



ANNUAL REPORT 2016

AIR FORCE MUSEUM
of New Zealand

Mission Statement

To preserve and present the history of New Zealand military aviation for commemoration, inspiration, learning and enjoyment.

Goals

- To preserve and present the history of New Zealand military aviation
- To educate the public about the history of New Zealand military aviation
- To be an enduring tribute to the vision, determination and generosity of Sir Henry Wigram, the founding father of military aviation in New Zealand
- To contribute to the training of serving Royal New Zealand Air Force personnel in the history and traditions of the Service, in the evolution of military aviation technology and in the development of air power
- To be the prime repository of information about the Royal New Zealand Air Force's history
- To be a memorial for New Zealand's airmen and airwomen
- To generate sufficient revenue to provide for the operating costs of the Museum that are the Trust Board's responsibility, and for the further development of the Museum.

Overview

Although it had its genesis in 1975, the Air Force Museum was established as a public institution on its current site at Wigram, Christchurch, in 1987. Since that time the Museum has strengthened in purpose and function and is today recognised as one of the world's leading military aviation museums.

The Museum is governed by a Board of Trustees and is supported by the Royal New Zealand Air Force.

Patron

His Royal Highness, The Prince of Wales *KG,GCB,AK,QSO,ADC*



Museum Staff

as at 30 June 2016

Director

Mrs Thérèse Angelo MNZM

ADMINISTRATION

Executive Officer

SQNLDR Robin Chambers

MTB Financial Coordinator

Mr Ben Chapman

Museum Assistant

Ms Marylynne Tilleyshort

BUSINESS

Business Manager

Mr Dave Clearwater*

Retail Supervisor

Mrs Aleasha Price*

Front of House Assistants

Mrs Lisa Bowater*

Ms Linley-Jane Bullen*

Ms Bridie Woods*

Evening Events

Supervisors

Mr Oscar Barkle*

Mr Jack Hercus*

Mr Rob Hutton*

Mr Matt Little*

COLLECTIONS

Collections Manager

Mr David Watmuff

Objects Curator

Ms Moya Sherriff

Registrar

Ms Emma Meyer

Collections Technician

Vacant

Research Officer

Mr Simon Moody

Archives Technician

Ms Nina Finigan

Keeper of Photographs

Mr Matthew O'Sullivan

Technical

Conservation Officer

Mr Shayne Harris

Technical Staff

SGT Sam Fraser

SGT Joey Meldrum

Mr Nathan Boshier

Mr Peter Smith

Mr Jim Ritchie*

Mr Merv Baker



Mrs Thérèse Angelo MNZM.

COMMUNICATIONS

Communications Officer

Mrs Michelle Sim*

VISITOR EXPERIENCE

Visitor Experience Manager

Mr Tim Neal

Education Officer

Mr Chris Davey

Graphic Designer

Ms Jayne Officer*

Visitor Hosts

Ms Keri Naus

Mr Mark Johnson

Exhibitions Officer

Vacant

Exhibitions Technician

Mr Alex Rutherford

Lighting & Audio

Visual Technician

Mr David Nicholson

* Museum Trust Board employees – All other staff employed by RNZAF

Volunteer Staff

There are currently 70 volunteers who work in all parts of the Museum. Their dedication is greatly valued. In particular we acknowledge Pat Quinn (technical team) and Peter Petersen (guide) who both reached a milestone 20 years service with the Museum during 2015.

The Museum also records with sadness the passing during the year of another 20-year veteran, former guide and Collections volunteer Alex Sutherland.



One of our many volunteers hosting a Behind the Scenes Tour.

Trust Board

as at 30 June 2016

CHAIRMAN

Air Vice-Marshal Peter Adamson *CB, OBE, RNZAF (Rtd)*

MEMBERS

Air Commodore Mark Brunton, *DSD RNZAF*

Air Commodore Richard Newlands *AFC, RNZAF (Rtd)*

Dame Cheryll Sotheran *DNZM*

Mr John Mounce

Mr Bob Shearing *QSM*

Mr Peter Townsend *CNZM*

Cr Jimmy Chen



From the Chairman

I remarked last year that there had been a period of consolidation following the completion of the development project. This year has followed a similar pattern but has also shown significant achievements. While these are properly listed in the body of this report, I would like to highlight just a few of them here and pay tribute to those who have made them possible.

