



Jess Johnson and Simon Ward - *Terminus*, Whangārei Art Museum installation 2021

Hātea Art Precinct Trust

Half Year Report | 2021-2022

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CHAIR AND CHIEF EXECUTIVE'S JOINT HALF-YEAR REPORT (at 31 December 2021)

Hātea Art Precinct Trust has achieved significant goals and overcome many obstacles, despite operating in a world-wide environment of uncertainty.

At the Hundertwasser Art Centre (HAC), we dealt with the ongoing Covid-19 epidemic, which has impacted our ability to bring fit out materials from Europe (such as an accessible stairlift for the roof) and workers from outside the region - who have not been allowed to travel across lockdown zones. We have been obliged to plan and then ultimately cancel our opening event three times. We have managed and mitigated these circumstances and have agreed to open our doors to the public on 20 February 2022 without a celebratory event.

Construction on the HAC is complete, the final materials are on their way from Germany and the fitout and finishings in the museum shop, activity centre and other parts of the building are at an advanced stage. A collection of 80 original Hundertwasser artworks from Vienna arrived in New Zealand in late December. Wairau Māori Art Gallery's inaugural exhibition is planned and set for installation.

Aqua Restaurant & Bar (at HAC) opened in early December, with the owner reporting strong business and positive feedback on the interior. Its opening has allowed the public to gain a first glimpse of the impressive interior of the building.

We launched the Hundertwasser Art Centre website. Social media engagement has increased by 217%. We undertook research with Kantar Public, which indicated that half of the adult population in the upper North Island (Auckland and Northland) have heard of the Hundertwasser Art Centre. More than 80% of respondents believed that it will have both a positive impact on the local economy as well as on the local arts and cultural scene. The Kantar Public research also indicates that day trips, overnight and weekend visitation to Whangārei will increase by more than 50% due to the Hundertwasser Art Centre.

A Kids Guide to the Hundertwasser Art Centre, full of activities has been completed with support from Oxford Sports Trust, which also supported the renovation of a downstairs room at WAM into a new learning space: the Hātea Studio. A school programme has been prepared.

At Whangārei Art Museum (WAM), we have celebrated 25 years at an event attended by people who were involved throughout its history. The gallery spaces have been upgraded with a new configuration, walls, lighting and paint work, made possible by support from Pub Charity and Guthrie Bowron Whangārei. WAM has taken over the front lobby of the building, previously occupied by the Council's information centre. We introduced a popup shop in December - and with the addition of a fresh paint job in the lobby and new internal signage, we have experienced an uplift in visitation and visibility. Moreover, we have earned revenue due to shop sales. External renovations are planned for the remainder of the 2021-2022 financial year.

A new Hātea Art Precinct logo and website has been prepared, ready to launch in Autumn 2022.

We are in an advanced stage of assembling the team that is needed to run all of our operations, seven days a week. This is boosting our expertise, while ideas about revenue are being developed. In addition to our wonderful staff we continue to develop strong volunteer networks. Despite many obstacles, we have achieved an extraordinary amount. It is humbling and enormously encouraging. We are grateful to the Hātea Art Precinct Trust board, staff and volunteers for their exemplary efforts and thank our many wonderful supporters in the community.

Thomas Biss
Chair

Kathleen Drumm
Chief Executive

PERFORMANCE MEASURES

Governance

Performance Measure	2020/21 Actual	2021/22 Target	2022/23 Target	2023/24 Target	Action/Outcomes 2021/22
<p>1. Financial Management HAPT will operate within agreed financial budgets.</p>	Achieved.	Actual spend ≤ Budget (reported on in the half-yearly report and annual report).			<p>On track to be achieved Despite Covid-19 related delays to construction and the opening date of the HAC creating financial challenges, the Trust is forecasting a favourable outcome. Further details may be found in the Financial Statements at the end of this report.</p>
<p>2. Reporting</p> <p>a. HAPT will report on its achievement against the strategic objectives and action areas (as outlined in this SOI) in the half-yearly report and annual report.</p> <p>b. HAPT will provide two quarterly reports on its achievement against the 2021 HAC-WMAG project objectives covering the first six months of the financial year when the HAC will become operational.</p>	Achieved.	<p>Strategic objectives and action areas reported on in half-yearly report and annual report.</p> <p>Two quarterly reports with financial information specific to the HAC-WMAG project. (n/a for 2022/23 and 2023/24)</p>			<p>On track to be achieved</p> <p>a. The Half Year report was submitted to WDC by the 28th February 2022.</p> <p>b. Two Quarterly Reports on the HAC project were provided to council by the 20th of the month following.</p>

Operations

Performance Measure	2020/21 Actual	2021/22 Target	2022/23 Target	2023/24 Target	Action/Outcomes 2021/22
<p>3. Effective operation</p> <p>a. HAPT will annually assess operation hours and exhibition quality to meet agreed funding. Target: Exhibitions delivered to schedule and within programme budget. Reported on in half-yearly and annual report.</p> <p>b. HAPT art management: HAPT will acquire and document all new items in accordance with HAPT collection management policy and procedure. HAPT will ensure the safety and preservation of works in its care: less than 1% of art work handled by staff or the public will suffer irreparable losses or damage, evidenced by incident reports.</p>	<p>a. Not Achieved.</p> <p>b. Achieved</p>	<p>Acquire and document all new items in accordance with HAPT collection management policy and procedure.</p> <p>Ensure the safety and preservation of works in its care: less than 1% of art work handled by staff or the public will suffer irreparable losses or damage, evidenced by incident reports.</p>			<p>a. Not achieved. The exhibition schedule was changed to accommodate renovations in the WAM galleries. This will result in fewer exhibitions than planned taking place over the year. The exhibition programme is expected to be within budget.</p> <p>The opening date of the HAC was unavoidably delayed. Planned exhibitions for the Hundertwasser Gallery and the Wairau Māori Art Gallery will proceed as planned, from the later opening date of 20 February 2022.</p> <p>b. On track to be achieved. HAPT is in the process of recruiting a new Collections Manager. This measure will be reported on in the Annual Report.</p>

Performance Measure	2020/21 Actual	2021/22 Target	2022/23 Target	2023/24 Target	Action/Outcomes 2021/22
<p>4. Audience Development</p> <p>Revised Measure: HAPT will continue to improve the WAM visitor experience, thereby promoting the arts and contributing to the wellbeing and economic growth of the district.</p> <p>Annual survey results demonstrate 85% satisfaction in visitor experience.</p>	Not achieved.	Annual survey results demonstrate 85% satisfaction in visitor experience.	Reported on in the half-yearly report.		<p>Expected to be achieved.</p> <p>HAPT will develop a survey to assess visitor satisfaction at both WAM and the HAC. To be implemented in the second half of the year.</p>
<p>5. Community Engagement</p> <p>HAPT will strengthen community engagement through programmes, events and collaborative initiatives including an educational component.</p> <p>Evidence of 10 programmes, events or initiatives developed or in development annually, covered in the half-yearly report.</p>	Achieved.	10 programmes, events or initiatives developed or in development, covered in the half-yearly report.			<p>On track to be achieved.</p> <p>An education programme comprising workshops for schools has been developed and will commence in March 2022. This will be supplemented with ad hoc workshops for the community, guided tours of the HAC and special events.</p>

