



# **PERCY THOMSON TRUST**

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

**SIX MONTHLY REPORT**  
**FOR THE PERIOD ENDED**  
**31 DECEMBER 2017**

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## PERCY THOMSON TRUST BOARD

Chairman: Bruce Ellis

Trustees: Keryn Walsh  
Gloria Webby  
Christine Craig  
Viv Milner  
Jim Clarkson

## PERCY THOMSON TRUST STAFF

### As At 31 December 2017

Gallery Director – Rhonda Bunyan

Part-time Gallery Assistants

- Pam Binnie
- Michelle Rowland
- Isaac Ander
- Sue Morton
- Monique Dodunski
- Bill Davies
- Amanda Griffin
- Debra Cooper
- Gayleen Schrider
- Amy Taunt

# CHAIRMAN'S REPORT

On behalf of the Trust it is my pleasure to present the report for the six months ended 31 December 2017. The period has been notable for the establishment of Percy's Place, and a continuation of an exciting exhibition programme. We are looking forward to the Emergent Artists competition beginning in late March.

## Financials

The cash surplus to the end of December stands at \$39,095 as compared with the budget of \$40,725 as at 31 December 2017. The main points to note are:

- The income from Percy's Place that has successfully replaced the lease income from NZ Post.
- Investment income continues to be affected by low interest rates and the lack of suitable investments at previous levels of return.
- Higher Salary and Wages costs, however this is more than offset by grant income from the TSB Community Trust and the TET.

The current projection for the full year shows a cash surplus of \$280 – marginally behind the budget of \$850. The Trustees will review this as the second half progresses.

## Exhibitions

In the twelve-month period to the end of 2017, we welcomed 24,369 visitors to the Gallery. This compares more than favourable with our annual target (to 30 June) of 20,000.

The variety of exhibitions was well reflected over the period with the national touring exhibition “Brian Brake Lens on China and Japan, the regional embroiders exhibition, the Stratford Art Society exhibition, and the provocative and thought-provoking exhibition “See Nothing: Truth Lie Dichotomy” – jointly curated by local political artist Roger Morris and our Gallery Director.

One art-loving couple from Fargo, North Dakota, were moved enough to pen a letter to Stratford Press: “Travelling around New Zealand on an extended holiday we stumbled across Percy Thomson Gallery. We expected to find cookie cutter-type art on the walls, the same stuff you see in plenty of small-town galleries around the world. Instead we were confronted with some truly original, inspiring and thought-provoking art which would not have been out of place in a gallery in a major city anywhere in the world. Days later we are still talking about some of the art we saw (amicably!) between ourselves as to their meaning. Congratulations to the curator of this exhibition and to the gallery for having the vision to host it.”

In a review in the Opunake and Coastal Time, Rolland McKellar said this exhibition was ‘possibly the most important exhibition in Taranaki for 2017 and maybe 2018’.

All involved should be most proud.

## Air Conditioning

The climate control has now been mostly up to the mark in respect of Relative Humidity and Temperature, apart from a few spikes to over 25, during the hot humid weather.

## Percy's Place

The conversion of the space previously occupied by NZ Post into a retail space for the work of Taranaki artists has been a success. A good range of artwork is available for sale. The operation would not succeed without the support of the artists and other volunteers who staff the shop, and for this we are most grateful.

## **TSBCT Emergence Award For Young Taranaki Artists**

**March 29 – April 29**

The gallery, with the generous sponsorship of TSB Community Trust, is mounting a Taranaki-based competition and exhibition for young emerging visual artists. The TSB Community Trust Emergence Award for Young Taranaki Artists is expected to attract a large number of entries.

It is the first visual art competition in Taranaki aimed at young artists offering substantial prizes.

The artist must be born in Taranaki, live in Taranaki, or have attended secondary school in Taranaki and be aged 15 to 26 years on 23 February 2018, the date entries close.

The TSB Community Trust Award for Young Taranaki Artists aims to empower and encourage the creative talents of young, aspiring and emerging artists from Taranaki, while providing a showcase for their works.

The exhibition runs from 29 March - 29 April 2018.

The gala opening event will be held on Thursday 29 March, 7pm.

### **Summary**

The Trust continues to make an important contribution to the life and culture of the District with the Emergence Artists Award being another milestone in extending that contribution. Our stewardship of Percy Thomson's legacy is our key role and we acknowledge the support of the Council and the TET and TSB Community trusts in making this happen.

