



New Zealand
Historic Places Trust *Pouhere Taonga*

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2003

2002-03



Presented to the Minister for Arts, Culture & Heritage
pursuant to Section 81 of the Historic Places Act 1993

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CHAIRPERSON'S INTRODUCTION

During the past year, as Chairwoman of the New Zealand Historic Places Trust (Pouhere Taonga) I have visited different parts of New Zealand, meeting members of the Trust and participating in heritage celebrations. It has been a fascinating and illuminating experience. I have been deeply impressed by the enthusiasm and commitment of so many New Zealanders who are dedicating their time and resources to protecting heritage sites and buildings around the country.

In April 2003, when the Trust convened a national think-tank to promote the recognition and management of heritage landscapes, this enthusiasm was again evident. An impressive group of New Zealanders from a wide range of fields and backgrounds came together at their own cost to discuss and debate ideas for identifying, protecting and promoting heritage landscapes. And when the time came to nominate and elect new members to the Board, a number of very high calibre candidates were prepared to make themselves available.

There is a growing pride and recognition of New Zealand's history and cultural heritage across the country. The New Zealand Historic Places Trust seeks to care for that heritage in a way which brings people together, acting as a guardian for the nation's heritage sites and buildings, identifying them through registration, seeking to preserve them through advocacy and advice, and fostering appreciation and understanding of the social, cultural and economic contributions they can make to their communities. In this role, the Trust enjoys widespread community support and the support of its many members, as well as of the Ministry and its Ministers.

At the same time, since heritage is a deeply felt matter, the recognition of cultural values can provoke passionate debate. This was demonstrated late in 2002 by the controversy over the registration of Kopukairoa, near Tauranga, as a wahi tapu area under the Historic Places Act 1993. As part of its response the Board engaged Professor Peter Skelton of the Environmental Management Division at Lincoln University to undertake an independent review of the Trust's registration processes and policies and in particular to report on the effects that registration has or might have on property rights. Professor Skelton's report will be released later in 2003.

These debates have served to strengthen the Trust and its processes, and it is very gratifying to note that significant gains for historic heritage in New Zealand were achieved in 2002/03. The Resource Management Amendment Act 2003 includes the requirement that the protection of historic heritage from inappropriate subdivision, use and development should be recognised and provided for as a matter of national importance in the context of sustainable management. In the 2003 Budget the Trust received additional funding to carry out its statutory responsibilities more effectively. The Board is very grateful to the Government for the strengthening of legislation and for the funding support which it receives for its work.

During 2002/03 the Board has maintained the direction of the Trust across the full range of its statutory mandate. Emphasis has been placed on recognising heritage through upgrading the national Register of historic places, historic areas, wahi tapu and wahi tapu areas and improving the quality of research and assessment of proposals for registration. Priority has also been given to protecting heritage through the functions of the Trust as the national consent authority for archaeological sites, as a statutory advocate for historic and cultural heritage under the Resource Management Act 1991, and as manager of a portfolio of 60 heritage properties.

The Trust shares its task to promote the identification, protection, preservation and conservation of the historical and cultural heritage of New Zealand with many organisations and individuals including the Trust's branch committees and members and local communities. It greatly values its subscribing membership, which currently stands at 24,000; and despite the pressures faced by all voluntary organisation, the quality of the advocacy, protection and promotion work of the Trust's 23 branch committees and many volunteers is undiminished.

The Trust seeks to empower Maori to manage their historic and cultural heritage. The Trust's expert conservation advice and practical training in the management of Maori built heritage supports the retention of traditional Maori knowledge and the continued use of traditional building techniques and arts. An overview of the work of the Maori Heritage Council is provided by my colleague John Klaricich, Chairperson of the Council.

During 2003 in consultation with the Ministry for Culture and Heritage the Board reached agreement on an enhanced governance regime to be included in proposed amendments to the Historic Places Act 1993. Meanwhile the Board's membership and expertise have been replenished through current statutory processes.

I express my thanks to my colleagues on the Board and the Maori Heritage Council for their commitment to the governance of the Trust. In particular I am grateful to Con Flinkenberg, Deputy Chairperson of the Board, and to Ivan Taylor, who have recently left the Board. I also welcome Tumu Te Heuheu and John Acland as newly appointed members and Mike Spedding (Central Region) and Anna Crighton (Southern Region) as newly elected members, while welcoming back Denys Oldham, returned as the Northern Region Board member. Collectively the Board and the Council bring a great strength and diversity of skills, experience, knowledge and cultural background to their functions. We look forward to maximising the contribution of the Trust to our nation in the year ahead.

*Puritia nga taonga tuku iho a nga tupuna
Hei tiki huia ma nga whakatupu o Aotearoa*

Keep the treasures handed down by the ancestors
As an adornment for the descendants yet to be born in Aotearoa



Dame Anne Salmond
Chairperson

MAORI HERITAGE COUNCIL

Tena koutou e rau rangatira ma.

The 2002-2003 year has been both a busy and interesting period for the Maori Heritage Council and the Maori Heritage staff of the Historic Places Trust.

During this period the Council has dealt with a number of wahi tapu area proposals for registration. To assist in this process Council has utilised the Trust's internal standard operating procedures. In this way the Council was better able to carry out its decision-making role in registering important Maori heritage places.

Two particularly significant proposals for registration as wahi tapu areas were those for Takapuneke and Kopukairoa. Takapuneke, at Akaroa on Banks Peninsula, is a significant place in Ngai Tahu history and is the first wahi tapu area registered on the South Island mainland. The registration of Kopukairoa, at Welcome Bay, Tauranga, despite attracting negative media attention at the time, confirms the Maori cultural and heritage significance of the Kopukairoa mountain to local iwi. Council is committed to advocacy and the dissemination of information amongst all parties affected by a registration proposal as the means for promoting a better understanding of the purpose and effects of registration and Council's registration process for such areas.

Maori Heritage staff have been closely involved in the litigation surrounding the Western Link Road designation on the Kapiti Coast. The proposed highway directly impacts on the registered Takamore wahi tapu area near Waikanae and therefore the Historic Places Trust through the Maori Heritage Council is an affected party. This matter is with the Environment Court still and is one of statutory interest to the Maori Heritage Council. Important case law relating to Maori oral history as evidence has already been established through Court decisions on the matter.

The Council continues with its efforts to identify and protect Maori historical and cultural heritage as a matter of national interest. Council sees this as a major advocacy role that needs to be undertaken and seeks to achieve this through consultation by the Maori Heritage Team with local authorities, whanau, hapu and iwi, and landowners.

The Council is pleased that historic heritage has been elevated to a matter of "national importance" in the Resource Management Amendment Act this year.

The strengthening of the provisions relating to Iwi Management Plans in the Resource Management Amendment Act is also pleasing to the Council. Planning advice by Trust staff and advocacy with local authorities, iwi and hapu for the development and implementation of Iwi Management Plans is a priority area of the Maori Heritage Team's work.