Fourteen years ago we received an Airspeed Consul from the Canada Aviation and Space Museum. Since then staff and volunteers have worked assiduously to restore it to its original configuration as an Oxford, representative of an aircraft operated in large numbers by the RNZAF during and shortly after the Second World War. It now occupies pride of place in our new building. This has been facilitated by the completion of the active storage phase of the Canterbury Cultural Collections Recovery Centre project. This has also meant we could at last move our technical staff into modern workshops from accommodation which might have been adequate half a century ago but which was no longer fit for purpose. As well, in August we were pleased to receive the original RNZAF Iroquois NZ3801 for display. We had previously made do with an example made up of separate parts, which lacked the provenance we seek in our exhibits.

It was an honour for us to win the Outstanding Contribution to Heritage Category at the Christchurch Heritage Awards in June. This represented a welcome public acknowledgement of the dedication and application of all those involved.



Air Vice-Marshal Peter Adamson CB, OBE, RNZAF (Rtd).

In April, the Chief of Defence Force agreed to a request by Fran Wilde for the assistance of our Director in resolving some of the operational issues besetting the Great War Exhibition in Wellington. It is anticipated this might take up to six months of her time working as Chief Executive. While we miss her, suitable arrangements are in place to cover her absence and she remains available for advice and guidance. We see this as a tribute to Mrs Angelo's standing in the New Zealand museum community and as a measure of the respect in which the Air Force Museum is held nationally.

Air Vice-Marshal Peter Adamson CB, OBE, RNZAF (Rtd)
CHAIRMAN

Strategic Objectives

In January 2003, the Air Force Museum Trust Board developed its first set of 10-year strategic goals. Significant progress has been achieved towards all these initial goals, including in particular the construction of the new building. It was considered timely for the Board to re-visit its vision for the future. As a consequence, in September 2013 the Board adopted four key concepts to ensure the Museum is prepared to meet both forecast and unforeseen challenges, and is positioned to maximise opportunities over the next decade. Each concept is further underpinned by 47 strategic statements and ideas which can be summarised as:

Museum of national importance

- A sector leader with national presence
- Strong presence in partnerships, networks and collaborations

Mix of offerings

- Unique and engaging offerings
- Outward-looking to widest audience, visitor-centric
- New technologies
- WWI and WWII commemorations a priority



Collection care

- People-centric, clearly directed, real, now and for the future
- Cataloguing backlog is managed
- Technology emphasis
- May pause current projects to focus on other priorities

Long-term viability

- Financial: cash reserves are rebuilt, long-term financial planning, new sponsorship strategies
- Operational: buildings, land, technology are managed
- Personnel: Museum, not individual, needs take priority; resourcing matches priority; overview by more than one person; hierarchy suitable for future needs

Rather than try and synthesise these broad ideas and statements into a single massive plan, they are being used to underpin and benchmark activity. Five priority ideas were selected to help shape thinking on the future direction for the Museum:

- Collaboration is an essential way of doing business and the Museum is seen as a first choice partner
- Skill sets and interests are aligned to Museum needs
- More than one person has an overview across all Museum activities
- Cataloguing the collection so that it can be managed, understood, and used to inform future collecting decisions
- Technology is emphasised, and linked to the future through exhibits in the new building



Overview

General visitor numbers for the year were 116,646, representing an increase of 6% on the previous year and continuing a trend of year-on-year growth. Education numbers were 5,968, which is down on 2014/15 but that was a record year due, it is believed, to unprecedented interest in the WW1 centenary.

A significant milestone was the completion of the Airspeed Oxford restoration after more than fourteen years and more than 33,000 hours of effort.

After three years of activity, the Cultural Collections Recovery Centre project was scaled back at the end of 2015 to a storage-only facility. Storage-only will continue for 18 participants until the end of 2018. In recognition of its support to the heritage sector post-earthquake, the Museum won the Outstanding Contribution to Heritage category at the 2016 Christchurch Heritage Awards.



The Oxford following its restoration.

