

Performance Report

The New Zealand Portrait Gallery Trust
For the year ended 31 December 2019



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Entity Information

The New Zealand Portrait Gallery Trust For the year ended 31 December 2019

'Who are we?', 'Why do we exist?'

Legal Name of Entity

The New Zealand Portrait Gallery Trust

Entity Type and Legal Basis

Registered Charitable Trust registered under the Charities Act

Registration Number

Charities Register CC21606

Companies Office Certificate of Incorporation No. 467733

Entity's Purpose or Mission

The main objects of The New Zealand Portrait Gallery Trust, as set out in its Trust Deed dated 21 February 1990, are:

- (1) to establish and maintain a multi-media national gallery for the portrayal of the peoples of New Zealand, their life styles and customs for the benefit of the New Zealand public;
- (2) to provide opportunities for increased public interests in, and knowledge of, the national identity of New Zealand by gathering material and mounting exhibitions which emphasize the people behind the written and oral history of New Zealand;
- (3) to encourage artists working in any media to exercise their talents in the portrayal of the peoples of New Zealand and to produce material of a high standard to assist succeeding generations to understand our times and the history of New Zealand.

Entity Structure

TRUST STRUCTURE

At 31 December the Trust had nine Trustees who come from a wide range of professional backgrounds and constitute the governance board. The Board of Trustees intends to appoint a further Trustee in early 2020 to bring the total number to 10. All Trustees serve in an honorary capacity. The Trustees elect their Chairperson, appoint all new Trustees, meet quarterly and are assisted in their responsibilities by an Honorary Treasurer, the Gallery Director and a small Management Board of volunteers. The annual work programme and priorities of the Gallery are overseen by three Committees (Management, Development, Acquisitions and Programme) comprising Trustees, Management Board members, the Gallery Director and selected volunteers.

OPERATIONAL STRUCTURE

The Gallery is run by a team of three professional salaried staff including a Director, a Registrar and Administrator, and a part-time Audience Engagement Coordinator. In addition there are 4-5 paid part-time staff and 10 volunteers who work on front-of-house and clerical activities. A Friends Committee of 10 volunteers organises activities such as art tours for the 600 Friends of the Gallery.

Main Sources of Entity's Cash and Resources

The Portrait Gallery's activities are funded by a mix of grants received from trusts, foundations, Creative NZ, corporate sponsors and, since 2016, some funding from the Wellington City Council, as well as individual donations from members of the general public and supporters such as members of the Friends Association. In recent years a ticketed fundraising event has often been held in the fourth quarter of the year, although no fundraising event was held in 2019.

The Trust also receives income from the occasional hire of its premises by outside entities, fees from touring exhibitions to galleries and museums in other regions, the sale of exhibition catalogues and other retail items from the Gallery shop, interest on investments, and koha.

Admission to the Portrait Gallery is free. It is open daily from 10.30am to 4.30 pm, except on Christmas Day and Good Friday.



The main fundraising activities are:

- * an annual appeal for donations made in February/March in conjunction with the release of the Annual Report and the Friends' annual subscription campaign
- * occasional ad hoc appeals for purchase of capital equipment
- * applications for grants
- * occasional fundraising events
- * encouraging bequests.

The Gallery premises are available for exhibition hire for about two months of the year. The Gallery works with selected art partners to mount exhibitions that are consistent with its the Trust's aims and values. The premises are also available for hire for private functions outside Gallery opening hours.

Entity's Reliance on Volunteers and Donated Goods or Services

The Gallery relies on volunteers to run its governing body, oversight committees and most supporting activities. The Gallery has a small permanent collection of portraits which it displays on rotation in its small front gallery space. The collection was built by donations and bequests of portraits or by special loan arrangements with owners. As the Gallery's storage space for housing the collection is now full, the opportunities for further acquisitions are extremely limited. Most of the Gallery's exhibitions consist of portraits on temporary loan from public and private collections in New Zealand. From time to time suppliers contribute goods free of charge, e.g. a TV monitor screen for the lobby, coffee for portrait and drawing sessions.

Additional Information

In 2010 the Trust purchased a 25-year lease on the current Gallery premises at Shed 11 on Wellington Waterfront with the assistance of (a) a government grant of \$750,000 through the Ministry for Culture and Heritage, (b) a donation of \$500,000 from an anonymous donor, (c) a grant of \$100,000 from Wellington City Council through its subsidiary Wellington Waterfront Ltd, (d) a grant of \$10,000 from the Nikau Foundation, and (e) \$120,000 raised by our friends and supporters.

