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EXPERIENCE WELLINGTON'S PURPOSE, VISION AND VALUES

Purpose: Working with and for Wellington to create remarkable art, culture and science experiences that generate vitality: enriching the city we love.

Vision: Engaged Curious Communities.

Values:

- **Connected:** We work together to deepen our engagement with, and relevance to, the communities we serve.
- **Quality First:** We set ourselves high standards prioritising what will make a real difference to Wellington.
- **Boldness:** We are agile, proactive and use innovation and creativity to achieve the best outcomes for our city.
- **Leading:** We commit to providing an environment in which a high performing organisation culture will flourish.

Cover Image: Makers of Entertainment performing for schools in the 2017 Capital E National Arts Festival. Photo by Stephen A'Court.



INTRODUCTION

Experience Wellington is made up of Capital E, City Gallery Wellington, Cable Car Museum, Nairn Street Cottage, Wellington Museum including the Plimmer's Ark display in the Old Bank Arcade, Space Place at Carter Observatory, the recovered Plimmer's Ark timbers in storage and Wellington city's heritage collections in storage. We also operate the Hannah Playhouse as part of the Capital E operation on behalf of the Hannah Playhouse Trust (HPT) and Wellington City Council (Council), and we have a management agreement with the New Zealand Cricket Museum Trust to provide in-kind support including financial management.

This Statement of Intent (SOI) reflects the relationship and interest that Council has in Experience Wellington as a Council Controlled Organisation and our contribution to Council's vision for the future of Wellington. Specifically, it responds to Council's expectations as set out in its Letter of Expectations of 15 December 2017 and outlines our strategic plans and performance targets for the next three years with detailed focus on the financial period to 30 June 2019.

In 2018-19 Council will provide around 64% of our operational budget with the other 36% coming from fundraising and trading revenues. We have a contract with Creative New Zealand (CNZ) that supports the delivery of the Capital E National Theatre for Children and the biennial National Arts Festival for Children; the learning experiences we offer are supported through Ministry of Education (MOE) Learning Experiences Outside the Classroom (LEOTC) contracts and we regularly receive support from the City Gallery Wellington Foundation for City Gallery's programme. The HPT supports the operation of the Hannah Playhouse and the Carter Observatory Trust supports our fundraising activities for Space Place.

To achieve the best results for Wellington we will continue to work with Council and other Council Controlled Organisations (Wellington Regional Economic Development Agency (WREDA), Wellington Zoo and Zealandia) other local visitor experiences, Te Papa, tertiary education partners and relevant national organisations.



OVERVIEW

OUR FOCUS IN 2018-19 is to continue to enrich the city we love by telling Wellington's stories through the city's amazing cultural assets and through every exhibition, public event, or children's live or film production that we produce and present. We want to play our part in Council's *Decade of Culture* strategy and we welcome Council's commitment to consider further investment in its cultural assets through the 2018-28 Long-term Plan.

Our contribution to the *Decade of Culture* will include:

- The planning and delivery of a high profile international contemporary art exhibition programme at City Gallery;
- Leveraging Capital E's strong brand through the development of a new creative city hub for children and young people;
- Completing the development of Wellington Museum;
- Extending the Cable Car Museum; and
- Working with Council on a plan to update the visitor experience at Space Place.

In addition, we will present a full programme of activity which in 2018-19 will include:

- Capital E presenting the ninth Capital E National Arts Festival for children and the third Roxy5 Short Film Competition which is now supported by the Ministry for Youth Development. Capital E will also bring Maker Faire to Wellington which is an entirely new science fair experience providing hands-on engagement for all ages.
- Wellington Museum and City Gallery will contribute to the Suffragettes anniversary programme marking 125 years since women were first entitled to vote in New Zealand.
- We will open the new ground floor experience at the Nairn Street Cottage, and the Space Place programme will include a new artist-led planetarium project on climate change and Antarctica.
- City Gallery's programme includes the exhibition *Palindrome* exploring the work of Patrick Pound, an exhibition entitled *The Iconography of Revolt* which considers what happens when revolutionary politics and fashion meet; and a major exhibition of the work of Theo Schoon who plays a key role in contemporary cultural discourse.
- We will continue our commitment to the celebration of Matariki which will include *Matariki Dawn* and star gazing at Space Place, the continuation of our partnership with Chamber Music New Zealand at Wellington Museum and other events aimed at showcasing Wellington during Matariki in June 2019.

OUR PERFORMANCE in the Key Result Indicators (KRI) of visitation and revenue generation will continue to improve during this planning period which will include many opportunities for Wellington's curious communities to engage with our visitor experiences. In 2018-19 we expect to:

- Attract over 750,000 (13% increase on our 2017-18 forecast) visitors to our experiences, one-third of which will be international tourists. In addition, over 300,000 people will connect via our online communities;
- Raise over \$4 million (Net of costs) (10% increase on our 2017-18 forecast) towards our operating costs from trading initiatives as well as fundraising. We are forecasting that we will fund at least 36% of our operating revenue this year; and
- Be highly rated by visitors for the quality of their visitor experience at our institutions with a 90% approval rating.

OUR FINANCIAL PERFORMANCE and in particular achieving a break-even budget after fully funding depreciation has not been possible in the face of significant and on-going cost increases associated with delivering City Gallery's programme and the 2019 Capital E National Arts Festival for Children. As a result we are projecting a small deficit of \$44,130 in 2018-19 but are forecasting a break-even budget in 2019-20 and 2020-21.

The *Financial Overview* on page 5 provides more information on our forecast financial position.



FINANCIAL OVERVIEW

The main assumptions for the planning period are that:

- We will receive \$7,336,115 from Council (exclusive of cash underwrites) for the operation of Experience Wellington inclusive of Space Place representing a 2.759% increase on our base-line funding for 2017-18. The increase is inclusive of funding decisions in 2015-16 and 2016-17 to enable Experience Wellington to align with Council's Living Wage policy.
- Our 2018-19 revenue target of just over \$4 million net represents an increase of 8.8% on our 2017-18 forecast revenue reflecting the impact of the 2019 Capital E National Arts Festival and a small increase over the base achieved in 2016.
- We remain committed to achieving a break-even budget after fully funding depreciation. However, we are projecting a deficit of \$44,130 in 2018-19 but returning to break-even in 2019-20 and 2020-21.
- We continue to rely on the Council's cash underwrite for Space Place.
- We need to ensure our liquidity and maintain sufficient deposits to cover current obligations over adequately maintaining our asset base.
- Visitor experience projects outside the scope of the current financial forecast such as the proposed City Gallery Wellington high value international contemporary art exhibition programme will be subject to City Growth Fund investment and fundraising.
- Sponsorships and grants from grant giving agencies are tagged to specific projects (exhibitions, public programmes or capital developments) and are not available to support fixed costs such as personnel, occupancy and energy expenses.
- The 2019 Capital E National Arts Festival is heavily dependent on fundraising including from the Wellington Regional Amenities Fund (WRAF) (\$100K). Not realising the WRAF funding may result in the cancellation of the Festival.
- Over the forecast period it is expected that personnel costs will increase by 2% per annum and other costs by an average of 2%.
- Applying a Living Wage increase that exceeds 2% during the planning period would be subject to additional Council funding.
- Making relativity adjustments to salaries and wages required as a consequence of applying the Living Wage to eligible salaries and wages would be subject to additional Council funding.
- Taking into consideration our typical operating cycle which includes the biennial Capital E National Arts Festival which will boost revenue in 2018-19, trading revenue is forecast to increase by 4% over the base achieved in 2016-17.
- Creative New Zealand (CNZ) funds for distribution continue to be under pressure; and Ministry of Education (MOE) contracts are secure but the funding levels continue to be static and increases are not expected.
- We will continue to operate Hannah Playhouse on behalf of the HPT and the Council until 30 June 2019. The terms and conditions of our agreement includes the continuation of the existing lease with HPT with all covenants continuing to apply except rent and the benefit of a \$60,000 per annum Council underwrite of the operating budget.