The Museum also continues its other earthquake support as the temporary convention centre for the city. Scaling back on community group activity in the Recovery Centre has allowed the Museum to take over two thirds of its new building for its own purposes and the technical and exhibition teams were finally able to move in to their purpose designed spaces. This in turn has freed up other space so that all Air Force Museum collections will be able to be consolidated on site during 2016/17.

After a period of major growth and earthquake-related activity, the Museum is now in a more settled period. The focus is on planning for the installation of exhibitions in the new building once it is no longer needed as a convention space, and increasing the Museum's digital and on-line presence to widen its audience.



▲ Aircraft Projects Technician, Jim, moves the Crash Launch W88.

EDUCATION AND PUBLIC PROGRAMMES

The Museum hosted 5,968 education visitors from 125 schools during the year. This is lower than 2014/15 (8,254) but that year was particularly busy due to interest in the WWI centenary and participation in special ANZAC Day programmes. However, the result this year is similar to previous years. Education koha and income for the year was \$5,236 against a target of \$2,000.

As a result of the technical section move into the new building, free 30-minute behind the scenes tours were introduced to replace the previous charged-for one-hour tours. The new tours focus on the aircraft that have been moved into the back of the new building, and the restoration workshop. This has meant guides and visitors no longer had to walk long distances in all weathers, and visitors could more easily accommodate a tour into their planned visit. While it was a major consideration to make it easier and safer for visitors and guides, it was also assumed that it would increase the number of visitors taking these tours by making aspects of the RNZAF story and collections more easily available. It was anticipated that revenue from other charged-for activities, such as the simulator and retail spending, would increase, helping to compensate for the modest loss of revenue from the charged-for tours.



Education Officer, Chris with a school group in front of the Andover.

The number of visitors taking the tour trebled and donation levels doubled. Revenue from other charged-for activities and a significant increase in retail sales has proved the assumptions and expectations were valid. Overall, income has not decreased as a result of the free tours.

The downturn in port visits by cruise ships since the 2010/11 earthquakes has had a detrimental effect on the number of inbound tour groups visiting the Museum and consequently the income they generate. Birthday parties and special school holiday programmes were well subscribed, attracting 1,003 and 3,657 participants respectively and generating income of \$79,330.



▲ Education Officer, Chris, with a school group in the Andover.

EXHIBITIONS

The Museum commemorated the 75th Anniversary of the Battle of Britain with an exhibition focussed on Spitfire OU-V in the Aircraft Hall. Written material featured the personal stories of four New Zealanders during this significant historical period. Among the objects included in the exhibition was a Junkers engine from a Heinkel He111 shot down by Pilot Officer Irving Smith in August 1940. It was later recovered from the sea and donated to the Museum. The exhibition proved a useful way of expanding the story of this significant collection item, as well as setting a goal for how more of the larger objects can be better interpreted.

As part of the RNZAF Women's Development Forum, the Museum provided an exhibition of collection objects, clothing, graphic panels, and moving and still imagery to the Sir Richard Bolt Terminal at Ohakea in March 2016. This display was gratefully received and after its return was displayed in the Museum.

Other off-site support was given to RNZAF Base Auckland with the touring Dambusters: Boffins, Bravery and Bouncing Bombs exhibition, spending a month in the Whenuapai Air Movements terminal before moving to MOTAT for an extended stay. This exhibition chronicles the story behind the raid by RAF Bomber Command's No. 617 Squadron on the German dams in 1943. It continues to be popular and has future tour dates booked.



A visitor explores the Dambusters exhibition.

Pooches and Pilots, a photographic display, was installed in February in the Caldwell Gallery. It featured images of pilots and their canine companions from World War One to recent years. This is one of many small displays which were regularly refreshed during the year. Others included items from the Checketts and De Vere collections in our New to Our Collection case, and seven upgraded personal stories in the Horizon to Horizon Gallery. These stories featured a new engaging writing style which the Museum has been developing, and graphic panels by the Museum's recently appointed graphic designer.

After seven years of faithful service, the Mosquito Mission flight simulator received an upgrade which significantly enhanced the quality of the graphics and added a new mission scenario involving the Amiens Prison raid. Additionally, the Exhibitions team supported the design, manufacture and installation of a new Welcome Desk for the Atrium. The circular structure allows staff a more strategic position from which to engage with the public.



