 2010)	8
Sir Tumu te Heuheu		5
Ian Athfield		10
Errol Clark	(term expired 31 May 2011)	7
Anna Crighton		10
Dr Merata Kawharu	(resigned 30 June 2011)	7
David Kiddey		9
Dr Apirana Mahuika		5
Allan Matson		10
Brian McGuinness	(appointed 1 June 2011)	1

## 5. Board Committees

The Board has two committees, the Registration Committee and the Chief Executive's Employment Committee which have been in existence for several years and two newly established committees – the Audit and Risk Committee and the Strategy Committee. Both the Registration Committee and the Audit and Risk Committee have one external member who is not a member of the Board or Māori Heritage Council appointed for their particular skills and experience. All other committees are made up of only Board or Māori Heritage Council members.

All committees have terms of reference which are reviewed on a regular basis.

The Registration Committee met eight times in the 2009/10 financial year, the Chief Executive's Employment Committee twice and the Audit and Risk Committee once.

## 6. Standards of Conduct

The governance policy adopted by the Board sets out the standards of conduct to be followed by the Board members in carrying out their duties. This policy is reviewed annually by the Board.

## 7. Conflicts of Interest and Disclosure of Interests

Each Board member has made a full disclosure of their interests. This is updated at every Board meeting. If a conflict of interest exists, the Board member excuses themselves from the discussion, does not take part in any decision or vote, and does not receive the relevant paper in respect of that interest.

## 8. Board Members' Insurance and Indemnity

Insurance has been effected for Board members in respect of any act or omission in their capacity as Board member.

## 9. Evaluation of Board's Performance

The Board has a process in which the performance of the Board is evaluated and the results of this evaluation are conveyed to the Minister.



## ORGANISATIONAL HEALTH AND CAPABILITY

### GOOD EMPLOYER COMPLIANCE

NZHPT has comprehensive human resource management policies designed to comply with the principles of being a good employer and other legislative requirements.

Policies are available to staff electronically on the NZHPT network and hard copies are held at most places of work. Staff are given the opportunity to give feedback on any proposed changes to policies.

The principle of consultation and involvement in policy development is enshrined in specific policies related to decision-making and roles

NZHPT's key activities against the seven key elements of the 'good employer' in 2010-2011 are summarised below:

and responsibilities. One indicator of the effectiveness of human resource policies is turnover. Turnover was 8% this year compared to 6% last year. This is not considered to be an issue and exit interviews do not indicate any particular recurring issues that need to be addressed.

Element	NZHPT Activity
<b>1. Leadership, accountability and culture</b>	Chief Executive's (CE) staff meetings – updating on Board meetings, strategic direction and key organisational issues. CE addresses induction groups and affinity groups to emphasise key messages – vision, direction, and values. NZHPT's intranet Te Kete provides ease of access to all policy documents and information required by staff. CE's expenditure disclosures completed and posted on State Services Commission (SSC) data website every 6 months. Bi-monthly Operating Reviews, Annual Performance Reviews for all staff. Quarterly reviews for Tira and Heritage Destinations with CE and National Business Manager. Performance Management Policy. Management/Leadership courses for managers.
<b>2. Recruitment, selection and induction</b>	Robust and transparent recruitment and selection processes. All permanent positions are advertised. Support person allowed at interviews. Two day induction programmes are available to all new staff. A formal induction process is carried out for all new staff.

Element	NZHPT Activity
<b>3. Employee development, promotion and exit</b>	<p>Personal Development Programme.</p> <p>Employees are encouraged to apply for internal promotions.</p> <p>Affinity Groups for collegial development of professional staff.</p> <p>Memberships of professional organisations for all relevant staff.</p> <p>Acting-up opportunities with higher duties allowance.</p> <p>Exit interview process.</p>
<b>4. Flexibility and work design</b>	<p>Part-time/flexible options are available where position content permits.</p> <p>Job share options may also be available.</p> <p>Position descriptions are monitored to reflect correct job design.</p>
<b>5. Remuneration, recognition and conditions</b>	<p>Transparent, equitable and gender neutral job evaluation practices.</p> <p>Two-yearly remuneration reviews, two-yearly market comparisons.</p> <p>Remuneration is gender-neutral and based on the role.</p> <p>Staff reward scheme.</p> <p>Free membership of NZHPT and the normal membership benefits.</p>
<b>6. Harassment and bullying prevention</b>	<p>Employee code of conduct included in all employment agreements.</p> <p>Meetings held promptly to mediate and address issues that arise.</p>
<b>7. Safe and healthy environment</b>	<p>Health and Safety Committee.</p> <p>Health and Safety Policy.</p> <p>Workplace assessments.</p> <p>Civil Defence and Health and Safety equipment supplied to all sites.</p> <p>Employment assistance programme provided by Vitae Ltd.</p> <p>First aid and site safe training available.</p> <p>Business Continuity Plans developed and updated in response to lessons learned from the Canterbury earthquakes.</p> <p>Log of emergency contacts held for all staff that is updated monthly.</p>



## EQUAL EMPLOYMENT OPPORTUNITIES

The NZHPT maintains a diverse workforce made up of a wide range of people representing different age groups and ethnicity.

NZHPT is a bicultural organisation and provides regular training to staff in the areas of tikanga and Te Reo. All staff are encouraged to participate.

The majority of the workforce are women, with 68% female compared to 32% male. This is significantly higher than the public service

and national labour forces. As at 30 June 2011 there were 107 full-time equivalent staff.

Equal Employment Opportunity (EEO) principles and processes are part of mainstream management practices in the NZHPT, and these are supported through human resources policies that are designed to ensure non-discriminatory approaches and procedures are observed.



## STATEMENT OF RESPONSIBILITY

### FOR THE YEAR ENDED 30 JUNE 2011

In terms of the *Crown Entities Act 2004*, the Board of the New Zealand Historic Places Trust is responsible for the preparation of NZHPT's financial statements and statement of service performance, and for the judgments made in them.

The Board of NZHPT has the responsibility for establishing, and has established, a system of internal control to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board's opinion, these financial statements and statements of service performance fairly reflect the financial position and operations of NZHPT for the year ended 30 June 2011.

**Shonagh Kenderdine**  
NZHPT Board Member  
20 October 2011

**Naida Glavish ONZM**  
NZHPT Board Member  
20 October 2011



## STATEMENT OF SERVICE PERFORMANCE

### FOR THE YEAR ENDED 30 JUNE 2011

There are three key outcome areas where the NZHPT seeks to make a difference; Heritage Identification, Heritage Survival, and Heritage Appreciation.

These three headings represent a significant project workload during 2010/11, all of which shared an overarching goal; ensuring that present and future generations of New Zealanders experience and enjoy a sense of place, community and belonging.

#### Overview:

##### **Government Outcomes:**

Improving the lives of New Zealanders

- > Better educated, skilled and culturally aware
- > Capable enterprises and workforce
- > Connected and vibrant communities.

##### **Ministry for Culture and Heritage Outcomes:**

A thriving culture – succeeding artistically, economically and culturally.

Thriving producers and healthy cultural organisations. (Create)	Increasing preservation of New Zealand's culture and heritage and traditions. (Preserve)	New Zealanders increasingly value their arts, broadcasting, culture and heritage. (Value)
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##### **NZHPT Outcomes:**

Present and future generations of New Zealanders experience and enjoy a sense of place, community and belonging.

<b>Identification</b>	<b>Survival</b>	<b>Appreciation</b>
Places that contribute to New Zealand's culture and heritage are identified and their stories recorded.	Places that are identified as significant to New Zealand's culture and heritage survive.	New Zealanders appreciate those places that contribute to their sense of place, community and belonging.