Performance Measure	2020/21 Actual	2021/22 Target	2022/23 Target	2023/24 Target	Action/Outcomes 2021/22
<p>6. Growth</p> <p>Revised Measure: HAPT will improve both awareness of WAM, and attendance.</p> <p>Targets: 10% annual increase in online engagement. 5% annual increase in visitor numbers to WAM. 35,000 visitors to HAC in the 1st 7 months of operation. Covered in the half-yearly report.</p>	n/a	10% annual increase in online engagement. 5% annual increase in visitor numbers to WAM. 70,000 visitors to HAC for the year. Covered in the half-yearly report.			<p>Not expected to be achieved.</p> <p>WAM: The closure of the galleries for renovations has impacted visitor numbers, which total 6,002 for the first half of the year. See page 19 below for details.</p> <p>HAC: Sol targets were based on an October 2021 opening date. Delays to construction caused by Covid-19 lockdowns and the ongoing impact of the pandemic on overseas and domestic tourists makes it highly unlikely that the HAC will reach its visitor target of 35,000 in just 4 months of operations. See page 16 below for further information.</p>

STRATEGIC OBJECTIVES

Objectives	Action areas.	Achievements
Artistic Excellence	<ul style="list-style-type: none"> ● Deliver Art Museum programmes at a high level of curatorial excellence ● Present shows and events that attract people to Whangārei, as a vibrant creative hub in Northland. ● Bring to NZ around 50 original works by renowned artist, Friedensreich Hundertwasser, in collaboration with the Hundertwasser Foundation in Vienna - for display at HAC when the building is open. ● Support Wairau Māori Art Gallery's objective to exhibit quality works from our country's finest contemporary Māori artists. 	Artistic Excellence <ul style="list-style-type: none"> ● Programming at WAM has focused on internationally and nationally acclaimed Northland and NZ artists. Terminus, which opened in December 2021, has drawn record numbers of visitors. ● The Hundertwasser Foundation committed to providing a wide variety of artworks, including paintings, prints, tapestries and models for the HAC gallery. Approximately 80 works are on schedule to arrive in Whangārei in early January 2022. ● The inaugural Wairau Art Gallery's exhibition will be curated by Nigel Borell and installed collaboratively by Wairau and HAPT staff.
Visitor Experience	<ul style="list-style-type: none"> ● Undertake a comprehensive brand redefinition to support the transition of WAM and HAC into 'one organisation', ensuring that the Museum's identity is maintained. ● Consider its positioning in the wider NZ context, to provide WAMT with a more visible leadership role in the creative arts sector. ● Promote Hundertwasser Art Centre and Wairau Māori Art Gallery to become a cultural destination of regional and national significance. ● Increase visibility and visitor engagement by improving the entrance to, and arrival experience at WAM. 	Visitor Experience <ul style="list-style-type: none"> ● A major rebranding exercise has been undertaken and the HAC website has been launched. The HAPT website is scheduled to go live in Autumn 2022. ● Funds were allocated by WDC to address the AC issues in the previous financial year. WDC will be project managing the upgrade and we await their advice on timing. ● HAPT were successful in securing funds from Pub Charities to upgrade the WAM internal gallery space. The work was carried out in the first half of the financial year, with the galleries reopening in December 2021. ● The closure of the Hub iSite branch has enabled WAM to set up a Gallery Hosts Reception Area in the lobby. Plans are underway for a refresh of the building facade, funds permitting.

Objectives	Action areas.	Achievements
<p>People – Collaborations for the benefit of our community</p>	<ul style="list-style-type: none"> ● Strengthen relationships with WDC, including agreement of our mutual objectives, and how we will work together to achieve these. ● Build constructive relationships with the creative sector in Whangārei to support the district to become a cultural destination of the North. ● Develop wider relationships with Tangata Whenua representatives, including with the operators of the Hihiaua Cultural Centre. ● Develop a practical working relationship with the Wairau Māori Art Board to support gallery operations. ● Amplify HAPT’s educational role in the community as a pathway for Rangatahi into arts and culture. ● Collaborate with the community to amplify HAPT’s educational role as a resource for school art curriculums, holidays programmes and family workshops. 	<p>People</p> <ul style="list-style-type: none"> ● Regular meetings with WDC staff have been undertaken across operations, developments in the town basin, promotions and the HAC opening, as well as finance. ● An MoU with Te Parawhau has been drafted, and is expected to be finalised in the second half of the year. ● An operating agreement has been signed with Wairau on curatorial, marketing and learning activity. ● The Learning team have developed a schools workshop programme and await the outcome of their application for ELC funding. The programme contains a significant te ao Māori element woven throughout. ● An Educator has been employed to deliver the education programme.
<p>Sustainability</p>	<p>Good governance</p> <ul style="list-style-type: none"> ● Follow the NZ IOD “Four Pillars of Governance” ● Develop a Trustee skills matrix to identify skills required to support strategic direction. ● Hold at least 6 monthly documented Board meetings as required by the Deed. <p>Long term and annual planning</p> <ul style="list-style-type: none"> ● Apply its long-term strategy. ● Ensure annual planning supports the long-term strategy. ● Monitor progress and KPIs. ● Complete the annual report at the end of the financial year. 	<p>Good governance</p> <ul style="list-style-type: none"> ● The Trustee skills matrix has been updated and is scheduled to be reviewed early in 2022. ● Te Huinga has appointed a Hapu representative trustee who will start in the role after the opening of the HAC. ● Six full Board meetings plus supplementary meetings were held in the first half of the year. <p>Long term and annual planning</p> <ul style="list-style-type: none"> ● The 5 Year Strategic Plan has been scheduled for review in March 2022. ● The CE presents progress against strategic objectives to the Board regularly.

Objectives	Action areas.	Achievements
	<p>Health and safety</p> <ul style="list-style-type: none"> ● Follow the NZ IOD Health and Safety Guide. ● Ensure that the Trustees have knowledge of and commitment to health and safety. ● Ensure that the CEO exercises due diligence in relation to health and safety. <p>Being a good employer</p> <ul style="list-style-type: none"> ● Conduct regular performance reviews with employees that form part of their Professional Development and Training Programme. <p>Risk management</p> <ul style="list-style-type: none"> ● Ensure there is an annual update of Strategic Risk and scoring in accordance with AS/NZS ISO 31000:2009. ● Ensure there is appropriate insurance, which will be independently assessed. ● Ensure the areas for internal audit and review are identified annually. <p>Legislative and Trust Deed compliance</p> <ul style="list-style-type: none"> ● Ensure legislative requirements are met. ● Uphold the principles of the WAMT Trust Deed. ● Receive a clear opinion on legal compliance as part of the annual audit by Audit NZ. ● LGOIMA requests are answered within statutory timeframes. <p>Effective financial management</p> <ul style="list-style-type: none"> ● Receive monthly accounts prepared by WDC and have the WAMT Board approve these monthly accounts. ● Comply with full GAAP accounting reporting. ● Have accounts audited annually. ● Conduct a monthly forecast review of the exhibitions budget. 	<p>Health and safety</p> <ul style="list-style-type: none"> ● H&S is a standing agenda item at Board meetings, the monthly Business Management Group Meeting (overseeing the Hundertwasser Art Centre Project), and WAM monthly staff meetings, chaired by the CE. ● The HAC project achieved an outstanding H&S record through to the end of the construction period. ● A suite of H&S Policies and Procedures have been developed and implemented across the business, including a Covid-19 Policy. <p>Being a good employer</p> <ul style="list-style-type: none"> ● A software package, MyHR, has been purchased to ensure that HAPT contracts keep pace with changes to employment legislation. The package includes a performance management module, which will be implemented in the second half of the year. <p>Risk management</p> <ul style="list-style-type: none"> ● The Board will review the risk register early in 2022. ● All appropriate insurance cover is in place. <p>Legislative and Trust Deed compliance</p> <ul style="list-style-type: none"> ● Legislative requirements for this financial year have been met to date. ● ONE LGOIMA request was received and answered within the statutory timeframe. <p>Effective financial management</p> <ul style="list-style-type: none"> ● All bullet points achieved.

