

# **WELLINGTON TRAMWAY MUSEUM PRESIDENTS REPORT**

**6 NOVEMBER 2010**

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## **1. INTRODUCTION**

As my term as president for the 2009/2010 year draws to a close, I would like to say how encouraged I am by the willingness of members to support the museum with day to day management and operation and with special projects that we undertake from time to time.

This year has been a very intense one for the board as we restructured our business to consolidate our affairs resulting from the decision to put the Kapiti Coast Electric Tramway Company into recess. I am thankful for the support the general membership has given at this time of change.

Having said that, I would like to acknowledge the efforts that Wayne Buckingham as manager of the company put into furthering the business of the museum. Our public profile on the Kapiti Coast has risen considerably under Wayne's stewardship and we intend to preserve that as best we can.

It is regrettable that we were not able to sustain the operation and the board was faced with the difficult situation of dispensing with Wayne's position.

## **2. YEAR UNDER REVIEW 2009/2010**

### **2.1 Achievements**

The year began with the amalgamation of the company business and accounts with the general Wellington Tramway Museum business and accounts. More details of the accounts for the coin counters will be provided in the treasurers report.

This transition has gone very smoothly and instead of retrenchment, we have managed to improve our financial situation to the point where we are able to progress most of our projects to conclusion or advance them significantly.

There is still some way to go yet on the Visitor Centre before it is completed, but at least it is functional for internal use. We hope to complete all of the ramp, toilet and internal fit out in the next few months so we can open the centre for public use and gain the benefits of this valuable asset.

### **2.2 Marketing and Operations**

Our main product, that we offer our visitors, tram rides and museum display are progressing at a good pace and the barn display has been enhanced by improved layout and confining our exhibits to those of a tramway nature which is what people come to see. Feedback from customers has been very encouraging and we offer a heritage experience at the right price and appeal.

### **2.3 Maintenance and Engineering**

Significant progress has been made on infrastructure and tram vehicle restoration and maintenance. We have a very active group working on these projects which include the restoration of 260, finishing the visitor centre, general workshop rearrangement, compound cleanup and repairs to vehicle and infrastructure.

My thanks to the two vice presidents and their respective secretaries for their efforts in managing the display and tram running, and those rostered as daily crew and managing the back of house stuff that supports the day to day operations of the museum.

### **3. FOCUS FOR 2011**

During the 2011 term, we intend to continue with the items mentioned in 2.2 and 2.3 above, as well as review the museums strategic plan. This review is timely as the original one is now 10 years old and some items have been completed and new ones introduced, which may not fit the original plan even though appropriate. We would like to finish 260 very soon, however we are getting to the stage where significant cost will be involved and will depend on our own cash accumulation and successful grant applications to progress the tram to completion.

The display area will continue to be improved and new exhibits added as we progress.

An action plan has been prepared for upgrading of the tramway corridor including sleeper and pole replacement and some much needed worn track adjustment and replacement. Time and finances permitting, it is intended to begin the relaying of the track going down to the beach terminus and to create a stub to accommodate a second tram at the terminus, which will enhance running efficiency.

The tidy up of the compound and relocation of track points etc to the compound will be progresses as well. The installation of shelving and placement of equipment in the new building is progressing.

### **4. CONCLUSION**

**In conclusion I would like to thank the outgoing board for their assistance and dedication to the welfare of the museum. Without their support my role would be impossible to perform.**

**To the incoming board, I wish you success and that you enjoy serving the museum for a further 12 months.**

**Thank you**

**Trevor Burling**

**President**

**WELLINGTON TRAMWAY MUSEUM  
MAINTENANCE AND ENGINEERING COMMITTEE ANNUAL REPORT  
For Year Ending 30/6/2010**

## **Introduction**

The 12 months to the 30<sup>th</sup> June 2010 has been another busy year following on from the completion of the rear storage building and the barn re-roofing in the previous year. This year we achieved construction of and some fit-out of the Visitor Centre, installation of the concrete pathways, and at the same time we have made good progress towards an internal and external site clean-up of the Depot area.