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<b>Measured by</b>	<b>Measured by</b>	<b>Measured by</b>
<p><i>New Zealand's significant heritage is prioritised and recognised by being included in the Register.</i></p> <p><i>Information on registered heritage is fit for purpose measured by current Board standards.</i></p> <p><i>Improve the recovery of information as shown by a decreased proportion of outstanding archaeological reports required as part of authorities.</i></p>	<p><i>Loss of registered heritage through demolition or destruction.</i></p> <p><i>Heritage sites successfully protected or damage avoided as a result of NZHPT involvement in resource management, archaeological authority, advocacy and Crown land disposal processes.</i></p> <p><i>NZHPT properties are maintained in accordance with the 50 year NZHPT Properties Maintenance Plan.</i></p> <p><i>Delivery of deferred maintenance and safety recommendations.</i></p>	<p><i>Increase visitor numbers at NZHPT staffed properties.</i></p> <p><i>Maintain high level of visitor satisfaction at NZHPT staffed properties.</i></p> <p><i>Improve the accessibility and usefulness of heritage information as shown by increased use of the Register Online web pages, and improved customer satisfaction as recorded by responses to website feedback form.</i></p> <p><i>Improved public awareness and understanding of heritage as shown by improvement in results from public survey undertaken every three years.</i></p>

## OUTPUT 1 – HERITAGE IDENTIFICATION

Places that contribute to New Zealand's culture and heritage are identified and their stories recorded.

Identification of New Zealand's significant heritage places is the critical first step in the conservation and appreciation of our historic heritage. As well as a core statutory function, identification work undertaken by the NZHPT contributes to the country's sense of identity. The database – maintained and updated by the NZHPT – records in increasing detail and accuracy the stories of our most significant heritage places.

Along with the digital Inventory of known historical and archaeological sites, the NZHPT is responsible for the national Register of

historic places, historic areas, wāhi tapu and wāhi tapu areas. The Register identifies New Zealand's most significant heritage places.

Over the past year, as part of a three-year work programme outlined in the *Statement of Intent 2010-2013*, the aim was increase the number of known heritage places recorded in the Inventory, improve the quality of information in the Register and Register Online, address areas where heritage is under-represented in the Register (such as built Māori heritage and modern movement architecture), and improve recovery of archaeological information.

## Key Performance Indicators:

Initiatives and Activities	Planned Outputs 2010-11	Actual Outputs	Achieved/Not Achieved
New Zealand's significant heritage is prioritised and recognised by being included in the NZHPT Register.	115 additions.	99 additions.	Not Achieved. Six proposals did not meet the threshold; two were deferred by the Board; five required further consultation; and three were not commenced due to work commitments in statutory advocacy.
Information on registered heritage is fit for purpose measured by current Board standards. <i>Measured by cumulative percentage of entries that have a statement of significance.</i>	39%	38.4%	Not Achieved (short by 0.6%). The estimate reflected an ambitious project to locate and digitise all registration reports. The project was completed successfully, but fewer reports were completed than expected.
Improve the recovery of information as shown by a decreased proportion of outstanding archaeological reports required as part of authorities.	20% reduction in outstanding reports between biennial audits.	36%	Achieved. Of the 507 originally outstanding, 326 remain. Note, NZHPT oversees the requirement for third parties to prepare and submit archaeological reports in accordance with the conditions in the authority.



## Other Inputs and Activities:

Inputs and Activities	Estimated Levels of Activity 2010-11	Actual Outputs	Achieved/Not Achieved
Existing registrations reviewed.	20	40	Achieved. The total includes reviews resulting from public applications, Crown land disposal processes, changes to existing registrations, as well as the unanticipated removal of registrations following the Canterbury earthquakes and other natural disasters.
Register location information updated.	170	274	Achieved. A new project was launched in Canterbury following the 4 September 2010 earthquake to check and map registrations in this region which resulted in the additional updates achieved.
Deficient registrations resolved.	90	87 (63 registered and 24 discontinued).	Not Achieved. One undergoing further consultation; two not commenced due to work commitments in statutory advocacy. 319 deficient registrations remain.

## Total Expenditure for Output:

Initiatives and Activities	Actual Expenditure 2009-10 \$000	Projected Expenditure for 2010/11 \$000	Actual Expenditure for 2010/11 \$000
Heritage Identification output.	2,424	2,500	2,612

## OUTPUT 2 – HERITAGE SURVIVAL

Places that are identified as significant to New Zealand's culture and heritage survive.

Survival of heritage is a key indicator of the community's support for it. The NZHPT has two primary areas of interest within Heritage Survival: its own properties and other significant heritage places especially those which owners and communities identify as important to them. Of the 48 properties that NZHPT cares for, one property was seriously damaged and another destroyed by the Canterbury earthquakes experienced during 2010 and 2011. Together with associated collections of some 80,000 items, these places form one of the largest heritage property portfolios in New Zealand.

Along with the NZHPT's focus on its own heritage properties, we have sought to encourage improved survival rates for significant heritage places nationwide through a combination of advice to owners, assistance with grant applications, administration of the National Heritage Preservation Incentive Fund, advice and direct assistance for conservation work on Māori built heritage, administration of the Crown land disposal process, statutory advocacy on individual resource consent applications, submissions on local authority planning documents, and direct regulation of the modification of archaeological sites.

### Key Performance Indicators:

Initiatives and Activities	Planned Outputs 2010-11	Actual Outputs	Achieved/Not Achieved
Loss of registered heritage through demolition or destruction.	0	69	Not achieved. Large scale heritage loss due to the Canterbury earthquakes and also damage resulting from fires and floods elsewhere.
Heritage sites successfully protected or damage avoided as a result of NZHPT involvement in RMA, authority, advocacy and Crown land disposal processes. <i>(Measured by number of sites protected or avoided divided by number involved where the outcome is known).</i>	426	681	Achieved.
	20% authorities that protect or avoid sites.	36%	Achieved. The result is higher than expected due to a high number of authorities relating to a single infrastructure project which actively avoided sites.
	60% Success Consents.	92%	Achieved.
	60% Success Plans.	88%	Achieved.

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Initiatives and Activities	Planned Outputs 2010-11	Actual Outputs	Achieved/Not Achieved
NZHPT properties are maintained in accordance with the 50 year NZHPT Properties Maintenance Plan. <i>(% of NZHPT properties managed in accordance with the cyclical plan).</i>	60%	60%	Achieved.
Delivery of deferred maintenance and safety recommendations. <i>(% of identified deferred maintenance and safety projects to be completed this year).</i>	25%	34%	Achieved.

### Other Inputs and Activities:

Inputs and Activities	Estimated Levels of Activity 2010-11	Actual Outputs	Achieved/Not Achieved
Work with iwi, hapū and whānau on Māori built heritage and rock art projects.	10	10	Achieved.
Deliver heritage training events to professionals.	40	51	Achieved.
Archaeological authorities processed ( <i>% processed within statutory timeframes.</i> )	345 95%	565 100%	Achieved. A higher than expected number of authorities was processed because of an increase in infrastructure projects undertaken by local authorities (including the remainder of the Transpower 400kV line), and the Canterbury earthquakes.

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Inputs and Activities	Estimated Levels of Activity 2010-11	Actual Outputs	Achieved/Not Achieved
Policy submissions relating to plan and policy documents submitted to local authorities and central government.	100	171	Achieved.
Covenants negotiated over heritage properties.	10	17	Achieved.
Responses made to resource consents and related processes including the <i>Building Act</i> 2004.	1400	1860	Achieved.
Assessments provided as part of Crown land disposal processes ( <i>% within timeframes</i> ).	300 100%	308 91%	Achieved. Not achieved most Crown land disposal responses missed the relevant deadline by one or two days. The primary reason was workload pressure.