The Forecast Financial Statements are provided in Appendix 1. Accounting policies are provided in Appendix 2.



PRIORITY PROJECTS AND COUNCIL'S EXPECTATIONS

Our year-round delivery of exhibitions, public programmes and events contributes to Wellington's status as the *Culture Capital of New Zealand* and ensures that there is always an art, cultural, science or creative experience to enjoy in Wellington on every day of the year. This availability also makes them an important part of Wellington's tourism offering providing great visitor experiences to people visiting Wellington, many for the first time.

Our [2017-20 Strategic Plan](#) outlines our priorities and why we are focusing on these. Our success will be measured in terms of the increasing numbers of engaged visitors, who have their curiosity heightened through their encounters with us on-site or online; our reputation for world leading visitor experiences; the revenue we generate through fundraising and trading activities; and the social and economic impact we have on Wellington.

The following Priority Projects build on our success and are aligned with Council's strategic direction as set out in *Wellington Towards 2040: Smart Capital* and the 2018-28 LTP consultation document *Our 10-Year Plan Tō mātou mahere ngahuru tau* in which it states that "We want Wellington to be the undisputed cultural capital of New Zealand". The LTP is prioritising: Resilience and environment, Housing, Transport, Sustainable growth and Arts and culture. We consider that the priority projects described below are closely aligned with one or more of: Arts and culture; Resilience and environment; and Sustainable growth.

Priority Project

Alignment with Council

To present high profile, large scale international contemporary art exhibitions at City Gallery Wellington.

An important cornerstone for Council's Decade of Culture which will create economic value for the city and region. It will enhance City Gallery's national and international reputation and make Wellington a destination for contemporary art lovers.

A bid to Council's City Growth Fund will be made to support this programme.

To complete the development of Wellington Museum.

Cements Wellington Museum's role within the region as the teller of Wellington's stories and includes an authentic Māori dimension. It completes earthquake strengthening making the building safer for staff and visitors and it will increase the likelihood that this category 1 heritage building will survive a major earthquake.

Council has proposed a budget of \$10 million in the draft LTP to start this work in 2021-22.

To increase the size of the Cable Car Museum visitor experience including an increase in the space for retail.

More space within the museum, often at capacity during cruise ship season, for retail and exhibitions. It will give greater focus to the science and technology story of the cable car and the wider Cable Car Precinct supporting our collaborative precinct project *The Look out! Pukehinau*.

A business case will be developed for further consideration of this project by stakeholders and funders. Extending the Cable Car Museum is not a priority for Council.

Capital E's core offerings, how these are delivered and from where within Wellington city.

It will supercharge Capital E ensuring that it has a fresh, relevant take on the challenge of equipping children with creative and critical thinking skills. It will secure accommodation ideally as part of a wider development that brings together other cultural assets.

Capital E's permanent home is subject to agreement on location. In the meantime the current accommodation will be modified to better meet Capital E's operating requirements.

To ensure that Space Place's business model continues to grow visitation and revenue with a renewed visitor experience that widens the offer to more visitors.

Space Place's operating model review met a 2017-18 SOI commitment. The recommendations include some that will require further investment as well as others which will be relatively straightforward to adopt at no or little additional cost.

We will work closely with Council to align visitor experience and financial expectations.



School-age Educational Offerings

We remain committed to our children and young people strategy and our purpose is to make growing up in the Capital city full of opportunities to play, create and interact, with access to facilities and experiences that are for, by, with and between children and young people. Our vision is that the children and young people who encounter us feel welcomed, included and important.

This is extended to our core business of developing and delivering learning programmes which are curriculum linked. This part of our business is supported by the Ministry of Education's contestable fund for Learning Experiences Outside the Classroom (LEOTC). However, the greatest barrier to participation is the cost of travel and having enough adult volunteers to accompany school groups to Wellington. Our focus on improving access for children from low decile schools will continue but it is dependent on successful fundraising to fund transport costs for these children.

City Gallery Wellington and the Town Hall Development

The operating challenges that will face City Gallery Wellington as the earthquake strengthening and development of the Wellington Town Hall gets underway have been scoped and strategies to mitigate the risks to City Gallery's operation will be developed in consultation with Council and the Town Hall project team as the timings and nature of the building programme are finalised. In the meantime it is important that Civic Square continues to be open-for-business and that Wellingtonians and visitors to the city are kept informed about the project and that signage makes access to City Gallery clear.

Aligning with Council's Living Wage Policy

We are committed to aligning with Council's Living Wage Policy and we implemented the 2017-18 Living Wage adjustment with the assistance of additional Council funding. We also aligned relativity adjustments with Council's Remuneration Policy as it applied to the implementation of the Living Wage. We have assumed a 2% increase in personnel cost for the planning period.

We will continue to monitor the impact of the Living Wage policy on our overall salaries and wages budget and will keep Council advised of any financial pressures created as a consequence of our on-going alignment with its Living Wage Policy.

Governance

The Board aspires to be a leading governance group and is confident that it will comply with Council's expectations regarding legislative compliance and in particular the Health and Safety at Work Act 2015.

Our legislative compliance schedule is reviewed annually by the Board and our compliance is closely monitored through a rolling audit programme.

Our health and safety goal is a zero harm culture and our Key Result Indicator is no notifiable incidents, which we achieved in 2015-16 and 2016-17. We have adopted systems and processes to ensure our Health and Safety compliance and we work closely with Council to ensure that our approach is consistent with its expectations. This is particularly relevant in the context of building management where our Health and Safety obligations overlap.

The Sections on the Board's Approach to Governance (page 14) and Management, Organisational Health, Capability and Risk Assessment (page 19) cover these expectations in more detail.