Objectives	Action areas.	Achievements
	<p>Financial sustainability</p> <ul style="list-style-type: none"> ● Work with the Chief Executive to review operations to align with a single entity, and available funding. ● Seek new funds in accordance with the Trust’s broader governance and responsibilities. ● Review the organisational structure. <p>Operational efficiency and effectiveness</p> <ul style="list-style-type: none"> ● Establish an operational relationship and a MOU with WDC. ● Comply with LGA SOI preparation and reporting requirements. ● Work with WDC to bring greater visibility to the Museum entrance, including a dedicated lobby and outdoor signage ● Work with WDC to make vital improvements to Whangārei Art Museum, particularly in relation to humidity and air conditioning ● Work with WDC to bring certainty and stability to Art Museum and HAC staff accommodation at the Museum location in the town basin, and for the benefit of the broad remit WAMT is tasked with fulfilling on behalf of the people of Whangārei ● Develop a marketing and communications plan. ● Monitor visitor numbers and conduct an annual visitor survey. ● Build up its volunteer base to support both governance and operations. ● Identify fundraising opportunities. ● Develop business cases as required, targeted at specific funders and sponsors. ● Undertake collections management – apply collections management policy. ● Review storage of works – look at options to improve 	<p>Financial sustainability</p> <ul style="list-style-type: none"> ● A single entity budget has been developed, which combines the various business components of the Trust. ● A Memberships, Events and Fundraising coordinator was appointed in July 2021. ● Philanthropic funds continue to be sought with the focus moved to sustaining operations of the HAC. A significant long term (10 year) donor has been signed, as well as several corporate sponsors, who are donating a mix of cash and services in kind. ● An application to Pub Charity for funding to renovate the WAM galleries was successful. ● An application to Oxford Sports Trust to fund the set up of the HAC education programme was successful. ● A review of the organisational structure is anticipated post opening of the HAC to ensure that staffing levels are appropriate to a BaU model. <p>Operational efficiency and effectiveness</p> <ul style="list-style-type: none"> ● An updated MoU between HAPT and WDC has been discussed, which will encompass all areas of support received from the Council. HAPT awaits the WDC proposal. ● The Board is compliant with all LGA Sol requirements. ● Conversations are ongoing with WDC as part of their review of the allocation of council owned spaces. The Trust anticipates a positive outcome of long-term provision of appropriate workspace for HAPT staff as well as certainty over usage of the former iSite lobby area. ● A comprehensive marketing plan has been developed for the HAC, which is responsive to ongoing changes in the tourism sector. ● Visitor numbers are monitored and tracked against previous years and exhibitions. ● Volunteers continue to play an important role in the operations of WAM and the HAC. An online volunteer system has been implemented to organise and allocate the growing number of volunteers. See Volunteers on page 16 below for details. ● See Financial Sustainability above for fundraising.

Objectives	Action areas.	Achievements
	<p>storage, including the controlled environment, and areas to accommodate touring shows.</p> <ul style="list-style-type: none"> ● Continue to upgrade lighting as funding becomes available. ● Promote exhibitions – work with Council to promote and run quality events, reach out to new audiences, and grow visitor numbers. ● Upgrade air conditioning to meet required Gallery Standards for Air Control and develop a business case for future capital investment. 	<ul style="list-style-type: none"> ● HAPT is currently seeking a new Collections Manager. ● HAPT’s marketing team continues to expand the range and variety of promotional tools, which are accessible with limited budget, to increase the diversity and number of visitors to the gallery. ● Humidity and general AC control issues, due to inadequate investment when the current building was fitted out as a gallery, are impacting WAM’s ability to meet air quality standards set by lending institutions such as Te Papa. WAM was successful in its bid for funds from WDC to rectify this situation and looks forward to the work being undertaken.

HUNDERTWASSER ART CENTRE WITH WAIRAU MĀORI ART GALLERYH

Artistic Excellence: Curator's Update

The permanent *Hundertwasser in New Zealand* exhibition and inaugural Wairau exhibition are both on track to be delivered for the opening of the Hundertwasser Art Centre. Covid-19 lockdowns in Auckland meant that most of the planning and logistics for Wairau's exhibition needed to happen remotely.

Richard Smart, the Hundertwasser Foundation's representative in New Zealand, completed a trip to Vienna to learn specific details for installing the Hundertwasser exhibition, which will be executed in the New Year.

Learning

The Learning Team has focussed on the development of the Learning and Public Programme framework, and specifically the development of a School Programme and Kids' Guide for the HAC.

Milestones achieved this half of the financial year include the submission of our Schools Programme to the Ministry of Education's ELC (Enriching Local Curriculums) tender - a contestable fund open to all of New Zealand. This funding will support the delivery of our Schools Programme from July 2022 for a period of 3 years. Successful applicants will be notified in March 2022. We appointed our first dedicated Educator to facilitate this programme, who will start in January 2022.

Development of the Kids' Guide for the Hundertwasser Art Centre has been completed and funding secured for a 4,000 copy print run. This funding was part of a larger, successful application to the Oxford Sports Trust, which has enabled the development and fit out of the Hātea Studio - a dedicated space to deliver our learning and public programmes to the wider community and school groups.

Marketing

Social media engagement increased exponentially in the first half of the year, reflecting the build up to the reopening and 25th Anniversary of WAM, and growing community excitement as the HAC neared completion. The HAC website was launched in October, with a redesigned website for Hātea Art Precinct Trust scheduled to be rolled out in the second half of the year. HAPT applied for Qualmark status for both WAM and HAC and looks forward to a response early in 2022.

National media coverage on TVNZ's 7 Sharp and in Stuff highlighted the importance of the HAC as a premier tourist destination in New Zealand.

Social media and online statistics

The HAC Facebook page gained 857 new followers over the period, 377 in December alone. There were 60,654 engagements and 433,149 impressions on the HAC Facebook page during July to December 2021.

The HAC website attracted 8,049 new users from the time of its launch in October until December 2021. Users had an average session duration of 1.15 minutes, and there were 21,098 page views.

WAM and HAC both increased their TripAdvisor ratings over the period to 4.5 out of 5 stars.

Visitor Experience

Retail

During the first half of this financial year front of house and retail staff were onboarded and preparations for the HAC retail store progressed apace. This included the implementation of a retail management system (Ibis), and research, purchasing and processing of merchandise for the HAC shop.

In December a pop-up shop was opened in the lobby of WAM, in part of the space formerly occupied by the iSite. This succeeded in partially mitigating the impact on retail sales of the delay in opening the HAC, and allowed us to capture the pre-Christmas market.

Visitors

The majority of Visitor Hosts for the HAC will be onboarded and trained in the New Year. The delay in the opening of HAC to February 2022 has inevitably led to reduced expectations for visitor numbers in this financial year. Covid-19 also continues to add uncertainty to the tourism sector. Research commissioned through Kantar Public (Colmar Brunton) based on phone interviews, indicates that visitor targets for the first full year of operation are realistic and that there is significant opportunity for increasing brand awareness throughout the Auckland and Northland regions.

Volunteer Programme

HAPT contracted an external expert to ensure clear guidelines and a robust structure and strategy for the volunteer programme. The Volunteer Coordinator role has since been supplemented with a supporting role to assist with training, and a volunteer role to support funding applications.

The new volunteer software portal, Initlive, went live in November 2021. A successful *Volunteer With Us* information evening attracted new volunteers and offered an opportunity for staff to connect with the volunteer community. By the end of December 105 volunteers had signed up, 86 of whom have been active across both HAC and WAM.