There have been two vacancies on the Maori Heritage Council during the past year and Council members look forward to having these positions filled by Ministerial appointment shortly to bring up the full complement of eight members. The Council is pleased to be able to work with the members of the Historic Places Trust Board including its new members, one of whom is Mr Tumu Te Heuheu.

No reira, whakaorahia nga taonga mo nga whakatupuranga.

Tena tatou.



John Klaricich

Chairperson, Maori Heritage Council

Te Kaunihera Maori o Te Pouhere Taonga

CHIEF EXECUTIVE'S OVERVIEW

The New Zealand Historic Places Trust (NZHPT) continues to gain impressive momentum as the country's leading national historic heritage agency. Emerging from government reviews of the late 1990's, the NZHPT has restructured itself as an organisation that provides services beyond its previous capacities. Add to this the relentless (but cheering) growth of heritage awareness in New Zealand, and you have an institution that is striving more than ever to meet a nation's needs. This has been a remarkably successful year for the NZHPT, and for that I thank the Minister, the Associate Minister, the Ministry for Culture and Heritage, our Board and Maori Heritage Council, our staff, our Branch Committees and, of course, our 24,000 members.

The NZHPT helps to keep heritage places alive and useful, and we do this in three ways: We recognise; preserve; and promote heritage throughout Aotearoa New Zealand. Some have wondered about the advisability of the word "useful" sensing that it may be quite enough simply to preserve aspects of the past. Yet the NZHPT is no more immune to principles of evolution than any other "organisation". If we do not find new and different ways of using what has been left to us, those legacies tend to disappear. As the World Heritage Convention, ratified by New Zealand, enjoins, we should ensure as far as possible to give our heritage a function in the life of the community. This is what we mean by "useful".

The highlight of this year has been the launching of our Heritage Landscapes effort. The NZHPT is both an advocacy and a regulatory agency and, with the growth of interest in heritage, our regulatory functions have been taxed proportionally. The consequence of these increasing demands on our regulatory services has been that our advocacy aspirations have mostly remained just that - aspirations. Yet, the one scintillating exception has been Heritage Landscapes.

Meant originally to be a simple workshop involving a couple of dozen colleagues, this initiative, once it became known, attracted more than 145 participants from both New Zealand and Australia. During an engaging one-day programme, we explored the potentials inherent in looking more proactively at the heritage connections in our landscape with an eye towards the stories they tell about national identity. Specifically, we considered three heritage landscapes: The Bay of Islands; the Akaroa Basin; and Poverty Bay. We looked at the potential stories as well as the potential methods that were available for telling those stories.

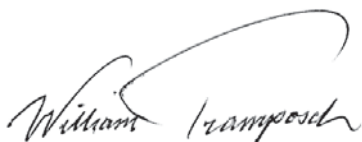
Further, we looked at the economic and tourist benefits inherent in this approach. In short, we looked at the potential that connected national narratives had for the users, be they local, national or international in origin. The workshop spawned a number of initiatives, each attempting to carry on the conversations within a challenging climate of financial frugality. We intend to carry on this dialogue begun in April 2003 in whatever ways we find possible.

The year 2002/03 was also a year in which New Zealand achieved the milestone of historic heritage as a matter of national importance under the Resource Management Act. We will work closely with the Ministry for Culture and Heritage, local authorities, iwi, communities and other agencies to ensure that this aspect of New Zealand society will become a matter which all New Zealanders recognise and provide for.

EEO COMPLIANCE (S.70)

EEO principles and processes are part of mainstream management practices in the Trust. EEO principles continue to be demonstrated in all recruitment and redeployment processes for the Trust.

*Hapaitia, Whakaorahia, Whakamanahia nga Taonga
Tena tatou katoa*

A handwritten signature in black ink, reading "William Tramposch". The signature is fluid and cursive, with a large, sweeping flourish over the name.

Dr William Tramposch
Chief Executive

ORGANISATIONAL INFORMATION

THE TRUST BOARD

The Historic Places Act 1993 provides for an 11-member Board of Trustees. The membership during the reporting period was:

(a) Appointed by Minister

- (i) Dame Anne Salmond CBE, DBE, FRSNZ, Chair of the Trust Board (s.42(a))
- (ii) Mr John Klaricich (s.42(b))
- (iii) Dr Merata Kawharu (s.42(b))

(b) Elected by Trust membership

- (i) Mr Denys Oldham, (s.42(c))
- (ii) Mr Con Flinkenberg, (s.42(c))
- (iii) Mr Ivan Taylor, (s.42(c))

In the three yearly elections held in 2003, for which the results were publicly notified on 7 July 2003, Mr Con Flinkenberg and Mr Ivan Taylor have been replaced on the Board by Mr Michael Spedding and Cr Anna Crighton, respectively. Mr Denys Oldham was re-elected.

(c) Appointed by (a) and (b) above

- (i) Dr Harry Allen (s.42(d))
- (ii) Mrs Te Aue Davis OBE (s.42(d)), reappointed March 2003 for two years
- (iii) Mr Murray Mouat (s.42(d)), reappointed March 2003 for two years

In terms of s.51 of the 1993 Act, the Chief Executive of the Ministry for Culture and Heritage is entitled to attend meetings.

MAORI HERITAGE COUNCIL

The Historic Places Act 1993 provides for an 8 member Maori Heritage Council. The membership during the reporting period was:

Trust Board members (s.84 (2) (a), (b) and (c))

Mr John Klaricich, Ngati Wharara, Ngapuhi (Chairperson) (s.84(2)(a))

Mrs Te Aue Davis OBE, Ngati Maniapoto, Ngati Hikairo (s.84(2)(b)), reappointed March 2003 for two years

Dr Harry Allen, Archaeologist (s.84(2)(c))

Dr Merata Kawharu, Ngati Whatua, Ngapuhi (s.84(2)(a))

and members appointed by the Minister (s.84(2)(d)):

Mr Waaka Vercoe, Te Arawa, Ngati Awa

Dr Monty Soutar, Ngati Porou (Te Aowera), Ngati Awa (Te Rangihouhiri)

VISION MISSION AND VALUES STATEMENTS

On 31 March 2000 the Trust Board adopted a *Strategic Plan 2000-2005 Ko te pae tawhiti – Kia tina*. This included the following key statements:

VISION

Our heritage places: valued, respected, preserved.

MISSION

To promote and care for our historic and cultural places.

THE TREATY OF WAITANGI *TE TIRITI O WAITANGI*

The New Zealand Historic Places Trust Pouhere Taonga will meet the obligations and responsibilities embodied in the Treaty of Waitangi and will respect the customary and heritage values of both parties to the Treaty.