Bruce Ellis

**CHAIRMAN**

# PERCY THOMSON TRUST

## PERCY THOMSON TRUST ENTITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2017

### **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.

## STATEMENT OF ACCOUNTING POLICIES FOR THE PERIOD TO 31 DECEMBER 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.<sup>18</sup>

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 are derived from the statement of intent as approved by the Board at the beginning of the financial year. 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**

There have been no changes to the accounting policies during the year.



# PERCY THOMSON TRUST

## COST OF SERVICE STATEMENTS FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2017

<u>Six months</u> <u>to</u> <u>31-Dec-16</u>		<u>Year to</u> <u>Date</u> <u>Actual</u>	<u>2017/18</u> <u>Annual</u> <u>Budget</u>	<u>Projected</u> <u>Year End</u>
\$		\$	\$	\$
	<b><u>PROPERTY</u></b>			
	<b>Property Revenue</b>			
7,050	Café Lease	7,050	14,100	14,100
500	Post Box Lobby Rental	500	1,000	1,000
17,800	Information Centre Lease	17,800	17,800	17,800
<b>25,350</b>	<b>Total Property Revenue</b>	<b>25,350</b>	<b>32,900</b>	<b>32,900</b>
	<b>Property Expenditure</b>			
-	Cleaning Services	-	50	-
34,650	Depreciation	35,394	68,000	70,780
3,917	Insurance	5,199	4,200	5,199
1,144	Rates (Services Only)	1,353	1,200	1,353
5,523	Repairs and Maintenance Building	6,825	12,300	12,300
-	Repairs and Maintenance Arboretum	-	2,500	2,500
-	Repairs and Maintenance Herbarium	-	200	200
<b>45,234</b>	<b>Total Property Expenditure</b>	<b>48,771</b>	<b>88,450</b>	<b>92,332</b>
<b>(19,884)</b>	<b>Profit (Loss) from Property</b>	<b>(23,421)</b>	<b>(55,550)</b>	<b>(59,432)</b>

# PERCY THOMSON TRUST

<u>Six months</u> <u>to</u> <u>31-Dec-16</u>		<u>Year to</u> <u>Date</u> <u>Actual</u>	<u>2017/18</u> <u>Annual</u> <u>Budget</u>	<u>Projected</u> <u>Year End</u>
\$		\$	\$	\$
	<b><u>ART GALLERY</u></b>			
	<b>Art Gallery Revenue</b>			
884	Membership and "Friends" Donations	1,295	1,000	1,295
5,891	Rental/Hireage	5,385	10,000	10,000
1,402	Donation Box	966	2,000	2,000
-	Commission - Percy's Place	6,669	-	10,000
2,015	Commission - Gallery	2,607	3,000	3,500
<b>10,192</b>	<b>Total Art Gallery Revenue</b>	<b>16,922</b>	<b>16,000</b>	<b>26,795</b>
	<b>Art Gallery Expenditure</b>			
301	ACC Levy	278	350	278
9,690	Energy Costs	8,366	19,000	18,000
1,522	Insurance	2,122	1,600	2,122
14	Miscellaneous	109	100	125
-	Postage & Freight	-	50	-
233	Printing & Stationery	229	50	250
5,528	Programme	9,959	17,000	17,000
15,599	Major Exhibition	6,420	10,000	14,000
-	Repairs & Maintenance General	-	100	-
286	Publications & Subscriptions	288	500	288
55	Small Tools	-	150	150
43,790	Salary & Wages and Employee Costs	45,630	86,500	90,000
864	Telephone & Tolls	720	2,000	1,500
<b>77,882</b>	<b>Total Art Gallery Expenditure</b>	<b>74,121</b>	<b>137,400</b>	<b>143,713</b>
<b>(67,690)</b>	<b>Profit (Loss) from Art Gallery</b>	<b>(57,199)</b>	<b>(121,400)</b>	<b>(116,918)</b>

