



PERCY THOMSON TRUST

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

SIX MONTHLY REPORT
FOR THE PERIOD ENDED
31 DECEMBER 2015

CONTENTS

	PAGE
Percy Thomson Trust Board	1
Percy Thomson Trust Staff	1
Chairman's Report.....	2
Statement of Accounting Policies	3-4

PERCY THOMSON TRUST BOARD

Chairman: Bruce Ellis

Trustees: Roger Hignett
Gloria Webby
Christine Craig
Viv Milner
Jim Clarkson

PERCY THOMSON TRUST STAFF

As At 31 December 2015

Gallery Director – Rhonda Bunyan

Part-time Gallery Assistants

- Pam Binnie
- Mickie Mills
- Michelle Rowland
- Isaac Ander
- Sue Morton
- Monique Dodunski
- Bill Davies

CHAIRMAN'S REPORT

It is with pleasure that I present the six monthly report for the Percy Thomson Trust for the period ended 31st December 2015.

The Trust received the resignation of the Gallery Director Ms Maree Wilson and the Trust has appointed Mrs Rhonda Bunyan to the Position. Rhonda has much experience in her involvement with the Gallery over a long period and I am sure she will be a huge asset to the Gallery.

The exhibitions at the Gallery are performing to a high standard and feedback I have had is very positive. The exhibition programme for 2016 is full, so the new Director is well situated to keep the Gallery a most interesting place to visit.

Chairman Roger Hignett resigned from his position on the 10th December and I have been elected into the position. The Trustees take this opportunity to thank Roger for his contributions in the past and look forward to working with him in the future as he has remained as a Trustee.

Of concern to the Trustees has been the condition of the roof. We are pleased to report that the work undertaken by Fulton Hogan at a cost of \$90,000 funded partly by a grant from the TSB Community Trust now seems to have fixed the leaking problem.

Financially the Trust investments are performing at its expectations and we remain close to budget on our projected performance for 6 month period ending 31st December 2015.

Bruce Ellis
CHAIRMAN

PERCY THOMSON TRUST

PERCY THOMSON TRUST ENTITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015

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 will be adopting 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 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.

PERCY THOMSON TRUST

COST OF SERVICE STATEMENT FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

<u>Six months</u> <u>to</u> <u>31-Dec-13</u>		<u>Year to</u> <u>Date</u> <u>Actual</u>	<u>Year to</u> <u>Date</u> <u>Budget</u>	<u>Year to</u> <u>Date</u> <u>Variance</u>	<u>2014/15</u> <u>Annual</u> <u>Budget</u>	<u>Projected</u> <u>Year End</u>	<u>Projected</u> <u>Year End</u> <u>Variance</u> <u>to annual</u> <u>budget</u>
\$		\$	\$	\$	\$	\$	\$
	<u>PROPERTY</u>						
	Property Revenue						
6,570	Café Lease	6,570	6,570	-	13,260	13,140	(120)
500	Post Box Lobby Rental	500	500	-	1,000	1,000	-
25,000	Information Centre Lease	25,000	25,000	-	25,000	25,000	-
32,070	Total Property Revenue	32,070	32,070	-	39,260	39,140	(120)
	Property Expenditure						
-	Cleaning Services	224	200	(24)	400	400	-
32,654	Depreciation	32,863	33,000	137	66,000	65,726	(274)
4,919	Insurance	4,240	4,240	-	5,500	4,240	(1,260)
1,005	Rates (Services Only)	1,006	1,006	-	1,050	1,006	(44)
5,744	Repairs and Maintenance Building	2,567	3,925	1,358	7,850	62,850	55,000
-	Repairs and Maintenance Arboretum	-	-	-	5,000	3,000	(2,000)
-	Repairs and Maintenance Herbarium	-	100	100	200	200	-
44,322	Total Property Expenditure	40,900	42,471	1,571	86,000	137,422	51,422
(12,252)	Profit (Loss) from Property	(8,830)	(10,401)	1,571	(46,740)	(98,282)	51,302