OPERATING ENVIRONMENT UPDATE

- We have experienced moderate growth in trading revenue over the past two years largely due to the success of retail and venue hire and we continue to forecast modest growth.
- Changes in the way grant-giving agencies operate and the competition for this source of funding means it cannot be relied upon to fully support our programming costs.
- Corporate sponsorship continues to be difficult to attract and retain.
- We have continued our endeavours to increase personal giving with the introduction of online donations and pay-wave donations as an alternative to cash.
- We support the City Gallery Wellington Foundation in its efforts to attract and retain patrons and we will launch a legacy giving programme this year for supporters interested in making a long-term commitment to our activities.
- It is probable that visitation to City Gallery Wellington will be negatively affected by the earthquake strengthening of the Town Hall and other developments in Civic Square.
- With Council's resilience programme in full swing the pressure on performance venues is increasing and is reflected in increased hire charges for the 2019 Capital E National Arts Festival.
- We face increased compliance costs associated with the Health and Safety at Work Act 2015 and the Child Protection Act 2016.
- We continue to strive to be in a position to take advantage of the growth in new technologies in order to optimise our reach and relevance to the communities we serve.
- The opening of Victoria University of Wellington's new film campus in Miramar and the opening of Te Auaha in the heart of Wellington boosts Wellington's attractiveness as a centre of excellence for students wanting to pursue careers in the creative industries. They also add substance to the city's creative industries growth agenda, provide opportunities for partnerships in the development of visitor experiences and audience development and underscore the value of opportunities we provide through our hands-on creative learning programmes as genuine pathways to careers in the creativity industries. Capital E, with its connections to the capital's creative ecosystems, is particularly well-placed to take advantage of this growth.
- The reopening of City Gallery in March 2018 with refurbished entrance and foyer, and the opening of Te Papa's new art gallery space have provided a welcome boost to the city's art lovers again reinforcing Wellington as an important arts and culture destination.
- We are excited by the opportunity that a reconceptualised Civic Square as a cultural hub presents to City Gallery and potentially Capital E.
- We continue to be committed to working with Council to achieve as a child friendly City.



NATURE AND SCOPE OF EXPERIENCE WELLINGTON'S ACTIVITIES

Experience Wellington's purpose is ***working with and for Wellington to create remarkable art, culture and science experiences that generate vitality: enriching the city we love*** and with our vision, ***Engaged Curious Communities*** defines our value proposition and how we contribute to Wellington's liveability and prosperity.

- **Capital E** responds to the need for Wellington and New Zealand to foster confident, creative, capable citizens who can be architects of their own future.
- **City Gallery Wellington Te Whare Toi** leads the conversation about contemporary art in New Zealand.
- **Wellington Museum** shares the stories and objects of Wellington.
- **Space Place at Carter Observatory Te Ara a Whanui Ki Te Rangi** transports visitors from Wellington to outer space.
- **Cable Car Museum** encourages visitors to explore and share the technology, history and experience of Wellington's Cable Car.
- **Nairn Street Cottage** illustrates the story of Wellington through the Wallis family.



PERFORMANCE MEASUREMENT

We will continue to refine performance measurement over the planning period to better reflect the needs of stakeholders for information that helps to assess the contribution or impact Experience Wellington makes to Wellington's prosperity and liveability. Any changes will be made in consultation with Council.

Our City

Key Result Indicators

City Residents' Awareness: The number of Wellingtonians who know about our institutions as assessed through the Annual Residents' Survey conducted by Council.

Residents' Awareness	2016-17 Actual	2017-18 SOI	2018-19	2019-20	2020-21
City Gallery Wellington	90%	95%	95%	95%	95%
Wellington Museum	97%	97%	97%	97%	97%
Capital E	87%	90%	90%	90%	90%
Cable Car Museum	94%	97%	97%	97%	97%
Space Place	95%	97%	97%	97%	97%
Nairn Street Cottage	60%	60%	60%	60%	60%

Our Visitors

Key Result Indicators

Physical Visitation: The total number of visits to institutions including general public, education and function attendees. The annual target is reviewed each year and benchmarked against the average visitation for the institution during the previous three years.

Visitor Numbers	2016-17 Actual	2017-18 SOI	2018-19	Q1	Q2	Q3	Q4	2019-20	2020-21
City Gallery Wellington	180,616	143,000	170,000	45,000	40,000	40,000	45,000	175,000	178,000
Wellington Museum	138,956	137,000	132,000	27,000	35,000	40,000	30,000	135,000	138,000
Capital E	161,869	90,000	157,500	21,600	21,150	56,800	57,950	110,000	160,000
Cable Car Museum	242,250	237,000	237,000	30,500	65,500	90,500	50,500	237,000	237,000
Space Place	54,109	52,000	55,000	12,000	12,000	15,500	15,500	57,000	59,000
Nairn Street Cottage	2,614	2,500	2,000	300	500	750	450	2,000	2,000
Experience Wellington Total	780,414	661,500	753,500	136,400	174,150	243,550	199,400	716,700	774,000

Capital E will host the National Arts Festival for Children in 2018-19 and again 2020-21.

Capital E visitation for 2018-19 includes the Hannah Playhouse.

City Gallery visitation may be affected by earthquake strengthening of the Town Hall.



Virtual Visitation: The total number of unique user visits to institutional web/mobile sites.

Virtual Visitor Numbers	2016-17 Actual	2017-18 SOI	2018-19	2019-20	2020-21
City Gallery Wellington	110,381	112,000	120,000	125,000	127,500
Museums Wellington	99,826	84,000	88,000	96,000	100,000
Capital E	45,619	64,000	45,000	48,000	50,000
Experience Wellington Total	255,826	260,000	253,000	269,000	277,000

Social Media Profile: A snapshot of Facebook friends, Instagram and Twitter followers.

Social Media Numbers	2016-17 Actual	2017-18 SOI	2018-19	2019-20	2020-21
City Gallery Wellington	29,825	23,000	26,000	27,000	30,000
Museums Wellington	7,675	14,500	10,000	10,500	11,000
Capital E	5,169	5,000	6,250	6,750	7,250
Space Place	8,603	16,000	11,500	12,000	12,500
Experience Wellington Total	51,271	58,500	53,750	56,250	60,750

First Time Wellington City Visitors (New KRI): The number of visitors who are residents of Wellington visiting for the first time.

First-time Visitors	2018-19	2019-20	2020-21
City Gallery Wellington	33%	35%	37%
Wellington Museum	80%	80%	80%
Capital E	35%	37%	39%
Cable Car Museum	85%	85%	85%
Space Place	90%	90%	90%
Nain Street Cottage	90%	90%	90%

Quality of Visit: Visitor feedback based on comfort, access, experience, knowledge gained, the friendliness of staff, the length of visit and overall enjoyment.

Quality of the Visitor Experience	2016-17 Actual	2017-18 SOI	2018-19	2019-20	2020-21
City Gallery Wellington	92%	90%	90%	90%	90%
Wellington Museum	92%	90%	90%	90%	90%
Capital E	97%	90%	90%	90%	90%
Cable Car Museum	82%	90%	90%	90%	90%
Space Place	89%	90%	90%	90%	90%
Nairn Street Cottage	97%	90%	90%	90%	90%

Capital E's Quality of Visit figures includes the Hannah Playhouse in 2018-19.