Volunteer Advisory Group

HAPT established a Volunteer Advisory Group in December 2021, whose terms of reference include monthly meetings to support and discuss the impact of the HAP Volunteer Programme in Te Tai Tokerau, focussing the volunteer programme to inspire, include and invest within the community, and supporting big picture strategy to ensure the programme is meeting the needs of Hundertwasser Art Centre with Wairau Māori Art Gallery and Whangārei Art Museum.

Volunteer Numbers

To the end of December, 273 volunteer hours were recorded for the HAC, with volunteers working on site, in the retail department and assisting with a myriad of miscellaneous tasks across the project. In addition to these hours, long term supporters of the HAC project continued to provide an invaluable contribution.

Month	Number of volunteer hours for HAC
July	8
August	51
September	85
October	43
November	24
December	62
Totals	273

WHANGĀREI ART MUSEUM

Artistic Excellent: Curator's Update

WAM undertook renovation of its galleries, using funding secured from a Pub Charities grant, which involved the construction of partition walls, relining of existing walls and modification of defunct and poorly placed switches and fittings. Following the renovations, WAM hosted an event which celebrated both its 25th Anniversary and the opening of two exhibitions, *Machine in the Garden* by Simon Ingram & Terrestrial Assemblages and *Terminus* by Jess Johnson & Simon Ward. Despite Covid-19 restrictions, the weeks following the re-opening attracted the highest number of recorded visitors in WAM's history.

Plans have been made for a schedule of exhibitions in the second half of the year which focuses on important New Zealand artists who are local to, or originate from, Whangārei and Northland.

Exhibition Schedule for July 2021 - June 2022

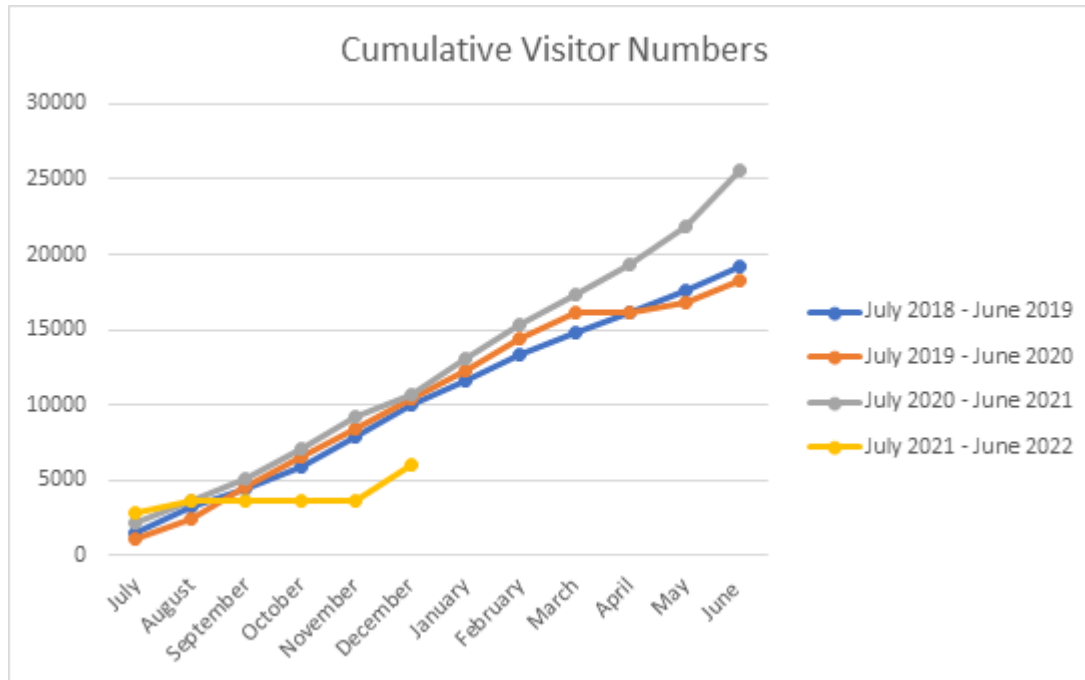
Mair Gallery	Younghusband Gallery
Gallery closed for renovations.	Yoko Ono (T + I) Mend Piece 27 May - 22 August 2021
Simon Ingram & Terrestrial Assemblages (N) <i>Machine in the Garden</i> 17 December 2021 - 4 May 2022	Gallery closed for renovations.
Imogen Taylor (N + L) 20 May - 21 August, 2022	Jess Johnson & Simon Ward (L + I) <i>Terminus</i> 17 December 2021 - 19 March 2022
KEY: T: Touring I: International Artists L: Local Artists C: WAM Collection N: National Artists	Nick Austin (L + N) <i>Life Puzzle</i> 8 April - 10 July, 2022

Visitor Experience

Visitor Numbers

A target of a 5% increase in visitors was set for the current year, following a record 25,581 visitors to WAM in 2020-2021. Subsequent to this, funding allowed for a renovation of both galleries, and WAM was closed to the public for a large part of the first half of this year. The closure, and reduced visitor numbers due to Covid-19, make it unlikely that WAM will reach its target this year, although record numbers have been recorded for the *Terminus* and *Machine in the Garden* exhibitions, which opened in December. Visitor numbers for July to December 2021 total 6,002. A strong programme will be exhibited in the second half of the year.

Four-year Comparison of Cumulative Visitor Numbers



Volunteer Programme

HAPT has developed a robust programme to attract and support volunteers to undertake a wide variety of tasks across all aspects of the business. See page 16 above for details of the programme.

To the end of December 384 volunteer hours were contributed to the Whangārei Art Museum. Work continued on the archive project and assisting the Collection Manager in the collection store. Volunteers also helped with the installation of the *Terminus* exhibition, and were essential to the smooth running of WAM's 25th Anniversary event held in December.

Month	Number of volunteer hours for WAM
July	138
August	37
September	28
October	16
November	90
December	75
Totals	384

**Hatea Art Precinct Trust
Financial statements
for the six months
ending 31 December 2021**

Hatea Art Precinct Trust

Financial statements - 31 December 2021

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Entity Information

Legal name

Hatea Art Precinct Trust (HAPT).

The Whangarei Art Museum Trust changed its name to Hatea Art Precinct Trust in June 2021, in recognition of our location beside Whangarei's Hatea River and the popular Hatea Loop walk.

Type of entity and legal basis

HAPT is incorporated in New Zealand under the Charitable Trusts Act 1957. HAPT is controlled by the Whangarei District Council and is a council controlled organisation as defined in section 6 of the Local Government Act 2002.

HAPT's objective

HAPT actions and directions are determined by the Trust Deed which details the objectives of HAPT. These include the operation of the museum and the requirement to support and stimulate the artistic and cultural life of the Whangarei District. Construction of the Hundertwasser Art Centre with Wairau Maori Art Gallery (HWMAC) is in progress. This project is detailed in Note 15.

Structure of the Trust's operations, including governance arrangements

HAPT comprises a Board of seven Trustees who oversee the governance of the Trust, four approved by the Whangarei District Council and three are appointed by HAPT directly. The Chief Executive is responsible for the operations of HAPT, including relevant aspects of the construction of the HWMAC. Sixteen permanent staff and further temporary and fixed term staff support the Chief Executive in delivering against the HAPT's objectives.

Main sources of the Trust's cash and resources

Operating grants received from Whangarei District Council and central government agencies are the primary sources of HAPT funding, in addition to other national and district charitable funding sources. HAPT also receives funding through donations to be used specifically for the HWMAC.

HAPT's Outputs

HAPT displays HAPT and Council owned art and facilitates art exhibitions for the general public in the Whangarei Art Museum (WAM). The trust also owns and operates the Hundertwasser Art Centre with Wairau Maori Art Gallery, which opened to the public on February 20th 2022. In the Financial Statements below, 'WAM' includes Trust operational costs not attributable to the WAM gallery or the HAC.