### Total Expenditure for Output:

Initiatives and Activities	Actual Expenditure 2009-10 \$000	Projected Expenditure for 2010/11 \$000	Actual Expenditure for 2010/11 \$000
Heritage Survival output.	7,011	8,068	7,862

## OUTPUT 3 – HERITAGE APPRECIATION

New Zealanders appreciate those places that contribute to their sense of place, identity and belonging.

Once our significant heritage places are identified, an important part of the NZHPT's work is sharing their stories. Fostering appreciation of our unique heritage places among New Zealanders and visitors to this country, and what makes these places special will encourage present and future generations to take an interest in the ongoing survival of what is a finite resource.

Appreciation occurs through direct physical access to these significant places. People live and work in them, visit them for recreational

or business purposes, and take part in community events. They form part of our daily environment, in streetscapes and landscapes. The stories we share build understanding and appreciation and our efforts include interpretation, education and events at our properties, our range of publications and e-media tools such as our websites, the Register Online, our magazine *Heritage New Zealand* and e-newsletter *Heritage This Month* and our increasing use of social media.

### Key Performance Indicators:

Initiatives and Activities	Planned Outputs 2010-11	Actual Outputs	Achieved/Not Achieved
Increase visitor numbers at NZHPT staffed properties.	205,000	194,186	Not achieved. Resulting from closure of Lyttelton Timeball Station (earthquake damage) and a drop in overseas and domestic tourism (economic recession).
Maintain high level of visitor satisfaction at NZHPT staffed properties	90% (reported 3x a year).	96%	Achieved.
Improve the accessibility and usefulness of heritage information as shown by increased use of the Register Online web pages, and customer satisfaction is maintained as recorded by responses to website feedback form.	20,600 page views. 90% Overall rating.	20,810  Overall rating: > 35.7% satisfied > 35.7% neutral > 28.6% dissatisfied or very dissatisfied	Achieved.  Not achieved.

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Initiatives and Activities	Planned Outputs 2010-11	Actual Outputs	Achieved/ Not Achieved
<i>Satisfaction Index: Users rate their overall experience as satisfactory or better.</i>	75% Finding info easy.	Finding info easy: > 90% of users (who had previously used the site) found it as easy or easier to use the site in their most recent experience. > 60% found what they were looking for.	Achieved.
	90% Recommend site.	Recommend site: > 85.7% would recommend the site to others.	Not achieved.
Improved public awareness and understanding of heritage as shown by improvement in results from public survey undertaken every three years.	Key Targets from actual 2010 research.		
	> Reported level of personal interest in built heritage 34%.  > Reported level of agreement that built heritage is as important as natural heritage 33%.	Increased to 36% of overall population reporting as very interested.  Increase number of people reporting built heritage is as important as natural heritage to 35%.	Achieved.  Achieved.
	> 71% public awareness of NZHPT (annual omnibus survey results).	69%	Not achieved.

### Total Expenditure for Output:

Initiatives and Activities	Actual Expenditure 2009-10 \$000	Projected Expenditure for 2010/11 \$000	Actual Expenditure for 2010/11 \$000
Heritage Appreciation output.	5,838	6,560	6,430



# FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

	Note	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>INCOME</b>				
Revenue from Crown	2	12,988	12,988	12,488
Additional Crown Funding		0	0	3,000 <sup>1</sup>
Grants		591	450	214
Property	4	1,293	1,250	1,227
Interest		466	340	264
Membership		614	600	678
Donations and Bequests		497	200	333
Sundry		198	100	173
Income from Operations		16,647	15,928	18,377
<b>EXPENDITURE</b>				
Fees paid to the Auditors	5	47	45	45
Administration		2,445	2,430	2,389
Personnel	6	8,053	8,000	7,540
Property		2,982	3,320	1,922
Incentive Fund		269	250	448
Rental costs on equipment operating leases		44	130	73
Depreciation and Amortisation	11, 12	780	745	726
Communications		681	700	600
Membership		633	600	679
Board Fees	20	110	128	114
Travel and Accommodation		860	780	737
Total Expenditure		16,904	17,128	15,273
<b>Net (deficit) surplus for the year before exceptional items</b>		<b>(257)</b>	<b>(1,200)</b>	<b>3,104</b>

<sup>1</sup> NZHPT successfully applied for a capital bid of \$3,000,000 to undertake safety and deferred maintenance on the properties in 2010. This was unbudgeted and has been transferred to a separate fund to be spent over 2011, 2012 and 2013.

*The accompanying notes on pages 28 to 51 form an integral part of these financial statements.*

<i>... continued</i>	Note	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
Insurance Settlement from Canterbury Earthquakes	3	1,323	0	0
Expenditure related to Canterbury Earthquakes	3	(644)	0	0
Loss on derecognition of Property, Plant and Equipment due to earthquake impairment	3	(1,370)	0	0
Net Impact of Canterbury Earthquakes	3	(691)	0	0
<b>Net (deficit) surplus for the year</b>		<b>(948)</b>	<b>(1,200)</b>	<b>3,104</b>
<b>Other Comprehensive Income</b>				
Loss on Revaluation of Land due to Canterbury Earthquakes	3	(82)	0	0
<b>Total Comprehensive Income</b>		<b>(1,030)</b>	<b>(1,200)</b>	<b>3,104</b>

Expenditure allocated by outputs is broken out as follows:

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
Heritage Identification	2,612	2,500	2,424
Heritage Survival	7,862	8,068	7,011
Heritage Appreciation	6,430	6,560	5,838
<b>Total Operating Expenditure</b>	<b>16,904</b>	<b>17,128</b>	<b>15,273</b>

*The accompanying notes on pages 28 to 51 form an integral part of these financial statements.*

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	Note	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>EQUITY</b>				
Accumulated Funds	7	8,076	9,206	8,781
Crown Capital Fund	7	516	0	682
Branch Accumulated Funds	7	244	233	249
Specified Funds and Bequests	7, 8	2,977	4,073	1,878
NZHPT Property Maintenance and Development Fund	7	3,420	95	3,221
Revaluation Reserve	7	35,071	36,403	36,523
<b>Total Equity</b>		<b>50,304</b>	<b>50,010</b>	<b>51,334</b>
<b>Equity is represented by:</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	9	1,903	2,321	1,421
Short Term Deposits	10	6,054	6,250	7,823
Trade and Other Receivables	10	1,906	50	107
Inventory		211	185	183
GST Receivable		275	250	0
<b>Total Current Assets</b>		<b>10,349</b>	<b>9,056</b>	<b>9,534</b>
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	11	42,596	44,014	44,306
Work in Progress		42	150	46
Intangible Assets	12	160	200	405
<b>Total Non-Current Assets</b>		<b>42,798</b>	<b>44,364</b>	<b>44,757</b>
<b>Total Assets</b>		<b>53,147</b>	<b>53,420</b>	<b>54,291</b>
<b>CURRENT LIABILITIES</b>				
Trade and Other Payables	13	1,341	1,500	881
Provision for Incentive Fund Grants	14	678	1,250	1,071
Employee Entitlements	15	758	600	704
GST Payable		0	0	231
<b>Total Current Liabilities</b>		<b>2,777</b>	<b>3,350</b>	<b>2,887</b>
<b>NON-CURRENT LIABILITIES</b>	15	66	60	70
<b>Total Liabilities</b>		<b>2,843</b>	<b>3,410</b>	<b>2,957</b>
<b>NET ASSETS</b>		<b>50,304</b>	<b>50,010</b>	<b>51,334</b>

The accompanying notes on pages 28 to 51 form an integral part of these financial statements.

## STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

Note	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Opening Equity</b>	<b>51,334</b>	<b>51,210</b>	<b>48,230</b>
Net Comprehensive Income	(1,030)	(1,200)	3,104
<b>Closing Equity</b>	<b>50,304</b>	<b>50,010</b>	<b>51,334</b>

*The accompanying notes on pages 28 to 51 form an integral part of these financial statements.*



# STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2011

Note	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash was received from:			
Government Funding	12,988	12,988	15,488
Grants	120	450	214
Other Operating Activities	2,595	2,150	2,439
Interest	468	340	290
	16,171	15,928	18,431
Cash was applied to:			
Payment of Suppliers	(8,703)	(8,383)	(7,859)
Payment to Employees	(7,975)	(8,000)	(7,448)
Net Goods and Services Tax	(506)	(375)	490
	(17,184)	(16,758)	(14,817)
Net Cash from Operating Activities 16	(1,013)	(830)	3,614
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash was applied to:			
Purchase of Fixed Assets	(231)	(550)	(434)
Purchase Intangibles	0	0	(100)
Work in Progress	(43)	0	(46)
Purchase Short Term Investments	0	0	(3,672)
Net Cash from Investing Activities	(274)	(550)	(4,252)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash was received from:			
Sale short-term investments	1769	950	0
	1769	950	0
Net Increase/(Decrease) in Cash	482	(430)	(638)
Opening Cash Balance	1,421	2,751	2,059
Closing Cash Balance	1,903	2,321	1,421
Represented by:			
Petty Cash and Imprest Balances	12	9	9
Short Term Deposits (less than 90 days)	1,891	2,312	1,412
	1,903	2,321	1,421

The GST (net) component of operating activities reflects the GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

*The accompanying notes on pages 28 to 51 form an integral part of these financial statements.*

# NOTES TO THE FINANCIAL STATEMENTS

## 1. STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2011

### Reporting Entity

The New Zealand Historic Places Trust/Pouhere Taonga (NZHPT) is domiciled in New Zealand and is a statutory body established under section 4 of the *Historic Places Act 1980* and continued under section 38 of the *Historic Places Act 1993*, as amended by the *Crown Entities Act 2004*. The NZHPT became an Autonomous Crown Entity for the purposes of section 7 of the *Crown Entities Act 2004* effective from 25 January 2005. As such, the ultimate parent is the New Zealand Government.

NZHPT's registered office is at Antrim House 63 Boulcott Street, Wellington.

NZHPT's primary objective is to identify, protect and promote heritage in New Zealand (as enshrined in its Vision, Mission and Values Statements and Statement of Service Performance).

Accordingly, NZHPT has designated itself as a Public Benefit Entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

### Basis of Preparation

#### *Statement of Compliance*

The financial statements have been prepared in accordance with the requirements of the *Public Finance Act 1989* and the *Crown Entities Act 2004*, which includes the requirements to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The financial statements are prepared on the basis that NZHPT continues to be a going concern.

The financial operations of the NZHPT Branch Committees are included in these financial statements.

#### *Measurement Base*

The financial statements have been prepared on an historical cost basis, modified by the revaluation of certain property, plant and equipment.

#### *Functional and presentation currency*

The financial statements are presented in New Zealand dollars and all numbers are rounded to the nearest thousand dollars (\$000). The functional currency for NZHPT is the New Zealand dollar.

## Adoption of New and Revised Standards and Interpretations

### Standards and Interpretations in Issue not yet Adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations were issued but not yet effective.

#### *NZ IFRS 9 Financial Instruments*

The standard introduces new requirements for the classification and measurement of financial assets and is effective from 1 January 2013. All recognised financial assets that are currently in the scope of IAS 39 will be measured at either amortised cost or fair value. In order for financial assets to be measured at amortised cost, certain criteria must be met.

Initial application of this Standard is not expected to have any material impact on the amounts reported or disclosures made by the NZHPT.

All other standards which are on issue but not yet effective are not expected to have a material impact on the NZHPT.

#### *Significant Accounting Policies*

The financial statements (with the exception of cash flow information) have been prepared using the accrual basis of accounting.

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

### Revenue

Revenue is measured at the fair value of consideration received or receivable.

**Revenue from the Crown:** NZHPT is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of NZHPT meeting its objectives as specified in the NZHPT *Statement of Intent*. Revenue from the Crown is recognised as revenue when received and is reported in the financial period to which it relates. Crown funding received as a capital injection is accounted for in the Statement of Movements in Equity.

**Other Grants:** Non-government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as revenue when the conditions of the grant are satisfied.

**Membership Subscriptions:** Membership subscriptions are recognised in the period received.

**Interest:** Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

**Donations and Bequests:** All donations and bequests received are recognised in the period they are received. However, those with restrictive conditions are transferred to Specified Funds and Bequests within Accumulated Funds. The net return on each of these funds from interest earned and payments made is treated in the same manner.

**Rental Income:** Lease receipts are recognised as revenue on a straight-line basis over the lease term.

**Sale of Merchandise and Publications:** Sales of merchandise and publications are recognised when the product is sold to the customer.

**Vested Assets:** Where a physical asset is gifted or acquired by NZHPT for nil or nominal cost, the fair value of the asset is recognised as income. Such assets are recognised as income when control over the asset is obtained.

**Volunteer Services:** The operations of NZHPT are reliant on services provided by volunteers. Volunteer services received are not recognised as revenue or expenditure by NZHPT due to the difficulty of measuring their fair value with reliability.

## Grant Expenditure

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where NZHPT has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the grants approval committee and the approval has been communicated to the applicant.

## Leases

**Finance Leases:** NZHPT does not enter into finance lease arrangements.

**Operating Leases:** Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to NZHPT are classified as operating leases.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the Statement of Comprehensive Income.

## Cash and cash equivalents

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

## Debtors and other receivables

Debtors and other receivables are measured at fair value, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that NZHPT will not be able to collect amounts according to the original terms of the receivable.

## Inventories

Inventories held for sale or use in the production of goods and services on a commercial basis are valued at the lower of cost or weighted average cost after making appropriate provision for obsolete items.

## Property, Plant and Equipment

Property, plant and equipment asset classes consist of land, buildings, leasehold improvements, heritage artefacts, display and interpretation, land development, plant and equipment and library.

NZHPT has interests in Land and Buildings in the following categories:

(i) *NZHPT Owned Land and Historic Buildings*

These are properties for which the NZHPT has freehold title.

(ii) *Vested Land and Historic Buildings*

These properties have been formally vested to the NZHPT in terms of the *Reserves Act 1977*.

A vesting order can only be revoked with the agreement of the NZHPT and consequently the NZHPT's interest is deemed to be permanent.

(iii) *Controlled and Managed Buildings*

These are properties for which the NZHPT has a control and management order from the Crown in terms of the *Reserves Act 1977*. The Crown can require the NZHPT to return these assets at any stage.

Property, plant and equipment are shown at cost or valuation, less any accumulated depreciation and impairment losses.

**Revaluations:** Land and buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from fair value and at least every 2 years.

Heritage artefacts are by nature specialised and are managed by NZHPT to be preserved in perpetuity as required by the *Historic Places Act 1993*. These items are revalued and measured on a fair market value but are not depreciated. Fair value is determined through a process of rolling valuations.

### *Accounting for Revaluations*

NZHPT accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation and recognised as other comprehensive income. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed. Any subsequent increase on revaluation that off-sets a previous decrease in value is recognised as part of the net surplus for the year, up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset and shown as part of other comprehensive income.

### *Additions*

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits or service potential associated with the item will flow to NZHPT and the cost of the item can be measured reliably.

### *Subsequent costs*

Costs incurred by the NZHPT in restoring property and plant to their original condition are capitalised. Costs of maintaining these assets once renovation is complete are recognised in net surplus for the year.

## *Disposals*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the net surplus for the year.

When revalued assets are sold, the amounts included in the revaluation reserves in respect of those assets are transferred to accumulated funds.