Children & Young People Visiting for a Learning Experience: The number of students as part of a booked group visiting institutions for learning experiences. The delivery of LEOTC is part-funded by the Ministry of Education.

Learning experience visitors	2016-17 Actual	2017-18 SOI	2018-19	2019-20	2020-21
City Gallery Wellington	6,106	4,500	4,500	4,500	4,500
Museums Wellington	6,604	7,000	7,000	7,000	7,000
Capital E	64,613	20,500	50,000	20,500	50,000
Space Place	6,040	8,250	8,250	8,250	8,250
Experience Wellington Total	83,365	40,250	69,750	40,250	69,750

Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

Capital E hosted the National Arts Festival for Children in 2016-17 and will do so again in 2018-19 and 2020-21.

Capital E Learning Experience figures includes the Hannah Playhouse in 2018-19.

Our Sustainability

Key Result Indicators

Financial Performance: A break-even budget and fully-funded depreciation.

Non-Council Revenue: The total amount of revenue (net of costs) generated from non-Council sources:

- Trading includes admissions, retail, venue hire, sub-letting and interest.
- Fundraising includes donations, sponsorships, other grants and cultural grants (CNZ and MOE for LEOTC).

Trading (\$'000)	2016-17 Actual \$000	2017-18 SOI \$000	2018-19 \$000	2019-20 \$000	2020-21 \$000
City Gallery Wellington	492	187	307	320	340
Museums Wellington	866	761	845	885	905
Capital E	483	366	509	380	529
Space Place	524	542	542	570	590
Sub Total	2,365	1,856	2,203	2,155	2,364
Sub-letting, Interest & Other	354	397	275	295	305
Experience Wellington Total	2,719	2,253	2,478	2,450	2,669
Fundraising (\$'000)	2016-17 Actual \$000	2017-18 SOI \$000	2018-19 \$000	2019-20 \$000	2020-21 \$000
City Gallery Wellington	608	387	274	309	359
Museums Wellington	162	138	173	173	180
Capital E	895	763	1,051	780	1,167
Space Place	128	103	103	115	120
Experience Wellington Total	1,793	1,391	1,601	1,377	1,826

City Gallery presented Cindy Sherman in 2016-17 which affected both trading revenue and fundraising.

Museums Wellington includes the Wellington Museum, Cable Car Museum and Nairn Street Cottage.

Capital E will host the National Arts Festival for Children in 2018-19 and will do so again in 2020-21.

Capital E Non-Council Revenue figures in 2018-19 includes the Hannah Playhouse.



Spend per Visitor: Visitor related revenue (admissions and sales).

Spend per Visit (\$)	2016-17 Actual \$	2017-18 SOI \$	2018-19 \$	2019-20 \$	2020-21 \$
City Gallery Wellington	2.00	1.57	1.80	1.83	1.91
Museums Wellington	2.25	1.41	2.28	3.37	2.40
Capital E	4.03	3.84	3.12	3.29	3.19
Space Place	9.56	10.12	9.85	10.00	10.00

Museums Wellington includes Wellington Museum, Cable Car Museum and Nairn Street Cottage.

Capital E will host the National Arts Festival for Children in 2018-19 and will do so again in 2020-21.

Capital E Non-Council Revenue figures in 2018-19 includes the Hannah Playhouse.

Our People

Key Result Indicators

- **Health and Safety:** No notifiable incidents involving workers or visitors as defined by the Health and Safety at Work Act 2015.
- **Staff Satisfaction:** At least 75% of staff are engaged with the organisation as indicated through the annual Staff Engagement Survey.

Our Heritage

Key Result Indicators

Collection Development: Our Heritage Collections contribute to our understanding of Wellington's identity; its history, art and creativity which include visitors to some of Wellington's most important heritage sites (see Visitor Number KRI).

Collection Development	2017-18	2018-19	2019-20	2020-21
New to the Collection	30	45	60	75
Collection Assessment	1,250	1,875	3,650	3,650
Collection Accessibility	5%	7.5%	10%	25%

New to the Collection: Commissions, acquisitions or donations of an item or a collection of items that have been accessioned into the collection.

Collection Assessment: The number of items (individual or type e.g. lifebuoys) that are reviewed for retention or disposal.

Collection Accessibility: The % of the Collection that is on display, on loan, used for research purposes or accessed through other mediums such as online.



Council's Subsidy per Visit

The Council subsidy per physical visitor is calculated first by dividing the number of forecast visits into the operating grant received from Council (Table 1). Council's ownership costs such as insurance, maintenance and depreciation are then added (Table 2) to provide an estimate of the full subsidy per visit. The information regarding ownership costs is supplied by Council.

Table 1: Operating subsidy per visit

Subsidy per Visit (\$)	2016-17 Actual \$	2017-18 SOI \$	2018-19 \$	2019-20 \$	2020-21 \$
City Gallery Wellington	12.36	12.50	12.65	12.80	13.00
Museums Wellington	4.55	5.18	5.00	4.95	5.32
Capital E	9.32	14.53	10.76	14.61	10.61
Space Place	9.33	9.89	9.72	9.50	9.32

Subsidy per Visit forecast is based on the probable percentage of the operating grant received from Council as follows:

City Gallery Wellington – 30%

Museums Wellington (Wellington Museum, Cable Car Museum and Nairn Street Cottage) – 26%

Capital E (including the Hannah Playhouse) – 22%

Space Place – 4.9% plus the cash underwrite

Experience Wellington Executive Office – 17.1%

Table 2: Full subsidy per visit inclusive of Council's ownership costs

Full Subsidy per Visit (\$)	2017-18 \$	2018-19 \$	2019-20 \$	2020-21 \$
City Gallery Wellington	18.01	16.05	16.06	16.10
Museums Wellington	6.97	7.42	7.41	7.84
Capital E	14.53	14.91	14.61	10.61
Space Place	14.30	14.22	13.78	13.61

Council's estimated ownership costs are supplied by Council.



BOARD'S APPROACH TO GOVERNANCE

Governance

Trustees are appointed by Council and are standard-bearers for our vision. They are responsible for setting the strategic direction and approving the Statement of Intent and the Strategic Plan. The Board monitors organisational performance, the organisation's on-going viability and the maintenance of its competitiveness. It delegates the day-to-day operation to the Chief Executive, who reports to the Board.

The Board meets no fewer than nine times per year and operates three committees which review relevant matters prior to consideration by the full Board. These are the Audit and Risk (A&R) Committee, the Chief Executive Performance and Remuneration (CEP&R) Committee, and the People Performance and Safety (PPS) Committee. In addition, the Board will convene *ad hoc* working groups to consider specific issues. Guidance in specialist areas is also provided as appropriate.

Board Committees

Audit and Risk (A&R) Committee assists the Board in carrying out its duties in regard to financial reporting, risk management and legislative compliance.

Chief Executive Performance and Remuneration (CEP&R) Committee to advise the Chair in connection with the performance and remuneration of Experience Wellington's Chief Executive.

