

The New Zealand Portrait Gallery Trust

Financial Report

For the year ended 31 December 2014

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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 2014. 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 2014 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 2014 and the results of its operations for the year ended on that date.

My audit was completed on 5 February 2015 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, 41 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 Nicoloff
Mr Michael Curtis

Directors

Ms Avenal McKinnon, MA Canterbury, MA Courtauld
(for period January to November).

Ms Gaelen Macdonald, BVA, MFA, PGDip NFP Management
(for December).

Treasurer

Richard Tuckey

Auditor

John Fokerd, CA

The New Zealand Portrait Gallery Trust				
Statement of Financial Performance				
For the year ended 31 December 2014			2014	2013
		Notes	\$	\$
Income				
Donations			141,816	87,230
Donation - Special Donor				50,000
Friends of the Gallery			9,000	4,000
Grants			20,000	3,683
Sponsorship			30,000	
Interest, Gallery rental & other			41,143	38,510
Exhibition Income			100,602	42,320
Total Income			342,561	225,743
Expenses				
Salaries & Wages			110,126	86,728
Gallery operation			46,068	49,039
Gallery rental		1	58,000	58,000
Office			11,631	17,739
Publicity			7,433	11,446
Professional			3,873	1,684
Exhibition Costs			83,628	60,276
Total Expenditure			320,759	284,912
Operating Surplus (-Deficit)			21,802	-59,169
Williams Memorial Fund expended				2,025
Surplus (-Deficit)			21,802	-57,144
Statement in Movements in Equity				
For the year ended 31 December 2014			2014	2013
Accumulated Funds				
Balance 1 January 2014			1,470,907	1,528,051
Add: Surplus (-Deficit)			21,802	-57,144
Balance 31 December 2014			1,492,709	1,470,907
Reserves				
Art Collection Revaluation		1	23,387	23,387
			23,387	23,387
Total Equity			1,516,096	1,494,294

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 2014							
					2014	2013	
					\$	\$	
	Trust Equity				<u>1,516,096</u>	<u>1,494,294</u>	
	Represented by:						
	Current Assets						
	Cash at Bank				181,478	194,833	
	Accounts Receivable				16,890	3,710	
	GST				1,799		
					<u>200,167</u>	<u>198,543</u>	
	Non Current Assets						
	Prepaid Lease		1		1,189,000	1,247,000	
	Art Collection		1		107,781	80,350	
	Fixed Assets		1,2		38,994	40,458	
					<u>1,335,775</u>	<u>1,367,808</u>	
	Total Assets				<u>1,535,942</u>	<u>1,566,351</u>	
	Current Liabilities						
	Accrued Charges				500	1,228	
	Accounts Payable				5,161	10,887	
	Deferred income				11,508	50,923	
	Payroll				2,083	3,044	
	Other balances				594	5,975	
					<u>19,846</u>	<u>72,057</u>	
	Net Assets				<u>1,516,096</u>	<u>1,494,294</u>	

On Behalf of the Trustees:

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 a number of works have 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
	1/01/2014	Additions	Deletion	31/12/2014	1/01/2014	Charge	Deletion	31/12/2014	31/12/2014
Leasehold Improvements	21,785	1,145		22,930	1,795	1,551		3,346	19,584
Gallery Equipment	25,683	3,891		29,574	6,443	5,412		11,855	17,719
Office Equipment	15,264	1,656	-9,642	7,278	14,036	1,193	-9,642	5,587	1,691
	62,732	6,692	-9,642	59,782	22,274	8,156	-9,642	20,788	38,994