PERCY THOMSON TRUST

COST OF SERVICE STATEMENT FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

<u>Six months</u> <u>to</u> <u>31-Dec-13</u>		<u>Year to</u> <u>Date</u> <u>Actual</u>	<u>Year to</u> <u>Date</u> <u>Budget</u>	<u>Year to</u> <u>Date</u> <u>Variance</u>	<u>2014/15</u> <u>Annual</u> <u>Budget</u>	<u>Projected</u> <u>Year End</u>	<u>Projected</u> <u>Year End</u> <u>Variance</u> <u>to annual</u> <u>budget</u>
\$		\$	\$	\$	\$	\$	\$
	<u>ART GALLERY</u>						
	Art Gallery Revenue						
1,500	Workshops/Subsidies	-	-	-	-	-	-
537	Membership and "Friends" Donations	693	1,000	(307)	1,000	693	(307)
4,088	Rental/Hireage	5,602	3,750	1,852	7,500	8,000	500
783	Donation Box	704	1,250	(546)	2,500	1,500	(1,000)
3,501	Commissions	468	1,000	(532)	2,000	1,500	(500)
10,409	Total Art Gallery Revenue	7,467	7,000	467	13,000	11,693	(1,307)
	Art Gallery Expenditure						
-	ACC Levy	342	342	-	450	342	(108)
10,196	Energy Costs	10,840	11,500	660	23,000	22,500	(500)
792	Insurance	1,419	800	(619)	800	1,419	619
238	Miscellaneous	173	150	(23)	300	300	-
61	Postage & Freight	-	75	75	150	-	(150)
10	Printing & Stationery	-	100	100	200	-	(200)
6,767	Programme	15,081	10,000	(5,081)	20,000	20,000	-
5,712	Major Exhibition	7,958	7,958	-	10,000	10,000	-
-	Repairs & Maintenance General	-	250	250	500	250	(250)
228	Publications & Subscriptions	230	150	(80)	300	300	-
59	Small Tools	41	150	109	300	200	(100)
26,442	Salary & Wages	25,800	27,150	1,350	54,300	54,000	(300)
11,126	Part time and Temporary Staff	13,849	6,500	(7,349)	13,000	26,500	13,500
-	Kiwisaver Contributions	1,043	-	(1,043)	-	2,000	2,000
991	Telephone & Tolls	1,394	1,000	(394)	2,000	2,600	600
62,622	Total Art Gallery Expenditure	78,170	66,125	(12,045)	125,300	140,411	15,111
(52,213)	Profit (Loss) from Art Gallery	(70,703)	(59,125)	(11,578)	(112,300)	(128,718)	13,804

PERCY THOMSON TRUST

<u>COST OF SERVICE STATEMENTS</u>							
<u>FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014</u>							
<u>Six months</u> <u>to</u> <u>31-Dec-13</u>		<u>Year to</u> <u>Date</u> <u>Actual</u>	<u>Year to</u> <u>Date</u> <u>Budget</u>	<u>Year to</u> <u>Date</u> <u>Variance</u>	<u>2014/15</u> <u>Annual</u> <u>Budget</u>	<u>Projected</u> <u>Year End</u>	<u>Projected</u> <u>Year End</u> <u>Variance</u> <u>to annual</u> <u>budget</u>
\$		\$	\$	\$	\$	\$	\$
	<u>TRUST INVESTMENTS</u>						
	Investment Revenue						
28,059	Interest	22,432	22,500	(68)	64,000	64,000	-
50,000	Stratford District Council Grant	50,000	50,000	-	50,000	50,000	-
5,698	External Funding	-	-	-	10,500	-	(10,500)
10,000	TSB Community Trust	40,000	-	40,000	-	40,000	40,000
20,000	Taranaki Electricity Trust	33,750	-	33,750	-	33,750	33,750
113,757	Total Investment Revenue	146,182	72,500	73,682	124,500	187,750	63,250
	Trust Investment Expenditure						
20,600	Administration	20,600	20,600	-	20,600	20,600	-
-	Audit Fees	-	-	-	8,000	8,000	-
-	Insurance - Trustees Liability	-	-	-	1,800	1,800	-
302	Investment Expenses	-	-	-	1,000	1,000	-
20,902	Total Trust Investment Expenditure	20,600	20,600	-	31,400	31,400	-
92,855	Profit (Loss) from Trust Investments	125,582	51,900	73,682	93,100	156,350	63,250