People, Performance and Safety (PPS) Committee provides guidance and support to the Chief Executive in a Human Resources context and assists the Board to meet its due diligence responsibilities regarding Experience Wellington's compliance with Health and Safety legislation.

Board Membership

Trustee	Term Expires	Committees
Jackie Lloyd, Chair	30 June 2020	Chair CEP&R and <i>ex officio</i> of PPS and A&R
Diane Calvert	31 October 2019	A&R
Rachel Farrant	30 June 2019	Chair A&R and member of CEP&R
Jill Wilson	30 June 2018	PPS
Jane Wrightson	31 December 2018	Chair PPS and member of CEP&R

Board Performance

The Board strives to meet best practice governance standards and will undertake an annual review of the overall Board, individual Trustees and the Chair's performance and report to the Chief Executive of Council by 30 September 2018.

Future Director

In consultation with Council the Board appointed a Future Director, John Paul Tocker, for one calendar year commencing 1 January 2018. This position is not a member of the Board and has no voting rights but will observe and participate in Board discussions.



COUNCIL RELATIONSHIP PRINCIPLES

The principles governing the relationship with Council as our primary stakeholder include:

- Operating on a “no surprises” basis so that any significant event that may impact on either party is brought to their attention as soon as it can be reasonably done.
- Open and frank communication will occur between Experience Wellington and Council.
- Provide advice to Council on the management and development of museums, art galleries, space science and other relevant services within Wellington.
- Full disclosure of information will be provided to Council from Experience Wellington as deemed necessary by Council to ensure its interests are upheld.
- Early advice to Council in the event of any situation that may be potentially contentious in nature.
- Disclosing within the Experience Wellington’s Strategic Plan any significant transactions that are planned.

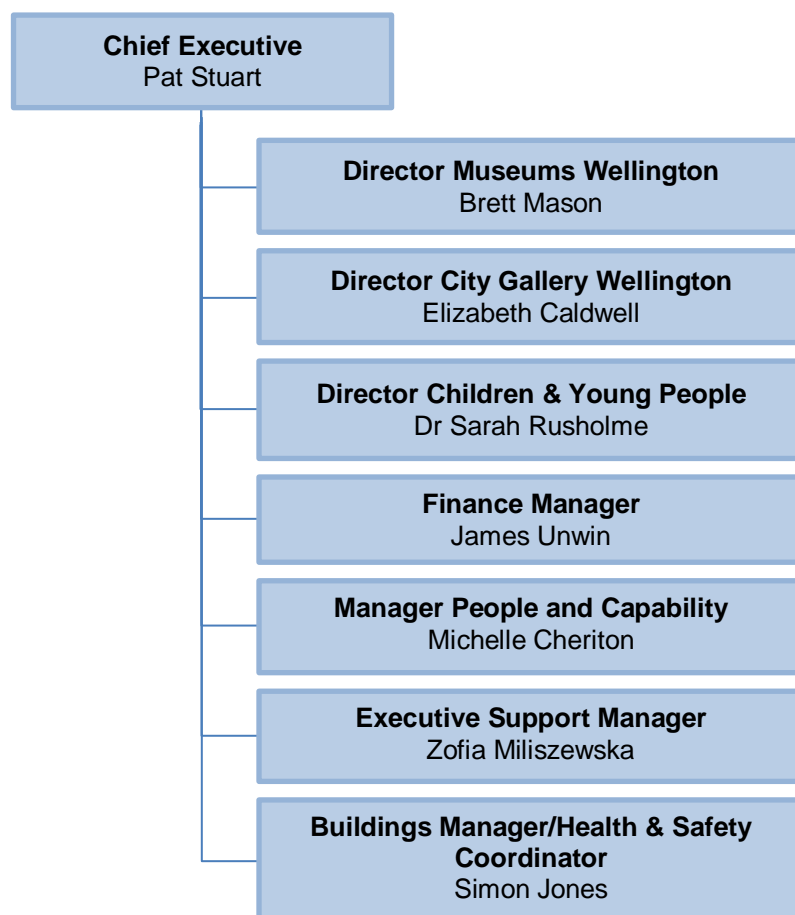


MANAGEMENT, ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

Management

Experience Wellington provides strategic leadership and centralised management and accountability for visitor experiences delivered through institutions. Our corporate values: *Connected, Quality First, Boldness* and *Leading* are the quadrants of our balanced scorecard and describe the strategies, performance monitoring and reporting that together describe how we wish to go about our business and how we measure performance and success. Central to this is the ability to create and sustain an operating environment that supports the achievement of a high performing organisation that encourages staff to strive for excellence.

Reporting to the Chief Executive are three Directors who have responsibility for our visitor experience outputs, the Finance Manager, the Manager People and Capability, the Executive Support Manager and the Buildings Manager/Health and Safety Coordinator. The organisation chart follows:



Organisational Health and Wellbeing

Critical to achieving our vision and supporting Council's vision is the talent and experience of our staff.

Staff induction, training, regular communication and celebrations of success reinforce our team spirit. We seek feedback annually on key factors relating to organisation performance including vision and values, sense of community, leadership, communication, learning and development, performance and rewards, working relationships and health and safety.



Capability

Our commitment to presenting thought-provoking and entertaining visitor experiences relies on our staff who bring to their work: leadership; strategic thinking; knowledge of heritage collections, art, science and creativity; commitment to audiences; networks and contacts; and professional standards.

We are a highly motivated organisation and rely on our workforce to be flexible and to go the extra mile. Our Executive Team is highly experienced in their respective fields.

Training and professional development is a priority and a small annual resource is set aside for this purpose.

We are committed to the principle of collaboration and shared services and we are committed to working with Council, its associated organisations, and sector partners.

Risk Management and Business Continuity

Our Risk Profile is reviewed regularly and identifies events and or circumstances and the impact that these have on our operation using a system that ranks the probability and level of impact of the event. It includes risk management strategies such as recovery plans for specific events which carry high risk values.

Our ability to continue to operate following a major event will depend on factors outside of our control such as the extent of material damage to buildings and the continuation of Council funding.

We acknowledge that under the Health and Safety at Work Act 2015 we share Person Conducting a Business or Undertaking (PCBU) responsibilities with Council with regard to Council buildings we manage and occupy.

Assessed risks which carry a lower risk value tend to be within our operational purview with the exception of risks associated with buildings maintenance and plant performance issues which are Council's responsibility. Building and plant issues that are likely to impact on business continuity or present a risk to health and safety of workers and visitors are immediately brought to Council's attention.

A business continuity plan is in development.

Insurance

We have adequate insurance cover to meet specific business needs and deductibles are in line with generally accepted risk management principles and affordability.



