



PERCY THOMSON TRUST

- Percy Thomson Gallery • Percy Thomson Herbarium
- Percy Thomson Arboretum

STATEMENT OF INTENT

FOR THE PERIOD

1 JULY 2016 TO 30 JUNE 2019

This Statement of Intent is prepared by the Percy Thomson Trust under the provisions of section 64 of the Local Government Act 2002.

The purpose of this document is to:

- State publicly the activities and intentions of the Percy Thomson Trust for the year and the objectives to which those activities will contribute; and
- Provide an opportunity for shareholders to influence the direction of the Trust; and
- Provide a basis for the accountability of the directors to their shareholders for the performance of the Trust.

This Statement of Intent covers the period commencing 1 July 2016 to 30 June 2019 inclusive.

A Statement of Intent is required to cover the following contents:

- The objectives of the group; and
- A statement of the board's approach to governance; and
- The nature and scope of the activities to be undertaken; and
- The ratio of consolidated shareholders' funds to total assets, and the definitions of those terms; and
- The accounting policies of the group; and
- The performance targets and other measures by which the performance of the group may be judged in relation to its objectives; and
- An estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders; and
- The kind of information to be provided to the shareholders by the group during the course of those financial years, including the information to be included in each half-yearly report; and
- The procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation; and
- Any activities for which the board seeks compensation from any local authority; and
- The board's estimates of the commercial value of the shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed; and
- Any other matters that are agreed by the shareholders and the board.

BACKGROUND

The Council has established a charitable trust to be known as the 'Percy Thomson Trust' for the objects set out in the Trust Deed.

Percy Thomson by his will left a significant bequest to be used and applied towards the establishment and maintenance of an arboretum and herbarium of the native flora of New Zealand and an art gallery, all of which were to be vested in a Board of Trustees that were to be elected or appointed by the Stratford District Council.

The Council, using the funds available, has established an arboretum, herbarium and art gallery which are respectively known as the Thomson Arboretum, the Thomson Herbarium and the Thomson Gallery. By a Trust Deed and by a subsequent Deed of Transfer, the Council has recorded the formal vesting of the Thomson Arboretum, the Thomson Herbarium and the Thomson Gallery in the trustees of this trust.

The Trustees have agreed to act as Trustees of the Trust and to be responsible for the ongoing management of the Thomson Arboretum, the Thomson Herbarium and the Thomson Gallery.

OBJECTS OF THE TRUST

The objects for which the Trust is established are, to the extent that they are a Charitable Purpose within New Zealand, as follows:

- to receive the Percy Thomson Arboretum, the Percy Thomson Herbarium and the Percy Thomson Gallery and to be responsible for the ongoing establishment and maintenance of an arboretum, herbarium and art gallery in Stratford;
- to manage the Trust Facilities and to create, acquire, promote, exhibit and manage the Collections for the benefit of the inhabitants of the Stratford District and the public generally;
- to endeavour to achieve the objectives the Council sets for the delivery of services in respect of the Trust Facilities as negotiated and set out in the Charter, the Business Plan, and the Strategic Plan;
- to implement the Council's policy as revised from time to time for the development and enhancement of the Trust Facilities with an emphasis on Stratford and in accordance with the Charter, Business Plan and Strategic Plan;
- to provide advice to the Council on the Council's long term policy for the development of gallery services in Stratford;
- to establish exhibition programmes and education policies for the Trust Facilities;
- to develop acquisition, de-accession and collection development policies for the Trust;
- to provide all financial, administration, marketing, technology and services required for the Trust Facilities;
- to determine charges for viewing or using any of the Trust Facilities and the Collections with a view to generating appropriate revenue and encouraging public enjoyment and utilisation of the Trust Facilities and Collections;
- to house and care for any art collections, antiquities or other articles acquired by, loaned, created or otherwise made available to the Trust and particularly to preserve and maintain the Collections (subject to any de-accession policies developed by the Trustees);
- to lease land or other assets where the Trustees determine that such land or other assets can be used in conjunction with the Trust Facilities or to promote the objectives of the Trust;
- to solicit and raise funds and carry out such activities as are necessary or conducive for the carrying out and giving effect to the objects of the Trust;
- to encourage and foster liaison and co-operative activities with related facilities, particularly those in the Stratford District; and
- generally to do all acts, matters and things that the Trustees consider may advance the objects of the Trust.