## **Depreciation**

Depreciation is provided on a straight line basis on all property, plant and equipment (other than land, heritage artefacts and library), at a rate that will write off the cost (or valuation) of the assets to their estimated residual value over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows. Heritage buildings owned, vested or managed in the NZHPT are depreciated in accordance with NZIAS 16.

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Computer hardware	3 years
Leasehold improvements	5 years
Plant and equipment	5 years
Displays and interpretation	10 years
Land development	15 years
Building internal	40 years
Building structure	100 years

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The residual value and useful life of an asset is reviewed, and adjusted, if applicable, at each financial year-end.

## **Intangible Assets**

### *Software acquisition and development*

Acquired computer software licences 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 NZHPT, 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.

Costs associated with the ongoing development and maintenance of NZHPT's website are recognised as an expense when incurred.

## *Amortisation*

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each period is recognised in the net surplus for the year.

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

Acquired computer software	3 years
Developed computer software	4 years

## *Impairment of non-financial assets*

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where NZHPT would if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the net surplus for the year.

If an asset has been disposed of or no future economic benefit exists or is expected from its use or disposal, then it will be derecognised. All decrease in value will be expensed and the revaluation reserve component relating to that asset will be transferred to retained earnings.

For assets not carried at a revalued amount, the total impairment loss is recognised in the net surplus for the year.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the net surplus for the year.

## **Creditors and Other Payables**

Creditors and other payables are initially measured at fair value and subsequently at amortised cost.

## Employee Entitlements

### *Short-term employee entitlements*

Employee entitlements that NZHPT expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months and sick leave.

NZHPT recognises a liability for sick leave to the extent that compensated absences in the coming year are greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent that it will be used by staff to cover those future absences (actuarial basis).

NZHPT recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

### *Long-term employee entitlements*

Entitlements that are payable beyond 12 months, such as long service leave and retirement leave have been calculated on an actuarial basis. The calculations are based on the likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlement information.

### *Superannuation schemes*

Obligations for contributions to Kiwisaver are accounted for as defined contribution superannuation scheme and are recognised as an expense in the Statement of Comprehensive Income.

### *Provisions*

NZHPT recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligations.

## Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST with the exception of trade and other receivables and trade and other payables, which are stated inclusive of GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

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

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.



## Financial Instruments

The NZHPT is a party to financial instruments as part of its everyday operations. These financial instruments include bank accounts, short-term deposits, debtors and creditors. Revenues and expenses in relation to all financial instruments are recognised in the Statement of Comprehensive Income. All financial instruments are recognised in the Statement of Financial Position.

## Income Tax

The NZHPT is a public authority and consequently is exempt from the payment of Income Tax. Accordingly, no charge for income tax has been provided for.

## Budget Figures

The budget figures are derived from the Statement of Intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by NZHPT for the preparation of the financial statements.

## Cost Allocation

Direct costs are charged directly to specific outputs. Indirect costs are allocated across outputs based on a percentage of total direct costs.

“Direct costs” are those costs attributable to a significant activity.

“Indirect costs” are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

## Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the NZHPT invests as part of its day-to-day cash management.

Operating activities include all activities other than investing and financing activities. The cash inflows include all receipts from sale of goods and services and other sources of revenue that support the NZHPT’s operating activities. Cash outflows include payments made to employees, suppliers and taxes.

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

## Commitments

Future payments are disclosed as commitments at the point a contractual obligation arises, to the extent that they are equally unperformed obligations. Commitments relating to employment contracts are not disclosed.

## Contingencies

Contingent liabilities and assets are disclosed at the point at which the contingency is evident.

## Accounting Judgements and Major Sources of Estimation Uncertainty

In the application of NZHPT's accounting policies, the Board is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

## Judgements in Applying Accounting Policies

The following are the judgements that have the most significant effect on the amounts recognised in these financial statements:

### *Controlled and Managed Buildings*

Properties for which NZHPT has a control and management order under the *Reserves Act 1977* have been included as part of property, plant and equipment on the basis that the risks and rewards relating to this property rest with the NZHPT.

### *Major Sources of Estimation Uncertainty*

The valuation of historical land and buildings is subject to considerable estimation uncertainty. During the year the NZHPT employed an independent valuer to revalue the NZHPT's property portfolio in line with the Crown accounting policies and Treasury requirements. Due to the nature of the NZHPT's property portfolio it is difficult to obtain market valuation comparisons for many properties due to restrictions on their use and consequently there is a large degree of subjectivity inherent in the valuation process.

The following are the key assumptions concerning the future, and other major sources of estimation uncertainty at 30 June 2011:

- > The valuation of historic buildings includes an estimation of the residual values and useful lives of these buildings. These estimates impact on the depreciated replacement cost and annual depreciation charges for historic buildings. The estimated useful lives are detailed in the depreciation accounting policy above.
- > The valuation of buildings also includes estimations of construction costs. Refer note 10 for further detail.

In regard to the impact of the Canterbury earthquakes it has been assumed that:

- > There has been no detrimental impact on Coton's Cottage land.
- > 30% of Timeball's land has been damaged but the remainder of the site is assumed to be sound.

## Changes in Accounting Policies

There have been no changes in accounting policies.

## 2. REVENUE FROM CROWN

NZHPT has been provided with funding from the Crown for the specific purposes of NZHPT as set out in the Historic Places Act and the scope of the Vote Arts Culture and Heritage appropriations. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to government funding (2010 nil).

## 3. IMPACT OF THE CANTERBURY EARTHQUAKES

The earthquakes in September and February resulted in significant damage to Timeball and Coton's Cottage. In addition the workload for NZHPT was reprioritised. The related income from insurance received (and claimed see note 18) and expenditure incurred in relation to these events has been separately disclosed to improve the transparency of the accounts. As at 30 June 2011 the Board has determined that the Timeball and Coton's buildings should be derecognised to a nil value. In addition, the value of the land at these properties has been revalued and impairment recognised against the revaluation reserve.

## 4. PROPERTY INCOME

	Actual 2011 \$000	Actual 2010 \$000
Functions	265	216
Admissions	357	342
Rents	158	175
Grants	61	43
Merchandising	452	451
	1,293	1,227

## 5. AUDIT FEES

	Actual 2011 \$000	Actual 2010 \$000
Deloitte – Statutory Audit	47	45
– Financial Restatement	0	17
– Risk Management	10	0
	57	62

## 6. PERSONNEL

	Actual 2011 \$000	Actual 2010 \$000
Salaries and Wages	7,758	7,383
Government Superannuation Fund	84	69
Increase/(decrease) Employee Leave Entitlements	57	(22)
Recruitment Costs	30	31
Temporary Staff	45	14
Other Staff Costs	79	65
<b>Total Personnel Costs</b>	<b>8,053</b>	<b>7,540</b>

NZHPT contributed 2% of employees salary/wages into the Kiwisaver Scheme from 1 April 2009.