APPENDIX 1: FORECAST FINANCIAL STATEMENTS

Forecast 30-Jun-18	STATEMENT OF FINANCIAL PERFORMANCE (\$'000) Space Place	Budget 30-Sep-18	Budget 31-Dec-18	Budget 31-Mar-19	Budget 30-Jun-19	Total YE 30-Jun-19	Total YE 30-Jun-20	Total YE 30-Jun-21
Revenue								
496	Trading Income (Net)	124	124	124	124	496	511	521
354	Council Operating Grant	90	90	90	91	361	368	376
0	Council Rental Grant	0	0	0	0	0	0	0
102	Other Grants	25	26	25	26	102	104	106
1	Sponsorships and Donations	0	1	0	0	1	15	18
0	Investment Income	0	0	0	0	0	0	0
130	Other Income	0	0	0	174	174	174	174
1083	Total Revenue	239	241	239	415	1,134	1,172	1,195
Expenditure								
776	Employee Costs	210	211	210	211	842	859	876
0	Council Rent	0	0	0	0	0	0	0
96	Exhibitions & Programmes	24	24	24	24	96	98	100
93	Marketing & Promotions	23	23	23	23	92	95	96
73	Occupancy Costs (excluding Council Rent)	18	18	18	19	73	74	76
10	Communication Costs	3	3	2	2	10	10	10
0	Trustee Fees & Expenses	0	0	0	0	0	0	0
5	Technology Costs	1	0	1	0	2	5	5
0	Professional Fees	0	0	0	0	0	0	0
19	Administration Expenses	5	5	5	4	19	19	20
11	Depreciation	3	3	3	2	11	11	11
0	Interest	0	0	0	0	0	0	0
1,083	Total Expenditure	287	287	286	285	1145	1,172	1,195
0	Net Surplus/(Deficit) before Taxation	-48	-46	-47	130	-11	0	0
Taxation Expense								
0	Net Surplus/(Deficit)	-48	-46	-47	130	-11	0	0
0.00%	Operating Margin	-20.08%	-19.09%	-19.67%	31.33%	-0.97%	0.02%	0.02%

Forecast 30-Jun-18	STATEMENT OF FINANCIAL PERFORMANCE (\$'000) Experience Wellington excluding Space Place	Budget 30-Sep-18	Budget 31-Dec-18	Budget 31-Mar-19	Budget 30-Jun-19	Total YE 30-Jun-19	Total YE 30-Jun-20	Total YE 30-Jun-21
Revenue								
1,250	Trading Income	346	280	484	299	1,409	1,305	1,460
6,768	Council Operating Grant	1,744	1,744	1,744	1,743	6,975	7,153	7,340
1,769	Council Rental Grant	442	442	442	443	1,769	1,769	1,769
943	Other Grants	274	220	361	440	1,295	995	1,291
346	Sponsorships and Donations	31	75	38	94	238	245	267
65	Investment Income	15	6	15	6	42	50	55
391	Other Income	52	49	78	115	294	315	325
11,532	Total Revenue	2,904	2,816	3,162	3,140	12,022	11,832	12,507
Expenditure								
5,269	Employee Costs	1,285	1,318	1,371	1,421	5,395	5,503	5,613
1,339	Council Rent	335	335	335	334	1,339	1,399	1,399
1,928	Exhibitions & Programmes	813	459	518	652	2,442	2,027	2,488
538	Marketing & Promotions	145	92	132	172	541	515	575
1,095	Occupancy Costs (excluding Council Rent)	311	289	279	303	1,182	1,206	1,230
113	Communication Costs	27	27	28	27	109	112	114
84	Trustee Fees & Expenses	21	21	21	22	85	88	90
200	Technology Costs	39	40	39	39	157	157	160
214	Professional Fees	21	22	21	21	85	100	110
197	Administration Expenses	46	45	45	47	183	187	190
555	Depreciation	134	135	134	134	537	539	539
0	Interest	0	0	0	0	0	0	0
11,532	Total Expenditure	3,177	2,783	2,923	3,172	12,055	11,832	12,508
0	Net Surplus/(Deficit) before Taxation	-273	33	239	-32	-33	0	0
	Taxation Expense							
0	Net Surplus/(Deficit)	-273	33	239	-32	-33	0	0
0.00%	Operating Margin	-9.40%	1.17%	7.56%	-1.02%	-0.27%	0.00%	0.00%



Forecast 30-Jun-18	STATEMENT OF FINANCIAL PERFORMANCE Total	Budget 30-Sep-18	Budget 31-Dec-18	Budget 31-Mar-19	Budget 30-Jun-19	Total YE 30-Jun-19	Total YE 30-Jun-20	Total YE 30-Jun-21
Revenue								
1,746	Trading Income (Net)	470	404	608	423	1,905	1,816	1,981
7,122	Council Operating Grant	1,834	1,834	1,834	1,834	7,336	7,521	7,716
1,769	Council Rental Grant	442	442	442	443	1,769	1,769	1,769
1045	Grants	299	246	386	466	1,397	1,099	1,397
347	Sponsorships and Donations	31	76	38	94	239	260	285
65	Investment Income	15	6	15	6	42	50	55
521	Other Income	52	49	78	289	468	489	499
12,615	Total Revenue	3,143	3,057	3,401	3,555	13,156	13,004	13,702
Expenditure								
6,045	Employee Costs	1,495	1,529	1,581	1,632	6,237	6,362	6,489
1,339	Council Rent	335	335	335	334	1,339	1,399	1,399
2,024	Exhibitions & Programmes	837	483	542	676	2,538	2,125	2,588
631	Marketing & Promotions	168	115	155	195	633	610	671
1,168	Occupancy Costs (excluding Council Rent)	329	307	297	322	1,255	1,280	1,306
123	Communication Costs	30	30	30	29	119	122	124
84	Trustee Fees & Expenses	21	21	21	22	85	88	90
205	Technology Costs	40	40	40	39	159	162	165
214	Professional Fees	21	22	21	21	85	100	110
216	Administration Expenses	51	50	50	51	202	206	210
566	Depreciation	137	138	137	136	548	550	550
0	Interest	0	0	0	0	0	0	0
12,615	Total Expenditure	3,464	3,070	3,209	3,457	13,200	13,004	13,702
0	Net Surplus/(Deficit) before Taxation	-321	-13	192	98	-44	0	0
	Taxation Expense							
0	Net Surplus/(Deficit)	-321	-13	192	98	-44	0	0
0.00%	Operating Margin	-10.21%	-0.43%	5.65%	2.76%	-0.33%	0.00%	0.00%

