

# AGENDA

## PERCY THOMSON TRUST

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



F16/1072 - D23/43773

Annual General Meeting  
Date: Thursday 26 October 2023 at 3.30pm  
Venue: Committee Room, Stratford District Council, 63 Miranda Street,  
Stratford

Opening Karakia

1. Announcements
2. Apologies
3. Confirmation of Minutes

**3.1 Meetings - Thursday 28 October 2022**

The minutes of the Annual General Meeting are attached.

**Recommendation**

THAT the minutes of the Percy Thomson Trust Annual General Meeting held on Thursday 15 October 2022 be confirmed.

/  
Moved/Seconded

**4. Annual Report**

The Annual Report for the year ended 30 June 2023 is attached.

**Recommendation**

THAT the Annual Report for the year ended 30 June 2023 be adopted

/  
Moved/Seconded

**5. Trustee Appointment**

As per clause 2.11 of the Percy Thomson Trust Deed:

*“2.11 A person appointed as a Trustee who remains eligible to be appointed as a Trustee may be reappointed as a trustee for a further period or periods provided that:  
2.11.1 each further term of appointment does not exceed three years;  
2.11.2 the ‘Trustees’ terms are staggered so that not all of the terms end in the same Financial Year.”*

The terms of Trustee Mrs Christine Craig will expire at this AGM. Mrs Craig has confirmed that they wished to be reappointed for a further term.

The Council has endorsed the appointment of Mrs Christine Craig on Tuesday 10 October 2023.

**Recommendation**

THAT Mrs Christine Craig be reappointed as a trustee for a further term expiring at the 2026 AGM.

/  
Moved/Seconded

**6. Election of Chairperson**

The Trust deed states that:

*“2.15 The Trustees shall appoint one of the Trustees to be chairperson of the Trust. The chairperson of the Trust shall hold that office for a term determined by the Trustees, provided that term does not exceed the Trustee's term of appointment and provided the term does not exceed three years. The chairperson shall be eligible for reappointment.”*

The Trustees shall give consideration to the election of a Chair of the Trust.

**7. Meeting Schedule 2024**

A suggested meeting schedule is attached for Trustee's consideration.

**Recommendation**

THAT the meeting schedule for the year 2024 be adopted

/  
Moved/Seconded

**8. General Business**

Closing Karakia



**Our reference**  
F19/13/03-D21/40748

### **Karakia**

Kia uruuru mai  
Ā hauora  
Ā haukaha  
Ā haumāia  
Ki runga, Ki raro  
Ki roto, Ki waho  
Rire rire hau Paimārire

I draw in (to my being)  
The reviving essence  
The strengthening essence  
The essence of courage  
Above, Below  
Within, Around  
Let there be peace.

## MINUTES OF THE ANNUAL GENERAL MEETING OF THE PERCY THOMSON TRUST HELD IN THE CHAMBERS, STRATFORD DISTRICT COUNCIL ON THURSDAY 20 OCTOBER 2022 AT 3.30PM

### PRESENT

Chairman Bruce Ellis and Trustees – Helen Cloke, Christine Craig, Jim Clarkson, Gloria Webby and Deborah Clough.

### IN ATTENDANCE

The HR and Governance Administrator– Carissa Reynolds (Minute Taker).

#### 1. OPENING KARIAKIA

#### 2. ANNOUNCEMENTS

No announcements

#### 3. APOLOGIES

There were no apologies.

#### 4. CONFIRMATION OF MINUTES

Meeting – Thursday 28 October 2021

##### Recommendation

THAT the minutes of the meeting of the Percy Thomson Trust Annual General Meeting held on Thursday 28 October 2021 be confirmed.

WEBBY/CRAIG  
Carried

It was noted that the minutes were amended to include Deborah Clough in attendance.

#### 5. ANNUAL REPORT

Annual report is attached.

- Auditors have started working the annual report last week, due to a change in Auditors and their staff shortages there have been delays. The annual report cannot be presented to council until the Auditors have finished.
- It was noted that on page 1 of the Annual report – Amy Taunt is not listed as the assistant director under staff.

##### Recommendations

THAT That the annual report is adopted subject to auditors' approval.