▲ The Mosquito Simulator in action.

WORLD WAR ONE COMMEMORATION ACTIVITIES

The Museum continued to host the collaborative Canterbury Stories exhibition and to work with colleague institutions on related projects such as the website. Research Officer Simon Moody must be acknowledged as a mainstay of many of the commemoration activities. He played a key role in the collaborative activities such as the exhibition and website. He also presented papers on WWI aviation topics in various forums ranging from the Experience of a Lifetime Conference in Wellington, with papers later published by Massey University Press, to local historical associations.

In addition, Simon led the Museum's own WWI digitisation project which saw all WWI related material photographed and digitised during the year. The Museum is grateful for the support of the Lottery Grants Board which helped fund this work. More than 1,600 objects were processed by New Zealand Micrographic Services Ltd, and it is planned to make the images publicly accessible in conjunction with the Museum's exhibition on New Zealand's war in the air planned for late 2017.



A windshield photographed as part of the WWI digitisation project.

In July and August, Maurice Shadbolt's play *Once on Chunuk Bair* was staged for a short season in the Aircraft Hall. In November 2015, the Museum hosted a concert by the Addington Brass Band and City Choir who performed a new eight movement work by Christchurch composer Philip Norman. The commemorative music was commissioned especially for the two organisations, both of which have strong links to the Museum. The Atrium was made available to the Waimakariri Passchendaele Society for their commemorative service in October.

COLLECTIONS

The Museum was very pleased to receive a number of significant additions to the collection during the year. The largest and most significant of which was the arrival of Bell Iroquois NZ3801. The helicopter was transported by road from Ohakea in late August and was quickly reassembled and put on display in the Aircraft Hall. It is an important addition to the collection as it represents a long period of RNZAF operations and a wide spread of theatres. The Museum is grateful to all those involved in the project.

Also of significance was the donation of the flying log book of Flying Officer Lloyd Trigg VC DFC, and two of the old huts from the RNZAF's training facility at Dip Flat in Marlborough. New accession entries made to the collection in 2015-16 numbered 2,239. As always, the Museum is indebted to those members of the public who offer their personal and family treasures for donation to the Museum.

As part of the Museum's development plan, the large objects stored in No. 3 Hangar were cleaned and moved to new storage in the rear of the new building. The aircraft, vehicles, engines and other objects were arranged so that they were publicly accessible as part of a new free tour. The most challenging aspect of this move was bringing the Bristol Freighter in on an angle because of its large wingspan, and then pirouetting it into its final position.



Bell Iroquois NZ3801 displayed in the Aircraft Hall.

RESEARCH

The Museum possesses an extensive research collection of paper, photographic, film and sound archives. The provision of research services to members of the public continues to be a core function for the Museum. During the reporting period, 512 enquiries were received. Enquiries relating to the photographic archive accounted for 43% of those 512 enquiries. A total of 457 images were supplied to the public and New Zealand Defence Force from the collection, represented by 205 photographic prints and 252 digital images.

An on-line exhibition about the RNZAF's involvement in the Vietnam War was loaded onto the website in early 2016. Of special value in developing the content was the material recorded during interviews in early 2015 with former RNZAF helicopter pilots, forward air controllers, and Bristol Freighter aircrew who had flown in South Vietnam.



Archives Technician Nina Finigan assists a researcher.

LARGE OBJECT CONSERVATION

The restoration of Airspeed Oxford PK286 was completed as planned. Just over 33,000 project hours were consumed from start to finish. A media day was held in February and the various sponsors who had contributed to this project over the years were invited to attend and to be specially thanked. Without their assistance this project would have taken longer and been more expensive, and the Museum is very appreciative of their generosity. The Oxford is on long-term loan from the Canada Aviation and Space Museum.

Following the completion of the Oxford project, the technical team relocated to the new building, into the workshop space vacated by the residual Canterbury Cultural Collections Recovery Centre. For the first time since the Museum was founded as the RNZAF Heritage Centre in the mid 1970s, the technical team have purpose designed and heated facilities and no longer have to work in makeshift conditions in old hangars.