# PERCY THOMSON TRUST

<u>Six months</u> <u>to</u> <u>31-Dec-16</u>		<u>Year to</u> <u>Date</u> <u>Actual</u>	<u>2017/18</u> <u>Annual</u> <u>Budget</u>	<u>Projected</u> <u>Year End</u>
\$		\$	\$	\$
	<b><u>TRUST INVESTMENTS</u></b>			
	<b>Investment Revenue</b>			
24,352	Interest	21,971	60,000	52,000
50,000	Stratford District Council Grant	50,000	50,000	50,000
-	External Funding	-	31,000	-
12,700	TSB Community Trust	25,000	-	25,000
12,500	Taranaki Electricity Trust	10,000	-	10,000
<b>99,552</b>	<b>Total Investment Revenue</b>	<b>106,971</b>	<b>141,000</b>	<b>137,000</b>
	<b>Trust Investment Expenditure</b>			
20,600	Administration	20,600	20,600	20,600
-	Audit Fees	-	8,500	8,500
1,750	Insurance - Trustees Liability	1,750	1,800	1,750
87	Investment Expenses	300	300	300
<b>22,437</b>	<b>Total Trust Investment Expenditure</b>	<b>22,650</b>	<b>31,200</b>	<b>31,150</b>
<b>77,115</b>	<b>Profit (Loss) from Trust Investments</b>	<b>84,321</b>	<b>109,800</b>	<b>105,850</b>

# PERCY THOMSON TRUST

## SUMMARY COST OF SERVICE STATEMENT FOR THE PERCY THOMSON TRUST FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2017

<u>Six months</u> <u>to</u> <u>31-Dec-16</u>		<u>Year to</u> <u>Date</u> <u>Actual</u>	<u>2017/18</u> <u>Annual</u> <u>Budget</u>	<u>Projected</u> <u>Year End</u>
\$		\$	\$	\$
	<b><u>REVENUE</u></b>			
25,350	Property	25,350	32,900	32,900
10,192	Art Gallery	16,922	16,000	26,795
99,552	Other Investments	106,971	141,000	137,000
<b>135,094</b>	<b>Total Revenue</b>	<b>149,243</b>	<b>189,900</b>	<b>196,695</b>
	<b><u>OPERATING EXPENDITURE</u></b>			
45,234	Property	48,771	88,450	92,332
77,882	Art Gallery	74,121	137,400	143,713
22,437	Other Investments	22,650	31,200	31,150
<b>145,553</b>	<b>Total Operating Expenditure</b>	<b>145,542</b>	<b>257,050</b>	<b>267,195</b>
<b>(10,459)</b>		<b>3,701</b>	<b>(67,150)</b>	<b>(70,500)</b>
<b>(10,459)</b>	<b>Transferred to Accumulated Surpluses</b>	<b>3,701</b>	<b>(67,150)</b>	<b>(70,500)</b>
(10,459)	Net Surplus/Deficit	3,701	(67,150)	(70,500)
34,650	Add back depreciation (non-cash)	35,394	68,000	70,780
24,191	Cash Surplus (Deficit)	39,095	850	280

# PERCY THOMSON TRUST

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2017

	<b>Actual to 31 Dec 17 \$000</b>	<b>Budget 2017/18 \$000</b>	<b>Actual to 31 Dec 16 \$000</b>
<b>Revenue</b>			
Sale of Goods and Services	42	49	36
Council Funding - Grant	50	50	50
Interest, Dividends and Other Investment Revenue	22	60	24
Other Grants and Donations Received	35	31	25
<b>Total Revenue</b>	<b>149</b>	<b>190</b>	<b>135</b>
<b>Expenses</b>			
Employee related costs	46	87	44
Depreciation of Property, Plant and Equipment	35	68	35
Other expenditure	65	103	67
<b>Total Expenses</b>	<b>146</b>	<b>257</b>	<b>146</b>
<b>Net Operating Surplus (Deficit) for the period</b>	<b>4</b>	<b>(67)</b>	<b>(10)</b>