For the avoidance of doubt, the objects of the Trust expressed above are set out in no particular order or priority and do not include an intention or purpose that the Trust operates a trading undertaking with the intention or purpose of making a profit, but rather that the Trustees fairly and efficiently manage the Trust Fund, the Trust Facilities and the Collections for the benefit of the people of Stratford District.

The Trust's objects shall only be carried out in, or to benefit people in the Stratford District. The Trustees may carry out activities outside the Stratford District to promote the Trust or the Trust's activities but only if they believe that such activities will be for the ultimate benefit of people in the Stratford District.

GOVERNANCE

The Trust Deed provides that there shall be not less than six or more than seven Trustees, and that these Trustees shall provide governance to the Trust as per the terms of the Trust Deed.

The current Trustees are:

- Bruce Ellis for a term expiring at the 2016 AGM
- Gloria Webby for a term expiring at the 2017 AGM
- Roger Maynard Hignett for a term expiring at the 2018 AGM.
- Christine Craig for a term expiring at the 2017 AGM.
- Viv Milner for a term expiring at the 2016 AGM.
- Jim Clarkson for a term expiring at the 2016 AGM.

Trustees are eligible for reappointment.

The Trustees shall hold at least four meetings in each financial year.

NATURE AND SCOPE OF ACTIVITIES

The Percy Thomson Trust covers three activities, the Art Gallery, the Arboretum, and the Herbarium.

The Percy Thomson Gallery is located in Prospero Place, the arboretum on Cloten Road near the intersection with Ariel Street, and the herbarium at the website www.taranakiplants.net.nz.

The Percy Thomson Gallery is Stratford's public art gallery and was opened in June 2002. The gallery contains both exhibition areas and work areas for use by local artists and community art groups. The gallery provides an active programme of exhibitions and events that is both internally generated and toured from other art collections.

The gallery's main display area totals 178m² which can be comfortably partitioned into two areas of 116m² and 62m² respectively.

RATIO OF CONSOLIDATED FUNDS

The ratio of the equity to total assets is 99.758:1.

- where equity is defined as accumulated equity; and
- total assets is defined as all assets, both current and long term.

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2017

ACCOUNTING POLICIES APPLIED

Basis of Preparation

The Board has elected to apply PBE SFR-A (PS) *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)* on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate

in the foreseeable future.

Goods and Services Tax

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Grants

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met (“use or return condition”). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sale of goods

Revenue from the sale of goods is recognised when the goods are sold to the customer.

Sale of services

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

Interest revenue

Interest revenue is recorded as it is earned during the year.

Employee related costs

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries, and leave entitlements.

Performance payments are recorded when the employee is notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

Advertising, marketing, administration, and other costs

These are expensed when the related service has been received.

Bank accounts and cash

Bank accounts and cash comprise a cheque account and deposits held at call with banks.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Investments

Investments comprise investments in terms deposits with banks, listed bonds, and listed shares. Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

Listed bonds and shares are initially recorded at the amount paid. If the market price of the

investment falls below cost, the carrying value of the investment is reduced to the current market price. If the market price of the investment subsequently increases, the carrying amount of the investment is increased but limited to the original cost of the investment.

Property, plant, and equipment

Property, plant, and equipment is recorded at cost, less accumulated depreciation and impairment losses.¹⁸

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Furniture and fittings	10 years (10%)
Office Equipment	4 to 10 years (10% to 25%)
Buildings	20 to 80 years (1.25% to 5%)

Revaluation

The Trust has adopted tier 2 standards regarding the revaluation of its land and buildings in accordance with PBE IPSAS 17.

Revaluation increases and decreases will be transferred to equity.

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

Employee costs payable

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date.

Income tax

Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax.

Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

Budget figures

The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Tier 2 PBE Accounting Standards applied

The Trust has applied any Tier 2 Accounting Standards for asset revaluations only, in preparing its financial statements.

CHANGES IN ACCOUNTING POLICIES AND TRANSITION TO THE NEW PBE SFR-A (PS) STANDARD

This set of financial statements have been prepared using the new PBE SFR-A (PS) standard.