Forecast 30-Jun-18	STATEMENT OF FINANCIAL POSITION (\$'000)	Budget 30-Sep-18	Budget 31-Dec-18	Budget 31-Mar-19	Budget 30-Jun-19	Total YE 30-Jun-19	Total YE 30-Jun-20	Total YE 30-Jun-21
Shareholder/Trust Funds								
2,123	Share Capital/Settled Funds	2,123	2,123	2,123	2,123	2,123	2,123	2,123
0	Revaluation Reserves	0	0	0	0	0	0	0
478	Restricted Funds	478	478	478	478	478	478	478
1,913	Retained Earnings	1,592	1,579	1,771	1,869	1,869	1,869	1,869
4,514	Total Shareholder/Trust Funds	4,193	4,180	4,372	4,470	4,470	4,470	4,470
Current Assets								
40	Cash and Bank	40	40	40	40	40	40	40
641	Accounts Receivable	600	600	600	600	600	600	600
141	Other Current Assets	150	150	150	150	150	150	150
822	Total Current Assets	790	790	790	790	790	790	790
Investments								
840	Deposits on Call	3,080	475	2,805	790	790	790	790
0	Other Investments	0	0	0	0	0	0	0
840	Total Investments	3,080	475	2,805	790	790	790	790
Non-Current Assets								
4,422	Fixed Assets	4,500	4,500	4,500	4,500	4,500	4,500	4,500
0	Other Non-current Assets	0	0	0	0	0	0	0
4,422	Total Non-current Assets	4,500	4,500	4,500	4,500	4,500	4,500	4,500
6,084	Total Assets	8,370	5,765	8,095	6,080	6,080	6,080	6,080
Current Liabilities								
1300	Accounts Payable and Accruals	2277	1255	1823	1310	1310	1,310	1,309
270	Other Current Liabilities	1900	330	1900	300	300	300	300
1,570	Total Current Liabilities	4,177	1,585	3,723	1,610	1,610	1,610	1,609
Non-Current Liabilities								
0	Loans - WCC	0	0	0	0	0	0	0
0	Loans - Other	0	0	0	0	0	0	0
0	Other Non-Current Liabilities	0	0	0	0	0	0	0
0	Total Non-Current Liabilities	0	0	0	0	0	0	0
4,514	Net Assets	4,193	4,180	4,372	4,470	4,470	4,470	4,471
1.07	Current Ratio	0.93	0.80	0.97	0.98	0.98	0.98	0.98
0.77	Equity Ratio	0.50	0.73	0.54	0.74	0.74	0.74	0.74



Forecast 30-Jun-18	STATEMENT OF CASH FLOWS (\$'000)	Budget 30-Sep-18	Budget 31-Dec-18	Budget 31-Mar-19	Budget 30-Jun-19	Total YE 30-Jun-19	Total YE 30-Jun-20	Total YE 30-Jun-21
Cash provided from:								
2,330	Trading Receipts	470	404	608	423	1,905	1,816	1,981
8,891	WCC Grants	4,552	0	4,553	0	9,105	9,290	9,485
1045	Other Grants	299	246	386	466	1,397	1,099	1,397
347	Sponsorships and Donations	31	76	38	94	239	260	285
65	Investment Income	15	6	15	6	42	50	55
531	Other Income	52	49	78	289	468	489	499
13,209		5,419	781	5,678	1,278	13,156	13,004	13,702
Cash applied to:								
6,045	Payments to Employees	1,495	1,529	1,581	1,632	6,237	6,362	6,489
6,465	Payments to Suppliers	1,319	1,809	1,440	1,635	6,203	5,942	6,503
133	Net GST Cash flow	150	-90	190	-110	140	150	160
0	Interest Paid	0	0	0	0	0	0	0
12,643		2,964	3,248	3,211	3,157	12,580	12,454	13,152
566	Total Operating Cash Flow	2,455	-2,467	2,467	-1,879	576	550	550
Investing Cash Flow								
Cash provided from:								
0	Sale of Fixed Assets	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
Cash applied to:								
566	Purchase of Fixed Assets	215	138	137	136	626	550	550
0	Other	0	0	0	0	0	0	0
566		215	138	137	136	626	550	550
-566	Total Investing Cash Flow	-215	-138	-137	-136	-626	-550	-550
Financing Cash Flow								
Cash provided from:								
0	Drawdown of Loans	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
Cash applied to:								
0	Repayment of Loans	0	0	0	0	0	0	0
0	Other					0	0	0
0		0	0	0	0	0	0	0
0	Total Financing Cash Flow	0	0	0	0	0	0	0
0	Net Increase/(Decrease) in Cash Held	2,240	-2,605	2,330	-2,015	-50	0	0
880	Opening Cash Equivalents	880	3,120	515	2,845	880	830	830
880	Closing Cash Equivalents	3,120	515	2,845	830	830	830	830

Forecast 30-Jun-18	CASH FLOW RECONCILIATION	Budget 30-Sep-18	Budget 31-Dec-18	Budget 31-Mar-19	Budget 30-Jun-19	Total YE 30-Jun-19	Total YE 30-Jun-20	Total YE 30-Jun-21
0	Operating Surplus/(Deficit) for the Year	-321	-13	192	98	-44	0	0
Add Non-Cash Items:								
566	Depreciation	137	138	137	136	548	550	550
0	Other	0	0	0	0	0	0	0
566		-184	125	329	234	504	550	550
Movements in Working Capital								
0	(Increase)/Decrease in Receivables	41	0	0	0	41	0	0
0	(Increase)/Decrease in Other Current Assets	-9	0	0	0	-9	0	0
0	Increase/(Decrease) in Accounts Payable	977	-1,022	568	-513	10	0	0
0	Increase/(Decrease) in Other Current Liabilities	1,630	-1,570	1,570	-1,600	30	0	0
0		2,639	-2,592	2,138	-2,113	72	0	0
Net Gain/(Loss) on Sale:								
0	Fixed Assets	0	0	0	0	0	0	0
0	Investments	0	0	0	0	0	0	0
566	Net Cash Flow from Operations	2,455	-2,467	2,467	-1,879	576	550	550



APPENDIX 2: ACCOUNTING POLICIES

Significant Accounting Policies

The following accounting policies which have a material effect on the measurement of results have been adopted by Experience Wellington.

1. Reporting entity

The Wellington Museums Trust Incorporated, trading as Experience Wellington, is registered as a charitable entity under the Charities Act 2005. It is a Council Controlled Organisation (CCO) in terms of the Local Government Act 2002.

The financial statements of Experience Wellington includes the activities of the following business units - the Wellington Museums Trust Incorporated, Wellington Museum, City Gallery Wellington, Capital E including Hannah Playhouse, Nairn Street Cottage, the Wellington Cable Car Museum, and Space Place at Carter Observatory as from 1 June 2010.

The principal activity of Experience Wellington is to develop and manage Institutions and to operate them for the benefit of the residents of Wellington and the public generally. For the purposes of financial reporting, Experience Wellington is a public benefit entity (public sector).

Experience Wellington has no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

2. Basis of preparation

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZGAAP). They comply with Tier 2 PBE Accounting Standards (Public Sector) and disclosure concessions have been applied.

Experience Wellington has elected to report in accordance with Tier 2 PBE Accounting Standards (Public Sector) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$30 million.

b) Basis of measurement

The financial statements are prepared on the historical cost basis.

c) Presentation currency

These financial statements are presented in New Zealand dollars (\$).

3. Significant accounting policies

The accounting policies set out below will be applied consistently to all periods presented in the financial statements.

a) Property, plant and equipment

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses.

(i) Subsequent costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to Experience Wellington and the cost of the item can be measured reliably. All other costs are recognised in surplus/ (deficit) as an expense as incurred.