ELLIS/CLARKSON  
Carried

#### 6. TRUSTEE APPOINTMENTS

As per clause 2.11 of the Percy Thomson Trust Deed:

“2.11A *person appointed as a Trustee who remains eligible to be appointed as a Trustee may be reappointed as a trustee for a further period or periods provided that:*

*2.11.1 each further term of appointment does not exceed three years;*

*2.11.2 the ‘Trustees’ terms are staggered so that not all of the terms end in the same Financial Year.”*

The terms of Trustees Mrs Helen Cloke, Mrs Deborah Clough and Mr Bruce Ellis will expire at this AGM. Mrs Helen Cloke, Mrs Deborah Clough and Mr Bruce Ellis have confirmed that they wished to be reappointed for a further term.

The Council has endorsed the appointments of Mrs Helen Cloke, Mrs Deborah Clough and Mr Bruce Ellis on Tuesday 13 September 2022 as per the attached minutes.

**Recommendations**

THAT Mrs Helen Cloke, Mrs Deborah Clough and Mr Bruce Ellis be reappointed as a trustees for a further term expiring at the 2025 AGM.

CRAIG/WEBBY  
Carried

The Chair confirmed he sent an email to the District Mayor who approved Mrs Gloria Webby as a trustee.

**7. ELECTION OF CHAIRMAN**

The Trust deed states that:

“2.15            *The Trustees shall appoint one of the Trustees to be chairperson of the Trust. The chairperson of the Trust shall hold that office for a term determined by the Trustees, provided that term does not exceed the Trustee’s term of appointment and provided the term does not exceed three years. The chairperson shall be eligible for reappointment.*”

Mr Ellis vacated the chair while Trustees gave consideration to the election of a Chairperson for 2022/23. No other nominations were received and Mr Ellis was re-elected.

**Mr Ellis noted he intended this to be his last year as chairman.**

**Recommendations**

THAT Mr Bruce Ellis be elected as Chair for a term expiring at the 2023 AGM.

CRAIG/CLARKSON  
Carried

**8. MEETING SCHEDULE 2023**

A suggested meeting schedule was attached.

**Recommendation**

THAT the trust adopt the meeting schedule for the 2023 year, without alteration.

CLARKSON/CLOUGH  
Carried

**9. GENERAL BUSINESS**

No other business was discussed.

Meeting closed at 3.45pm.

B Ellis  
**CHAIRMAN**



# PERCY THOMSON TRUST

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

PERFORMANCE REPORT  
FOR THE YEAR ENDED  
30 JUNE 2023

# PERCY THOMSON TRUST

Performance report for the year ended 30 June 2023

## CONTENTS

	<b>PAGE</b>
<b>NON-FINANCIAL INFORMATION</b>	
Chairman's Report.....	1
Entity Information.....	4
Percy Thomson Trust Board.....	5
Percy Thomson Trust Staff .....	5
Statement of Service Performance .....	6
<b>FINANCIAL INFORMATION</b>	
Statement of Financial Performance .....	10
Statement of Financial Position .....	11
Statement of Cash Flows .....	12
Statement of Accounting Policies .....	13-15
Notes to the Performance Report .....	16-20
Independent Auditor's Report .....	21-23

## PERCY THOMSON TRUST – CHAIRMAN'S REPORT

### For the year ended 30 June 2023

On behalf of the Trust, it is my pleasure to present the report for the twelve months ended 30 June 2023. The 2022 year was characterised by the flow on effects of Covid, but 2023 saw continued improvements with the gallery returning to near normal visitor levels, Laura's first full year as Gallery Director, and upgrade work at the Arboretum.

Particular concerns have come to the fore concerning the Gallery building with the condition of the roof of concern; and there has been continued pressures on income with limitations on the ability to source grant funding as outlined previously.

#### Financials

The Statement of Financial performance shows a deficit of \$120,000. This compares with a budgeted deficit of \$81,000 and the actual deficit in 2022 of \$76,000. The negative variance of \$39,000 against budget came from lower grant income by \$10,000; increased audit fee of \$18,000; and increased repairs and maintenance of the Gallery building by \$11,000.