VALUES

The assumptions underlying both the Trust's interpretation of its functions and the Mission Statement are:

- ◆ New Zealand's historic and cultural places are taonga (treasures) and
 - have lasting value and intrinsic worth in their own right
 - have tangible and spiritual values that are essential to both Maori and Pakeha identity
 - can teach New Zealanders about the culture, lifestyle, aspirations and achievements of those who came before them
 - present visible evidence of the continuity between past and present society
 - deserve the best care that can be given them, so that future generations will receive them with their essential characteristics of form and material unimpaired
- ◆ The human history of New Zealand is a continuum
- ◆ The cultures and contributions of all New Zealanders are to be appreciated as part of this country's history.

STATEMENT OF RESPONSIBILITY

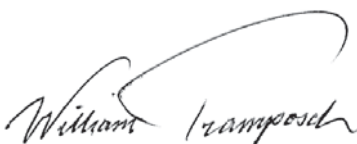
For the Year ended 30 June 2003

In terms of Section 42 of the Public Finance Act 1989 the Board and the management of the NZ Historic Places Trust hereby state that:

- 1 The Board and the management of the NZ Historic Places Trust have been responsible for the preparation of these financial statements and the judgments used therein.
- 2 The Board and the management of the NZ Historic Places Trust have been responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non financial reporting.
- 3 The Board and the management of the NZ Historic Places Trust are of the opinion that these financial statements fairly reflect the financial position and operations of the Trust for the reporting period.



Dame Anne Salmond
Chairperson
Date: 24 October 2003



Dr William Tramposch
Chief Executive
Date: 24 October 2003

STATEMENT OF SERVICE PERFORMANCE - 30 JUNE 2003

OUTPUT 1 – RECOGNISE HERITAGE

Description

The first step to keeping our heritage places alive and useful is to recognise and record their value. The New Zealand Historic Places Trust compiles and maintains the statutory Register of historic places, historic areas, wahi tapu and wahi tapu areas – Rarangi Taonga. The purposes of the Register are to inform the public, to notify owners, and to assist protection under the Resource Management Act 1991.

Performance Targets		Performance Achieved	
<i>Costs</i>			
Income budget	\$505,000	Income Actual	\$956,099
Expenditure budget	\$734,000	Expenditure Actual	\$1,177,028
Registrations processed for historic places/areas and wahi tapu/areas (places/areas are registered if they have historical or cultural heritage significance or value)			
<i>Quantity</i>			
◆ 22 historic places/areas registrations processed		◆ 10 historic places/areas registered	
◆ 9 wahi tapu/wahi tapu areas registrations processed		◆ 2 wahi tapu/wahi tapu areas registered	
<i>Quality</i>			
◆ Registration proposals meet NZHPT Board and Maori Heritage Council standards and legislative requirements ¹		Board, Maori Heritage Council standards and legislative requirements have been met	

¹ As per the Historic Places Act 1993 registration proposals require assessment against statutory criteria, public notification (not required for historic areas) and submissions to be considered when received.

Commentary

As a result of media events that took place surrounding the registration of a wahi tapu area on Kopukairoa Mountain at Welcome Bay, Tauranga during the year, including speculation on the impact of NZHPT registration, decisions were taken to review internal registration processes and to increase the rigour of research and documentation for registration proposals. As a result of these decisions the number of actual registrations confirmed by the Board and the Maori Heritage Council during the year is below target. The NZHPT also commissioned an independent review of its registration policies and procedures and the impact of registration on property rights. That report is due for release late in 2003.

Registrations that have been confirmed during the year include sites that range from the 1860s to the 1950s, located in rural, small town and city locations. For example, the registration of an historic area in Winton in Southland is prompting the Southland District Council's consideration of protecting the area in its district plan. The registration is also likely to help in promoting Winton as a tourist destination.

The increased profile from registration will also assist community groups that look after heritage properties, for example, the Wainuiomata Historical Society which manages the Wainuiomata School building block built in 1908 and the Pupu Hydro Society that administers the Pupu Hydro Scheme in Takaka both registered during the year.

2002/03 is the last year of the NZHPT's three-year funding from the Cultural Recovery Package received from the Crown in June 2000. In the Recognise Heritage output the \$0.500m (gst inclusive) funding has been used to upgrade entries on the Register. This has involved the establishment of a new register database and fully researching and publishing entries from the register onto the NZHPT website. Over the three years of the funding 9.2% of the over 6,000 entries on the register have been researched.

OUTPUT CLASS 2 – PROTECT HERITAGE

Description

While working to protect our heritage places for today and tomorrow, we have met with our greatest successes while working in creative partnerships that seek innovative and sustainable outcomes. In this output the NZHPT works with Territorial Local Authorities to support their responsibility towards their communities in keeping their heritage alive and useful through statutory advocacy under the Resource Management Act in relation to resource consent applications involving heritage places. The NZHPT also grants authorities for work on archaeological sites, allowing a measured approach to development while safeguarding archaeological information and avoiding damage to archaeological sites wherever possible.

Performance Targets		Performance Achieved	
<i>Costs</i>			
Income budget	\$1,785,000	Income Actual	\$1,647,643
Expenditure budget	\$1,858,000	Expenditure Actual	\$2,804,285
(i) Archaeological authority applications processed (An archaeological authority is a consent to damage, destroy or modify an archaeological site)			
<i>Quantity</i>			
◆ 182 Archaeological Authority applications are processed		◆ 260 applications received	
		◆ 231 applications granted	
		◆ 5 applications declined	
		◆ 5 applications withdrawn	
<i>Timeliness</i>			
◆ Statutory and LA timeframes met		◆ Authorities were processed within the specific statutory and LA timeframes	
(ii) NZHPT responses in relation to the Resource Management Act in advocating for the protection of heritage			

Performance Targets	Performance Achieved
<p><i>Quantity</i></p> <ul style="list-style-type: none"> ◆ 100 Submissions made to planning documents² of the 86 Local Authorities (LAs) ◆ 1,190 resource consent applications reviewed for properties scheduled in District Plans or registered properties and wahi tapu and wahi tapu areas <p><i>Quality</i></p> <ul style="list-style-type: none"> ◆ An increase in recognition and protection for heritage in LA plans is achieved from submissions made ◆ Positive outcome for heritage is achieved in 80% of the resource consent responses 	<ul style="list-style-type: none"> ◆ 182 submissions made ◆ 1,317 resource consent applications reviewed <ul style="list-style-type: none"> ◆ An increase in recognition and protection for heritage has been achieved by the NZHPT as a result of submissions made. Refer commentary for more information. ◆ As information is not always received by the NZHPT from LAs on the outcomes of submissions made on resource consent applications, it has not been possible to mark specifically the % achieved. Information available, though, shows a positive impact on heritage is being achieved in the majority of cases. Refer to commentary for more information.