The above contributions were used to pre-pay the Gallery's rental of Shed 11 for 25 years commencing on 1 July 2010. The Trust's Accumulated Funds largely consist of this amount (\$899,000) which under the accounting rules are required to be allocated over the period of the lease. The annual rental allocation (\$58,000) is shown in the financial statements under costs relating to providing goods and services. The Trust's Reserves also include the sum of \$100,000 allocated by the Trustees to a Leasehold Renewal Fund to provide for a new lease on the expiry of the current 25-year lease.

In 2012 Shed 11 was refurbished to improve its earthquake resistance and to provide enhanced gallery facilities. These improvements were made by Wellington Waterfront Ltd with the assistance of some additional generous contributions from individual donors.

Physical Address

Shed 11, 60 Lady Elizabeth Lane, Wellington Waterfront, Wellington, New Zealand

Postal Address

PO Box 25540, Wellington, New Zealand, 6140

Other Contact Details

Phone/Fax: (04) 472 2298

Email/Website: www.nzportraitgallery.org.nz

Facebook: [facebook.com\\NewZealandPortraitGallery](https://www.facebook.com/NewZealandPortraitGallery)

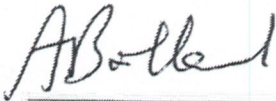


Approval of Performance Report

The New Zealand Portrait Gallery Trust For the year ended 31 December 2019

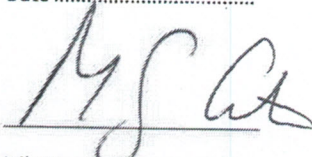
The Trustees are pleased to present the approved financial report including the historical financial statements of The New Zealand Portrait Gallery Trust for year ended 31 December 2019.

APPROVED



Dr Alan Bollard - Chair

Date 28.5.20



Mike Curtis - Treasurer

Date



Statement of Service Performance

The New Zealand Portrait Gallery Trust For the year ended 31 December 2019

Description of Entity's Outcomes

In line with its mission, the Trust's 12 exhibitions in 2019 portrayed a wide range of past and present New Zealanders, their life styles and stories and our evolving national identity. The exhibitions featured the works of both established and emerging artists in a variety of media and contributed to a growing appreciation of the possibilities of portraiture as an art form and as an adjunct to national biography. During 2019 two of the Gallery's exhibitions toured to three galleries and museums in other regions, expanding our reach and educational role around the country. Three of our 2019 exhibitions are scheduled to tour to regional galleries and museums in 2020. The Gallery's growing profile and reputation are reflected in the 5.7% increase in the number of people who visited the Gallery in 2019.

Description and Quantification of the Entity's Outputs

Financially Quantifiable Outputs	2019	2018
Total number of exhibitions presented in Main Gallery (4), smaller adjoining front gallery (5) and in collaboration with external partners to present other exhibitions (3) at Shed 11 in Wellington	12	11
Total number of visitors to Gallery exhibitions in Wellington	38,914	36,819
Total number of students visiting in organised school groups	308	675
Total number of students visiting from tertiary groups and other groups	225	165
Total number of public events held to support exhibitions, and Gallery activities	42	31
Number of other galleries or museums in New Zealand to which NZPG exhibitions toured	3	7
Number of portraits acquired for permanent collections (all by donation)	1	3
Number of members of Friends' Association at year-end	595	580
Number of recipients of monthly e-newsletter	2,497	1,860

Additional Output Measures

Thanks to a generous donation from Liz Stringer, the Gallery offered a curatorial internship in 2019. The successful graduate, chosen by a competitive process, curated two exhibitions in the front gallery in the second half of the year.

The Gallery hired the services of a professional publicist for nine months in 2019, thanks to a generous donation from Chris and Kathy Parkin.

An energy efficiency audit of the Gallery premises was conducted at no charge by Victoria University graduate architecture students.

The Gallery purchased new shelving for the Gallery shop and a craft trolley with funds provided by the Friends Association.

In August 2019 the Gallery launched an annual winter lecture series in honour of former Chairman, Dr Keith Ovenden, who gave the inaugural lecture.

Additional Information

The Gallery's exhibition "John Walsh - A Portrait of Uawa Tolaga Bay" was a finalist in The 2019 Service IQ New Zealand Museums Awards for exhibition excellence in the Taonga Maori category.