Authorisation

The Board of the Hatea Art Precinct Trust authorised these financial statements presented on the following pages 38 to 52.

For and on behalf of the Board



Chairperson



Chief Executive

Hatea Art Precinct Trust
Statement of financial performance
For the six months ending 31 December 2021

Statement of financial performance
For the 6 months ended 31 December 2021

	31 December 2021 Actual	30 June 2022 Budget	30 June 2021 Actual	
Note	\$	\$	\$	
Revenue				
Donations	3	2,923,091	2,899,000	10,610,591
Council funding	4	304,472	769,970	578,747
Other revenue	5	39,379	946,585	14,173
Interest revenue	6	8,150	15,050	41,237
Total revenue		3,275,092	4,630,605	11,244,748
Expenditure				
Employee related costs	8	542,963	1,523,085	566,064
Depreciation and amortisation	12	11,370	464,157	22,393
Other expenditure	7	502,958	2,624,146	463,061
Total operating expenditure		1,057,291	4,611,388	1,051,518
Surplus/(deficit)		2,217,801	19,217	10,193,230
Surplus/(deficit) attributable to:				
WAM		122,207	(95,198)	(52,161)
HWMAC		2,095,594	114,415	10,245,391
		2,217,801	19,217	10,193,230

Summary of significant accounting policies and the accompanying notes form part of these financial statements

Hatea Art Precinct Trust
Statement of financial position
For the six months ending 31 December 2021

Statement of financial position
As at 31 December 2021

	31 December 2021 Actual \$	30 June 2022 Budget \$	30 June 2021 Actual \$
Note			
ASSETS			
Current assets			
Bank accounts and cash	9 2,816,314	2,236,968	4,653,531
Debtors	10 141,552	147,256	21,962
Inventories	11 222,409	200,000	3,970
Total current assets	<u>3,180,275</u>	<u>2,584,224</u>	<u>4,679,463</u>
Property, plant and equipment	12 32,058,991	30,723,327	29,379,379
Total non-current assets	<u>32,058,991</u>	<u>30,723,327</u>	<u>29,379,379</u>
Total assets	<u>35,239,266</u>	<u>33,307,551</u>	<u>34,058,842</u>
LIABILITIES			
Employee cost payable	-	-	49,611
Creditors and accrued expenses	13 39,677	150,000	1,027,444
Total current liabilities	<u>39,677</u>	<u>150,000</u>	<u>1,077,055</u>
Total liabilities	<u>39,677</u>	<u>150,000</u>	<u>1,077,055</u>
NET ASSETS	<u>35,199,589</u>	<u>33,157,551</u>	<u>32,981,787</u>
Equity			
Retained earnings	14 35,199,579	33,157,541	32,981,777
Contributed equity	14 10	10	10
Total equity attributable to Hatea Art Precinct Trust	<u>35,199,589</u>	<u>33,157,551</u>	<u>32,981,787</u>

Summary of significant accounting policies and the accompanying notes form part of these financial statements

Hatea Art Precinct Trust
Cash flow statement
For the six months ending 31 December 2021

Cash flow statement

For the six months ended 31 December 2021

	31 December 2021 Actual \$	30 June 2021 Actual \$
Cash flows from operating activities		
Council funding	276,030	414,676
Donations received	2,820,946	10,630,126
Other revenue	39,379	14,173
Payments to suppliers and employees	(2,289,215)	(916,453)
Interest received	8,150	41,236
	<u>855,291</u>	<u>10,183,759</u>
Cash flows from investing activities		
Purchase of PPE	<u>(2,687,012)</u>	<u>(10,830,243)</u>
	<u>(2,687,012)</u>	<u>(10,830,243)</u>
Total cash provided from investing activities	-	2,887,371
Net (decrease)/increase in cash, cash equivalents, and bank overdrafts	(1,831,721)	2,240,887
Bank accounts and cash, and bank overdrafts at the beginning of the year	<u>4,653,531</u>	<u>2,412,645</u>
Cash, cash equivalents, and bank overdrafts at the end of the year	<u>2,821,810</u>	<u>4,653,532</u>

Summary of significant accounting policies and the accompanying notes form part of these financial statements

* The budget cashflow was not prepared as part of the 2021/2022 Statement of Intent

1 Statement of accounting policies for the six months ended 31 December 2021

1.1 Reporting entity

The Hatea Art Precinct Trust (HAPT) is incorporated as a trust under the Charitable Trusts Act 1957, is domiciled in New Zealand and registered under the Charities Act 2005, registration number CC28917. It is a council controlled organisation under Section 6 of the Local Government Act 2002.

2 Summary of significant accounting policies

2.1 Basis of preparation

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

The financial statements of the Council have been prepared in accordance with the requirements of the LGA, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements of the Council have been prepared in accordance with Generally Accepted accounting Practice in New Zealand ('NZ GAAP'). They comply with New Zealand equivalents International Financial Reporting Standards for Public Benefit Entities ('NZ IFRS PBE').

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

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

The financial statements have been prepared on a going concern basis. HAPT is reliant on Council's continued support of its operations. Council has included funding for HAPT in its 2021-2031 Long - Term Plan.

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

Going Concern

The Trust is reliant on Whangarei District Council's financial support to be certain it can continue to operate as a going concern. The Board has received a letter of support from the Council that confirms operating funding for the 2021/22 financial year. The Trust has prepared the financial statements on the basis that it will continue as a going concern for the foreseeable future.

Goods and services tax

HAPT is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

Functional and presentation currency

The financial statements are presented in New Zealand dollars.

Revenue and expenses

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, excluding Goods and Services Tax, rebates and discounts. Revenue is recognised as follows:

(i) Grants and donations

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

(ii) Pledges

Pledges are not recognised as revenue as HAPT is unable to control the access to the funds. Pledges are disclosed as a contingent asset when the money is pledged and recognised as revenue when the pledged money is received.

2 Summary of significant accounting policies (continued)

(iii) Donated assets

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

(iv) Interest income

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

v) Sale of goods

Revenue from the sale of goods is recognised when the goods are sold to the customer.

(vi) Volunteer services

Volunteer services received are not recognised as revenue or expenditure as HAPT is unable to reliably measure the fair value of the services received.

(vii) Advertising, marketing, administration, overhead, and fundraising costs

These are expensed when the related service has been received.

2.2 Bank accounts and cash

Bank accounts and cash include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.3 Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

2.4 Inventory

Inventory is recognised at the lower of cost or net realisable value. When inventories are sold, exchanged, or distributed, the carrying amount of those inventories shall be recognised as an expense in the period in which the related revenue is recognised.

2.5 Property, plant and equipment

Property, plant, and equipment (excluding donated assets) are recorded at cost, less accumulated depreciation and impairment losses. HAPT does not revalue its property, plant and equipment. HAPT undertakes periodic impairment assessments of its property, plant and equipment.

(i) Artworks and donated assets

Purchased artworks are recognised at cost. Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised. Artworks have an indefinite useful life and are not depreciated. Impairment is recognised if identified as below.

(ii) Asset sales

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

(iii) Use of assets

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Class of PP&E	Estimated useful life	Depreciation rates
Leasehold improvements	10-100 years	1%-10%
Office equipment	2-10 years	10%-50%
Plant and equipment	6-60 years	1.6%-17%
Computer equipment	2-5 years	20%-50%
Artworks	Indefinite	-

2 Summary of significant accounting policies (continued)

2.6 Investments

Investments comprise investments in term deposits with banks, listed bonds, and listed shares.

Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

2.7 Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

2.8 Lease expense

Lease payments are recognised as an expense on a straight-line basis over the lease term.