## 7. EQUITY

	Actual 2011 \$000	Actual 2010 \$000
<b>Accumulated Funds</b>		
Represents balance of general accumulated funds from NZHPT's operations not earmarked for a specific purpose.		
Balance at 1 July	8,781	8,314
Surplus/(deficit)	(948)	3,104
Transfer to Other Equity Funds	(4,158)	(5,223)
Transfer from Other Equity Funds	4,401	2,586
Balance at 30 June	<b>8,076</b>	<b>8,781</b>
<b>Crown Capital Fund</b>		
Represents the balance of funds provided from the Crown to enable NZHPT to address capability issues of a capital nature		
Balance at 1 July	682	937
Funding Received	0	0
Amounts Used	(166)	(255)
Balance at 30 June	<b>516</b>	<b>682</b>

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<i>... continued</i>	Actual 2011 \$000	Actual 2010 \$000
<b>Branch Accumulated Fund</b>		
Represents balance of funds raised by NZHPT Branch Committees for local community projects.		
Balance at 1 July	249	273
Surplus/(deficit)	(5)	(24)
Balance at 30 June	244	249
<b>Specified Funds and Bequests</b>		
NZHPT holds a number of funds and bequests from external sources for which the purpose is restricted.		
Balance at 1 July	1,878	2,088
Transfer To	2,930	998
Transfer From	(1,831)	(1,208)
Balance at 30 June (see note 8)	<b>2,977</b>	<b>1,878</b>
<b>Property Maintenance and Development Fund</b>		
Funds targeted specifically to address critical maintenance safety issues at NZHPT properties, including \$3m from Crown.		
Balance at 1 July	3,221	95
Transfer To	1,228	4,225
Transfer From	(1,029)	(1,099)
Balance at 30 June	<b>3,420</b>	<b>3,221</b>
<b>Property Plant and Equipment Revaluation Reserve</b>		
Represents movements following regular revaluation of NZHPT land, buildings and heritage artefacts.		
Opening Balance Previously Reported	<b>36,523</b>	<b>22,124</b>
Prior Period Restatement Adjustment		14,399
Restated Opening Balance	<b>36,523</b>	<b>36,523</b>
Loss on Revaluation of Land due to Canterbury Earthquakes	(82)	0
Transfer to Equity following derecognition (see Note 3)	(1,370)	0
Balance at 30 June	<b>35,071</b>	<b>36,523</b>
<b>TOTAL</b>	<b>50,304</b>	<b>51,334</b>

## 8. SPECIFIED FUNDS AND BEQUESTS

<b>OTHER FUNDS</b>	<b>1/7/10</b>	<b>Receipts</b>	<b>Interest</b>	<b>Expenditure</b>	<b>Capitalised</b>	<b>30/6/11</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
National Heritage Incentive Fund	0	250		(250)		0
Ruatuna Fund	13	39	1	(28)		25
Bulk Store and Stone Store Donations	242		9	(56)		195
Kemp House General Donations Fund	18		1			19
Branch Committee Fund	29					29
Ewelme Cottage Committee Fund	36		2			38
Timeball Restoration – Parkinson Trust	29	13		0	(28)	14
Auckland City @ Risk	10	4		(10)		4
Old St Pauls Floral Festival Funds	27					27
ASB Grant	0	271		(271)		0
Others	48	1,905	0	(897)	0	1,056
<b>Total Other Funds</b>	<b>452</b>	<b>2,482</b>	<b>13</b>	<b>(1,512)</b>	<b>(28)</b>	<b>1,407</b>
<b>NZ LOTTERY GRANTS BOARD</b>	<b>1/7/10</b>	<b>Receipts</b>	<b>Interest</b>	<b>Expenditure</b>	<b>Capitalised</b>	<b>30/6/11</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Alberton Repairs and Painting	0	200		(200)		0
<b>Total Lottery Grants Board</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>(200)</b>	<b>0</b>	<b>0</b>
<b>BEQUESTS</b>	<b>1/7/10</b>	<b>Receipts</b>	<b>Interest</b>	<b>Expenditure</b>	<b>Capitalised</b>	<b>30/6/11</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Richardson Bequest	50		2	(2)		50
McKay Bequest	221		9	(16)		214
Granville Travers Zohrab Trust Bequest	283		13			296
Rosier Bequest	152		7			159
Spencer Bequest	181		7	(34)		154
Bedlington Bequest	2		0			2
Denton Mayor Bequest	5		0			5
OR Lee	41		2			43
Hudson Bequest	230		10			240
Stout Bequest	2		0			2
Stringer Bequest	12		1			13
McBurnie Bequest	18		1			19
Williams Bequest	1		0			1
K Seagar Bequest	78		4			82

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<b>BEQUESTS</b> <i>... continued</i>	<b>1/7/10</b> <b>\$000</b>	<b>Receipts</b> <b>\$000</b>	<b>Interest</b> <b>\$000</b>	<b>Expenditure</b> <b>\$000</b>	<b>Capitalised</b> <b>\$000</b>	<b>30/6/11</b> <b>\$000</b>
Estate of CIC Collett	27	20	2			49
Foulkes Estate	102		4	(39)		67
Shankland Estate	11		1			12
Anderson	10		0			10
Yarnell Bequest	0	2	0			2
Slack	0	3	0			3
Appleby	0	146	1			147
<b>Total Bequests</b>	<b>1,426</b>	<b>171</b>	<b>64</b>	<b>(91)</b>	<b>0</b>	<b>1,570</b>
<b>TOTAL FUNDS &amp; BEQUESTS</b>	<b>1,878</b>	<b>2,853</b>	<b>77</b>	<b>(1,803)</b>	<b>(28)</b>	<b>2,977</b>

## 9. CASH AND CASH EQUIVALENTS AND SHORT TERM DEPOSITS

	<b>Actual 2011</b> <b>\$000</b>	<b>Actual 2010</b> <b>\$000</b>
Petty Cash and Imprest Balances	12	9
Cheque and Call Deposits	1,891	1,412
<b>Total Cash and Cash Equivalents</b>	<b>1,903</b>	<b>1,421</b>
Short Term Deposits	6,054	7,823
<b>Total Cash and Cash Equivalents and Short Term Deposits</b>	<b>7,957</b>	<b>9,244</b>

Investments are on terms ranging from on-call through to 182 days depending on the forecast cash flow requirements. The carrying value of short-term deposits with maturity dates of six months or less approximates their fair value. The weighted average effective interest rate for term deposits is 3.84% (2010: 4.90%).

## 10. TRADE AND OTHER RECEIVABLES

	<b>Actual 2011</b> <b>\$000</b>	<b>Actual 2010</b> <b>\$000</b>
Insurance Settlement Receivable	1,323	0
Debtors and Other Receivables	583	110
Less: Provision for Impairment	0	(3)
<b>Total Debtors and Other Receivables</b>	<b>1,906</b>	<b>107</b>

The carrying value of receivables approximates their fair value. As at 30 June 2011 all overdue receivables have been assessed for impairment and \$ NIL (2010: \$2,644) were assessed as impaired.

## 11: PROPERTY, PLANT AND EQUIPMENT

Movements for each class of property, plant and equipment are as follows:

AT VALUATION								AT COST			TOTAL
	Land \$000	Land Managed \$000	Buildings \$000	Buildings Managed \$000	Heritage Artefacts \$000	Displays & Interpretation \$000	Land Development \$000	Plant & Equipment \$000	Leasehold Improvements \$000	Library \$000	Total \$000
COST OR VALUATION											
Opening Balance July 2009	16,645	1,728	18,907	2,380	3,367	901	39	964	16	18	44,965
Additions			264			220	23	65			572
Disposals											0
Balance 30 June 2010	16,645	1,728	19,171	2,380	3,367	1,121	62	1,029	16	18	45,537
Accumulated Depreciation and Impairment Losses											
Opening Balance July 2010	0	0	91	8	0	43	4	588	16	0	750
Depreciation Expense			203	31		95	2	150			481
Impairment Losses											0
Balance 30 June 2010	0	0	294	39	0	138	6	738	16	0	1,231
Net Balance 30 June 2010	16,645	1,728	18,877	2,341	3,367	983	56	291	0	18	44,306