² LA planning documents include Annual Plans, Regional Policy Statements, State of Environment Reports, District Plans, Regional Plans, Coastal Plans and Management Plans

Performance Targets	Performance Achieved
<p>◆ 90% of LAs recognise the NZHPT as affected party status through the resource consent process</p> <p><i>Timeliness</i></p> <p>◆ Statutory and LA timeframes met</p>	<p>◆ It has not been possible to rate specifically the status of each LA. For some local authorities in the north there has been no increase in documented acceptance and or practice of recognising the NZHPT's affected party status. Correspondingly, around the rest of country the NZHPT is recognised appropriately in this process.</p> <p>◆ Submissions were made within the specific statutory and LA timeframes</p>
<p>(iii) Property management and conservation</p> <p><i>Quantity</i></p> <p>◆ portfolio of 60 heritage properties managed</p> <p><i>Quality</i></p> <p>◆ Properties managed to ICOMOS (International Council of Monuments and Sites) standards</p>	<p>◆ portfolio of 60 heritage properties managed</p> <p>◆ ICOMOS charter standards met. [Charter sets out standards to guide the conservation of places of cultural heritage value in New Zealand.]</p>
<p>(iv) Negotiation of heritage covenants for the protection of heritage</p> <p><i>Quantity</i></p> <p>◆ 2 Covenants negotiated for heritage properties</p>	<p>◆ 5 heritage covenants negotiated</p>

Commentary

Performance targets were exceeded for all quantity performance measures. In most cases these relate to services for which the NZHPT cannot control the volume. In that respect services in the Protect Heritage output have resulted in lower resources being applied to other areas of the NZHPT work. The areas of greatest performance work above target include:

- ◆ 32% more archaeological authorities were processed than targeted
- ◆ 82% more submissions were made to Local Authorities on resource management planning documents than targeted

In terms of the quality outcomes that are being achieved by the work, the following are a few key examples of the impact of submissions on Local Authority planning documents and resource consent applications made by the NZHPT during the year. In reporting on its activities in this way the NZHPT acknowledges the decision-making role of the relevant local authority in each case.

- ◆ Proposed subdivision at Pouerua (significant archaeological site) withdrawn subsequent to involvement by the NZHPT
- ◆ Adaptive reuse of the former Auckland Central Post Office in the Britomart Project and recognition and protection for a further 17 surrounding heritage buildings
- ◆ Process of recognition for heritage established in the Whangarei Coastal Strategy
- ◆ Extensive heritage protection measures confirmed in the Proposed Napier District Plan
- ◆ Assistance provided to the Masterton District Council in preparation of a new heritage inventory and heritage plan change
- ◆ Application for an inappropriate alteration to the Hawera public library façade withdrawn after NZHPT opposition
- ◆ Protection obtained for a 1930s stone row in Otaki
- ◆ Application for inappropriate signage on the James Smith building (Wellington) withdrawn after NZHPT opposition

- ◆ Tasman District Draft Reserves Management Plan improved in respect of highlighted archaeological and heritage issues regarding reserve management
- ◆ Akaroa Historic area was subject to un-consented erection of awning; the NZHPT negotiated an agreed resource consent which will result in a more sympathetic treatment
- ◆ Lyttelton's notable RSA building, within the recognised Lyttelton historic area, was proposed for demolition: opposed by NZHPT and community, resulting on Council refusal and a new owner
- ◆ "Ashbrook" an example of Cecil Wood's Christchurch architecture has been reprieved from demolition by joint Council and NZHPT advocacy

Funded in part by the Cultural Recovery Package, Maori Heritage services have increased to include Maori built heritage activity involved with 50 marae to provide conservation funding and planning advice, technical advice and assistance, and promotion of the retention of heritage buildings on marae. Two conservation workshops were undertaken; at Otukou marae near Lake Rotoaira; and Rongopai marae at Waituhi, Gisborne. Both projects had unique conservation challenges that required specialised assistance from the NZHPT's Maori Built Heritage conservator. Workshop training and technical assistance were provided to the marae communities for the development of their own conservation teams to undertake project work. The Otukou marae project concerned the restoration and conservation of the wharenui building's exterior carvings and 1893 colour scheme. The Rongopai marae project involved a major workshop to conserve and reconstruct missing design elements of 120 year old tukutuku panels.

2002/03 is the last year of the NZHPT's three-year funding from the Cultural Recovery Package fund received from the Crown in June 2000. In the Protect Heritage output \$1.125m (gst inclusive) had been set aside specifically to maintain and develop heritage properties managed by the NZHPT on behalf of the Crown. The projects involved considerable community consultation to ensure that greater understanding and involvement of local communities in the ongoing care of the properties takes place. The fund has been fully allocated to projects with \$0.888m of the fund still to be expended. Sites where work is progressing include for example Pompallier, Edmonds Ruins and Kaipara Lighthouse in the far north, Old St Paul's in Wellington and Hayes Engineering and Matanaka in the south.

OUTPUT CLASS 3 – PROMOTE HERITAGE

Description

The NZHPT believes that the key to keeping our heritage places alive and useful is to educate individuals and communities to recognise, value, conserve and sustain their heritage resources. Through the provision of membership services the NZHPT assists in building a community of like-minded people interested in and educated on our national identity. Promotional, educational and training activities are carried out targeted at both the general public and Territorial Local Authorities providing information on how individuals and groups care for their heritage at risk.

Performance Targets		Performance Achieved	
<i>Costs</i>			
Income budget	\$3,674,000	Income Actual	\$3,419,120
Expenditure budget	\$3,825,000	Expenditure Actual	\$3,172,540
(i) Profile of the activities of the NZHPT as represented by membership and public opinion			
<i>Quantity</i>			
◆ Membership of the NZHPT 26,000		◆ Membership totaled 24,105 as at 30 June 2003	
<i>Quality</i>			
◆ Profile of the NZHPT's work is increased in the general public		◆ Omnibus survey reports a 76% awareness of the NZHPT ³	

³ The omnibus survey was carried out by marketing and social research company BRC. This is the first formal survey undertaken by the NZHPT and is now programmed as an annual evaluative process for measuring awareness of the work of the NZHPT in the general public.