2.9 Tier 2 PBE Accounting Standards applied

HAPT has not applied any Tier 2 Accounting Standards in preparing its financial statements.

2.10 Changes in Accounting Policies.

There are no changes in accounting policies.

3 Donations

	Actual 2022 \$	Budget 2022 \$	Actual 2021 \$
Donations - general	67,307	3,500	3,462
Donations - HWMAC	<u>2,855,784</u>	<u>2,895,500</u>	<u>10,607,129</u>
Total Donations	<u>2,923,091</u>	<u>2,899,000</u>	<u>10,610,591</u>

Donations for HWMAC are explained in note 15.

4 Council funding

	Actual 2022 \$	Budget 2022 \$	Actual 2021 \$
Council funding	<u>304,472</u>	<u>769,970</u>	<u>578,747</u>
Total council funding	<u>304,472</u>	<u>769,970</u>	<u>578,747</u>

5 Other revenue

	Actual 2022 \$	Budget 2022 \$	Actual 2021 \$
Sales & Admission Revenue	<u>39,379</u>	<u>946,585</u>	<u>14,173</u>
	<u>39,379</u>	<u>946,585</u>	<u>14,173</u>

6 Interest revenue

	Actual 2022 \$	Budget 2022 \$	Actual 2021 \$
Interest received - general	57	50	64
Interest received - HWMAC	<u>8,093</u>	<u>15,000</u>	<u>41,173</u>
Total interest received	<u>8,150</u>	<u>15,050</u>	<u>41,237</u>

7 Other expenses

	Actual 2022 \$	Budget 2022 \$	Actual 2021 \$
Rent paid	-	171,000	171,000
Other expenses	49,173	130,350	100,629
Exhibition costs	51,734	88,600	49,182
Management fees	5,000	45,000	10,000
Auditors fees for financial statements	6,266	18,752	14,206
Other expenses - HWMAC	<u>390,785</u>	<u>2,170,444</u>	<u>118,044</u>
Total other expenses	<u>502,958</u>	<u>2,624,146</u>	<u>463,061</u>

8 Employee related costs

	Actual 2022 \$	Budget 2022 \$	Actual 2021 \$
Salaries and wages	<u>542,963</u>	<u>1,523,085</u>	<u>566,064</u>
Total employee related costs	<u>542,963</u>	<u>1,523,085</u>	<u>566,064</u>

Note

9 Bank accounts and cash

	Actual 2022 \$	Actual 2021 \$
Cash on hand	100	200
Bank balances - general	105,942	47,987
Bank balances - HWMAC	<u>2,710,272</u>	<u>4,605,344</u>
Total bank accounts and cash	<u>2,816,314</u>	<u>4,653,531</u>

Bank balances - HWMAC are explained in note 15.

10 Debtors and other receivables

	Actual 2022 \$	Actual 2021 \$
Sundry debtors	113,479	3,860
Receivables	<u>28,073</u>	<u>18,102</u>
Total debtors and other receivables	<u>141,552</u>	<u>21,962</u>

11 Inventories

	Actual 2022 \$	Actual 2021 \$
<i>Inventories</i>		
Inventories	<u>222,409</u>	<u>3,970</u>

12 Property, plant and equipment

2020	Plant and equipment \$	Leasehold improvements \$	Office equipment \$	Artwork \$	Work in progress \$	Total \$
Year ended 30 June 2021						
Additions	-	5,660	8,221	-	10,816,363	10,830,243
Disposals	-	-	-	-	-	-
Depreciation charge	(11,797)	(7,917)	(2,678)	-	-	(22,393)
Balance at 31 December 2021	<u>56,573</u>	<u>271,642</u>	<u>27,478</u>	<u>437,579</u>	<u>28,586,106</u>	<u>29,379,377</u>
Balance as at 1 July 2021	<u>56,573</u>	<u>271,642</u>	<u>27,478</u>	<u>437,579</u>	<u>28,586,106</u>	<u>29,379,378</u>
Additions	-	-	-	-	2,690,982	2,690,982
Disposals	-	-	-	-	-	-
Depreciation charge	(5,854)	(3,991)	(1,525)	-	-	(11,370)
Balance at 31 December 2021	<u>50,719</u>	<u>267,651</u>	<u>25,953</u>	<u>437,579</u>	<u>31,277,088</u>	<u>32,058,990</u>

Work in progress relates to costs associated with the design and construction phase of the HWMAC project. This is explained in note 15.

Included in the artwork asset class are a number of donated assets recorded at nil value because values are not readily obtainable.

There are no restrictions over the title of the HAPT's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

13 Creditors and accrued expenses

	Actual 2022 \$	Actual 2021 \$
Accrued expenses	8,588	972,890
Trade creditors	31,089	41,221
Income in advance	<u>-</u>	<u>13,333</u>
Total creditors and accrued expenses	<u>39,677</u>	<u>1,027,444</u>

14 Equity

	Actual 2022 \$	Actual 2021 \$
a) Equity		
Retained earnings	35,199,579	32,981,777
Capital contribution	<u>10</u>	<u>10</u>
Balance at 31 December 2021	<u>35,199,589</u>	<u>32,981,787</u>
b) Retained earnings		
Balance at 1 July	32,981,778	22,788,547
Surplus/(deficit) for the year	<u>2,217,801</u>	<u>10,193,230</u>
Balance 31 December	<u>35,199,579</u>	<u>32,981,777</u>
c) Contributed equity		
Capital contribution	<u>10</u>	<u>10</u>
Balance 31 December	<u>10</u>	<u>10</u>

15 Contingencies

HAPT has no contingent liabilities (2021: nil)

Update on Hundertwasser Art Centre Wairau Maori Art Gallery (HWMAC) Background

In 1993, artist Friedensreich Hundertwasser was invited by the then Mayor of Whangarei to design an art centre for the city. He chose the former Northland Harbour Board building in the Town Basin (the Building).

Council considers that it is important to have a high level of transparency around the project and its funding.

Referendum

After several years of debate a binding referendum was held in June 2015 in regards to the use of the Building. A majority voted for HWMAC as the Whangarei District Community's preferred option for re-development. As a condition of the referendum, there was a two-year period to June 2017 in which to raise the required funding needed. By June 2017 HAPT with the assistance of the Prosper Northland Trust (PNT) reached the required funding target. Donations and pledges came from the government, general public, community groups, corporates, businesses and the Lotteries Commission. The terms of the referendum have been met and the project has been initiated, and the re-development works have commenced.

Operator and Guarantees and Indemnities

Hatea Art Precinct Trust (HAPT), a CCO of Whangarei District Council will operate the HWMAC on an on-going basis once re-development is completed.

15 Contingencies (continued)

There is no intention for Council to provide funding for the operating costs of the HWMAC once it begins operation and is open to the public. Underwriting mechanisms have been established to cover any trading losses/operating deficits and re-entry and termination costs up to \$2 million over a ten year period, with the maximum amount payable in any single year \$500 thousand.

Westpac is the first guarantor, to a maximum amount of \$1.25 million. To facilitate the establishment of this guarantee HAPT will deposit \$1.0 million with Westpac.

However, once any cumulative losses reaches \$750 thousand, Westpac has the option to crystallize its exposure and be relieved from any further obligations.

At this point, HAPT will cover any remaining amount up to \$1.25 million, using any remaining funds from their \$1 million deposit with Westpac and a further cash bond of \$250 thousand.

Together these arrangements cover any potential losses up to the first \$1.25 million.

The remaining \$750 thousand of the \$2 million is covered by a guarantee from the Ngatiwai Trust Board.