	AT VALUATION							AT COST			TOTAL
	Land \$000	Land Managed \$000	Buildings \$000	Buildings Managed \$000	Heritage Artefacts \$000	Displays & Interpretation \$000	Land Development \$000	Plant & Equipment \$000	Leasehold Improvements \$000	Library \$000	Total \$000
<b>COST OR VALUATION</b>											
<b>Opening Balance July 2010</b>	16,645	1,728	19,171	2,380	3,367	1,121	62	1,029	16	18	45,537
Additions			30			56		191			277
Disposals											0
Losses/Gains on Revaluation	(85)	3									(82)
Losses on Derecognition			(1,156)	(68)		(227)					(1,451)*
<b>Balance 30 June 2011</b>	16,560	1,731	18,045	2,312	3,367	950	62	1,220	16	18	44,281
<b>Accumulated Depreciation and Impairment Losses</b>											
Opening Balance July 2010	0	0	294	39	0	138	6	738	16	0	1,231
Depreciation Expense			218	30		114	5	168			535
Losses on Derecognition			(34)	(1)		(46)					(81)*
<b>Balance 30 June 2011</b>	0	0	478	68	0	206	11	906	16	0	1,685
<b>Net Balance 30 June 2011</b>	16,560	1,731	17,567	2,244	3,367	744	51	314	0	18	42,596

\* refer to Note 3 for further information

An independent valuation of the NZHPT's land and buildings was performed by Nigel Hoskin, an appropriately qualified employee of Beca Valuations Ltd. Beca has under its employment property valuers whom are qualified to undertake specialised building valuations and are members of the Property Institute of New Zealand (PINZ). Beca's valuers have recognised tertiary qualifications in the property sector as well as registration through the Valuers Registration Board and New Zealand Institute of Valuers (NZIV). The valuers involved in the 2011 update valuation for the NZHPT are qualified to provide valuations for financial reporting purposes. The valuation, conforms to the New Zealand Professional Practice Manual 2006, including International Valuation Standard (IVS) 3 Valuation Reporting, International Valuation Application (IVA) 1 Valuation for Financial Reporting, and NZ Valuation Guidance Note (NZVGN) 1 Valuations for Use in New Zealand Financial Reports.

The valuation date was as at 30 June 2011. The overall movement (excluding Canterbury properties) was not material and as such no adjustment has been made.

Of the total land value, \$5,481,000 arises from land parcel valuations where a direct market based comparison can be made based on comparable sales for unrestricted properties as if the land is vacant.

For the remaining \$12,704,000, where a restriction of encumbrance is deemed to exist, the land is valued using the accepted method for the valuation of reserve zoned land. This approach assesses a restrictive land value based on fringe rural sales, plus an allowance for the effects of urban locations and amenities and the value of a potential chance of change in the land use. The value of the chance of change is based on the land value of the property assuming no restrictions multiplied by an estimated probability of change.

The probabilities of change that are applied range from 5% to 10%. On average the discount applied to the unrestricted value of this land is 75%.

Other key assumptions inherent in the valuation are the estimated construction rates and useful lives that are used to calculate the replacement cost of buildings as part of the depreciated replacement cost calculations. The construction rates have been based on the Rawlinsons Construction Handbook 2009 edition with adjustments made where appropriate to reflect the specialist nature of some of the properties.

All other asset classes are carried at depreciated historical cost.

## 12. INTANGIBLE ASSETS

	Acquired Software \$000	Total \$000
<b>COST</b>		
Balance at 1 July 2009	844	844
Additions	100	100
Disposals	0	0
Balance at 30 June 2010	944	944
Balance at 1 July 2010	944	944
Additions	0	0
Disposals	0	0
Balance at 30 June 2011	944	944
<b>ACCUMULATED AMORTISATION</b>		
Balance at 1 July 2009	294	294
Amortisation expense	245	245
Disposals	0	0
Impairment losses	0	0
Balance at 30 June 2010	539	539
Balance at 1 July 2010	539	539
Amortisation expense	245	245
Disposals	0	0
Impairment losses	0	0
Balance at 30 June 2011	784	784
<b>CARRYING AMOUNTS</b>		
At 1 July 2009	550	550
At 30 June and 1 July 2010	405	405
At 30 June 2011	160	160

During 2011 there was no internally generated software, disposal of intangible assets or impairment losses on intangibles.

## 13. TRADE AND OTHER PAYABLES

	Actual 2011 \$000	Actual 2010 \$000
Trade Creditors	460	334
Income in Advance	32	33
Accrued Expenses	849	514
<b>Total Creditors and Other Payables</b>	<b>1,341</b>	<b>881</b>

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value.

## 14. PROVISION FOR INCENTIVE FUND GRANTS

Approved incentive fund grants not yet paid are recognised as an expense at the time of Board approval of the grant and held as an accrued expense until such time as they are uplifted by the grantee. The movement in this provision is set out below.

	Incentive Fund \$000
<b>2010</b>	
Balance at 1 July 2009	1,242
Additional Provisions Made	645
Amounts Used	(628)
Unused Amount Reversed	(188)
<b>Balance as at 30 June 2010</b>	<b>1,071</b>
<b>2011</b>	
Balance at 1 July 2010	1,071
Additional Provisions Made	268
Amounts Used	(661)
Unused Amount Reversed	0
<b>Balance as at 30 June 2011</b>	<b>678</b>

## 15. EMPLOYEE ENTITLEMENTS

	Actual 2011 \$000	Actual 2010 \$000
<b>Current employee entitlements are represented by:</b>		
Accrued Salaries and Wages	289	252
Annual Leave	446	428
Sick Leave	10	10
Long Service Leave	13	14
<b>Total Current Portion</b>	<b>758</b>	<b>704</b>
<b>Non-current employee entitlements are represented by:</b>		
Long Service Leave	66	70
<b>Total Non-Current Portion</b>	<b>66</b>	<b>70</b>
<b>Total Employee Entitlements</b>	<b>824</b>	<b>774</b>

The value of the long service leave obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. Due to the small materiality of the provision no salary inflation factor has been allowed.

## 16. RECONCILIATION OF NET (DEFICIT)/SURPLUS TO NET CASH FROM OPERATING ACTIVITIES

	2011 \$000	2010 \$000
Net Overall (Deficit)/Surplus	(948)	3,104
<b>Add Non-Cash Items:</b>		
Depreciation	778	726
Derecognition of Fixed Asset	1370	0
Provision for Doubtful Debts	2	(10)
Provision for Incentive Fund Grants	(393)	(171)
	809	3,649
<b>Movements in Working Capital:</b>		
Decrease (Increase) in Trade Debtors	(1,799)	64
Decrease (Increase) in Inventory	(28)	17
Increase (Decrease) in GST	(506)	490
Increase (Decrease) in Trade Payables and Employee Entitlements	511	(606)
Net Cash Flow from Operating Activities	(1,013)	3,614

## 17. CAPITAL COMMITMENTS AND OPERATING LEASES

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

Leases Payable	Actual 2011 \$000	Actual 2010 \$000
Not Later Than One Year	1,553	746
Later Than One Year and Not Later Than Five Years	444	186
Later Than Five Years	0	0
<b>Total Non-Cancellable Operating Leases Payable</b>	<b>1,997</b>	<b>932</b>

These leases relate to non-cancellable accommodation and equipment leases and contracted repairs and maintenance.

Leases Receivable	Actual 2011 \$000	Actual 2010 \$000
Not Later Than One Year	70	83
Later Than One Year and Not Later Than Five Years	195	369
Later Than Five Years	0	0
<b>Total Non-Cancellable Operating Leases Receivable</b>	<b>265</b>	<b>452</b>

## 18. CONTINGENCIES

As at 30 June 2011 potential liabilities resulting from heritage covenants previously negotiated are estimated to be \$20,000. Also, as a result of a decision against NZHPT in the Environment Court, recovery of costs have been filed. At 30 June 2011 these were unable to be quantified but the Board believe these are not likely to be material.

The insurance claim following the damage to the Timeball Station, Lyttelton has been settled on a replacement basis. In the event NZHPT decide not to reinstate, our insurers have the right to retrospectively settle the insurance claim on an indemnity basis, and as such would seek recovery of \$281,434.