PERFORMANCE MEASURES

Mission Statement

"To fulfil the wishes of the bequest by the late Mr Percy Thomson".

Level of Service	Performance Measure	Target			How Measured
		Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	
Delivery of art exhibitions	Deliver proposed art exhibitions which will include local, regional and at least 1 National:	Deliver proposed art exhibitions which will include local, regional and at least 1 National.	Deliver proposed art exhibitions which will include local, regional and at least 1 National.	Deliver proposed art exhibitions which will include local, regional and at least 1 National.	Art Gallery Records
	Number of visitors to the Gallery to be not less than 20,000 per year	>20,000	>20,000	>20,000	Door Count
	To operate to a "break-even" balance	Operate within "break-even" budget	Operate within "break-even" budget	Operate within "break-even" budget	Annual Report
Development and maintenance of arboretum	Develop and maintain the arboretum to the standards in the Facilities Management Contract.	Develop and maintain the arboretum to the standards in the Facilities Management Contract.	Develop and maintain the arboretum to the standards in the Facilities Management Contract.	Develop and maintain the arboretum to the standards in the Facilities Management Contract.	Council Records
Delivery of Herbarium	Deliver the herbarium via the internet.	Deliver the herbarium via the internet.	Deliver the herbarium via the internet.	Deliver the herbarium via the internet.	Internet Detail Available

DISTRIBUTIONS TO SHAREHOLDERS

The Trustees do not intend to distribute any accumulated profits or capital reserves to the Stratford District Council.

REPORTING

The Percy Thomson Trust will provide audited annual accounts in conjunction with its annual report. The Auditor-General is the auditor of the Trust.

A six-monthly summary report will also be presented including a summary of progress against objectives, and an unaudited balance sheet and income statement.

PURCHASE OF SHARES

The Trust does not intend to purchase shares in any company, other than as an investment mechanism. The Trust's Investment Policy states the policies and procedures for Trust investments.

PERCY THOMSON TRUST ENTITY INFORMATION

Legal name

Percy Thomson Trust (the Trust).

Type of entity and legal basis

The Trust is incorporated in New Zealand under the Charitable Trusts Act 1957. The Trust is controlled by Stratford District Council and is a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

The Trust's purpose or mission

The primary objectives of the Trust are to provide the Percy Thomson Gallery, Percy Thomson Arboretum and Percy Thomson Herbarium in accordance with the bequest left by the late Percy Thomson, and to be responsible for the ongoing maintenance of these assets.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of six Trustees who oversee the governance of the Trust, including a Chairman who is responsible for the day-to-day operations of the Trust and reporting to the Trustees, and five other voluntary members who support the Chairman in delivering against the Trust's objectives. At least 50% of the Trustees are appointed by the Stratford District Council.

Main sources of the Trust's cash and resources

An operating grant received from the Stratford District Council, investment income, and other forms of grant revenue are the primary sources of funding to the Trust.

Outputs

The Trust owns and maintains the building in which the gallery is situated and all expenses relating to this are incurred by the Trust. The Trust also promotes and exhibits various forms of art works in the gallery, and exhibition costs are also a major output for the Trust.

INVESTMENT POLICY

PHILOSOPHY

The investment strategy of the Percy Thomson Trust is to maintain the income level required to achieve the Trust objectives whilst also inflation-proofing the capital base.

CRITERIA FOR INVESTMENT

Investments must be made to optimise returns while balancing risk and return considerations. As a responsible Trust with a public benefit aim, the Percy Thomson Trust investments should be low risk. The criteria to be applied to investments are:

- Safety of Capital - Safety of capital is a dominant consideration in all investment decisions.
- Liquidity - Investments are managed to ensure that sufficient funds are available to meet liabilities as and when they fall due.
- Returns - Long term investments reflect the objective of maximizing returns in excess of the inflation rate consistent with moderate to low risk exposure and to provide consistent real income over the long term.

PERFORMANCE MEASURES

Maintain the real value of the capital of the Trust with regard to inflation. (using the Statistics New Zealand All Groups CPI).

Types of Investment

The Trust may hold the following types of investments. See other sections of this policy for restrictions on the management of each type.