## **Tram Maintenance**

The usual cyclic mechanical and electrical checks, and servicing was carried out on the three operating tramcars, along with minor repairs as necessary.

Tram 151's A end controller was repaired in time for the car to be used at Christmas. The opportunity was also taken to clean up the B end controller. 151 then operated satisfactorily in service until very recently (October) when flashover problems re-occurred in the A end controller. As a result of this the tram was again taken out of service pending repairs.

Tram 238 has remained out of passenger service but is occasionally run under direct M&E supervision without passengers to keep it operative.

## **Tram 260 Rebuild**

Good progress has been made by the team dedicated to this work.

Work carried out included the following;

- complete installation of the trolley poles and all associated fittings
- insertion of the interior ceiling panels and beads
- installation of the roof ventilators, circuit breakers, saloon buzzers, drivers compartment end panels
- preparation for saloon window fitment
- clean-up of the saloon light fittings
- further interior saloon work surface preparation
- 235's bogie work including the stripping down of the brake rigging on the second bogie.

## **Track**

Three quarterly inspections and the full annual inspection were carried out. Some minor priority repairs were carried out as required. As a part of the pathways project, members re-sleepered and compacted ballast into the portions of track intersected by the pathway before they were concreted in.

Other track work carried out included;

- mowing and weed eating down the line
- track greasing
- freeing of track bolts on the straight just west of the loop

Plans were prepared for the build-up of the area at the top of the hill and down the beach extension to the right of the track in readiness for the donation of fill from local railway construction activity.

A 5km/h speed restriction was placed between poles 19 and 20 due to worn track. Excessive flange wear on the internal curve rail is present at this location as well as 2 other locations (west end of loop and the top of hill curve just past the points). We are currently investigating welding repairs.

## **Overhead**

The 5 yearly overhead inspection was completed and two poles (20 and 36) were prioritised for replacement. New Pole's 8 and 36 was installed and an overhauled bracket installed on new pole 31

Four old poles from the loop were recovered, and the 2 hardwood ones sold.

A spare switch was overhauled for use at the loop east end (which was subsequently installed in time for the COTMA Conference weekend).

## **Electrical**

The Annual substation electrical checks were carried out.

The mercury arc rectifier developed a start-up fault but this was rectified by adjustment of the control circuits. The insulation resistance of the wiring in the mercury arc rectifier was regularly monitored and has not shown any signs of further deterioration.

The hook-up of three phase power to the visitor centre was arranged.

## **Visitor centre and pathway**

Construction of the Visitor Centre building was completed by the contractor. Additional electrical power outlets and telephone cables were installed by the museum. The sprinkler system were also completed and made operative. The service benches were installed and interior painting carried out.

The pathways project designed to link the visitor centre, station platform and the carpark was re-scoped and a contract let. The pathway and associated edge landscaping was completed in time for Christmas. Adjacent ground build up and levelling was carried out by the causeway early in the New Year to complete the job.

## **Buildings**

Works included the following;

- The second batch of 6 existing water damage barn fluorescent fittings were replaced with new fittings.
- Shelving work on the pallet rack in the workshop
- Rear storage building fit-out work continued
- Display cabinets re-installed in the barn
- Workshop west side progressively cleaned up to make way for new work benches

## **Miscellaneous**

A number of other activities took place including the following;

- The rear compound clean-out and re-organisation work was continued
- Considerable scrap metal was accumulated and sold off
- The pathways contractor donated time to level out and lay base course on parking area at south end of rear storage bldg and adjacent to palace and this has provided a good all-weather parking space for members
- Tram 207's tip-over seats were cleaned up and painted
- Trimming of trees and growth at front of the property
- The rail pile was moved to position by the Palace
- Repairs to the sprinkler diesel motor exhaust system were carried out
- The annual external safety audit was carried out by Euan McQueen on the 7/11/2009.

In conclusion I would like to record my thanks to all those who contributed to M&E work over the year. A number of individuals donated materials and equipment for which we are extremely grateful.