Statement of Financial Performance

The New Zealand Portrait Gallery Trust For the year ended 31 December 2019

	NOTES	2019	2018
Revenue			
Donations, fundraising and other similar revenue	1	315,007	331,984
Fees, subscriptions and other revenue from members	1	10,109	7,844
Revenue from providing goods or services	1	72,178	80,157
Interest, dividends and other investment revenue	1	3,254	1,912
Total Revenue		400,548	421,897
Expenses			
Expenses related to public fundraising	2	3,024	1,660
Volunteer and employee related costs	2	208,582	201,193
Costs related to providing goods or services	2	241,996	263,817
Other expenses	2	10,326	8,700
Total Expenses		463,928	475,369
Surplus/(Deficit) for the Year		(63,380)	(53,472)

This statement should be read in conjunction with the attached Review Engagement.



Statement of Financial Position

The New Zealand Portrait Gallery Trust As at 31 December 2019

	NOTES	31 DEC 2019	31 DEC 2018
Assets			
Current Assets			
Bank Accounts		172,775	304,545
Debtors and Prepayments	3	13,069	5,315
Interest Receivable		2,464	-
Inventory	3	10,326	6,135
Other Current Assets			
Investments (current)			
BNZ Term Deposit 93224531-00005		100,622	-
BNZ Term Deposit 93224531-00006		50,000	-
Total Investments (current)		150,622	-
Total Other Current Assets		150,622	-
Total Current Assets		349,256	315,994
Non-Current Assets			
Property, Plant and Equipment	5	62,572	61,927
Art Collection		133,812	133,812
Shed 11 Prepaid Rent		899,000	957,000
Total Non-Current Assets		1,095,385	1,152,739
Total Assets		1,444,641	1,468,733
Liabilities			
Current Liabilities			
Creditors and Accrued Expenses	4	25,508	18,592
Grants Received in Advance		46,225	12,104
Other Current Liabilities	4	297	2,045
Total Current Liabilities		72,029	32,741
Total Liabilities		72,029	32,741
Total Assets less Total Liabilities (Net Assets)		1,372,612	1,435,992
Accumulated Funds			
Capital Contributed by Owners or Members	6	1,279,867	1,333,339
Accumulated Surpluses or (Deficits)	6	(63,380)	(53,472)
Reserves	7	156,125	156,125
Total Accumulated Funds		1,372,612	1,435,992

This statement should be read in conjunction with the attached Review Engagement.



Statement of Cash Flows

The New Zealand Portrait Gallery Trust For the year ended 31 December 2019

	2019	2018
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	256,671	285,645
Receipts from providing goods or services	486	-
Cash receipts from other operating activities	165,768	174,299
GST	(515)	(6,465)
Payments to suppliers and employees	(491,250)	(512,467)
Total Cash Flows from Operating Activities	(68,840)	(58,987)
Cash Flows from Investing and Financing Activities		
Payments to purchase investments	(150,622)	-
Capital repaid to owners or members	(53,472)	-
Cash flows from other investing and financing activities	141,164	18,996
Total Cash Flows from Investing and Financing Activities	(62,930)	18,996
Net Increase/(Decrease) in Cash	(131,770)	(39,991)
Bank Accounts and Cash		
Opening cash	304,545	344,536
Closing cash	172,775	304,545
Net change in cash for period	(131,770)	(39,991)

This statement should be read in conjunction with the attached Review Engagement.



Statement of Accounting Policies

The New Zealand Portrait Gallery Trust For the year ended 31 December 2019

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.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

The New Zealand Portrait Gallery Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.



Notes to the Performance Report

The New Zealand Portrait Gallery Trust For the year ended 31 December 2019

	2019	2018
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Donations to the Gallery	109,871	128,631
Exhibition Grants	66,832	68,645
Grants	128,304	144,708
Grants- Tagged and deferred	10,000	(10,000)
Total Donations, fundraising and other similar revenue	315,007	331,984
Fees, subscriptions and other revenue from members		
Subscriptions (Friends)	10,109	7,844
Total Fees, subscriptions and other revenue from members	10,109	7,844
Revenue from providing goods or services		
Art tour	-	9,360
Commissions / Touring (Revenue)	7,504	19,607
Gallery Event Hire	31,772	22,656
Shop Sales	30,074	26,903
Shop comission	441	-
Ticket Sales (Friends)	2,387	1,630
Total Revenue from providing goods or services	72,178	80,157
Interest, dividends and other investment revenue		
Interest Income	3,254	1,912
Total Interest, dividends and other investment revenue	3,254	1,912
	2019	2018
2. Analysis of Expenses		
Expenses related to public fundraising		
Fundraising Event Costs	-	286
Fundraising/Promotion	3,024	1,373
Total Expenses related to public fundraising	3,024	1,660
Volunteer and employee related costs		
Salaries	156,385	145,476
Wages	34,254	49,886
ACC & KiwiSaver	5,600	5,831
Gallery Hire Staffing	8,347	-
Staff Training	3,995	-
Total Volunteer and employee related costs	208,582	201,193
Costs related to providing goods or services		
Opening Inventory	6,135	-
Closing Inventory	(10,326)	(6,135)
Bank Fees	173	173