Performance Targets	Performance Achieved
<p>(ii) Promotional events provided by the NZHPT</p> <p><i>Quantity</i></p> <ul style="list-style-type: none"> ◆ 73 community public education and promotional services provided ◆ 33 educational, promotional or training services provided to LAs 	<ul style="list-style-type: none"> ◆ 171 community public education and promotional services provided ◆ 47 educational, promotional or training events provided to LAs
<p>(iii) Property development</p> <p><i>Quantity</i></p> <ul style="list-style-type: none"> ◆ Income increased at properties owned or managed by 5% on the 2001/2002 year through enhanced visitor experience ◆ Visitor numbers increased at properties owned or managed by 5% on the 2001/2002 year through enhanced visitor experience 	<ul style="list-style-type: none"> ◆ Income at properties 5% above the 2001/02 total ◆ Visitor numbers at properties 11% lower than 2001/02 total

Commentary

Promote Heritage performance measures relating to educational and promotional activities have been exceeded for the year. The promotion of Maori Heritage has occurred through presentations to marae hui, marae heritage training courses, university courses and local authorities. Promotional events also often include presentations for heritage awards to honour members of the public and institutions that have contributed significantly to heritage over the years. This year the NZHPT Board conferred 24 awards. They have included recognition for organisations like the Opotiki Theatre Trust and the Stony Batter Preservation & Restoration Society. Both tell rich stories of community participation in the restoration and preservation of historic heritage. Individuals recognised this year included Dr Lindo Ferguson and Eve Harding. Conferred awards were in recognition of years of devotion, including especially Butler Point in respect of Dr Ferguson and the care of earth buildings like the Glens of Tekoa for Eve Harding.

Performance at NZHPT properties has been influenced by world events that have contributed to a downturn in international tourism numbers. Within this environment the NZHPT continues to work to promote and reinterpret its properties. In this year the redevelopment of Totara Estate has gathered momentum with support from the NZ meat industry, Totara Estate being the place where in 1882 the first shipment of frozen mutton left for England.

Along with other membership organisations the NZHPT has continued to see a gradual decrease in membership numbers over the years. Regardless, membership benefits have continued to be enhanced with development of the magazine Heritage NZ and additional NZ based product benefits for members. Services to members have been improved and more regular communication established. A concerted effort to increase Maori membership was initiated during the year through, for example, contact with iwi authorities, iwi resource management units and marae committees.

A key promotional and consultative activity carried out during the year was the hosting of a national forum on heritage landscapes. The forum was attended by more than 145 people from around the country and has sparked the beginning of important ongoing discussions between the NZHPT and other interested parties in the promotion and preservation of New Zealand's heritage landscapes.

FINANCIAL REPORT

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2003

REPORTING ENTITY

The New Zealand Historic Places Trust / Pouhere Taonga (the "Trust") is a Trust established under section 4 of the Historic Places Act 1980 and continued under Section 38 of the Historic Places Act 1993. The Trust reports in accordance with Part V of the Public Finance Act 1989 as if it is a Crown Entity. The financial statements have been prepared in accordance with the Public Finance Act 1989 and the Financial Reporting Act 1993.

MEASUREMENT BASE

The financial statements have been prepared on an historical cost basis, modified by the revaluation of certain fixed assets.

ACCOUNTING POLICIES

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

Budget Figures

The budget figures are those approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements.

Revenue

The Trust derives revenue through the provision of outputs to the Crown, from membership subscriptions and income from properties managed.

Government and other grants are recognised when entitled.

Membership subscriptions are recognised in the period received.

Other revenue is recognised as income when earned.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST with the exception of accounts receivable and accounts payable which are stated inclusive of GST.

Financial Instruments

The Trust is a party to financial arrangements 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 financial performance. All financial instruments are recognised in the statement of financial position.

Income Tax

The Trust is a public authority in terms of the Income Tax Act 1994 and consequently is exempt from income tax.

Inventories

Inventories are stated at the lower of cost or net realisable value after making appropriate provisions for obsolete items.

Investments

Investments are stated at the lower of cost or net realisable value. Any decreases are recognised in the Statement of Financial Performance.

Accounts Receivable

Accounts receivable are stated at their expected realisable value after providing for doubtful and uncollectable debts.

Fixed Assets

Property, Plant and Equipment

Land and buildings are stated at fair value as determined by an independent registered valuer (Beca Valuations Ltd, as at 30 June 2002). Fair value is determined using market-based evidence wherever possible and otherwise depreciated replacement cost. Land and buildings are revalued every five years. Additions between revaluations are recorded at cost.

The results of revaluing land and buildings are credited or debited to an asset revaluation reserve. Where a revaluation results in a debit balance in the revaluation reserve, the debit balance will be expensed in the statement of financial performance.

The Trust has interest in Land and Buildings in the following categories:

(i) *Trust owned Land and Historic Buildings*

These are properties for which the Trust has freehold title.

(ii) *Vested Land and Historic Buildings*

These properties have been formally vested in the Trust in terms of the Reserves Act 1977. A vesting order can only be revoked with the agreement of the Trust and consequently the Trust's interest is deemed to be permanent.

(iii) *Controlled and Managed Buildings*

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

Costs incurred by the Trust in restoring these buildings to their original condition are capitalised. Costs of maintaining these assets once renovation is complete are charged to the period in which they are incurred.

Depreciation

Depreciation is provided on a straight line basis at a rate that will write off the cost 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 or vested in the Trust are being depreciated in the 2002/03 year for the first time after building revaluations were carried out as at 30 June 2002 in accordance with FRS3:

Office Equipment	5 years
Furniture	5 years
Computer Hardware	3 years
Computer Software	3 years
Leasehold Improvements	5 years
Building Structure	100 years
Building Internal	40 years

Chattels, Artifacts and Library

Chattels, artifacts and library assets are stated at fair value as determined by an independent specialist valuer. Chattels, artifacts and library assets are revalued at least every 5 years. Additions between revaluations are recorded at cost. Items donated or bequeathed to the NZHPT are recorded at their fair value. Depreciation has not been provided on these assets which are managed to be preserved in perpetuity as required by the Historic Places Act 1993.

During the year the significant proportion of the chattels and artifacts owned were revalued. The increase in valuation as at 30 June 2003 has been shown as an increase in the revaluation reserve. The valuations were conducted by independent valuers Peter Webb Galleries Ltd.

Cost Allocation

Direct costs are charged directly to specific outputs. Indirect costs are allocated across outputs using estimated time spent on each activity as the cost driver.

"Direct costs" are those costs attributable to a significant activity.

"Indirect costs" are those costs which cannot be identified in an economically feasible manner with a specific significant activity. An analysis of time spent by staff on outputs has been used to allocate indirect costs across the outputs.

Provision for Employee Entitlements

Provision is made in respect of the NZHPT's liability for annual leave, long service and retirement leave.

Annual leave liability that is expected to be settled within 12 months of reporting date is measured at nominal values on an actual entitlement basis at current rates of pay. Entitlements that are payable beyond 12 months, such as long service leave and retirement leave are calculated on an actuarial basis.

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 Trust'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.

Contingent Liabilities

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

Finance Leases

Leases which effectively transfer to the NZHPT substantially all the risks and benefits incident to ownership of the leased item are classified as finance leases. These leases are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the statement of financial position. The leased assets are depreciated over the period the Trust is expected to benefit from their use.

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease expenses are recognised on a systematic basis over the period of the lease.