## **Allan Neilson**

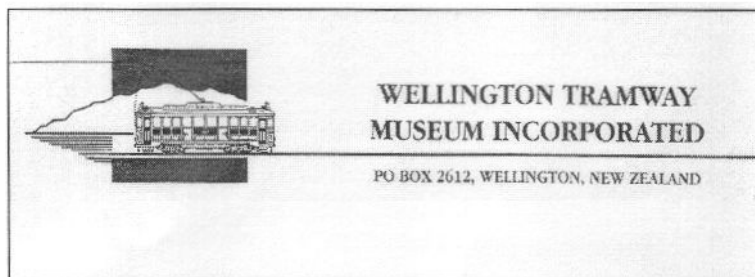
Vice-President – Maintenance & Engineering

**WELLINGTON TRAMWAY MUSEUM INCORPORATED  
FINANCIAL STATEMENTS**

**WELLINGTON TRAMWAY MUSEUM INCORPORATED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 30th JUNE 2010**



# WELLINGTON TRAMWAY MUSEUM INCORPORATED

## FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 30 June 2010

Last Year		This Year	
\$		\$	\$
	<b>Income</b>		
3,151	Members Subscriptions	2,199	
14,842	Donations General	15,494	
1,355	Donations Special Purpose	1,105	
5,280	Interest Receivable	616	
2,218	"Tramway Topics" Trading Account	3,100	
371,199	Grants Received	23,782	
0	Members Crew Clothing	0	
8,945	Tramway Operations Trading Account	(1,840)	
<b>406,989</b>			<b>44,455</b>
	<b>Expenditure</b>		
411	Members Functions	248	
0	Members Conference & Course Fees	217	
8,246	Members Travel	8,319	
52	Members Medical Costs	0	
550	Professional Subscriptions	1,566	
1,671	Admin, Print, Stationery, Postages	4,406	
500	Accounting Honorarium	0	
500	Audit Fees	2,400	
0	Provision for non-repayment of Loans	10,000	
0	Grants to KCET Ltd.	8,796	
4,000	Museum Feasibility Study	0	
411	Tram Projects (260 body/bogies)	3,317	
11,108	Depreciation of Assets	15,762	
<b>27,447</b>			<b>55,029</b>
<b>379,542</b>	<b>Net Surplus (Deficit)</b>		<b>(10,574)</b>
<b>379,542</b>	<b>Surplus (Deficit) added to Accumulated Funds</b>		<b>(10,574)</b>

### STATEMENT OF MOVEMENTS IN EQUITY

FOR YEAR ENDED 30 JUNE 2010

Last Year		This Year	
\$		\$	\$
309,666	Opening Equity	689,208	
379,542	Surplus / (Deficit)	(10,574)	
<b>689,208</b>	<b>Closing Equity</b>		<b>678,634</b>
	<b>Specific Funds are held for:</b>		<b>\$</b>
	Restoration of Tram 207		5,869
	Restoration of Daimler Tower Wagon		928
			<b>6,797</b>