Because the maximum amount payable in any single year is \$500 thousand, at the expiration of the 7th year the guarantors' total liability shall reduce from \$2.0 million to \$1.5 million (with a further \$500 thousand reduction each year thereafter).

Council is satisfied that these underwriting mechanisms are appropriate.

There are controls in place that allow both Whangarei District Council and Westpac to directly monitor the performance of the HWMAC if significant losses start to accumulate.

Tender Process

A tender process for the HWMAC construction contract was held in at the end of 2017 and in early 2018. The construction contract has been awarded to Trigg Construction Limited. The building consent has been issued by Council. The tender process and the building consent process has determined a finalised project construction cost of \$29.16 million excluding fit out costs.

The land and the building

Council owns the land and the former Harbour Board building. The building was recognised by Council at a nil value because it required seismic strengthening and was not habitable.

Extensive engineering for seismic strengthening being additional structural foundations to support HWMAC on the reclaimed land was required. As a result, it was determined it was not feasible to redevelop the building, so the building has been deconstructed.

Project Update

Practical completion was achieved on 22nd October 2021, with some minor finishing work completed prior to the opening of the building to the public, which took place on February 20th 2022.

The Board has responsibilities to keep donors up to date with the status of the project and in some cases the funding contracts with the donors require funds to be returned should the project come to an end before it is completed. To date the Trust has received \$32.9 million from donors and expect to receive a further \$390,000 through to the end of the project. The Board's current view is that the need to return funds is unlikely. In the interim the Board is ensuring funders are kept informed.

15 Contingencies (continued)

Lease and Ownership of the HWMAC Structure

Council and HAPT have entered into a Lease for the HWMAC. The Lease has a nominal annual rental of \$1 and a lease term of 34 years and 11 months. The lease commenced on 11 June 2018 and expires on 11 May 2052. The portion of land being leased has not been subdivided and is part of a wider parcel owned by council. It would have been Council's preference to lease the land in-perpetuity but under the Resource Management Act, 35 years is the maximum period that a lease can be issued for a sub parcel of land. HAPT will retain substantially all the risk and rewards incidental to ownership of the HWMAC building. Due to this control, HAPT will recognise the HWMAC building in its financial statements.

Council funding for the project

Council spent an initial sum of \$1.1m between 2011 to 2013 on consents and other pre-project costs for the project. Council provided for additional partial capital funding for "Old Harbour Board Development" in the 2015-25 Long-Term Plan of \$1.4 million in year three (2017-18 - inflated \$) and \$1.5 million in year four (2018-19 - inflated \$), a total of \$2.9 million. This Council funding is factored in as part of the required funding for the project. It has been determined that Council will not own any part of HWMAC, so consequently it was determined that it was more appropriate to provide the funding to the project as a grant. This grant was included in the 2017-18 financial statements.

Donations and Contributions

At 31 December 2021, the total amount of money collected and held by HAPT combined with councils contribution and the net pledges yet to be received was \$37.9m (including interest received of \$484k)

Category	Amount (\$000)
Donations	32,976
Council contribution	4,077
Pledges to be received (see Pledge Source below)	<u>390</u>
	<u>37,443</u>

1. Donations

These are donations that have been received and treated as revenue. At 31 December 2021 the total amount of donations collected was: \$32.9m

2. Council contribution.

Council spent an initial sum of \$1.1m between 2011 to 2013 on consents and other pre project costs.

Council provided a total of \$2.977m for funding of the development of the 'Old Harbour Board Development' in the 2015-25 Long-Term Plan.

This funding is factored in as part of the required funding for the project. At 31 December 2021 the total amount of council funding was: \$4.1 million.

3. Pledges

As all the conditions of the Referendum have been met and the project has commenced, remaining pledges are in essence unconditional, although subject to individual funding agreements. When money is received as part of an overall pledge amount it becomes a donation and recognised as revenue. Remaining pledges do not meet the definition of an asset so are not recorded as an asset of HAPT (as per IPSAS 23). Instead, pledges have been disclosed as a contingent asset in the below table (as per IPSAS 19).

Pledges have an element of uncertainty of collection so the collectability of pledges needs to be assessed. As at 31 December 2021 the pledges have been assessed and analysed as follows:

15 Contingencies (continued)

Pledge Source	Pledged (\$000)	Collectability %	Net Pledge (\$000)
Local Government	200	100 %	200
Corporate	190	100 %	190
Total	390		390

There are in kind trade products and services that have been or will be donated to the overall project. All in-kind trade products & services provided were of a minor nature and therefore have not been quantified.

Professional services – various professional services in the form of time have and will continue to be donated to the overall project. These include, legal, accounting, project and other management, planning, architectural, design etc. For the half year ended 31 December 2021, material professional services to the value of nil (2021: nil) have been quantified and recognised.

Additionally, professional services to the value of nil (2021: nil) have been quantified but not recognised.

16 Other guarantees

Payroll services are outsourced to Payroll Plus Ltd, who require a letter of credit for \$40,000 (2021: \$40,000) as guarantee that any direct debits up to this amount will be honoured.

17 Capital commitments and operating leases

Capital commitments

HAPT have budgeted commitments of \$31m. At 30 December 2021, \$186k was committed (2021: \$2.4m).

	Actual 2022 \$	Actual 2021 \$
Capital commitments		
HWMAC Project (see note 15 above)	186,000	2,372,534
Total capital commitments	186,000	2,372,534
	Actual 2022 \$	Actual 2021 \$
Not later than one year	46,002	26,835
Later than one year and not later than five years	6	23,006
Later than five years	26	26
Total non-cancellable operating leases	46,034	49,867

Council and HAPT have entered into a lease for the HWMAC. The lease has a nominal annual rental of \$1 and a lease term of approximately 35 years.

Council and HAPT have entered into a lease for the Kauri Room at The Hub. The lease has an annual rent of \$46,000 and a lease term of 13 months.

Land Information New Zealand and HAPT have entered into a lease for 98-100 Walton and Roberts Streets. The lease has a nominal annual rental of \$1 and a lease term of 3 years.

18 Trustee fees

All trustees work on a voluntary basis and receive no fees (2021: nil).

19 Related party transactions

The related party disclosures below are for transactions that are not within a normal supplier or client/recipient relationship. This means that the terms and conditions on those transactions are either more or less favourable than those expected in a normal transaction. Any other related party transactions are no more or less favourable.

Related party transactions significant to HAPT requiring disclosure

	Actual 2022 \$	Actual 2021 \$
Receipts awarded from Council		
Grants	304,472	578,747
	Actual 2022 \$	Actual 2021 \$
Grants outstanding	-	-
Balance at 31 December	-	-