The aircraft maintenance programme continued in parallel with the Oxford project, with work on the BAC Strikemaster, Rhonlerche glider and Westland Wasp being completed in the reporting period. The Strikemaster required 456 hours of work and, as it was found to be in generally good condition, received a full preservation treatment. The second aircraft to be completed was the Rhonlerche glider. Other than some minor corrosion, which was treated, the aircraft was given a good clean and an initial



Safety and Surface Technician Nathan Bosher working on the Oxford..

assessment was made of how it would be suspended in the new gallery, which is the medium-term plan for the aircraft. The final aircraft to be completed was the Westland Wasp helicopter. Other than some work on one of the rotor blades to remove corrosion, the aircraft was found to be in generally good condition. It was thoroughly cleaned, and a full preservation treatment was applied. The Wasp was completed after 620 hours effort.

In September technical staff and volunteers attended a special one-day 'masterclass' held in the Museum with Australian conservator David Hallam, an international authority on the conservation of large technology objects.



▲ Getting ready to paint the Oxford.

CANTERBURY CULTURAL COLLECTIONS RECOVERY CENTRE (CCCRC)

After three years of operation the CCCRC period of active storage came to an end in December 2015, with many participants removing their collections to new premises or other storage. However, the CCCRC entered a second phase of its existence when it moved into part of No. 2 Hangar. For the 18 organisations unable to make alternative arrangements, a further period of three years storage has been made available, although they will not be able to work on their collections as was previously the case. The CCCRC is scheduled to cease all operations in December 2018. The Air Force Museum is providing ongoing support to participants with former Recovery Centre Administrator Moya Sherriff (who is now a full-time permanent member of the Air Force Museum curatorial team) continuing to administer Recovery Centre activities and liaise with participants. She is supported by other staff at all levels of the organisation, as and when required. Although now in the storage-only phase, it is obvious many of the participants want to stay in touch and require ongoing assistance, whether in their own new premises or still in storage. A special morning tea to launch a short film on Recovery Centre activities provided a forum for discussing future needs with participants. As a consequence, Air Force Museum and Canterbury Museum management are actively considering ways in which the support network and goodwill created can continue and serve a useful purpose.



The CCCRC prior to its move to No. 2 Hangar.

At the Christchurch Heritage Awards in June 2016 the Air Force Museum was named as winner of the Outstanding Contribution to Heritage Category for the Recovery Centre project. The judges noted *"Their collaborative approach is a fine example of privileging community needs above private enterprise to ensure the safe housing of our cultural heritage in the wake of disaster. The benefits were both immediate and long-term."* Moya Sherriff accepted the award on behalf of all those involved.

FACILITIES

While the rate of progress on major infrastructure upgrades to the buildings and facilities owned by NZ Defence Force has been slow, work is still continuing. It is planned to convert the current coal-fired boiler to wood pellets in late 2016, to be operational by winter 2017. New heating and ventilating systems, a new roof for the Aircraft Hall, and an upgrade to the main carpark are awaiting funding approval but are expected to proceed within the next two years.