**WELLINGTON TRAMWAY MUSEUM INCORPORATED**  
**FINANCIAL STATEMENTS**

**STATEMENT OF FINANCIAL POSITION AS AT 30 June 2010**

Last Year		Notes	This Year	
\$			\$	\$
	<b>Working Capital</b>			
	<b>Current Assets</b>			
24,114	Cash on Hand and at Bank		22,627	
0	Bank Term Deposits	5	0	
13,869	Sundry Debtors		4,172	
2,324	Shop Stocks	1(B)	2,107	
100	Advances		100	
0	Expenses Incurred in Advance	14	3,000	
40,407				32,006
	<b>less Current Liabilities</b>			
18,644	Sundry Creditors		14,453	
1,105	Members subscriptions in advance	1(G)	1,054	
2,567	Tramway Topics subscriptions in advance	1(G)	2,480	
0	Grants Received in Advance	10	170	
0	Income Received in Advance	14	3,938	
22,316				22,095
18,091	<b>Total Working Capital</b>			9,911
	<b>Fixed Assets</b>			
657,117	Fixed Assets at Book Value	9		668,723
	<b>Other Non-Current Assets</b>			
15,000	Loans to Kapiti Coast Electric Tramway Ltd.	11		0
690,208	<b>Total Working Capital &amp; Fixed Assets</b>			678,634
	<b>Term Liabilities</b>			
1,000	Less Loans	6		0
689,208	<b>Net Assets</b>			678,634
	<b>Net Assets are funded as follows</b>			
	<b>Accumulated Funds</b>			
255,175	Funds at 01 July 2009		678,535	
( 1,175)	Specific Donations-transferred to Development Fund		( 1,105)	
44,993	Release transfer of Museum Development Funds		4,981	
379,542	Less Deficit for the year ending 30 June 2010		( 10,574)	
678,535	<i>Accumulated Funds at 30 June 2010</i>			671,837
	<b>Museum Development Funds held for Specific Purposes</b>			
54,491	Museum Development Fund at 01 July 2009		10,673	
1,175	Plus specific donations (restoration of Tram 207)		1,105	
( 44,993)	Release transfer of Museum Development Funds		( 4,981)	
10,673	<i>Museum Development Fund at 30 June 2010</i>			6,797
689,208	<b>Total Accumulated &amp; Specific Funds</b>			678,634

**WELLINGTON TRAMWAY MUSEUM INCORPORATED**  
**FINANCIAL STATEMENTS**

**CASH FLOW STATEMENT FOR YEAR ENDED 30 JUNE 2010**

Last Year			This Year	
\$	Funds were provided from	Notes	\$	\$
379,542	Surplus / (Deficit)		( 10,574)	
	add back non-cash items including:			
11,108	Depreciation		15,762	
0	Provision for non-repayment of Loans to KCET	11	10,000	
0	Non-cash portion of Grants to KCET (previously			
0	treated as loan - now a capital grant to KCET	11	5,000	
47,190	Decrease in Working Capital		8,180	
<u>437,840</u>	<b>Total Funds Provided</b>			<u>28,367</u>
 <b>These Funds were applied as follows</b>				
422,841	Purchase of New Assets		27,367	
0	Repayment of Term Loan		1,000	
15,000	Loans to subsidiary (KCET Ltd.)		0	
<u>437,840</u>	<b>Total Application of Funds</b>			<u>28,367</u>
 <b>Decrease in Working Capital comprised</b>				
54,724	Decrease in Cash & Deposits		1,487	
( 9,243)	Decrease in Debtors		9,697	
( 51)	Decrease in Shop Stocks		217	
0	Increase in Expenses in Advance		( 3,000)	
<u>45,430</u>				8,401
1,760	Increase / (decrease) in Creditors			( 4,329)
0	and Subscriptions in Advance			4,108
<u>47,190</u>	<b>Decrease in Working Capital</b>			<u>8,180</u>

# WELLINGTON TRAMWAY MUSEUM INCORPORATED

## FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS

#### Note 1 Statement of Accounting Policies

##### Reporting Entity

The reporting entity is the Wellington Tramway Museum Incorporated, the holding organisation only. Transactions of Kapiti Coast Electric Tramway Ltd., a wholly owned are not included. The Wellington Tramway Museum Incorporated is incorporated under the Incorporated Societies Act 1908. Wellington Tramway Museum Incorporated is a registered charity under the Charities Act 2005 (registration no. CC38985) and is therefore exempt from income tax.

The financial statements are special purpose financial statements, prepared in accordance with Generally Accepted Accounting Practice (GAAP) New Zealand.

##### Basis of Preparation

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Financial Performance and the Statement of Financial Position on an historic cost basis have been followed in the preparation of these accounts except that the Museum's trams have been valued by the Board for Financial Position purposes. The information is presented in New Zealand dollars.

##### Principal Activities

The Wellington Tramway Museum Incorporated, together with its wholly owned Company "Kapiti Coast Electric Tramway Limited" (together referred to as the "Museum") own and operate an operating tramway museum at Queen Elizabeth Park, Paekākūriki, New Zealand in order to preserve for posterity the tramway aspects of Wellington, New Zealand's, heritage, and to provide educational and leisure enjoyment for all.