Donations and Bequests

Donations and bequests received without restrictive conditions are treated as operating revenue on receipt in the statement of financial performance. Those with restrictive conditions are treated as Other Revenue and transferred to Specified Funds and Bequests from Accumulated Funds. The net on each of these funds from interest earned and payments made is treated in the same manner.

Changes in Accounting Policies

The Trust has changed its accounting policy for the depreciation of buildings in order to comply with FRS-3, Property Plant and Equipment. This standard came into effect for periods ending 31 March 2002. It requires the Trust to estimate the remaining useful life for the assets and recognise a reduction in the value of the asset over that period of time. The previous policy had been to not depreciate buildings at all. The effect of this change has been to increase depreciation expense for the year by \$0.085m.

In addition the Trust has also revalued a significant proportion of its collection of chattels and artifacts for the first time in a number of years. The effect of this change has been to increase the value of chattels and artifacts by \$2.091m. This revaluation has been recognised in the statement of movement of equity.

There have been no other changes in accounting policies since the date of the last audited financial statements.

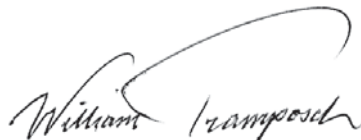
STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2003

	Note	Actual 2003 \$	Budget 2003 \$	Actual 2002 \$
EQUITY				
Accumulated Funds	1(a)	5,131,997	5,320,651	5,773,651
Specified Funds & Bequests	1(b)	2,557,542	3,046,879	3,046,879
Trust Property Maintenance & Development Fund	1(c)	95,086	95,086	95,086
Revaluation Reserve	1(d)	12,248,956	10,157,893	10,157,893
Total Equity		<u>20,033,581</u>	<u>18,620,509</u>	<u>19,073,509</u>
Equity is represented by:				
NON-CURRENT ASSETS				
Fixed Assets	2	18,194,607	16,170,140	16,205,140
Total Non-Current Assets		<u>18,194,607</u>	<u>16,170,140</u>	<u>16,205,140</u>
CURRENT ASSETS				
Petty Cash & Imprest Balances		14,747	16,395	16,878
Cheque & Call Deposits	3	1,232,390	1,922,000	2,373,938
Specified Fund & Bequest Deposits	3	1,310,986	1,156,000	1,156,579
Accounts Receivable		75,293	50,000	34,153
Stock on Hand		20,001	25,001	25,001
Total Current Assets		<u>2,653,417</u>	<u>3,169,396</u>	<u>3,606,549</u>
CURRENT LIABILITIES				
Accounts Payable and Accruals		546,748	500,000	513,793
Employee Entitlements		190,772	140,000	146,778
GST Payable		27,387	32,827	31,378
Total current liabilities		<u>764,907</u>	<u>672,827</u>	<u>691,949</u>
Working Capital Surplus		1,888,510	2,496,569	2,914,600
NON-CURRENT LIABILITIES	4	49,536	46,200	46,231
NET ASSETS		<u>20,033,581</u>	<u>18,620,509</u>	<u>19,073,509</u>



Dame Anne Salmond
Chairperson



Dr William Tramposch
Chief Executive

The attached notes and Statement of Accounting Policies
form part of these Financial Statements.

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2003

	Note	Actual 2003 \$	Budget 2003 \$	Actual 2002 \$
Overall Surplus/(Deficit) for the year	1(a)	(1,130,991)	(453,000)	(52,828)
Increase/(Decrease) in Revaluation Reserve	1(d)	2,091,063	0	1,784,000
Total recognised Revenues & Expenses for the year ended 30 June 2003		960,072	(453,000)	1,731,172
Equity as at 1 July 2002		19,073,509	19,073,509	17,342,337
Equity as at 30 June 2003		20,033,581	18,620,509	19,073,509

The attached notes and Statement of Accounting Policies form part of these Financial Statements.

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2003

	Note	Actual 2003 \$	Budget 2003 \$	Actual 2002 \$
OPERATING REVENUE				
Government Grant		3,985,778	3,984,000	3,985,778
New Zealand Lottery Grants Board	12	236,200	0	503,937
Interest	3	168,451	150,000	180,375
Donations		70,343	80,000	83,130
Membership and Subscriptions	12	502,203	653,000	600,162
Property Income	5	636,721	650,000	554,906
Merchandising		99,158	100,000	112,934
Other		324,008	347,000	327,618
		<u>6,022,862</u>	<u>5,964,000</u>	<u>6,348,840</u>
OPERATING EXPENDITURE				
Audit Fees – External Audit		23,000	23,000	22,000
Bad & Doubtful Debts		1,866	0	9,809
Board Fees	10	39,952	40,000	22,430
Communications		148,681	137,000	145,759
Depreciation	2a	110,531	35,000	37,325
Finance Charges on Finance Leases		1,304	2,000	2,101
Membership		411,372	384,000	391,058
Other Operating		1,353,116	1,110,000	1,218,731
Property		898,485	629,000	840,073
Rental Expenses on Operating Leases		106,828	103,000	90,968
Salary and Wages		3,632,236	3,555,000	3,289,257
Travel and Accommodation		426,482	399,000	332,157
Total Expenditure		<u>7,153,853</u>	<u>6,417,000</u>	<u>6,401,668</u>
Operating surplus (deficit) for the year		<u>(1,130,991)</u>	<u>(453,000)</u>	<u>(52,828)</u>

◆ Note the excess of expenditure over income is in line with the continued use of the three year funding received in advance from the Government in June 2000 as part of the Cultural Recovery Package.

◆ Refer Note 12 for an explanation on variance from budget.

The attached notes and Statement of Accounting Policies form part of these Financial Statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2003

	Note	Actual 2003 \$	Budget 2003 \$	Actual 2002 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was received from:				
Government Grant		3,985,778	3,984,000	3,985,778
Lottery Grants Board		236,200	0	503,937
Other Operating Activities		1,584,169	1,830,000	1,695,283
Interest		168,451	150,000	180,375
		<u>5,974,598</u>	<u>5,964,000</u>	<u>6,365,373</u>
Cash was applied to:				
Payments to suppliers and employees		(6,950,945)	(6,337,000)	(6,394,777)
Interest		0	0	0
Goods and Services Tax		(3,991)	(80,000)	(76,610)
		<u>(6,954,936)</u>	<u>(6,417,000)</u>	<u>(6,471,387)</u>
Net cash from operating activities	6	<u>(980,338)</u>	<u>(453,000)</u>	<u>(106,014)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was applied to :				
Purchase of fixed assets		8,935	0	0
Net cash from investing activities		<u>(8,935)</u>	<u>0</u>	<u>0</u>
Net increase (decrease) in cash		<u>(989,272)</u>	<u>(453,000)</u>	<u>(106,014)</u>
Cash as at 1 July 2002		<u>3,547,395</u>	<u>3,547,395</u>	<u>3,653,409</u>
Cash as at 30 June 2003		<u>2,558,123</u>	<u>3,094,395</u>	<u>3,547,395</u>
Represented by:				
Petty Cash & Imprest Balances		14,747	16,395	16,878
Cheque & Call Deposits		1,232,390	1,922,000	2,373,938
Specified Fund & Bequest deposits		1,310,986	1,156,000	1,156,579
		<u>2,558,123</u>	<u>3,094,395</u>	<u>3,547,395</u>