	2019	2018
Cleaning (60209)	4,852	4,830
Collection costs	183	5,884
Commissions / Touring (Costs)	1,418	1,435
Computer Software	4,268	2,478
Computer Support	500	718
Electricity & Gas	21,455	16,649
Exhibition Costs	77,341	112,349
Gallery Materials	-	468
Gallery Subscriptions	1,052	3,209
Insurance	12,332	3,343
Maintenance	4,630	9,134
Office Expenses	4,353	3,366
Postage	701	472
Printing & Photocopying	5,144	5,503
Publicity	17,632	16,146
Rates	5,814	5,256
Rent ex Prepaid	58,000	58,000
Security	1,590	1,855
Shop purchases	21,052	14,177
Staff Advertising	60	30
Telephone/Internet	3,023	3,162
Travel	30	1,159
Website costs	583	158
Total Costs related to providing goods or services	241,996	263,817
Other expenses		
Professional Fees - Review Engagement	2,765	750
Depreciation - Gallery Equipment	3,127	3,899
Depreciation - Office Equipment	3,346	2,848
Depreciation - Leasehold Improvements	1,087	1,202
Total Other expenses	10,326	8,700

2019 2018

3. Analysis of Assets

Bank accounts and cash

Friends BNZ Call	25,698	25,672
Friends BNZ Cheque	22,102	12,196
NZPG BNZ Call	21,596	141,534
NZPG BNZ Cheque	103,268	125,041
Petty Cash	111	102
Total Bank accounts and cash	172,775	304,545

Debtors and Prepayments

Accounts Receivable	13,069	5,315
Total Debtors and Prepayments	13,069	5,315

Interest Receivable

Interest Receivable	2,464	-
Total Interest Receivable	2,464	-



	2019	2018
Inventory		
Stock on Hand	10,326	6,135
Total Inventory	10,326	6,135
Other non-current assets		
Art Collection	133,812	133,812
Shed 11 Prepaid Rent	899,000	957,000
Total Other non-current assets	1,032,812	1,090,812
	2019	2018

4. Analysis of Liabilities

Creditors and accrued expenses		
Accounts Payable	5,116	5,363
Accruals	18,280	13,159
Business Visa	1,220	635
GST	892	(565)
Total Creditors and accrued expenses	25,508	18,592
Other current liabilities		
Grants Received in Advance	46,225	12,104
Subs in Advance - Friends	296	1,145
Rounding	1	-
Total Other current liabilities	46,521	13,249
Other non-current liabilities		
Refundable Deposit	-	900
Total Other non-current liabilities	-	900
	2019	2018

5. Property, Plant and Equipment

Plant and Equipment		
Plant and machinery owned	62,572	61,927
Total Plant and Equipment	62,572	61,927
Total Property, Plant and Equipment	62,572	61,927

Significant Donated Assets Recorded

During 2019 the Gallery acquired one portrait gifted to its permanent collection by a private individual. This is listed in the 2019 Annual Report and was added to the Gallery's inventory of its permanent collection. An insurance valuation of the collection was made in December 2016. A 40% portion of the total valuation has been taken up in the Trust's accounts. No change has been made since then.

The Trust is dependent on the voluntary services of many supporters of the Gallery including in 2019, photographic services provided by a supporter to record exhibitions. The value of these voluntary services is not recognised in the financial statements.

Significant Donated Assets - Not Recorded

None



	2019	2018
6. Accumulated Funds		
Accumulated Funds		
Opening Balance	1,279,867	1,333,339
Accumulated surpluses or (deficits)		
Current year earnings	(63,380)	(53,472)
Total Accumulated surpluses or (deficits)	(63,380)	(53,472)
Total Accumulated Funds	1,216,487	1,279,867
Total Accumulated Funds	1,216,487	1,279,867
	2019	2018

7. Breakdown of Reserves

Reserves		
Acquisition - Friends	6,207	6,207
Life Members - Friends	9,000	9,000
Art Collection Revaluation	40,918	40,918
Leasehold Renewal Fund	100,000	100,000
Total Reserves	156,125	156,125

The Trust Reserves are shown separately in the Statement of Financial Position. These includes \$100,000 allocated by the Trustees to a Leasehold Renewal Fund to provide for a new lease on the expiration of the current 25-year lease.