From a cash flow point of view, after adding back depreciation and allowing for capital expenditure there was a reduction in total funds of \$123,000 being the cash operating deficit of \$39,000 and capital expenditure in the development of the Arboretum of \$63,000 and plant and equipment (air conditioning unit, foyer blinds and scissor lift) in the gallery.

The overall equity position however received quite a boost with a lift of \$702,000 from the property revaluation. Total equity now stands at \$3,380,000.

#### Gallery Operations

Visitor numbers at the gallery continued to return to more normal levels. Whilst visitor numbers of 18,684 were still below the 20,000 KPI, they were 27.5% ahead of the 2022 level. The upward trend has continued into the now current financial year.

The exhibition programme has continued to be innovative and thought provoking and offering a valuable outlet for local artists.

#### Investment Funds and Cash Balances

The Investment portfolio of the Trust is summarised as follows:

Category	Book Value @ 30/6/23	Book Value @ 30/6/22
Bank Balances	77,000	275,000
Trading Bank Term Deposits	350,000	250,000
Bonds	30,000	55,000
Commercial Property through Proportionate Ownership Schemes and Property Investment Funds	397,000	397,000
<b>Total</b>	<b>\$854,000</b>	<b>\$977,000</b>

The reduction in bonds is from the maturity of a bond holding but replaced with further funds on Term Deposit to take advantage of better rates offered by the TSB. In 2022 one holding was sold to take advantage of a capital profit, however we took no further steps in this direction in 2023 having decided to preserve the capital profits for the time being.

The decision to participate in the various schemes and funds has the following objectives:

- To increase the cash investment returns of the overall invested funds given the reducing returns available from Bank Term Deposits and other fixed interest bonds;
- The opportunity for capital growth in these investments.

Further, in seeking such investments particular criteria included:

- The quality of the respective buildings
- The quality and security of the tenancies within each property



- The quality and experience of the managers of the respective properties

The breakdown of these investments is:

Property held by Investment Fund	Original Investment (as per Statement of Financial Position)	Market Value (as at Balance Date of the investments of 31 March 2023)	Market Value (as at Balance Date of the investments of 31 March 2022)	Cash Income Return on Original Investment	Summary of Tenancies
Bush Road, Albany, Auckland – light industrial	125,000	321,930	330,420	6.80% (2022 6.8%)	- Thermo Fisher Scientific – 100%
Osterley Way, Manukau, Auckland – office building	50,000	61,628	75,319	8.69% (2022 9.25%)	- IRD – 98% - Other – 2%
Todd Park, Porirua, Wellington – light office/industrial complex	72,000	122,516	130,678	5.92% (2022 7.80%)	- Placemakers 16.38% - NZ Post (exHannah's) 10.36% - Hexatronic 18.63% - Anderson & Flowers 12.53% - Mitsubishi Motors 15.86% - Fusion Interiors 10.63% - Conroy Removals 6.36% - Downer NZ 4.32% - NZ Post 2.82% - Whanau Manaaki Kindergarten 1.77% - Other 0.34%
Cameron Road, Tauranga – Office building and retail	50,000	43,914	59,398	5.92% (2022 7.80%)	- Tauranga City Council 55.11% - IRD 38.33% - Other (3) – retail & office 6.56%
Centuria NZ Industrial Fund – light industrial mainly in Auckland (Name change from Augusta Industrial Fund)	100,000	155,937	176,385	6.16% (2022 6.65%)	The 48 tenants in 21 properties across three cities but weighted 73% to Auckland include Toll, Repco, Linfox, Fujitsu, Fletcher Building Steel Group, Macpac, Vulcan Steel, and Halls Refrigeration Transport (Icepak), D&H Steel Construction, Graphic Packaging, and TCI NZ. Overall occupancy is 96%.
<b>Total</b>	<b>\$397,000</b>	<b>\$705,925</b>	<b>\$772,200</b>	Average 6.77% (2022 7.13%)	
		(16.4% increase)	(16.4% increase on 2021)		

The overall economic situation, especially rising interest rate, has had an effect on the overall cash returns and on the valuations. The rising interest rates on bank borrowings has reduced funds available for distribution – hence the average cash return reducing from 7.13% to 6.77%.

The overall market values of the investments has seen some reduction reflecting the average reduction in the weighted average tenancy terms and increased capitalisation rates. However, the overall portfolio remains strong standing at 78% above the original investment costs.