The annual operating grant is paid twice yearly July and January

Full Year Forecast 2021-22, up to and including period 6					
Revenue	Actuals YTD	Full year forecast	Full year budget	Variance	Commentary
Hireage Fee (R)	-	-	2,500	(2,500)	
Sales of Goods	-	800	1,500	(700)	
Misc Income	519	894	1,500	(606)	
Grants Received	371,501	762,073	769,970	(7,897)	
Donations Recei	278	1,178	3,500	(2,322)	
Interest (R)	57	74	50	24	
Admission Fees	-	-	-	-	
Admission Fees	3,032	289,631	477,251	(187,621)	Delayed opening and impact of Covid-19
Hireage Fee (R)	-	20,000	85,000	(65,000)	Delayed opening and impact of Covid-19
Sales of Goods	17,549	203,949	291,667	(87,718)	Delayed opening and impact of Covid-19
Misc Income	1,354	59,300	40,500	18,800	
Other Recoverie	3,592	3,592	-	3,592	
Grants Received	504,119	775,369	2,867,500	(2,092,131)	Some budgeted funds are in Donations Received below
Donations Recei	2,351,665	2,402,415	28,000	2,374,415	Budget for some funding in Grants Received above
Commercial Prop	13,333	26,667	46,667	(19,999)	Delayed opening
Interest (R)	8,093	13,093	15,000	(1,907)	
Total Income	3,275,092	4,559,035	4,630,605	(71,570)	
Expenditure					
Salary & Wages	129,783	224,353	316,914	(92,561)	Changes to allocation of staff costs across WAM and HAC will increase Full Yr Forecast for 2nd half of year
L& Dev Trav	-	500	2,500	(2,000)	
Learning & Dev	-	500	2,500	(2,000)	
ACC Levies	206	628	2,615	(1,987)	
Recruitment	660	660	-	660	
Refreshments Pr	336	1,484	500	984	
Freight/Cartage	359	359	100	259	
COS - Retail	366	671	750	(79)	
General Misc	1,791	1,991	500	1,491	
Tele/Comm	128	218	600	(382)	
Postage/Courier	-	100	200	(100)	
Collection Care	1,524	2,000	2,000	-	
Other Insurance	9,380	9,380	8,000	1,380	
Prof Subs Indiv	-	600	600	-	
Market Research	234	649	650	(1)	
Marketing	3,108	10,229	15,000	(4,771)	
Rent Paid	-	186,100	171,000	15,100	
Electricity	-	11,250	25,000	(13,750)	HAC will cover costs associated with staff use of WAM building
Water Rates Pd	-	2,600	2,600	-	
Building Compli	-	2,000	2,000	-	
Travelling Exp	142	642	1,500	(858)	
Gifts & Promos	-	200	300	(100)	
Signs Exp	109	1,474	-	1,474	
Graphic/Print	72	72	-	72	
Stationery	1,075	1,891	1,500	391	
Comp Supplies	-	100	200	(100)	
Annual Software	2,175	3,264	700	2,564	
Waste/Recyc	736	986	350	636	
Uniforms	101	551	-	551	
H&S Compl	388	503	-	503	
Vehicle Running	-	-	500	(500)	
Bank Fees/Char	162	162	-	162	
Cleaning	1,596	7,049	3,000	4,049	Increased costs due to WAM cleaning former iSite area
Security	83	1,983	2,000	(17)	
Payments to Ext	1,498	2,498	1,500	998	
Other Profess	2,450	3,956	3,000	956	
R&MPlant/equip	1,796	3,526	3,000	526	
R&M Buildings	344	5,448	3,000	2,448	
R&M: Lighting	-	-	500	(500)	
Minor Asset Pur	429	2,266	2,000	266	
Refreshments Pr	-	2,429	3,500	(1,071)	
Freight/Cartage	5,124	11,442	9,000	2,442	
General Misc	780	2,213	5,600	(3,387)	
Koha Donation	50	50	-	50	
Travelling Exp	270	2,370	1,500	870	
Graphic/Print	29,332	35,047	26,000	9,047	Terminus costs to be covered from underspend elsewhere.
Photography	-	1,714	4,000	(2,286)	
Exhibition Fees	16,227	30,227	32,000	(1,773)	
Other Profess	-	3,357	7,000	(3,643)	
R&M Buildings	-	2,578	3,800	(1,222)	
Salary & Wages	399,037	1,025,086	1,178,349	(153,263)	Delayed HAC opening date
L& Dev Trav	143	143	-	143	
Learning & Dev	2,425	2,425	-	2,425	
ACC Levies	1,333	1,333	7,207	(5,874)	
Recruitment	10,180	11,980	18,000	(6,020)	

Full Year Forecast 2021-22, up to and including period 6					
Expenditure contd	Actuals YTD	Full year forecast	Full year budget	Variance	Commentary
WAM Opening Sto	3,970	3,970	-	3,970	
WAM Closing Sto	-222,410	(224,467)	(200,000)	(24,467)	
Refreshments Pr	4,814	8,115	14,600	(6,485)	
Freight/Cartage	978	49,980	70,000	(20,020)	
COS - Retail	218,438	320,905	263,863	57,042	Due to delayed opening, now anticipated that a significant portion of stock will be unsold and variance will move to balance sheet
General Misc	2,095	72,242	199,389	(127,147)	Delayed HAC opening date and project contingency spend against other account codes
Tele/Comm	1,069	2,274	3,660	(1,386)	
Postage/Courier	284	5,484	1,200	4,284	
Other Insurance	84,423	110,423	114,996	(4,573)	
Prof Subs Indiv	903	903	-	903	
Market Research	15,000	15,000	-	15,000	
Advertising	-1,000	(1,000)	-	(1,000)	
Marketing	46,801	464,000	844,500	(380,500)	Delayed opening, cancellation of opening event and lack of overseas tourism opportunities have reduced marketing spend
Website	-	11,776	11,776	-	
Rent Paid	3,290	5,640	-	5,640	
Rates Paid	-	5,667	17,000	(11,333)	
Electricity	16,482	77,831	20,000	57,831	Requirements reworked since budget set.
Natural Gas	-939	3,061	4,800	(1,739)	
Building Compli	2,834	2,834	-	2,834	
Travelling Exp	20,661	20,681	18,000	2,681	
Gifts & Promos	439	439	-	439	
Signs Exp	1,790	1,790	-	1,790	
Graphic/Print	1,138	57,138	57,000	138	
Stationery	4,609	5,725	-	5,725	
Comp Supplies	606	3,906	4,000	(94)	
Annual Software	7,681	20,778	20,546	232	
Lic/Upgrades	923	923	-	923	
Pest C	-	3,050	1,200	1,850	
Waste/Recyc	542	542	-	542	
Uniforms	481	2,283	-	2,283	
H&S Compl	2,967	3,203	-	3,203	
Vehicle Running	309	619	-	619	
Bank Fees/Char	371	371	-	371	
Cleaning	2,720	11,876	15,000	(3,124)	
Security	7,177	52,052	27,000	25,052	Requirements reworked since budget set.
Payments to Ext	23,230	23,230	-	23,230	Budgeted as part of other professional fees below
Other Profess	121,616	255,995	424,998	(169,003)	Contingency for fitout underspent
R&M Plant/equip	267	2,422	4,650	(2,228)	
R&M Buildings	2,448	2,694	-	2,694	
R&M Sched Maint	-	1,990	1,500	490	
Hired Plant Ext	47	5,247	-	5,247	
Recoverable R&M	630	630	-	630	
R&M: Other	-	33,500	101,667	(68,167)	Delayed HAC opening date
Depn Buildings	3,434	513,678	450,000	63,678	Increase in depreciation as a result of project cost increase
COS - Retail	0	0	0	-	
Freight/Cartage	-	2,400	2,400	-	
General Misc	-	7,000	52,500	(45,500)	Delayed HAC opening reduced education programme expenses
COS - Retail	0	0	-	-	Budget incorporated with 30011-2304 above
General Misc	3	3	-	3	
Rent Paid	-	5,000	58,000	(53,000)	Provision for Kauri Rm not needed
Management Fee	5,000	19,167	45,000	(25,833)	Under negotiation with WDC, amount to be confirmed
Bank Fees/Char	-	10,000	15,000	(5,000)	
Legal Fees	18,282	49,990	40,000	9,990	
Other Profess	44	44	-	44	
Audit NZ Fees	6,266	16,732	18,752	(2,020)	
Depn Buildings	557	1,061	1,210	(149)	
Depn Office Equ	1,525	2,984	3,502	(518)	
Depn Plant/Equi	5,854	9,788	9,445	343	
Total Expenditure	1,057,289	3,724,810	4,611,388	(886,578)	
Net Profit / (Loss)	2,217,803	834,224	19,217	815,008	