# PERCY THOMSON TRUST

## STATEMENT OF FINANCIAL POSITION FOR PERCY THOMSON TRUST FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2017

<u>Actual for the</u> <u>Year Ended</u> <u>30-Jun-17</u>	<u>Actual for</u> <u>the Six Months</u> <u>as at 31 Dec</u> <u>2016</u>		<u>Actual</u> <u>Year to Date</u>
\$000	\$000		\$000
<b><i>ASSETS</i></b>			
<b><u>Current Assets</u></b>			
93	220	Bank Accounts and Cash	221
250	250	Investments	250
37	-	Other Financial Assets	-
10	1	Debtors and Prepayments	4
<b>390</b>	<b>471</b>	<b>Total Current Assets</b>	<b>474</b>
<b><u>Non-Current Assets</u></b>			
735	692	Other Financial Assets	660
1,889	1,621	Property, Plant and Equipment	1,861
<b>2,624</b>	<b>2,313</b>	<b>Total Non-Current Assets</b>	<b>2,521</b>
<b>3,014</b>	<b>2,784</b>	<b>Total Assets</b>	<b>2,995</b>
<b><i>LIABILITIES AND EQUITY</i></b>			
<b><u>Current Liabilities</u></b>			
33	21	Creditors and Accrued Expenses	9
5	1	Employee Costs Payable	5
<b>38</b>	<b>22</b>	<b>Total Current Liabilities</b>	<b>15</b>
<b><u>Trust Equity</u></b>			
0	0	Contributed Capital	0
1,959	2,016	Accumulated Surpluses	1,963
1,017	746	Revaluation Reserve	1,017
<b>2,976</b>	<b>2,762</b>	<b>Total Trust Equity</b>	<b>2,980</b>
<b>3,014</b>	<b>2,784</b>	<b>Total Liabilities &amp; Equity</b>	<b>2,995</b>

# PERCY THOMSON TRUST

## STATEMENT OF CASHFLOWS OF THE PERCY THOMSON TRUST FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2017

<u>Actual for</u> <u>the Six Months</u> <u>Ended 31 Dec</u> <u>2016</u> <u>\$000</u>		<u>Year to Date</u>  <u>Actual</u> <u>\$000</u>
	<b><u>Cash Flows from Operating Activities</u></b>	
50	Receipts of Council Funding	50
43	Receipts from Sale of Goods and Services	36
24	Interest, Dividends and Other Investment Revenue	22
25	Receipts of Other Grants and Donations	35
(102)	Payments to Suppliers and Employees	(128)
0	Goods and Services Tax (net)	0
<b>41</b>	<b>Net Cash Flow from Operating Activities</b>	<b>15</b>
	<b><u>Cash Flows from Investing and Financing Activities</u></b>	
350	Receipts from Sale of Investments	362
(288)	Payments to Acquire Investments	(250)
<b>62</b>	<b>Net Cash Flow from Investing and Financing Activities</b>	<b>112</b>
<b>102</b>	<b>Net (Decrease)/Increase in Cash for the period</b>	<b>127</b>
118	Add opening bank accounts and cash	93
<b>220</b>	<b>Closing Bank Accounts and Cash</b>	<b>220</b>

# PERCY THOMSON TRUST

## OTHER EXPLANATORY NOTES AS AT 31 DECEMBER 2017

### Note 1 Property, Plant and Equipment

	Carrying Amount 1/07/17 \$000	Additions	Depreciation to 31/12/17 \$000	Carrying Amount 31/12/17 \$000
Building	1,581	-	(33)	1,548
Land	193	-	-	193
Arboretum	45	-	(1)	44
Furniture and Fittings	70	-	(2)	68
Office Equipment	0	-	(0)	0
Work in Progress	-	8	-	8
<b>Total</b>	<b>1,889</b>	<b>8</b>	<b>(35)</b>	<b>1,861</b>

### Note 2 Related Party Transactions

#### a) **Stratford District Council**

As the Trust is a Council controlled organisation it receives a grant of \$50,000 per annum from the Stratford District Council. This amount has been paid to the Trust.

The Trust receives \$17,800 per annum for rental of the Information Centre.

The Trust also pays \$20,600 per annum to Council for administrative services.

#### **Key Management and Trustees**

G Webby, Trustee, is a Councillor of Stratford District Council.

K Walsh, Trustee, is a Councillor of Stratford District Council.

C Craig, Trustee, is an employee of Stratford District Council.

There have been no fees paid to the trustees during the period.

Except for the above transaction, no other Trustees or Senior Management have entered into related party transactions.

### Note 3 Post Balance Date Events

There are no material events subsequent to the end of the interim period.

### Note 4 Contingent Liabilities

The Trust has no contingent liabilities as at 31 December 2017 (2016 - \$Nil)

### Note 5 Dividends

There will be no dividend payable to Stratford District Council.