#### **Building Works**

The Trustees have spent time considering the situation with the Gallery Building roof. There are issues with leakages from the internal gutters. Indications are that we should be considering a roof replacement in the not too distant future. For the time being we have located the major issues and upgraded the monthly maintenance schedule to minimise problems whilst we look at longer term solutions.

#### **Other Responsibilities**

- **The Arboretum.** New developments have been completed to enhance the visitor experience.
- **The Herbarium.** The web site continues to be operational, although it is no longer able to be updated. We are now reviewing whether or not our remit for the herbarium has been concluded.

#### **Summary**

The Trust has now been in existence for over 20 years so we have set in process a strategic review to focus on the Trust's current operations and on our relationship with the District Council. Our aim is to bring a discussion document to Council over the next few months to enable each party to consider a reset.

I acknowledge the work of the trustees and in particular Gloria Webby who retired from her position in March. We also acknowledge Laura, our Gallery Director, Amy, the Gallery assistant, Christine Craig and her team at the Council for administrative support, and the volunteers without whom the operation of the gallery would become most difficult.

The Trust continues to make an important contribution to the life and culture of the District. Our stewardship of Percy Thomson's legacy is our key role and we acknowledge the support of the Council and the Taranaki Electricity Trust, the Taranaki Foundation and the Toi Foundation in making this happen.

A handwritten signature in black ink, appearing to read 'Bruce Ellis', with a small flourish at the end.

Bruce Ellis  
**Chairman**

## 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 7 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 six other voluntary members who support the Chairman in delivering against the Trust's objectives. At least 50% of the Trustees shall not be current elected members of 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.

## PERCY THOMSON TRUST – BOARD

Chairman: Bruce Ellis

Trustees: Jim Clarkson  
Helen Cloke  
Deborah Clough  
Christine Craig  
Doug Robinson  
Gloria Webby resigned 16 March 2023  
Ellen Hall appointed 9 May 2023

## PERCY THOMSON TRUST – STAFF

### As at 30 June 2023

Gallery Director – Laura Campbell

Gallery Assistant – Amy Hill

Part-time Gallery Assistants

- Donna Hitchcock
- Carina McQueen
- Gayleen Schrider
- Jacqueline McCluggage
- Justin Morgan
- Michelle Rowland

## PERCY THOMSON TRUST – PERFORMANCE

### Statement of Service Performance

#### Nature and Scope of the Activities

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

The 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](http://www.taranakiplants.net.nz).

The 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 178 m<sup>2</sup> which can be comfortably partitioned into two areas of 116 m<sup>2</sup> and 62 m<sup>2</sup> respectively.

#### 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 Thomson Arboretum, the Thomson Herbarium and the Thomson Gallery and to be responsible for the on-going 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 Statement of Intent;
- 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.

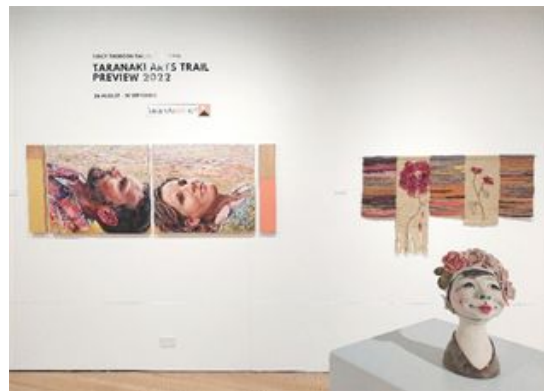
For the avoidance of doubt, the objects of the Trust expressed above are set out in no particular order or priority and do not include an intention or purpose that the Trust operates a trading undertaking with the intention or purpose of making a profit, but rather that the Trustees fairly and efficiently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

