

The New Zealand Portrait Gallery Trust

Financial Report

For the year ended 31 December 2013

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 2013. 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 2013 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 2013 and the results of its operations for the year ended on that date.

My audit was completed on 20 February 2014 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, Customhouse Quay, 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
Ms Donna Nicolof

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 2013

	Notes	2013 \$	2012 \$
Income			
Donations		87,230	94,738
Donation - Special Donor		50,000	125,000
Friends of the Gallery		4,000	10,000
Grants		3,683	5,350
Interest, Gallery rental & other		38,510	11,141
Exhibition Income		<u>42,320</u>	<u>66,410</u>
Total Income		<u>225,743</u>	<u>312,639</u>
Expenses			
Salaries & Wages		86,728	84,962
Gallery operation		49,039	37,502
Gallery rental	1	58,000	58,000
Office		17,739	16,021
Publicity		11,446	5,791
Professional		1,684	9,340
Exhibition Costs		<u>60,276</u>	<u>63,328</u>
Total Expenditure		<u>284,912</u>	<u>274,944</u>
Operating Surplus (-Deficit)		-59,169	37,695
Uplift in value of Art Collection	1	-	23,387
Williams Memorial Fund expended		2,025	
Surplus (-Deficit)		<u>-57,144</u>	<u>61,082</u>

Statement in Movements in Equity

For the year ended 31 December 2013

		2013	2012
Accumulated Funds			
Balance 1 January 2013		1,528,051	1,490,356
Add: Surplus (-Deficit)		-57,144	61,082
Less: Transfer to Revaluation Reserve			-23,387
Balance 31 December 2013		<u>1,470,907</u>	<u>1,528,051</u>
Reserves			
Williams Memorial Fund		-	2,025
Art Collection Revaluation	1	<u>23,387</u>	<u>23,387</u>
		23,387	25,412
Total Equity		<u>1,494,294</u>	<u>1,553,463</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 2013

	2013	2012
	\$	\$
Trust Funds	<u>1,494,294</u>	<u>1,553,463</u>
Represented by:		
Current Assets		
Cash at Bank	194,833	179,697
Accounts Receivable	3,710	7,151
GST		4,656
	<u>198,543</u>	<u>191,504</u>
Non Current Assets		
Prepaid Lease	1 1,247,000	1,305,000
Art Collection	1 80,350	80,000
Fixed Assets	1,2 <u>40,458</u>	<u>43,004</u>
	<u>1,367,808</u>	<u>1,428,004</u>
Total Assets	<u>1,566,351</u>	<u>1,619,508</u>
Current Liabilities		
Accrued Charges	661	42,390
Accounts Payable	10,887	15,538
Deferred income	50,923	
Payroll	3,044	3,338
Other balances	<u>5,974</u>	<u>4,779</u>
	<u>71,489</u>	<u>66,045</u>
Net Assets	<u>1,494,862</u>	<u>1,553,463</u>

On Behalf of the Trustees:

Kirih W. O'Connell

Michael Marie Bay

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: In the financial year ending 2012 the collection was valued at 40% of insured value. Since then one work has been added at cost and several donated works have yet to be valued.

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:

There have been no changes to policies.

Notes to the financial statements

2 Depreciation	Cost			Depreciation			Book Value
	<u>1/01/2013</u>	<u>Additions</u>	<u>31/12/2013</u>	<u>1/01/2013</u>	<u>Charge</u>	<u>31/12/2013</u>	<u>31/12/2013</u>
Leasehold Improvements	21,785		21,785	359	1,436	1,795	19,990
Gallery Equipment	22,031	3,652	25,683	2,322	4,121	6,443	19,240
Office Equipment	15,264		15,264	13,395	641	14,036	1,228
	<u>59,080</u>	<u>3,652</u>	<u>62,732</u>	<u>16,076</u>	<u>6,198</u>	<u>22,274</u>	<u>40,458</u>