There are no other contingent liabilities. As at 30 June 2010, liabilities resulting from heritage covenants were \$20,000 and there were no other contingent liabilities.

As at 30 June 2011 insurance claims relating to the Christchurch Earthquake were filed with the insurers but had yet to be approved. These contingent assets are estimated at \$350,000.

## 19. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

**Related party transactions:** NZHPT is a wholly owned entity of the Crown. The Government significantly influences the role of NZHPT in addition to being its major source of revenue.

NZHPT enters into transactions with government departments, state-owned enterprises and other Crown entities. Those transactions that occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect NZHPT would have adopted if dealing with that entity at arm's length in the same circumstances have not been disclosed as related party transactions.

There are no other transactions carried out with related parties other than those described above.

There have been close family members of key management personnel employed by NZHPT.

The terms and conditions of those arrangements are no more favourable than NZHPT would have adopted if there were no relationship to key management personnel.

### Key Management personnel compensation

	Actual 2011 \$000	Actual 2010 \$000
Salaries and Other Short-term Employee Benefits	1,256	1,115
<b>Total key management personnel compensation</b>	<b>1,256</b>	<b>1,115</b>

Key management personnel include all Board Members, Māori Heritage Council Members, the Chief Executive and the seven members of the Lead Team. There has been no other post-employment, long-term or termination benefits provided to key management personnel.  
(2010:NIL)

## 20. BOARD AND MĀORI HERITAGE COUNCIL MEMBER REMUNERATION

Member:	2011	2010
Mr J Acland (Chair from January 2008 to 20 August 2010)	3,416	24,000
Mr I Athfield	10,500	7,875
Mr E Clark	9,625	10,500
Mrs A Crighton	10,500	10,500
Dr M Kawharu	10,500	10,500
Mrs S Kenderdine (Chair from 23 August 2010)	20,584	0
Mr D Kiddey	10,500	10,500
Mr A Mahuika	5,250	10,500
Mr A Matson	10,500	10,500
Mr B McGuinness	875	0
Mr M Nathan	4,000	2,800
Mr G O'Regan	1,600	2,800
Mr T te Heuheu	7,875	10,575
Mr J Tuuta	2,400	1,600
Mr C Wilson	1,600	1,200
	109,725	113,850

NZHPT has effected Directors and Officers Liability and Professional Indemnity Insurance cover during the financial year in respect of the liability or costs of Board members and employees. A premium of \$2,133 was paid for the insurance period 1 July 2010 to 30 June 2011 (2010: \$2,133).

## 21. EMPLOYEE REMUNERATION

Total Remuneration & Benefits \$000	No of Employees 2011	No of Employees 2010
100 – 110	6	6
110 – 120	4	3
120 – 130	1	1
200 – 210	0	0
220 – 230	0	0
230 – 240	1	1

The current Chief Executive was appointed in May 2006 and is currently employed in the remuneration band \$230,000-240,000 (2010: remuneration band \$230-240,000).

## 22. EVENTS AFTER BALANCE SHEET DATE

There were no significant events after the balance sheet date.

## 23. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial assets and liabilities in each of the NZ IAS 39 categories are as follows:

	Actual 2011 \$000	Actual 2010 \$000
<b>Loans and receivables</b>		
Cash and Cash Equivalents	1,903	1,421
Debtors and Other Receivables	1,906	107
<b>Total Loans and Receivables</b>	<b>3,809</b>	<b>1,528</b>
<b>Financial assets at fair value through equity</b>		
Cash and Equivalents – Equity Investments	2,833	5,696
<b>Financial liabilities measured at amortised cost</b>		
Creditors and Other Payables	1,341	881

## 24. FINANCIAL INSTRUMENT RISKS

NZHPT's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. NZHPT has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

### Market Risk

The interest rates on NZHPT's investments are disclosed in Note 9.

#### *Fair value interest rate risk*

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. NZHPT's exposure is limited to its bank deposits which are held at fixed rates of interest.



### *Cash flow interest rate risk*

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments issued at variable interest rates expose NZHPT to cash flow interest rate risk. NZHPT's investment policy requires a spread of investment maturity dates to limit exposure to short-term interest rate movements. NZHPT currently has no variable interest rate investments.

NZHPT is not permitted to borrow so is not exposed to this risk on borrowings.

### **Credit Risk**

Credit risk is the risk that a third party will default on its obligations to NZHPT, causing NZHPT to incur a loss.

Due to the timing of its cash inflows and outflows, NZHPT invest surplus cash with registered banks. NZHPT Investment policy limits the amount of credit exposure to any one institution.

NZHPT has processes in place to review the credit quality of customers prior to granting of credit.

NZHPT's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents (note 9) and net debtors (note 10). There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Excluding the outstanding insurance claim, which is deemed collectable, NZHPT has no significant concentrations of credit risk, as it has a small number of credit customers and only invests funds with registered banks with specified Standard and Poor's credit ratings.

## **25. CAPITAL MANAGEMENT**

NZHPT's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets.

NZHPT is subject to the financial management and accountability provisions of the *Crown Entities Act 2004*, which imposes restrictions in relation to borrowings, acquisition of securities, issuing of guarantees and indemnities and the use of derivatives.

NZHPT manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure NZHPT effectively achieves its objectives and purpose, whilst remaining a going concern.

# AUDIT REPORT



**INDEPENDENT AUDITOR'S REPORT  
TO THE READERS OF  
THE NEW ZEALAND HISTORIC PLACES TRUST  
FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2011**

The Auditor-General is the auditor of New Zealand Historic Places Trust (the "Trust"). The Auditor-General has appointed me, Jacqueline Robertson, using the staff and resources of Deloitte, to carry out an audit of the financial statements and statement of service performance of the Trust on her behalf.

We have audited:

- the financial statements of the Trust on pages 23 to 51, that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and a summary of significant accounting policies and other explanatory information; and
- the statement of service performance of the Trust on pages 14 to 22.

## **Opinion**

In our opinion:

- the financial statements of the Trust on pages 23 to 51:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect the Trust's:
    - financial position as at 30 June 2011; and
    - financial performance and cash flows for the year ended on that date; and
- the statement of service performance of the Trust on pages 14 to 22:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the Trust's service performance for the year ended 30 June 2011, including:
    - its performance achieved as compared with forecast targets specified in the statement of forecast service performance for the financial year; and
    - its revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses specified in the statement of forecast service performance for the financial year.

Our audit was completed on 20 October 2011, and is the date at which our opinion is expressed.

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

## **Basis of opinion**

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

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

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

An audit also involves evaluating:

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

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Responsibilities of the Board**

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

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Trust's financial position, financial performance and cash flows; and
- fairly reflect its service performance that include achievements compared to forecasts.

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

The Board's responsibilities arise from the *Crown Entities Act 2004* and the *Historic Places Act 1993*.

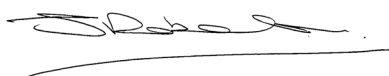
### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the *Public Audit Act 2001* and the *Crown Entities Act 2004*.

### **Independence**

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

Other than the audit and the provision of risk management advice, we have no relationship with or interests in the Trust.



**Jacqueline Robertson**

Deloitte

On behalf of the Auditor-General

Wellington, New Zealand

# CONTACT DETAILS

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Heritage**

## **Matters Relating to the Electronic Presentation of the Audited Financial Statements and Statement of Service Performance**

This audit report relates to the financial statements of the New Zealand Historic Places Trust (NZHPT) for the year ended 30 June 2011 included on the New Zealand Historic Places Trust's website. The NZHPT's Board is responsible for the maintenance and integrity of the New Zealand Historic Places Trust's website. We have not been engaged to report on the integrity of the NZHPT's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 20 October 2011 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.