PEOPLE

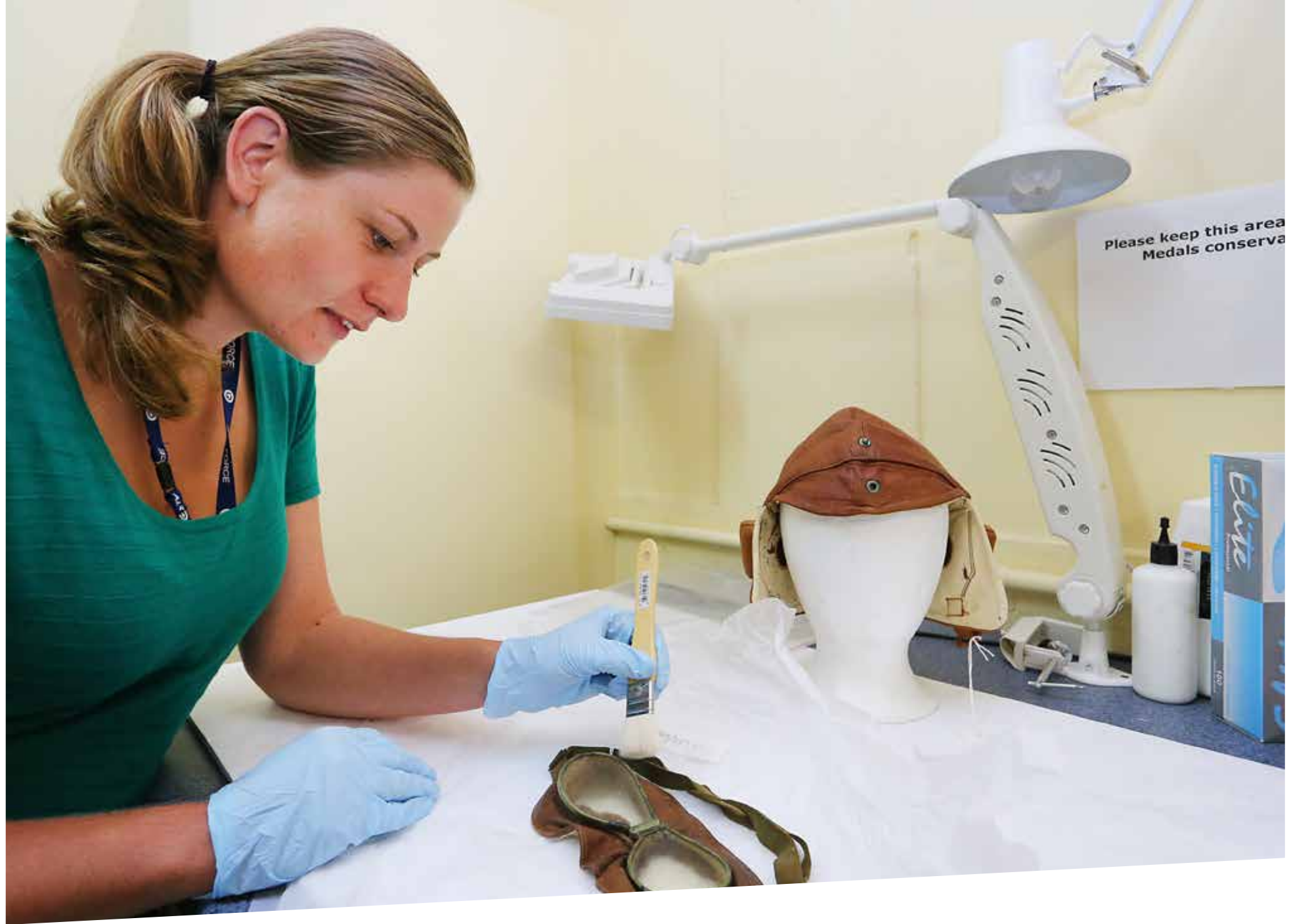
The Museum staff structure was reviewed during the year resulting in the establishment of a new Visitor Experience team that draws together the Front of House and Exhibitions teams which were already working closely together. This will allow the Collections team to focus more directly on collections care and management. The Business team has also been realigned to focus specifically on retail, corporate partnerships, sponsorship and other income-generating activity.

During the year the Museum said farewell to two long-serving members of staff. Curatorial Officer Darren Hammond returned to the UK after ten years in the job. Technical Conservation Officer Shayne Harris chose to take on new challenges in the private sector after a 32-year RNZAF career in uniform and as a civilian. Both men made significant contributions to the Museum during their tenures and are much missed.

Congratulations to Michelle Sim for the Individual Achievement Award she received at the National Museum Awards (held in conjunction with 2016 Museums Aotearoa/Museums Australia the conference) for her work founding the Emerging Museum Professionals group. A special mention also to Museum technicians Nina Finigan, who presented a conference paper about her website 'Tusk' for emerging professionals, and to Moya Sherriff who presented a paper on her work with the Recovery Centre.



Communications Officer Michelle Sim.