- Bank deposits, bank accepted bills and bank issued certificates of deposit
- Short term Promissory Notes issued by companies and Local Authorities
- Stocks and bonds issued by Government, SOE's, Local Authorities and suitably rated Corporate entities
- Shares in listed public companies
- Real Estate
- Professionally managed portfolios of investments, either by direct investment or through Unit Trusts including:
 - Equities both New Zealand and overseas domiciled
 - Fixed interest both New Zealand and overseas domiciled
 - Short term cash
 - Real estate

The following types of investments are prohibited:

- Loans to individuals
- Loans to community organisations

ASSESSMENT AND MANAGEMENT OF RISKS BY TYPE OF INVESTMENT

Authorised Bank Instruments

The Trust may invest in any registered bank in New Zealand subject to the following:

- The bank remains the primary debtor throughout the term of the investment.
- Investments will only be in banks on the list of registered banks in New Zealand as approved by the Reserve Bank of New Zealand.
 - any other organisation with a Standard and Poor's short term credit rating of A-3 or better and a long term credit rating of A- or better (equivalent Moody's ratings may be used).
- Up to 100% of the available funds may be invested.
- A maximum of 50% of the total investments issued by the financial market (which is made up of short term bank deposits, promissory notes and long term stocks and bonds including those issued by Local Authorities and Government Stock) may be invested with any one bank.
- Deposits may not include foreign currency.

Promissory Notes by NZ Companies and Local Authorities

The Trust may invest in Promissory Notes issued in New Zealand by Corporates and Local Authorities in New Zealand currency subject to the following:

- Up to 35% of the available funds may be invested where the Promissory Notes are issued by any company in New Zealand subject to the issuer having a Standard and Poor's long term credit rating of Investment Grade or better (equivalent Moody's ratings may be used) and subject to a maximum 20% of the total investments with any one issuer.
- The term is no more than 180 days.
- The interest rate must be better than Bank deposits for the same term.
- For registered Promissory Notes the note must be held in the Trust's name.
- For 'bearer' Promissory Notes, the certificate may be held by the Trust or by a suitable agent such as a Bank.
- To avoid the Trust being exposed to settlement risk, payment on maturity or sale requires settlement by 'Cleared Funds'.

Authorised Stock or Bond Investments

The Trust may invest in any fixed term stock or bond issued in New Zealand subject to the following:

- Up to 100% of the available funds may be invested where the stock is issued by the New Zealand Government or State Owned Enterprise guaranteed by the Government.
- Up to 100% of the available funds may be invested where the stock is issued by a Local Authority and is rate secured, but subject to a maximum of 50% of the total investments with any one issuer.

- Up to 80% of the available funds may be invested where the bonds are issued by any company in New Zealand subject to the issuer having a Standard and Poor's long term credit rating of Investment Grade or better (equivalent Moody's ratings may be used) and subject to a maximum 20% of the total investments with any one issuer.

Shares in Listed Public Companies

The Trust may invest in any public company listed on the New Zealand Stock Exchange subject to the following:

- Specific resolution is required by the Trust to invest directly in a listed equity, such resolution to have considered professional advice from a broker.
- There is to be an annual review by a broker to assess price, total value, and hold or sell advice.
- Up to 30% of the available funds may be invested.

Real Estate

The Trust may invest in real estate subject to the following:

- The property is directly linked to the aims and purpose of the Trust; or
- The property was included in the initial assets of the Trust.
- Up to 75% of the available funds may be invested.

Professionally Managed Portfolios

The Trust may invest in professionally managed portfolios subject to the following:

- In selecting the fund manager the Trust shall consider:
 - Performance and competence
 - Diversification of the asset class
 - Expected return
 - Volatility of return, both in the past and expected
 - Trust's tolerance to risk
- The management of the investment, once made with a professional Fund Manager, shall be handled entirely by that Fund Manager. Therefore, restrictions stated elsewhere in this policy governing the selection and handling of direct investments shall not apply.
- Up to 50% of the available funds may be invested.