The Combined Accumulated Funds and Reserves on the Statement of Financial Position equal \$1,372,612.

8. Commitments

There are no commitments as at 31 December 2019 (Last year - nil) apart from the lease commitment which has been prepaid.

9. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 December 2019 Last year - nil).

10. Related Parties

There were no transactions involving related parties during the financial year.

11. Significant Grants and Donations with Conditions not Recorded as a Liability

There are no significant grants or donations with conditions that have not been recorded as a liability. A small portion of grant monies received in 2019 has been carried forward to cover expenses falling due in 2020.

12. Goods or Services Provided to the Entity in Kind

In 2019 a supporter provided photographic services to record our exhibitions as a voluntary donation in kind. The Trustees and members of the Management Board(as well as supporters who assist with events) also provide their services as voluntary donations in kind.

13. Assets Held on Behalf of Others

The Gallery holds 8 portraits under formal loan arrangements agreed with their owners who maintain appropriate insurance cover. The Gallery also holds a set of spotlights on loan from the Museum of New Zealand Te Papa Tongarewa and one



television screen on loan from the Alexander Turnbull Library.

14. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

15. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

16. Tagged Grants

At Balance Date the following Tagged Grants were received but carried over to next year.

2019

Grantor	Amount	Purpose
Stout Trust	\$30,000	Star Gossage Exhibition
Adam Portraiture Award 2020 Nomination Fees	\$16,224	Entries for 2020 Adams Portraiture Award

2018

Grantor	Amount	Purpose
New Zealand Community Trust	\$8,000	Salaries
Nikau Foundation	\$2,000	VEND Point of sale system





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THE NEW ZEALAND PORTRAIT GALLERY TRUST

INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

To the Trustees of The New Zealand Portrait Gallery Trust

Report on the Performance Report

We have reviewed the accompanying performance report of The New Zealand Portrait Gallery Trust which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 December 2019, the statement of financial position as at 31 December 2019, and the statement of accounting policies and other explanatory information.

The Responsibility of the Trustees for the Performance Report

The Trustees are responsible on behalf of the Trust for:

- (a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) the preparation and fair presentation of the performance report which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and

- (c) for such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

Assurance Practitioner's Responsibility

Our responsibility is to express a conclusion on the performance report. We conducted our review of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standard on Review Engagements (New Zealand) (ISRE (NZ)) 2400 (Revised), *Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity*, and the review of the entity information and statement of service

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Website: www.charityaccounts.org.nz



performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 Revised). Those standards require us to conclude whether anything has come to our attention that causes us to believe that the performance report, taken as a whole, is not prepared in all material aspects in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit). Those standards also require that we comply with ethical requirements.

A review of the performance report in accordance with ISRE (NZ) 2400(Revised) and ISAE (NZ) 3000 (Revised) is a limited assurance engagement. We will perform procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. The procedures selected depend on our judgement, including the areas identified where a material misstatement is likely to arise and includes performing procedures to obtain evidence and evaluating whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

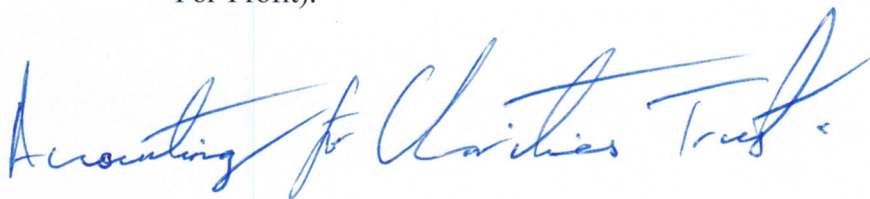
The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and ISAE (NZ) 3000 (Revised). Accordingly, we do not express an audit opinion on the performance report.

Other than in our capacity as assurance practitioner we have no relationship with, or interests in, The New Zealand Portrait Gallery Trust.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that:

- (a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are not suitable;
- (b) the performance report does not present fairly, in all material respects,
 - the financial position of The New Zealand Portrait Gallery Trust as at 31 December 2019, and its financial performance, and cash flows for the year then ended; and
 - the entity information and its service performance for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).



ACCOUNTING FOR CHARITIES TRUST

28th of May 2020.

Wellington, NZ.