*The attached notes and Statement of Accounting Policies
form part of these Financial Statements.*

STATEMENT OF COMMITMENTS

	2003	2002
	\$	\$
Operating Commitments		
Less than 1 year	257,329	175,131
1 – 2 years	193,154	107,893
2 – 5 years	0	10,972
5 plus years	0	0
	<u>450,483</u>	<u>293,996</u>

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

STATEMENT OF CONTINGENT LIABILITIES

As at 30 June 2003 there were no contingent liabilities (2001/02 nil).

The attached notes and Statement of Accounting Policies form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

NOTE 1: Equity

	2003	2002
	\$	\$
r(a) Accumulated Funds		
Balance at 1 July 2002	5,773,651	5,726,127
Overall Surplus (Deficit) for the year	(1,130,991)	(52,828)
Transfer to Specified Funds and Bequests – prior years	0	(56,865)
Transfer from Specified Funds and Bequests – prior years	0	22,578
Transfer to Specified Funds and Bequests – current year	(762,287)	(854,084)
Transfer from Specified Funds and Bequests – current year	1,251,624	988,723
Balance at 30 June 2003	<u>5,131,997</u>	<u>5,773,651</u>

r(b) Specified Funds and Bequests

	01/07/02	Receipts	Interest	Expendi- ture	30/06/03
	\$	\$	\$	\$	\$
NZ Lottery Grants Board					
Interpretation of the Stone Store	45,436				45,436
Highwic Conservation Plan	(1,524)	1,524			0
Highwic Art Collection	15,000			(7,668)	7,332
Archaeology at Papamoa	4,328				4,328
Kerikeri Mission House Conservation	3,584			(2,331)	1,253
Heritage Guidelines – Various	2,649		269		2,918
Clarkes Mill Engineering Specifications	5,000				5,000
Kemp House Restoration	78,450			(39,477)	38,973
Ruatuna Homestead Collection	5,000				5,000
Ruatuna Sprinkler Design	6,840			(5,166)	1,674
Timeball Building Restoration	0	230,000		(9,713)	220,287
Alberton Conservation Plan	0	6,200		(6,200)	0
Alberton Education Resource Kit	0	4,550		(4,550)	0
Other Funds & Bequests					
Stout Bequest	1,166		75		1,241
Stringer Bequest	7,894		474		8,368
Zohrab Trust Bequest	193,638		10,910	(2,115)	202,433
Hudson Bequest	244,105		14,555		258,660
McKay Bequest	166,632		10,122	(3,524)	173,230
Kemp Chimney Fund	12,145	1,434	1,038	(2,064)	12,554
Richardson Bequest	35,275		2,138		37,413
Bedlington Bequest	0	20,000			20,000
Denton Mayor Bequest	0	5,000			5,000
Turanga Property Fund	11,415			(10,535)	880
Brunner	(18,524)	96,667		(4,960)	73,183
Conservation Storage Materials	1,778				1,778

r(b) Specified Funds and Bequests – continued

	01/07/02	Receipts	Interest	Expendi- ture	30/06/03
	\$	\$	\$	\$	\$
Environment Bay of Plenty	9,838	10,600		(17,625)	2,813
Highwic Concert Advertising	(2,521)	2,521			0
Kerikeri Mission School Iron Steel	8,015			(8,015)	0
Kerikeri Mission School Store Display	3,746			97	3,843
McBernie Estate	10,699		635		11,334
Ophir	891				891
Ruatuna Historical Research Report	(4,364)	4,915			551
Thames School Mines Roof	6,970				6,970
Spencer Bequest	142,436		8,458	(17,778)	133,116
Williams Bequest	8,112		488		8,600
Bell House Fund	1,675	42,758		(5,923)	38,510
Ruatuna Fund	45,295	31,904	1,843	(30,725)	48,317
Stone Store – Other	12,193	54,134	2,796	(41,496)	27,627
Property Fund	48,797		2,919	(10,938)	40,778
Rosier Bequest	113,290		6,800	(5,000)	115,090
Sir J L Campbell	2,588			(2,588)	0
Timeball Video	973	9,702		(10,675)	0
Timeball Conservation Plan	(3,171)	3,171			0
Totora Power Supply	(15,723)	15,723			0
Totora Redevelopment Project	103,455	126,694	7,026	(97,069)	140,106
Archaeology – Equipment Purchase	11,739			(8,643)	3,096
Crown Prop. Main. Development Fund	944,901			(155,688)	789,213
Maori Heritage Development Fund	564,511			(564,511)	0
Trust Register Upgrade Fund	187,407			(161,111)	26,296
Otago Chinese Settlement Project	4,500	2,000		(6,500)	0
Branch Committee Fund	20,343	22,240		(9,133)	33,450
Total Funds & Bequests	3,046,882	691,737	70,546	(1,251,624)	2,557,542

r(c) Trust Property Maintenance Development Fund

	2003	2002
	\$	\$
Balance at 1 July 2002	95,086	95,086
Transfer to Accumulated Funds	0	0
Balance at 30 June 2003	95,086	95,086

r(d) Revaluation Reserve

	2003	2002
	\$	\$
Balance at 1 July 2002	10,157,893	8,373,893
Current year revaluations		
Land owned and vested	0	(316,500)
Buildings owned and vested	0	2,100,500
Artifacts and Chattels	2,091,063	0
	2,091,063	1,784,000
Balance at 30 June 2003	12,248,956	10,157,893

NOTE 2: Fixed Assets

	Cost or Valuation 2003 \$	Accumulated Depre- ciation 2003 \$	Net Current Value 2003 \$	Cost or Valuation 2002 \$	Accumulated Depre- ciation 2002 \$	Net Current Value 2002 \$
At Valuation						
Trust owned Land	5,901,000	0	5,901,000	5,901,000	0	5,901,000
Trust owned Buildings	5,615,000	54,649	5,560,351	5,615,000	0	5,615,000
Vested Land	1,433,000	0	1,433,000	1,433,000	0	1,433,000
Vested Buildings	2,976,000	30,023	2,945,977	2,976,000	0	2,976,000
Artifacts and Chattels	2,212,594	0	2,212,594	121,530	0	121,530
At Cost						
Managed Buildings	87,727	0	87,727	87,727	0	87,727
Furniture and Equipment	295,832	268,208	27,624	290,342	244,780	45,562
Computer Equipment	104,440	101,274	3,166	104,440	99,867	4,573
Computer Software	112,102	112,102	0	112,102	112,102	0
Farm Equipment	1,850	1,850	0	1,850	1,664	186
Leasehold Improvements	7,994	2,659	5,335	4,548	1,819	2,729
Library	17,833	0	17,833	17,833	0	17,833
	18,765,372	570,765	18,194,607	16,665,372	460,232	16,205,140