**SUMMARY COST OF SERVICE STATEMENT
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014**

<u>Six months</u> <u>to</u> <u>31-Dec-13</u>		<u>Year to</u> <u>Date</u> <u>Actual</u>	<u>Year to</u> <u>Date</u> <u>Budget</u>	<u>Year to</u> <u>Date</u> <u>Variance</u>	<u>2014/15</u> <u>Annual</u> <u>Budget</u>	<u>Projected</u> <u>Year End</u>	<u>Projected</u> <u>Year End</u> <u>Variance</u> <u>to annual</u> <u>budget</u>
\$		\$	\$	\$	\$	\$	\$
	REVENUE						
32,070	Property	32,070	32,070	-	39,260	39,140	(120)
10,409	Art Gallery	7,467	7,000	467	13,000	11,693	(1,307)
113,757	Other Investments	146,182	72,500	73,682	124,500	187,750	63,250
156,236	Total Revenue	185,719	111,570	74,149	176,760	238,583	61,823
	OPERATING EXPENDITURE						
44,322	Property	40,900	42,471	1,571	86,000	137,422	51,422
62,622	Art Gallery	78,170	66,125	(12,045)	125,300	140,411	15,111
20,902	Other Investments	20,600	20,600	-	31,400	31,400	-
127,846	Total Operating Expenditure	139,670	129,196	(10,474)	242,700	309,233	66,533
28,390	Net Operating Profit (Loss)	46,049	(17,626)	63,675	(65,940)	(70,650)	128,356
28,390	Transferred to Accumulated Profit	46,049	(17,626)	63,675	(65,940)	(70,650)	128,356
28,390	<i>Net Operating Profit (Loss)</i>	46,049	(17,626)	63,675	(65,940)	(70,650)	128,356
32,654	<i>Add back depreciation (non-cash)</i>	32,863	33,000	137	66,000	65,726	(274)
61,044	<i>Cash Surplus (Deficit)</i>	78,912	15,374	63,812	60	(4,924)	128,630

PERCY THOMSON TRUST

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE SIX MONTH PERIOD ENDING 31 DECEMBER 2014

	Actual 2014/15 \$000	Actual 2013/14 \$000
Revenue		
Revenue	185.7	156.2
Total Revenue	185.7	156.2
Expenses		
Employee Benefit Expenses	39.6	37.6
Depreciation and Amortisation	32.9	32.7
Other Expenditure	67.2	57.6
Total Operating Expenses	139.7	127.8
Operating Profit/(Loss) Before Tax	46.0	28.4
Share of Associate Surplus/(Deficit)	-	-
Net Surplus/(Deficit) Before Tax	46.0	28.4
Income Tax Expense	-	-
Surplus/(Deficit) After Tax	46.0	28.4
Attributable to:		
Percy Thomson Trust	46.0	28.4
	46.0	28.4
Other Comprehensive Revenue and Expense		
Loss on sale of financial assets at fair value through other comprehensive income	-	-
Gains (Losses) on property revaluation	-	-
Revaluation of financial assets at fair value through other comprehensive income	-	-
Total Other Comprehensive Revenue and Expense	-	-
Total Comprehensive Revenue and Expense	46.0	28.4
Attributable to:		
Percy Thomson Trust	46.0	28.4
	46.0	28.4

PERCY THOMSON TRUST

STATEMENT OF FINANCIAL POSITION FOR THE SIX MONTHS PERIOD AS AT 31 DECEMBER 2014

<u>Actual for the</u> <u>Year Ended</u> <u>30-Jun-14</u> <u>\$000</u>	<u>Actual for</u> <u>the Six Months</u> <u>as at 31 Dec 2013</u> <u>\$000</u>		<u>Actual</u> <u>Year to Date</u> <u>\$000</u>
		<u>Current Assets</u>	
104.2	128.8	Cash and Cash Equivalents	236.1
250.0	250.0	Investments	250.0
154.3	-	Other Financial Assets	-
14.0	17.7	Debtors and Other Receivables	4.5
522.5	396.5	Total Current Assets	490.6
		<u>Non-Current Assets</u>	
677.5	841.1	Other Financial Assets	781.8
1,749.2	1,782.2	Property, Plant and Equipment	1,716.6
2,426.7	2,623.3	Total Non-Current Assets	2,498.4
2,949.2	3,019.8	Total Assets	2,989.0
		<u>Current Liabilities</u>	
8.9	2.4	Creditors and Other Payables	2.7
2.1	6.4	Employee Entitlements	2.1
11.0	8.8	Total Current Liabilities	4.8
		<u>Trust Equity</u>	
0.1	0.1	Trust Capital	0.1
2,182.6	2,246.6	Retained Earnings	2,228.6
755.5	764.3	Other Reserves	755.5
2,938.2	3,011.0	Total Trust Equity	2,984.2
2,949.2	3,019.8	Total Liabilities & Equity	2,989.0