FUNCTIONS & EVENTS

The now annual RNZAF Anniversary Reception was held in the Atrium on 30 March 2016. Also a well established annual event, the 2016 ANZAC Day service was attended by over 1000 visitors. This year the service took on a special ANZAC flavour with chaplains from both the RNZAF (Ken Diekema) and Royal Australian Air Force (Steve Turnbull) officiating. To mark the Queen's birthday, the RNZAF Band held a special concert in the Aircraft Hall.

Some 63,500 visitors attended corporate and community events at the Museum during the year, which is about 20% fewer than the previous year. Fewer conferences and conventions were hosted with most of the larger events being dinners and balls, but this trend is not unexpected as other facilities in Christchurch become available. Despite the lower total numbers, income from corporate activity remains close to forecast. As important as the income is, the large number of visitors attending corporate events is also deemed to be of great value as it allows the Museum to be seen and appreciated by an audience that might otherwise not visit.



Looking down on the Aircraft Hall.

The Air Force Museum was judged to be the best Small Venue of the Year according to the Entertainment Venues Association of New Zealand (EVANZ) panel. Nominated by our colleagues at Vbase, the Air Force Museum won the award for venues catering to fewer than 1,000 people, ahead of other finalists Q Theatre in Auckland and TSB Showplace in New Plymouth. The Vbase/Museum partnership also won the Excellence in Customer Service Award, with Vbase team members taking home the Rising Star Award and the ultimate award of Venue Person of the Year.

Selected Key Performance Measures

Item	Measure	Result	Comments
Maintain general visitor numbers	115,000 or more general visitors	Exceeded	116,842 visitors
Increase participation in programmes	6,700 or more visitors participate in organised programmes	Exceeded	6,806 programme participants
Maintain education numbers	At least 7000 education visitors	Part achieved	Lessons delivered to 5,968 education visitors on site and 600 off site
Increase retail sales	Total sales of at least \$122,000	Exceeded	\$140,709 retail sales achieved
Maintain TripAdvisor rating	Rating of 4.5 or greater	Achieved	4.5 rating achieved and Certificate of Excellence awarded
Provide a timely response to donors	100% of donation assessments made within 15 working days	Achieved	All assessments made within target timeframe
Maintain public research and enquiry service	80% of distance enquiries answered within three working days	Exceeded	87% answered within three day target.
Accessibility	Maintain 'Be Accessible' audit at silver level or greater	Achieved	Silver level maintained
Exhibition refreshment	At least six new stories added to the Horizon Gallery	Exceeded	Seven new stories added

Financial

The Museum's financial performance during the reporting period recorded a net profit of \$442,292. Total revenue was just over 7% lower than in the 2014/2015 financial year as the Recovery Centre concluded services. Other income included a grant from the National Services Te Paerangi (\$10,000) which was used for work related to the Recovery Centre Operation.

Expenditure was up 5% on 2014/2015 due to increased spending on personnel costs.

Capital expenditure during the year included the fit-out of the new workshops and a brand new Welcome Desk in the Atrium.



OPERATING

Income: \$845,000

Expenditure: \$588,000

CAPITAL

Income: \$343,000

Expenditure: \$429,000

Assets: \$14,000,000

Highlights in Numbers

2,239
new accession entries

512
enquiries answered

63,503
corporate visitors

116,842
general visitors

No 8 of 217
attractions and score
of 4.5 out of 5 on Trip
Advisor – Certificate of
Excellence earned

1,000
attend ANZAC Day service

5,968
total education visitors

4,996
simulator rides taken

4,021
visitors took behind
the scenes tours

3,657
children participated in
holiday programmes

18
organisations in the
Canterbury Cultural
Collections Recovery Centre

15,730
items sold in the shop

3.5%
increase in Facebook likes

3,149
people attended
public programmes



▲ Children explore the Thrust Interactive.