Diversification Summary

Investment Category	Fund Weighting Restriction	Other Restrictions
Bank Instruments	100% of fund	Maximum 50% with any one bank
Promissory Notes	35% of fund	No more than 180 days; No more than 20% with one issuer
Authorised Stock/Bonds	100% of fund Government Stock; 100% of fund Local Authority; 80% of fund Others	No more than 50% with one Local Authority; No more than 20% with one issuer
Listed Shares	30% of fund	
Real Estate	75% of fund	Aims of Trust
Professional Portfolios	50% of fund	

Reporting

The Percy Thomson Trust shall receive with each set of accounts reported to the Trust a statement of investments including book value, maturity date, return, market value, and other features deemed relevant.

Delegated authority to act on all investments in accordance with this policy, (except Real Estate, Shares, and Professionally Managed Funds) is granted to the Chairman of the Trust and any one other authorised account signatory.

ACTIVITIES FOR WHICH COMPENSATION SOUGHT

The Percy Thomson Trust is seeking an annual cash grant of \$50,000 from the Stratford District Council. This is within the limits currently set by Council policy.

This grant helps fund the activities of the Trust.

The Trust is also seeking \$4,000 of maintenance work on the Arboretum, delivered "in kind".

In addition, the Trust is seeking \$10,000 of cleaning services in the public toilets within the Percy Thomson Building, delivered 'in kind'.

The Council provides administration services to the Trust (\$20,600) and leases the Information Centre area from the Trust (\$25,000).

As a Council controlled organisation, any funding applications to TSB Community Trust must be made in conjunction with Council's applications.

PERCY THOMSON TRUST

COST OF SERVICE STATEMENTS

FOR THE THREE YEARS COMMENCING 1 JULY 2015

<u>2014/15</u>		<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
<u>Budget</u>		<u>Forecast</u>	<u>Projection</u>	<u>Projection</u>
\$		\$	\$	\$
<u>PROPERTY</u>				
Property Revenue				
13,260	Café Lease	13,140	13,140	13,140
1,000	Post Box Lobby Rental	1,000	1,000	1,000
25,000	Information Centre Lease	25,000	25,000	25,000
39,260	Total Property Revenue	39,140	39,140	39,140
Property Expenditure				
400	Cleaning Services	200	200	200
66,000	Depreciation	66,000	69,300	69,300
5,500	Insurance	4,600	4,600	4,600
1,050	Rates (Services Only)	1,100	1,100	1,100
7,850	Repairs and Maintenance Building	11,850	21,850	31,850
5,000	Repairs and Maintenance Arboretum	2,500	2,500	2,500
200	Repairs and Maintenance Herbarium	200	200	200
86,000	Total Property Expenditure	86,450	99,750	109,750
<u>(46,740)</u>	<u>Surplus (Deficit) from Property</u>	<u>(47,310)</u>	<u>(60,610)</u>	<u>(70,610)</u>

PERCY THOMSON TRUST

COST OF SERVICE STATEMENTS

FOR THE THREE YEARS COMMENCING 1 JULY 2015

<u>2014/15</u> <u>Budget</u> \$		<u>2015/16</u> <u>Forecast</u> \$	<u>2016/17</u> <u>Projection</u> \$	<u>2017/18</u> <u>Projection</u> \$
<u>ART GALLERY</u>				
Art Gallery Revenue				
1,000	Membership and "Friends" Donations	800	800	800
7,500	Rental/Hireage	8,000	8,000	8,000
2,500	Donation Box	2,000	2,000	2,000
2,000	Commissions	1,500	1,500	1,500
13,000	Total Art Gallery Revenue	12,300	12,300	12,300
Art Gallery Expenditure				
450	ACC Levy	350	350	350
23,000	Energy Costs	19,000	19,000	19,000
800	Art Insurance	1,200	1,200	1,200
300	Miscellaneous	300	300	300
150	Postage & Freight	100	100	100
200	Printing & Stationery	100	100	100
20,000	Programme	20,000	20,000	20,000
10,000	Major Exhibition	10,000	10,000	10,000
500	Repairs & Maintenance General	300	300	300
300	Publications & Subscriptions	300	300	300
300	Small Tools	250	250	250
54,300	Salary & Wages	54,000	54,000	54,000
13,000	Part-time and Casual Staff	13,000	13,000	13,000
2,000	Telephone & Tolls	2,700	2,700	2,700
125,300	Total Art Gallery Expenditure	121,600	121,600	121,600
<u>(112,300)</u>	Surplus (Deficit) from Art Gallery	<u>(109,300)</u>	<u>(109,300)</u>	<u>(109,300)</u>