(ii) Depreciation

Depreciation is charged to surplus/ (deficit) using the straight line method. Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. The estimated useful lives of major classes of assets and resulting rates are as follows:

▪ Computer equipment	33% SL
▪ Office and equipment	25% SL
▪ Motor vehicles	20% SL
▪ Building Fittings	5%-25% SL
▪ Collections & artefacts	Not depreciated

The residual value of assets is reassessed annually.

b) Collections and artefacts

Collections are artefacts that are of cultural or historical importance. A substantial amount of the Experience Wellington's Collections were acquired on 29 February 1996 from the Wellington Maritime Museum Trust (WMMT) with others added either as gifts or purchases since 1996. Collections are carried at historic cost as assessed at the time of transfer from the WMMT. All subsequent acquisitions to the collections are recorded at cost if purchased. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. Where the fair value of the assets is not able to be reliably measured, they are recorded at nil. Because the useful life of the collections is indeterminate they are not depreciated.

An external valuation of the Collections from an independent valuer is obtained on a periodic basis to ensure that the carrying value of the Collections that are held at cost does not exceed their fair value.

The Trustees obtained a valuation at 30 June 2014 and have confirmed that the carrying value at 30 June 2016 is appropriate and that no impairment has occurred.

c) Intangible assets

Computer software

Software applications that are acquired by Experience Wellington are stated at cost less accumulated amortisation and impairment losses.

Amortisation is recognised in surplus/ (deficit) on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

▪ Computer software	33% SL
---------------------	--------

d) Trade and other receivables

Trade and other receivables are measured at their cost less impairment losses.

e) Inventories

Inventories (merchandise) are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.



g) Impairment

The carrying amounts of Experience Wellington's assets other than inventories are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is also recognised in the surplus or deficit.

h) Employee benefits

Long service leave: Experience Wellington's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market yield on relevant New Zealand government bonds at the Balance Sheet date.

i) Provisions

A provision is recognised when Experience Wellington has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market rates and, where appropriate, the risks specific to the liability.

j) Trade and other payables

Trade and other payables are stated at cost.

k) Revenue

(i) Funding

Experience Wellington's activities are supported by grants, sponsorship, admissions and other trading activities. Grants received that have an obligation in substance to return the funds if conditions of the grant are not met are initially recognised as a liability and revenue is recognised only when the services are performed or conditions are fulfilled.

Funds received that have no such obligation attached and merely a restriction imposed on the use of funds, are recognised as revenue when they become available.

(ii) Services provided

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Income is recognized as the service is provided (e.g. exhibition run). Where exhibitions are not scheduled to run until the following fiscal year, revenue is deferred and amortized to income throughout the period of the exhibition.

(iii) Donations

Cash donations from the community are recognized in the Income Statement at the point at which they are receipted into Experience Wellington's bank account.

(iv) Sale of merchandise

Revenue from the sale of merchandise is recognised in surplus/ (deficit) when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of the merchandise, or where there is continuing management involvement with the merchandise.

l) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in surplus/ (deficit) on a straight-line basis over the term of the lease. Lease incentives received are recognised in surplus/ (deficit) over the lease term as an integral part of the total lease expense.

(ii) Finance income and expenses

Finance income comprises interest income. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in surplus/ (deficit) using the effective interest method.

m) Availability of future funding

Experience Wellington is reliant on the Wellington City Council for a large part of its income and operates under a Funding Deed with the Council. The Funding Deed is for a period of three years and is extended annually for a further year subsequent to the initial 3 year term.

If Experience Wellington was unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the fact that assets may need to be realized other than at the amounts stated in the balance sheet. In addition, Experience Wellington may have to provide for further liabilities that might arise, and to reclassify property, plant and equipment as current assets.

n) Income tax

Experience Wellington is registered as a Charitable Trust and is exempt from income tax. Experience Wellington is not exempt from indirect tax legislation such as Goods and Services Tax, Fringe Benefit Tax, PAYE or ACC and accordingly it is required to comply with these regulations.

o) Goods and services tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

4. Ratio of Total Assets: Liabilities

- Experience Wellington prefers to remain debt-free.
- Debt may not be raised to finance operating expenses.
- Experience Wellington has a policy ratio of total assets to total liabilities of 3:1.

5. Activities for which compensation from Council is sought

Experience Wellington seeks funding of \$7,336,115 for the core operation including Space Place at Carter Observatory and an accommodation rental subsidy of \$1,769,323 for the 2018-19 financial year and an extension of the Wellington Museums Trust Funding Deed executed on 28 October 1999 in accordance with clause 5.2 of the Deed.



6. Ratio of Shareholders' funds to total assets

Based on the forecasted Statement of Financial Position as at 30 June 2018 the ratio of shareholders' funds to total assets is 0.74 and this moves to 0.72 in the forecasted Statement of Financial Position as at 30 June 2019.

7. Significant Obligations/Contingent Liabilities

Experience Wellington currently holds no cash reserves to meet operational requirements and to mitigate risks.

Experience Wellington has no contingent liabilities.

8. Distribution to Settlor

Experience Wellington does not make a distribution to the Settlor.



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Capital E

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E: capitale@experiencewellington.org.nz

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Space Place at Carter Observatory

Botanic Gardens

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E: spaceplace@experiencewellington.org.nz

www.museumswellington.org.nz/space-place

Wellington Museum

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P: 04 472 8904, F: 04 496 1949

E: museumswellington@experiencewellington.org.nz

www.museumswellington.org.nz/wellington-museum

Cable Car Museum

1 Upland Road

PO Box 893, Wellington

P: 04 475 3578

E: cablecar@experiencewellington.org.nz

www.museumswellington.org.nz/cable-car-museum

Nairn Street Cottage

68 Nairn Street

PO Box 893, Wellington

P: 04 384 9122

E: cottage@experiencewellington.org.nz

www.museumswellington.org.nz/nairn-street-cottage

Plimmer's Ark Galleries

Old Bank Arcade (timbers *in situ*)

Hannah Playhouse

12 Cambridge Terrace

PO Box 893, Wellington

P: 04 894 7412

E: hannahplayhouse@experiencewellington.org.nz

www.hannahplayhouse.org.nz

New Zealand Cricket Museum

The Old Grandstand, Basin Reserve

PO Box 578, Wellington

P: 04 385 6602

E: cricket@experiencewellington.org.nz

<http://nzcricketmuseum.co.nz/>



Our Experiences

Space Place

Space Place
Wellington Botanic
Gardens, Kelburn



Cable Car Museum

Cable Car Museum
1A Upland Road,
Kelburn



Wellington Museum

Wellington Museum
3 Jervois Quay,
Queens Wharf



capital E

Capital E
4 Queens Wharf



Experience Wellington
Level 8
342 Lambton Quay

City Gallery Wellington

City Gallery Wellington
Civic Square,
101 Wakefield Street



HANNAH PLAYHOUSE

Hannah Playhouse
12 Cambridge Terrace



Nairn Street Cottage

Nairn Street Cottage
68 Nairn Street,
Mount Cook



NEW ZEALAND CRICKET MUSEUM

NZ Cricket Museum
Old Grandstand,
Basin Reserve