Financial Statements

The following are the summarised Financial Statements for the RNZAF Museum Trust Board

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016	2016	2015
REVENUE		
Donations, Grants, Bequests and similar revenue	\$406,615	\$394,525
Revenue from providing goods or services	\$1,422,458	\$1,590,289
Interest, Dividends and investment revenue	\$35,471	\$30,633
Total Revenue	\$1,864,544	\$2,015,467
LESS EXPENDITURE		
Volunteer and employee related costs	\$414,379	\$350,829
Costs related to providing goods or services	\$563,142	\$558,388
Depreciation and other expenses	\$444,731	\$444,354
Total Expenditure	\$1,422,252	\$1,353,571
PROFIT / (DEFICIT) FOR YEAR	\$442,292	\$661,896
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016	2016	2015
Bank Balances and Cash	\$808,963	\$659,467
Trade Receivables, Prepayments & Stock on Hand	\$174,474	\$223,556
Total Current Assets	\$983,437	\$883,023
Less Current Liabilities	\$409,691	\$1,021,108
Net Working Capital	\$573,746	(\$138,085)
Property, Plant and Equipment	\$14,001,706	\$14,270,226
NET ASSETS	\$14,575,452	\$14,132,141
MEMBERS' FUNDS	\$14,575,452	\$14,132,141

STATEMENT OF CASH FLOW**2016****2015****CASH FLOW FROM OPERATING ACTIVITIES**

Cash was provided by (applied to):

Donations, grants, fundraising, sponsorship	\$406,615	\$394,545
Receipts from providing goods or services	\$1,212,943	\$1,182,955
Interest, dividends received	\$35,402	\$30,271
Payments to suppliers and employees	(\$968,021)	(\$1,006,813)
GST Tax	\$985	\$11,804

Net cash from operating activities**\$687,924****\$612,762****CASH FLOW FROM INVESTING & FINANCING ACTIVITIES**

Cash was provided by (applied to):

Sale of Capital Assets	\$476	\$268
Repayment of loan borrowed from other parties	(\$370,000)	(\$256,462)
Payments toward purchase of fixed assets	(\$168,904)	(\$217,579)

**Net cash from investing
and financing activities****(\$538,428)****(\$473,773)****Net increase / (decrease) in cash held****\$149,496****\$138,989****RECONCILIATION OF CASH BALANCES****Cash at beginning of period****\$659,467****\$520,478**

Cash on Hand	\$850	\$850
Cash at Bank	\$808,113	\$658,617

Cash at end of the period**\$808,963****\$659,467****Movement in Cash held****\$149,496****\$138,989**



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF RNZAF MUSEUM TRUST BOARD'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2016

The Auditor-General is the auditor of RNZAF Museum Trust Board (the Trust). The Auditor-General has appointed me, David Gates, using the staff and resources of KPMG, to carry out the audit of the financial statements of the Trust on her behalf.

Opinion

We have audited the financial statements of the Trust on pages 4 to 16, that comprise the statement of financial performance as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Trust:

- present fairly, in all material respects:
 - its financial position as at 30 June 2016; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with PBE Simple Format Report Standard – Accrual (Public Sector)

Our audit was completed on 5 October 2016. This is the date at which our opinion is expressed.

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

Basis of opinion

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

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

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

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the trustees;

- the adequacy of the disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to the Statement of Accounting Policies to the financial statements which outlines that the basis of accounting in the financial statements for the year ended 30 June 2015 was incorrectly disclosed as NZ IFRS/PBE standards (Not-for-Profit). Therefore, amendments have been made to disclose the appropriate basis of accounting which is Public Benefit Entity Simple Format Reporting – Accrual (Public Sector). Our opinion is not qualified in respect of this matter.

We also acknowledge that our audit report for the year ended 2 December 2015 did not identify the use of the incorrect basis of accounting by RNZAF Museum Trust Board (the Trust).

Responsibilities of the Trustees

The trustees are responsible for the preparation and fair presentation of financial statements for the trust that comply with generally accepted accounting practice in New Zealand and PBE Simple Format Report Standard – Accrual (Public Sector).

The trust's responsibilities arise from Charitable Trust Act 1057 and the Trust Deed.

The trustees responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The trustees also responsible for the publication of the financial statements, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the trust



David Gates
KPMG
On behalf of the Auditor-General
Christchurch, New Zealand



AIR FORCE MUSEUM OF NEW ZEALAND

45 HARVARD AVE, WIGRAM, CHRISTCHURCH 8042

PRIVATE BAG 4739, CHRISTCHURCH 8140

T: 03 343 9532 // F: 03 343 9549

WWW.AIRFORCEMUSEUM.CO.NZ

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