PERCY THOMSON TRUST

COST OF SERVICE STATEMENTS

FOR THE THREE YEARS COMMENCING 1 JULY 2015

<u>2014/15</u>		<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
<u>Budget</u>		<u>Forecast</u>	<u>Projection</u>	<u>Projection</u>
\$		\$	\$	\$
<u>OTHER REVENUE AND EXPENDITURE</u>				
Other Revenue				
64,000	Interest	64,000	64,000	64,000
50,000	Stratford District Council Grant	50,000	50,000	50,000
10,500	External Funding	8,000	18,000	28,000
0	Taranaki Electricity Trust	0	0	0
124,500	Total Other Revenue	122,000	132,000	142,000
Other Expenditure				
20,600	Administration	20,600	20,600	20,600
8,000	Audit Fees	8,000	8,000	8,000
1,800	Trustee Liability Insurance	1,800	1,800	1,800
1,000	Investment Expenses	500	500	500
31,400	Total Other Expenditure	30,900	30,900	30,900
<u>93,100</u>	<u>Surplus (Deficit)</u>	<u>91,100</u>	<u>101,100</u>	<u>111,100</u>

The grant from Stratford District Council is subject to review by Council each year.

PERCY THOMSON TRUST

COST OF SERVICE STATEMENTS

FOR THE THREE YEARS COMMENCING 1 JULY 2015

<u>2014/15</u>		<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
<u>Budget</u>		<u>Forecast</u>	<u>Projection</u>	<u>Projection</u>
\$		\$	\$	\$

SUMMARY COST OF SERVICE STATEMENT

<u>REVENUE</u>				
39,260	Property	39,140	39,140	39,140
13,000	Art Gallery	12,300	12,300	12,300
124,500	Other Revenue	122,000	132,000	142,000
176,760	Total Revenue	173,440	183,440	193,440
<u>OPERATING EXPENDITURE</u>				
86,000	Property	86,450	99,750	109,750
125,300	Art Gallery	121,600	121,600	121,600
31,400	Other Expenditure	30,900	30,900	30,900
242,700	Total Operating Expenditure	238,950	252,250	262,250
(65,940)	Net Operating Surplus (Deficit)	(65,510)	(68,810)	(68,810)
	Transferred to Accumulated Surplus			
<i>(65,940)</i>	<i>Net Operating Surplus (Deficit)</i>	<i>(65,510)</i>	<i>(68,810)</i>	<i>(68,810)</i>
<i>66,000</i>	<i>Add back depreciation (non-cash)</i>	<i>66,000</i>	<i>69,300</i>	<i>69,300</i>
<i>60</i>	<i>Cash Surplus (Deficit)</i>	<i>490</i>	<i>490</i>	<i>490</i>

PERCY THOMSON TRUST

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE THREE YEARS COMMENCING 1 JULY 2015

<u>2014/15</u> <u>Budget</u> \$000	<u>2015/16</u> <u>Forecast</u> \$000	<u>2016/17</u> <u>Projection</u> \$000	<u>2017/18</u> <u>Projection</u> \$000
Revenue			
176.8	173.4	183.4	193.4
176.8	173.4	183.4	193.4
Expenditure			
67.3	67.0	67.0	67.0
66.0	66.0	69.3	69.3
109.4	106.0	116.0	126.0
242.7	239.0	252.3	262.3
(65.9)	(65.5)	(68.8)	(68.8)
-	-	-	-
(65.9)	(65.5)	(68.8)	(68.8)
-	-	-	-
(65.9)	(65.5)	(68.8)	(68.8)
Attributable to:			
(65.9)	(65.5)	(68.8)	(68.8)
(65.9)	(65.5)	(68.8)	(68.8)
Other Comprehensive Revenue and Expense			
-	-	-	-
-	-	-	-
-	-	82.5	-
-	-	82.5	-
(65.9)	(65.5)	13.7	(68.8)
Attributable to:			
(65.9)	(65.5)	13.7	(68.8)
(65.9)	(65.5)	13.7	(68.8)