The Museum also publishes a magazine, Tramway Topics, addressing New Zealand electric transit - past, present and future and holds regular meetings for members addressing matters of tramway interest.

##### Accounting policies

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

##### (A) Fixed Assets

Fixed assets are valued at original cost except trams, many of which were originally donated and which have been valued for Financial Position purposes as follows:

Wellington	151, 159, 207, 235, 238, 239, 260	\$500 each	\$	3,500
Wellington	185 (actual cartage cost)		\$	294
Wellington	17 (actual cartage cost)		\$	515
Brisbane	133, 236	\$750 each	\$	1,500
Wanganui	8		\$	44
New Plymouth	8		\$	118
<b>Total Value</b>			<b>\$</b>	<b>5,971</b>

Fixed assets are depreciated on a straight-line basis that will write off the cost of the assets to their estimated residual value over their useful life.

Buildings	Tram Barn	2% p.a.
	Rear Storage	2% p.a.
	Maintenance Pit	3.33% p.a.
	All Other	5% p.a.
Furniture & Fittings		20% p.a.
Permanent Way		5% p.a.
Plant & Equipment & Overhead Wire		5% - 20% p.a.
Motor Vehicles		20% p.a.

##### (B) Stock

Publications and shop stock are valued at the lower of cost or market price, except for back issues of "Tramway Topics" magazine which are expensed at time of issue. See also Note 10.

##### (C) Receivables

Accounts receivable are stated at their estimated realisable value after providing for doubtful debts.

##### (D) GST

The financial statements have been prepared on a GST exclusive basis, except for accounts receivable accounts payable, which are stated with GST included (where applicable).

##### (E) Taxation

No provision for taxation has been made, as the Association is registered under the Charities Act 2005 and is therefore exempt from Income Tax under the provisions of the Income Tax Act 2007.

##### (F) Revenue

Revenue is recognised when earned and is reported in the financial position in which it relates.

# WELLINGTON TRAMWAY MUSEUM INCORPORATED

## FINANCIAL STATEMENTS

**(G) Income in Advance**

Membership and "Tramway Topics" subscriptions are generally received in respect of a calendar year. "Membership Subscriptions in Advance" and the like for Tramway Topics are those portions of membership and magazine subscriptions received relating to periods beyond the reported period.

**(H) Differential Reporting**

The entity qualifies for differential reporting, as it is not publically accountable and it is not large as defined in the framework for Differential Reporting. The entity has taken advantage of all available differential reporting exemptions, except Statement of Cash Flows.

**(I) Changes in Accounting Policy**

Nil, since last Report.

**Note 2**

### MUSEUM AND TRAMWAY OPERATIONS TRADING ACCOUNT

For the Year Ended 30 June 2010

Last Year		Notes	This Year	
\$			\$	\$
	<b>Income</b>			
33,998	Tram Fares	13	30,000	
1,974	Special Tram Hires		1,733	
3,069	Tramway Donations		1,362	
2,979	Museum Display Entry Charges		0	
17,000	Grants Received ("Anything Vintage")	10	6,500	
2,186	Lease of Tram 236		2,260	
739	Sale of surplus scrap assets		1,965	
95	Sundry Operating Revenue		0	
5,890	Shop & Publications Trading Account	4	( 542)	
<b>67,930</b>				<b>43,277</b>
	<b>Expenditure</b>			
651	Tram Operating Expenses		1,228	
21,596	Special Events (Anything Vintage Festival, "Sunday Funday")		12,277	
8,289	"Fare Funding" to KCET Ltd	13	7,316	
2,718	Museum Display - payments to exhibitor		0	
214	Museum Display - alterations/renovations		584	
461	"Palace" Supplies		358	
4,054	Electricity		4,485	
3,049	General Stores		2,081	
3,439	Insurance		3,829	
1,537	Telephone		1,635	
5,456	Publicity & Signage		3,744	
636	Printing (Tram Tickets)		462	
1,700	Ground Lease		1,500	
494	Tram Maintenance		1,221	
674	Buildings Maintenance		1,514	
0	Track Maintenance		154	
1,244	Overhead & Power Maintenance		423	
1,096	Motor Vehicles Maintenance & Fuel		382	
1,080	Equipment Maintenance		1,146	
99	Site Maintenance		780	
500	Accounting Honorarium		0	
<b>58,985</b>				<b>45,117</b>
<b>8,945</b>	<b>Net Surplus (Deficit) on Operations Account</b>			<b>( 1,840)</b>
	transferred to Statement of Financial Performance			

