

The New Zealand Portrait Gallery Trust

Financial Report

For the year ended 31 December 2012

Contents

Contents	1
Audit Report	2
Directory	3
Statement of financial performance	4
Statement of movements in equity	4
Statement of financial position	5
Notes to the financial statements	6-7

Audit Report

To the readers of the financial statements of The New Zealand Portrait Gallery Trust

I have audited the financial statements on pages 4 to 5. The financial statements provide information about the past financial performance of the Charitable Trust and its financial position as at 31 December 2012. This information is stated in accordance with the accounting policies set out on pages 7-8.

Board of Trustees responsibilities

The Board of Trustees is responsible for the preparation of financial statements which give a true and fair view of the financial position of the Charitable Trust as at 31 December 2012 and the results of its operations for the year ended on that date.

Auditors' responsibilities

It is my responsibility to express an independent opinion on the financial statements presented by Board of Trustees and report my opinion to you.

Basis of opinion

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

- the significant estimates and judgements made by the Board of Trustees in the preparation of the financial statements:
- whether the accounting policies are appropriate to the Charitable trust's circumstances, consistently applied and adequately disclosed.

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

Unqualified opinion

I have obtained all the information and explanations I have required.

In my opinion the financial statements on pages 4 to 7:

- comply with New Zealand generally accepted accounting practice:
- give a true and fair view of the financial position of the Charitable Trust as at 31 December 2012 and the results of its operations for the year ended on that date.

My audit was completed on 18 February 2013 and my unqualified opinion is expressed as at that date.



J E Fokerd CA
Wellington

Directory

Nature of business

The Trust is engaged in operating a charitable portrait gallery situated in Shed 11, Wellington.

Incorporation

The Trust is incorporated under the Charitable Trust Act 1957.

Trustees

Dr Keith Ovenden (Chair)
Rt Hon. Sir Michael Hardie Boys, GNZM, GCMG, KSt.J, QSO.
Mr Hugh Fletcher
Ms Diane Morcom, CNZM, CVO
Mr David Shand
Ms Elizabeth Stringer
Ms Eve Wallace
Mr Alan Bollard (resigned December 2012)

Director

Ms Avenal McKinnon, MA Canterbury, MA Courtauld

Treasurer

Richard Tuckey

Auditor

John Fokerd

The New Zealand Portrait Gallery Trust

Statement of Financial Performance

For the year ended 31 December 2012

	Notes	2012 \$	2011 \$
Income			
Donations		94,738	52,525
Donation - Special Donor		125,000	125,000
Friends of the Gallery		10,000	
Grants		5,350	
Interest, Gallery rental & other		11,141	3,528
Exhibition Income		66,410	101,185
Total Income		<u>312,639</u>	<u>282,238</u>
Expenses			
Salaries & Wages		84,962	90,148
Gallery operation		95,502	110,904
Office		16,021	15,886
Publicity		5,791	6,825
Professional		9,340	5,066
Exhibition Costs		63,328	166,901
Total Expenditure		<u>274,944</u>	<u>395,730</u>
Operating Surplus (-Deficit)		37,695	-113,492
Uplift in value of Art Collection - reflecting the donation of many works	1	23,387	-
Surplus (-Deficit)		<u>61,082</u>	<u>-113,492</u>

Statement in Movements in Equity

For the year ended 31 December 2012

		2012	2011
Accumulated Funds			
Balance 1 January 2012		1,490,356	1,603,848
Add: Surplus (-Deficit)		61,082	-113,492
Less: Transfer to Revaluation Reserve		<u>-23,387</u>	<u>-</u>
Balance 31 December 2012		1,528,051	1,490,356
Reserves			
Williams Memorial Fund		2,025	2,025
Art Collection Revaluation	1	<u>23,387</u>	<u>-</u>
		25,412	2,025
Total Equity		<u>1,553,463</u>	<u>1,492,381</u>

The notes on pages 6-7 form part of the financial statement.

The New Zealand Portrait Gallery Trust

Statement of Financial Position

As at 31 December 2012

	2012	2011
	\$	\$
Trust Funds	<u>1,553,463</u>	<u>1,492,381</u>
Represented by:		
Current Assets		
Cash at Bank	179,697	86,460
Accounts Receivable	7,151	22,545
GST	<u>4,656</u>	<u>2,932</u>
	191,504	111,937
Non Current Assets		
Prepaid Lease	1 1,305,000	1,363,000
Art Collection	1 80,000	56,613
Fixed Assets	1,2 <u>43,004</u>	<u>3,038</u>
	1,428,004	1,422,651
Total Assets	<u>1,619,508</u>	<u>1,534,588</u>
Current Liabilities		
Accrued Charges	2 42,390	-
Accounts Payable	15,538	16,153
Payroll	3,338	2,694
Other balances	<u>4,779</u>	<u>23,360</u>
	66,045	42,207
Net Assets	<u>1,553,463</u>	<u>1,492,381</u>

On Behalf of the Trustees:

Keith W. Owen

Michael Howard Long

The notes on pages 6-7 form part of the financial statement.

Notes to the financial statements

1 Statement of accounting policies

Reporting Entity: The New Zealand Portrait Gallery Trust is registered under the Charitable Trust Act 1957. The financial statements of the entity have been prepared in accordance with the Financial Reporting Act 1993.

Measurement Base: The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position are followed in the preparation of these financial statements, except for the revaluation of the Art Collection.

Differential reporting: In terms of the framework for differential reporting an entity is exempted from certain requirements of financial reporting standards if it satisfies the criteria in the framework; such an entity is called a qualifying entity. The New Zealand Portrait Gallery Trust is a qualifying entity for differential reporting by virtue of the fact that it has no public accountability and it is not large (as defined in the framework).

Accordingly, all relevant exemptions have been applied.

Non Current Assets:

Prepaid Lease: During 2010 a prepaid lease of the Shed 11 Gallery was negotiated for a period of 25 years commencing 1 July 2010. The rent will be expensed over the period of the lease.

Art Collection: By taking up 40% of the insured value of the collection (excluding loaned items) a Revaluation Reserve has been created. In so doing the Trustees are reflecting in the records a portion of the value of donated works.

Fixed assets: are valued at cost less depreciation

Depreciation: all items are depreciated on a straight line basis at rates that will write off the cost over the life of the asset. The rates on significant items in use are:

Art storage unit	5%
Kitchenette	20%
Computers	30%

Taxation: The trust has a charitable status and is exempt from income taxation.

Goods and Services Tax: The financial statements were prepared on a GST exclusive basis.

Accounts Receivable: Accounts receivable are recorded at net realisable values.

Donated Services: The trust is dependent on the voluntary services of many supporters of the Gallery the value of which is not recognised in the financial statements.

Changes in Accounting Policies: A change has been made to the valuation of the Art Collection. There have been no other changes to policies.

Notes to the financial statements

2 Depreciation

	Cost			Depreciation			Book Value
	1/01/2012	Additions	31/12/2012	1/01/2012	Charge	31/12/2012	31/12/2012
Leasehold Improvements	-	21,785	21,785		359	359	21,426
Gallery Equipment	3,797	18,234	22,031	759	1,563	2,322	19,709
Office Equipment	13,127	2,137	15,264	13,127	268	13,395	1,869
	16,924	42,156	59,080	13,886	2,190	16,076	43,004

3. Accruals: The Portrait Gallery premises in Shed 11 on the Wellington waterfront was earthquake strengthened during August – September. The Gallery took advantage of the strengthening work to make previously planned interior alterations to improve storage, reception and office space. The cost of interior changes has yet to be invoiced but has been accrued in the accounts based on figures advised.