NOTE 2a: Depreciation

	2003 \$	2002 \$
Furniture and Equipment	23,426	27,342
Computer Equipment	1,407	4,703
Computer Software	0	4,002
Farm Equipment	186	369
Leasehold Improvements	840	909
Buildings – owned	54,649	0
Buildings – vested	30,023	0
	110,531	37,325

NOTE 3: Investments

Investments are on terms ranging from on-call through to 90 days depending on the forecast cashflow requirements. During the year the average interest rate received has been 5.5%

NOTE 4: Term Liabilities

	2003	2002
	\$	\$
Non-Current		
Retirement and Long Service Leave	49,536	46,231
	<u>49,536</u>	<u>46,231</u>

NOTE 5: Property Income

	2003	2002
	\$	\$
Functions	151,635	121,783
Admissions	273,687	258,494
Rents	188,010	136,736
Other	23,389	37,893
	<u>636,721</u>	<u>554,906</u>

NOTE 6: Reconciliation of the Net Overall Surplus (Deficit) with the Net Cash Flows from Operating Activities

	2003	2002
	\$	\$
Net Overall Surplus (Deficit)	(1,130,991)	(52,828)
Add non-cash items		
Depreciation	110,531	37,325
Loss on sale	0	0
	<u>(1,020,460)</u>	<u>(15,503)</u>
Movements in Working Capital		
Decrease (Increase) in Accounts Receivable	(41,139)	16,533
Decrease (Increase) in Stock	5,000	(12,231)
Increase (Decrease) in GST	(3,991)	(76,609)
Increase (Decrease) in Accounts Payable	80,252	(18,204)
Net cash flow from operating activities	<u>(980,338)</u>	<u>(106,014)</u>

NOTE 7: Financial Instruments

Financial instruments which potentially subject the Trust to credit risk consist of bank balances, accounts receivable, accounts payable and term liabilities.

There were no differences between fair value and carrying values of financial instruments as at 30 June 2003 and 30 June 2002.

The Trust seeks to minimise its exposure to credit risk by investing only with registered banks.

NOTE 8: Related Parties

The NZHPT received a substantial portion of its revenue from the Ministry for Culture and Heritage and the New Zealand Lottery Grants Board. There are no other related parties. All other transactions with public sector entities are carried out on an arm's length basis and in the normal course of business.

NOTE 9: Post Balance Date Events

There are no material post balance date events.

NOTE 10: Board and Council Fees

	2003	2002
	\$	\$
Member:		
Dame C Tizard	330	1,815
Mr P Adds	0	500
Dr H Allen	2,550	2,500
Mrs T Davis	5,250	5,000
Mr C Flinkenberg	1,000	1,250
Dr M Kawharu	1,250	750
Mr J Klaricich	1,740	1,740
Mr M Mouat	1,375	1,375
Mr D Oldham	2,750	1,750
Dame A Salmond (Chair)	20,597	750
Dr M Soutar	750	1,250
Mr I Taylor	1,500	2,250
Mrs M Tini	0	500
Mr H Te Whaiti	0	250
Mr W Vercoe	500	750
	39,592	22,430
	39,592	22,430

NOTE 11: Employee Remuneration

	No. of Employees	
\$000	2003	2002
	\$	\$
Total Remuneration and Benefits		
120-130	0	1
130-140	1	0

The chief executive's total remuneration is in the \$130,000–\$140,000 band (2001/02 in the \$120,000–\$130,000 band).

NOTE 12: Statement of Financial Performance – Actual to Budget Variance

No budgeted income was included for grants from the NZ Lottery Grants Board. It is only during the year that funding applications to the NZ Lottery Grants Board are found to be successful for projects submitted. Other income is greater than budget as a result of, for example, bequests income and income for the Totorā Redevelopment Project which is supported with funding from NZ meat industry companies.

Membership income is lower than budgeted due to a decrease in membership numbers during the year and also due to early bird renewals in late 2001/02 that didn't require members to pay again until early 2003/04.

Expenditure is higher than budgeted for property and other operating costs as costs incurred on specifically funded projects were not included in the budgets due to the uncertainty of the income for the project.



Audit New Zealand

REPORT OF THE AUDITOR-GENERAL

TO THE READERS OF THE FINANCIAL STATEMENTS OF NEW ZEALAND HISTORIC PLACES TRUST FOR THE YEAR ENDED 30 JUNE 2003

We have audited the financial statements on pages 13 to 39. The financial statements provide information about the past financial and service performance of New Zealand Historic Places Trust and its financial position as at 30 June 2003. This information is stated in accordance with the accounting policies set out on pages 23 to 28.

Responsibilities of the Board

The Public Finance Act 1989 requires the Board to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of New Zealand Historic Places Trust as at 30 June 2003, the results of its operations and cash flows and service performance achievements for the year ended on that date.

Auditor's responsibilities

Section 15 of the Public Audit Act 2001 and Section 43(1) of the Public Finance Act 1989 require the Auditor-General to audit the financial statements presented by the Board. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed Ajay Sharma, of Audit New Zealand, to undertake the audit.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- ◆ the significant estimates and judgements made by the Board in the preparation of the financial statements; and
- ◆ whether the accounting policies are appropriate to the New Zealand Historic Places Trust's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in New Zealand Historic Places Trust.

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of New Zealand Historic Places Trust on pages 13 to 39:

- ◆ comply with generally accepted accounting practice in New Zealand; and
- ◆ fairly reflect:
 - New Zealand Historic Places Trust's financial position as at 30 June 2003;
 - the results of its operations and cash flows for the year ended on that date; and
 - its service performance achievements in relation to the performance targets and other measures adopted for the year ended on that date.

Our audit was completed on 24 October 2003 and our unqualified opinion is expressed as at that date.



Ajay Sharma
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of New Zealand Historic Places Trust for the year ended 30 June 2003 included on New Zealand Historic Places Trust's website. The Chief Executive is responsible for the maintenance and integrity of New Zealand Historic Places Trust's website. We have not been engaged to report on the integrity of New Zealand Historic Places Trust's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

We have not been engaged to report on any other electronic versions of New Zealand Historic Places Trust's financial statements, and accept no responsibility for any changes that may have occurred to electronic versions of the financial statements published on other websites and/or published by other electronic means.

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, these 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 24 October 2003 to confirm the information included in the audited financial statements presented on this web site.

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

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