PERCY THOMSON TRUST

STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

<u>Actual for the</u> <u>Six Months Period</u> <u>Ended 31 Dec 2013</u> <u>\$000</u>		<u>Year to Date</u> <u>Actual</u> <u>\$000</u>
2,923.9	<u>Balance at 1 July</u>	2,938.2
28.4	Total Comprehensive Income	46.0
58.7	Gains (Losses) on property revaluation	-
<u>3,011.0</u>	Total Recognised Revenue and Expenses for the Period	<u>2,984.2</u>
<u>3,011.0</u>	<u>Balance at end of period</u>	<u>2,984.2</u>
	<u>Attributed to:</u>	
<u>3,011.0</u>	Percy Thomson Trust	<u>2,984.2</u>

PERCY THOMSON TRUST

STATEMENT OF CASHFLOWS FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

<u>Actual for</u> <u>the Six Months</u> <u>Ended 31 Dec 2013</u> \$000		<u>Year to Date</u> <u>Actual</u> \$000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash Was Provided From:		
35.3	Other Income	38.1
21.3	Investment Income	22.4
87.0	Grants and Donations	125.1
<u>143.6</u>		<u>185.7</u>
Cash Was Applied To:		
63.4	Supply of Goods and Services	63.9
37.6	Payments to Employees	39.6
0.1	Net Taxes (GST)	0.1
<u>101.1</u>		<u>103.6</u>
<u>42.5</u>	NET CASH FROM OPERATING ACTIVITIES	<u>81.9</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Cash Was Provided From:		
-	Sale of Investments	50.0
<u>-</u>		<u>50.0</u>
Cash Was Applied To:		
53.6	Purchase of Investments	-
<u>53.6</u>		<u>-</u>
<u>(53.6)</u>	NET CASH FROM INVESTING ACTIVITIES	<u>50.0</u>
<u>(11.2)</u>	Net (Decrease)/Increase in Cash, Cash Equivalents and Bank Overdrafts	<u>131.9</u>
389.9	Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the Year	354.2
<u>378.8</u>	Cash, Cash Equivalents and Bank Overdrafts at the End of the Year	<u>486.1</u>

PERCY THOMSON TRUST

RECONCILIATION OF NET PROFIT (LOSS) TO NET CASH FLOW FROM OPERATING ACTIVITIES

<u>Actual for</u> <u>the Six Months</u> <u>Ended 31 Dec 2013</u> <u>\$000</u>		<u>Year to Date</u> <u>Actual</u> <u>\$000</u>
28.4	Reported Profit (Loss)	46.0
	<i>Add back non-cash items:</i>	
32.7	Depreciation	32.8
61.1		78.9
	<i>Add (less) movements in other Working Capital Items:</i>	
(6.4)	(Increase) Decrease in Accounts Receivable/GST Due	9.5
(12.2)	Increase (Decrease) in Accounts Payable/Employee Enti	(6.5)
(18.6)		3.0
42.5	Net Cash Inflow (Outflow) from Operating Activities	81.9

PERCY THOMSON TRUST

OTHER EXPLANATORY NOTES

AS AT 31 DECEMBER 2014

Note 1 Property, Plant and Equipment

	At Valuation/Cost	Additions	Depreciation	Net Book Value
	1/07/14		to 31/12/14	31/12/14
	\$000		\$000	\$000
Building	1,523.7		(32.5)	1,491.2
Land	178.0		-	178.0
Arboretum	43.2		-	43.2
Furniture and Fittings	3.9		(0.2)	3.7
Office Equipment	0.6		(0.1)	0.5
Total	1,749.4	-	(32.8)	1,716.6

Note 2 Related Party Transactions

a) **Stratford District Council**

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

The Trust receives \$25,000 per annum for rental of the Information Centre.

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

b) **Key Management and Trustees**

R Hignett, Trustee, is a Councillor of Stratford District Council.

V Milner, 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 2014 (2013 - \$Nil)

Note 5 Dividends

There will be no dividend payable to Stratford District Council.