# WELLINGTON TRAMWAY MUSEUM INCORPORATED

## FINANCIAL STATEMENTS

### Note 3

#### TRAMWAY TOPICS TRADING ACCOUNT For the Year Ended 30 June 2010

Last Year \$		This Year \$	\$
	<b>Income</b>		
0	Advertising	0	
5,494	Subscriptions	5,153	
5,701	Sales	8,160	
<u>11,195</u>			<u>13,313</u>
	<b>Expenditure</b>		
8,978	Production Costs		10,213
<u>2,218</u>	<b>Surplus for Year (Deficit)</b>		<u>3,100</u>
	<small>transferred to Statement of Financial Performance</small>		

### Note 4

#### SHOP & PUBLICATIONS TRADING ACCOUNT For the Year Ended 30 June 2010

Last Year \$		This Year \$	\$
	<b>Income</b>		
16,177	Sales		133
	<b>less Cost of Sales</b>		
2,273	Opening Stock at 01 July 2009	13	0
10,338	Purchases	675	
12,611		<u>675</u>	
2,324	less Stock 30 June 2010	13	0
<u>10,287</u>			<u>675</u>
<u>5,890</u>	<b>Net Surplus (Deficit) on Shop &amp; Publications Account</b>		<u>( 542)</u>
	<small>transferred to Operations Trading Account</small>		

### Note 5

#### Term Deposits

Term Deposits (if held) are held with the National Bank of New Zealand Limited at current rates of interest, held for a period of generally three to six months.

### Note 6

#### Term Loans

The one remaining Term Loan was repaid by the Museum on 13 August 2009.

### Note 7

#### Contingent Liabilities

2010 Nil

2009 G A Thompson Ltd Building Contract - 11 items disputed to \$11,987.13+gst. G A Thompson Ltd. advised they will be proceeding with "disputes recovery". WTM denies all liability as per Contract, however "without prejudice" settlement offer made. At Balance Date 2010 nothing further has been heard. The Museum Board has determined that the matter will rest.

# WELLINGTON TRAMWAY MUSEUM INCORPORATED

## FINANCIAL STATEMENTS

### Note 8

#### Capital Commitments

2010	Nil
2009	\$2,105.36 (Visitor Centre contract)

### Note 9

#### Fixed Assets

Details of Fixed Assets are as follows:

	Cost or Valuation 1/07/2009 \$	add: additions y/e 30/06/10 \$	Cost or Valuation 30/06/2010 \$	Accum Deprec'n to 30/06/2010 \$	BOOK VALUE 30/06/2010 \$
Buildings	745,528	26,928	772,456	120,876	651,580
Plant	32,923	439	33,362	27,336	6,026
Furniture & Fittings	241		241	241	0
Rectifier Equipment	172		172	172	0
Overhead & Spares	9,941		9,941	9,941	0
Trams	5,971		5,971		5,971
Trolley Buses	922		922		922
Motor Vehicles	1,400		1,400	1,400	0
Permanent Way	20,022		20,022	20,022	0
General Development	4,224		4,224		4,224
<b>TOTAL</b>	<b>\$821,344</b>	<b>\$27,367</b>	<b>\$848,711</b>	<b>\$179,988</b>	<b>\$668,723</b>

Assets fully depreciated with no Book Value are:

Furniture & Fittings; Motor Vehicles; Permanent Way; Rectifier Equipment; Overhead & Spares

#### Additions to the value of Buildings were as follows:

Visitor Centre	\$26,928.10
<b>Total</b>	<b>\$26,928.10</b>

Capital additions to the Visitor Centre building were valued (at cost) at \$10,146.90. A further Capital addition attributed as part of the Visitor Centre was the completion of new pathways to the Centre, valued (at cost) at \$16,781.70. Funding for the 'Pathways Project' was provided in full by the New Zealand Government Tourism Facilities Grants Programme.

