

The New Zealand Portrait Gallery Trust

Financial Report

For the year ended 31 December 2017

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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 7. The financial statements provide information about the past financial performance of the Charitable Trust and its financial position as at 31 December 2017. This information is stated in accordance with the accounting policies set out on page 6.

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 2017 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 2017 and the results of its operations for the year ended on that date.

My audit was completed on 4 February 2018 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 portrait gallery situated in Shed 11, 41 Customhouse Quay, Wellington.
Incorporation	The Trust is incorporated under the Charitable Trust Act 1957.
Trustees	Dr Keith Ovenden (Chair) Mr Hugh Fletcher Ms Diane Morcom, CNZM, CVO Ms Elizabeth Stringer Ms Eve Wallace Ms Donna Nicoloff Mr Michael Curtis Mr David Galler Ms Helen Kedgley
Directors	Ms Gaelen Macdonald, BVA, MFA, PGDip NFP Management (resigned November 2017) Ms Jaenine Parkinson
Treasurer	Richard Tuckey
Auditor	John Fokerd, CA

The New Zealand Portrait Gallery Trust

Statement of Financial Performance

For the year ended 31 December

	Notes	2017 \$	2016 \$
Income			
Donations by individuals		123,210	99,071
Friends subscriptions		7,071	4,329
Grants: Trusts, Foundations, Corporates		138,300	135,000
Interest & gallery rental		24,113	29,493
Exhibition income		59,122	58,806
Shop sales & other income		48,030	28,735
Total Income		<u>399,846</u>	<u>355,434</u>
Expenses			
Salaries & wages		163,895	153,728
Gallery operation		50,779	62,985
Lease annual cost	1	58,000	58,000
Office & publicity		35,368	32,155
Exhibition & shop costs		90,302	103,170
Total Expenditure		<u>398,344</u>	<u>410,038</u>
Operating Surplus (-Deficit)		1,502	-54,604
Uplift in value of Art Collection -			17,531
Surplus (-Deficit)		<u>1,502</u>	<u>-37,073</u>

Statement in Movements in Equity

For the year ended 31 December

	2017	2016
Accumulated Funds		
Gallery balance 1 January	1,347,043	1,401,647
Add: Surplus (-Deficit)	1,502	-37,073
Less: Transfer to Reserves		-17,531
Balance 31 December	<u>1,348,545</u>	<u>1,347,043</u>
Reserves		
Leasehold Renewal Fund	2 100,000	100,000
Art Collection Revaluation	40,918	40,918
	<u>140,918</u>	<u>140,918</u>
Total Equity	<u>1,489,463</u>	<u>1,487,961</u>

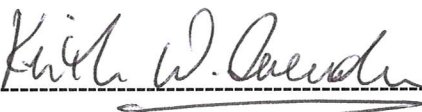
The notes on pages 6-7 form part of the financial statement.


The New Zealand Portrait Gallery Trust
Statement of Financial Position

As at 31 December

	<u>2017</u>	<u>2016</u>
	\$	\$
Trust Equity	<u>1,489,463</u>	<u>1,487,961</u>
Represented by:		
Current Assets		
Cash at bank	344,535	266,587
Accounts receivable	2,321	11,584
GST	<u>3,320</u>	<u>2,132</u>
	350,176	280,303
Non Current Assets		
Prepaid lease	1 1,015,000	1,073,000
Art collection	3 133,812	133,812
Fixed assets	<u>26,447</u>	<u>29,071</u>
	1,175,259	1,235,883
Total Assets	<u>1,525,435</u>	<u>1,516,186</u>
Current Liabilities		
Accrued charges	6,606	10,316
Accounts payable	3,614	8,685
Deferred income	20,469	250
Other balances	<u>5,283</u>	<u>8,974</u>
	35,972	28,225
Net Assets	<u>1,489,463</u>	<u>1,487,961</u>

On Behalf of the Trustees:





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

Statement of Cash Flows

For the year ended 31 December	2017	2016
	\$	\$
Operating activities		
All income	424,334	329,375
Pay employees	-158,759	-144,162
Pay suppliers	-180,586	-175,933
Cash from operating	<u>84,989</u>	<u>9,280</u>
Investing activities		
Purchase equipment	-7,041	-524
Cash spent on investing	<u>-7,041</u>	<u>-524</u>
Net Cash flow for year	77,948	8,756
add: Cash at beginning of the year	266,587	257,831
Cash at year end	<u>344,535</u>	<u>266,587</u>

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 2013.

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.

Basis of preparation: The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

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 2016 the collection was valued at 40% of insured value. No change has been made since.

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 and artworks:

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 are no changes in accounting policies.

2. Depreciation

	Cost				Depreciation				Book value
	1/01/2017	Additions	Deletions	31/12/2017	1/01/2017	Charge	Deletions	31/12/2017	31/12/2017
Leasehold Improvements	22,930			22,930	6,676	1,551		8,227	14,703
Gallery Equipment	36,780			36,780	26,441	6,255		32,696	4,084
Office Equipment	4,116	7,041		11,157	1,638	1,859		3,497	7,660
	<u>63,826</u>	<u>7,041</u>	<u>-</u>	<u>70,867</u>	<u>34,755</u>	<u>9,665</u>	<u>-</u>	<u>44,420</u>	<u>26,447</u>

3. Cash at bank \$344,535

Includes \$100,000 allocated by the Trustees to the Leasehold Renewal Fund to provide for the replacement of the 25-year lease of premises.