

The New Zealand Portrait Gallery Trust

Financial Report

For the year ended 31 December 2015

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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 2015. 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 2015 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 2015 and the results of its operations for the year ended on that date.

My audit was completed on 29 January 2016 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) Rt Hon. Sir Michael Hardie Boys, GNZM, GCMG, KSt.J, QSO. (retired November) 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 Gaelen Macdonald, BVA, MFA, PGDip NFP Management
Treasurer	Richard Tuckey
Auditor	John Fokerd, CA

The New Zealand Portrait Gallery Trust

Statement of Financial Performance

For the year ended 31 December

	Notes	2015 \$	2014 \$
Income			
Donations		120,883	141,816
Friends of the Gallery		10,000	9,000
Grants: Trusts, Foundations, Corporates		92,330	50,000
Interest & Gallery rental		45,460	41,143
Exhibition grants		28,740	77,000
Shop sales, touring fees & commission		19,719	23,602
Total Income		<u>317,132</u>	<u>342,561</u>
Expenses			
Salaries & wages		129,893	110,126
Gallery operation		62,092	46,068
Lease annual cost	1	58,000	58,000
Office		14,617	11,631
Publicity		5,415	7,433
Professional		5,774	3,873
Exhibition costs		59,595	83,628
Total Expenditure		<u>335,386</u>	<u>320,759</u>
Surplus (-Deficit)		<u>-18,254</u>	<u>21,802</u>

Statement in Movements in Equity

For the year ended 31 December

	2015	2014
Accumulated Funds		
Balance 1 January	1,492,709	1,470,907
Add: Surplus (-Deficit)	-18,254	21,802
Transfer to Lease Renewal Reserve	-100,000	-
Balance 31 December 2015	<u>1,374,455</u>	<u>1,492,709</u>
Reserves		
Lease Renewal Reserve	100,000	-
Art Collection Revaluation	1 23,387	23,387
Total Equity	<u>1,497,842</u>	<u>1,516,096</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

		2015 \$	2014 \$
Trust Equity		<u>1,497,842</u>	<u>1,516,096</u>
Represented by:			
Current Assets			
Cash at Bank	3	230,754	181,478
Accounts Receivable		8,177	16,890
GST		<u>505</u>	<u>1,799</u>
		239,436	200,167
Non Current Assets			
Prepaid Lease	1	1,131,000	1,189,000
Art Collection	1	116,281	107,781
Fixed Assets	1,2	<u>38,956</u>	<u>38,994</u>
		1,286,237	1,335,775
Total Assets		<u>1,525,673</u>	<u>1,535,942</u>
Current Liabilities			
Accrued Charges		685	500
Accounts Payable		1,992	5,161
Deferred income		22,338	11,508
Payroll		2,696	2,083
Other balances		<u>120</u>	<u>-</u>
		27,831	19,252
Net Assets		<u>1,497,842</u>	<u>1,516,690</u>

On Behalf of the Trustees:

Keith W. Quenden
7th March 2016.

YGA
7th March 2016

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

Statement of Cash Flows

For the year ended 31 December	2015 \$	2014 \$
Operating activities		
All income	329,065	299,424
Pay employees	-129,280	-111,087
Pay suppliers	<u>-132,867</u>	<u>-167,569</u>
Cash from operating	<u>66,918</u>	<u>20,768</u>
Investing activities		
Purchase equipment	-9,142	-6,692
Acquire portraits	<u>-8,500</u>	<u>-27,431</u>
Cash spent on investing	<u>-17,642</u>	<u>-34,123</u>
Net Cash flow for year	49,276	-13,355
Cash at beginning of the year	181,478	194,833
Cash at year end	<u>230,754</u>	<u>181,478</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 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. A similar calculation in December 2015 is very close to the current book value. An adjustment, therefore, was not made

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.

2. Depreciation

	Cost			Depreciation				Book Value	
	1/01/2015	Additions	Deletion	31/12/2015	1/01/2015	Charge	Deletion	31/12/2015	31/12/2015
Leasehold Improv	22,930			22,930	3,346	1,665		5,011	17,919
Gallery Equipment	29,574	6,682		36,256	11,855	6,831		18,686	17,570
Office Equipment	7,278	2,460	-5,000	4,738	5,587	684	-5,000	1,271	3,467
	<u>59,782</u>	<u>9,142</u>	<u>-5,000</u>	<u>63,924</u>	<u>20,788</u>	<u>9,180</u>	<u>-5,000</u>	<u>24,968</u>	<u>38,956</u>

3. Cash at bank \$230,754

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

4. Friends of the Portrait Gallery

The Friends organisation comes under the NZ Portrait Gallery Trust's deed but operates autonomously from gallery activity. Separate financial statements covering the Friends' activities are sent annually to members.