#### Additions to the value of Plant were in the purchase of:

Various Workshop tools (bought at auction)	\$328.53
2nd hand computer	\$110.00
<b>Total</b>	<b>\$438.53</b>

### Note 10

#### Grants Received

The following grants were received during the reporting period:

		2009 \$	2010 \$
<b>Grants for Capital purposes</b>			
The Lion Foundation	Visitor Centre		7,000
NZ Govt Tourism Facilities Grants Programme	Pathways to Visitor Centre		16,933
NZ Lottery Grants Board	Buildings Project	308,111	
Pub Charity	Visitor Centre	50,000	
Pelorus Trust	Barn Electrical	4,000	
The Community Trust of Wellington	Visitor Centre	9,088	
<b>Total</b>		<b>371,199</b>	<b>23,933</b>
<b>Grants for Operating purposes</b>			
	all are for the Anything Vintage Festival		
The Lion Foundation		5,000	5,000
Pelorus Trust			1,500
Kapiti Coast District Council		7,000	
The Southern Trust		4,000	
Endeavour Community Trust		1,000	
<b>Total</b>		<b>17,000</b>	<b>6,500</b>

# WELLINGTON TRAMWAY MUSEUM INCORPORATED

## FINANCIAL STATEMENTS

### Note 11

#### Other Non-Current Assets

At 30 June 2009, parent WTM Inc. had advanced loans to its subsidiary in the amount of \$15,000.00 to assist financing. \$5,000 of this was determined by the WTM Inc. Board to be "Seeding Capital" and is thus recognised in these financial statements as a grant rather than a loan (see Note 12 below).

In May 2010, as per resolution by Members at a Special General Meeting of the Society, it was determined that Kapiti Coast Electric Tramway Limited discontinue its operations and be placed into recess. The Museum Board has determined that the remaining \$10,000 of loans are unlikely to be repaid and thus they have been fully provisioned to be written off.

### Note 12

#### Grants to Kapiti Coast Electric Tramway Limited

	2009 \$	2010 \$
These comprise:		
Amount previously treated as loan to KCET, determined by WTM Board to be "Seeding Capital"	-	5,000
Other Grants	-	3,796
<b>Total</b>	-	<u>8,796</u>

### Note 13

#### Operating Income and Expenses

The WTM Board determined that for YE 30 June 2010 its subsidiary, Kapiti Coast Electric Tramway Limited, would take responsibility for the following operations to the extent shown. (In previous years these operations were wholly the responsibility of the Wellington Tramway Museum Inc. holding organisation.) As a result income from these operations is included in these accounts, for 2010, only to the extent shown. 2009 figures have not been adjusted.

	2009	2010
Tram Operations - Fares/Museum Entry	Nil	45%
	WTM	100%
Shop Operations - Sales & Purchases*	Nil	100%
	WTM	100%

\*Shop stocks were transferred to KCET at 1 July 2009 and transferred back to WTM Inc. on 30 June 2010

Both transactions were for no consideration and are therefore equivalent to grants.

"Fare Funding to KCET Ltd" represents additional funding to KCET Ltd. based upon an agreed portion of net-of-gst fare revenue generated to WTM Inc. after the split above, categorised as an operating expense.

### Note 14

#### Expenses and Income Incurred in Advance

WTM Inc. is to host the bi-annual conference of the Council of Tramway Museums of Australasia (COTMA) in Wellington in September 2010. The conference will be held at a Wellington hotel. Expenses Incurred in Advance represents a deposit paid to the hotel. Income Received in Advance represents delegate fees received by WTM Inc. to Balance Date.

**These Financial Statements are for Wellington Tramway Museum Incorporated only and do not include those of its subsidiary, Kapiti Coast Electric Tramway Limited (KCET). They are subject to consolidation with those of KCET to form financial statements for the Group.**

**These financial statements are subject to audit.**