PERCY THOMSON TRUST

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

FOR THE THREE YEARS ENDING 30 JUNE 2016, 2017 AND 2018

<u>2014/15</u>		<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
<u>Budget</u>		<u>Forecast</u>	<u>Projection</u>	<u>Projection</u>
<u>\$000</u>		<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
	<u>Current Assets</u>			
339.4	Cash and Cash Equivalents	430.5	431.0	431.5
14.0	Debtors and Other Receivables	10.0	10.0	10.0
353.4	Total Current Assets	440.5	441.0	441.5
	<u>Non-Current Assets</u>			
841.0	Other Financial Assets	790.0	790.0	790.0
1712.2	Property Plant and Equipment	1650.6	1663.8	1594.5
2553.2	Total Non-Current Assets	2440.6	2453.8	2384.5
<u>2906.6</u>	<u>TOTAL ASSETS</u>	<u>2881.1</u>	<u>2894.8</u>	<u>2826.0</u>
	<u>Current Liabilities</u>			
5.0	Employee Benefit Liabilities	2.0	2.0	2.0
16.0	Creditors and Other Payables	5.0	5.0	5.0
21.0	Total Current Liabilities	7.0	7.0	7.0
21.0	Total Liabilities	7.0	7.0	7.0
	<u>Equity</u>			
0.1	Trust Capital	0.1	0.1	0.1
2099.5	Accumulated Comprehensive Revenue and Expense	2118.5	2049.7	1980.9
786.0	Other Reserves	755.5	838.0	838.0
2885.6	Total Equity	2874.1	2887.8	2819.0
<u>2906.6</u>	<u>TOTAL LIABILITIES & EQUITY</u>	<u>2881.1</u>	<u>2894.8</u>	<u>2826.0</u>

PERCY THOMSON TRUST

BUILDING MAINTENANCE

<i>Percy Thomson Trust Building - Built 2002</i>											
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
Minor Maintenance Work											
Electrical Repairs	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	
Plumbing Repairs	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	
Glass & Glazing repairs	350	350	350	350	350	350	350	350	350	350	
SDC	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	
Building Repairs	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	
BWOF Service Checks	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	
Air Conditioners / Humidifier Repairs	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	
Auto Door Repairs and Check	500	500	500	500	500	500	500	500	500	500	
Service Security Alarm System	500	500	500	500	500	500	500	500	500	500	
Minor Maintenance Work Total	11,850	11,850	11,850	11,850	11,850	11,850	11,850	11,850	11,850	11,850	
Major Maintenance Work											
Complete Exterior repaint						15,000					
Complete Interior repaint							15,000				
Infinity Wall Furnace / Heaters Gas System		10,000									
Boil N Brew											
Polished Concrete Recoat (Café,Public Toilets, Foyer, Info, Gallery)			10,000								
Macrocarpa timber donated by ex Councillor Pickford - recoat			10,000								
Carpet (Info centre, Staff room, Offices)					35,000						
Blinds				5,000							
Bathroom Fitout											
Exterior Cladding (High Mountain Wall Cladding Leaks)											
Replace Roof											
Auto Door Mechanical				7,000							
Glass Doors											
Grills											
Major Maintenance Work Total	0	10,000	20,000	12,000	35,000	15,000	15,000	0	0	0	
TOTALS	11,850	21,850	31,850	23,850	46,850	26,850	26,850	11,850	11,850	11,850	

ESTIMATE OF COMMERCIAL VALUE

As the Trust is an independent charitable trust, and the winding up clauses of the Trust Deed provide for any distribution of remaining funds to another charitable purpose within the Stratford District with similar objectives, the commercial value as the shareholders investment is assessed as zero.

OTHER MATTERS

The Percy Thomson Trust has two commercial arrangements with the Stratford District Council.

- The Stratford District Council leases from the Trust a portion of the building owned by the Trust. This area is used by the Council for its Information Centre.
- The Stratford District Council provides accounting and administrative services to the Percy Thomson Trust. The Trust pays a fee for these services.

The Percy Thomson Trust leases to a third party a portion of the building asset for operation of a Café.

The Percy Thomson Trust has a partnership arrangement with the Taranaki Regional Council for the delivery of the electronic herbarium database via the world-wide web.

ASSUMPTIONS

The budget forecasts do not include any adjustments for inflation for the years 2015/2016 and beyond. All revenue and expenditure is based on 2015 dollars.