## PERCY THOMSON TRUST – PERFORMANCE

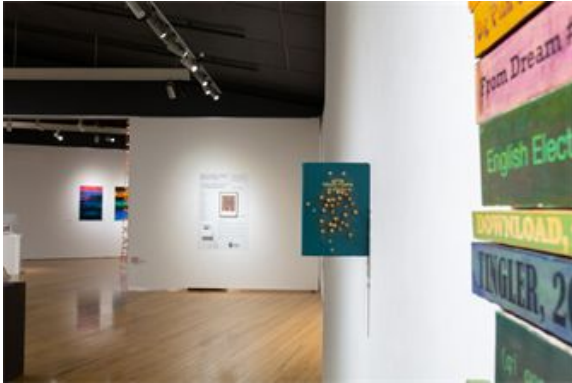
The Trust's objects shall only be carried out in, or to benefit people in the Stratford District. The Trustees may carry out activities outside the Stratford District to promote the Trust or the Trust's activities but only if they believe that such activities will be for the ultimate benefit of people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

Level of Service	Performance Measures	Actual 2022/23	Target 2022/23
Delivery of art exhibitions	Deliver proposed art exhibitions which will include local, regional and at least 1 National.	<p><i>Achieved:</i> All exhibitions were able to be delivered.</p> <p>Art exhibitions that were delivered throughout the year included the following:</p> <p><b>National –</b></p> <ol style="list-style-type: none"> <li>1. The Adam Portraiture Award</li> <li>2. Don't Judge a Book by its Cover</li> </ol> <p><b>Regional –</b></p> <ol style="list-style-type: none"> <li>1. Freed up in lockdown – Ewan McDougall/ Double Edge Sword – Dwayne Duthie</li> <li>2. Professional Weavers Network – Daughters of Eve</li> <li>3. Kahui Mareikura – Indigenous Sisters</li> </ol> <p><b>Local –</b></p> <ol style="list-style-type: none"> <li>1. Emergence – Award for Young Taranaki Artists</li> <li>2. Taranaki Arts Trail – Preview exhibition</li> <li>3. Stratford Art Society</li> <li>4. Creative Fibre</li> </ol> <p><b>((2021/22) – Achieved)</b></p>	Deliver proposed art exhibitions which will include local, regional and at least 1 National.
	Number of visitors to the Gallery to be not less than 20,000 per year.	<p><i>Not Achieved:</i> There were 18,684 visitors for the year. This is an increase on the previous year as people are now attending more events, and the New Zealand borders have opened, which brings in international visitors once again.</p> <p><b>(2021/22 – Not Achieved – 14,646)</b></p>	>20,000
Development and maintenance of arboretum	Develop and maintain the arboretum to the standards in the facilities management contract	<p><i>Achieved:</i> The arboretum has been maintained by Stratford District Council on behalf of the Trust, and meets the standards in accordance with the Facilities Management Contract between Stratford District Council and its contractors. The planting programme was also maintained, and continued on in conjunction with the plantings/replacement of native trees.</p> <p><b>(2021/22) - Achieved)</b></p>	Develop and maintain the arboretum to the standards in the facilities management contract
Delivery of Herbarium	Develop and maintain the relationship with the New Zealand Plant Conservation Network.	<p><i>Not Achieved:</i> The Trust are in the process of becoming a member of the New Zealand Plant Conservation Network, and this will be completed in 2023/24.</p> <p><b>(2021/22 – Not achieved – The trust has just reviewed the arboretum, in conjunction with the Windsor Park Reserve Management Plan, and an alternative method of delivery of the herbarium will be undertaken in 2022/23 as a result of the arboretum review.</b></p>	Develop and maintain the relationship with the New Zealand Plant Conservation Network.

## PERCY THOMSON TRUST – PERFORMANCE



## PERCY THOMSON TRUST – PERFORMANCE





## PERCY THOMSON TRUST – FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL PERFORMANCE FOR YEAR ENDED 30 JUNE 2023

	Note	Actual 2022/23 \$000	Budget 2022/23 \$000	Actual 2021/22 \$000
<b>Revenue</b>				
Funding from central or local government	1	50	50	50
Revenue from non-governmental sources for providing goods or services		46	99	44
Donations, fundraising and other similar revenue	1	45	-	13
Interest, dividends and other investment revenue		44	40	40
Other revenue	1	29	40	66
<b>Total Revenue</b>		<b>214</b>	<b>229</b>	<b>212</b>
<b>Expenses</b>				
Employee related costs	2	121	107	117
Costs related to providing goods or services	2	104	112	84
Other expenses	2	109	91	87
<b>Total Expenses</b>		<b>334</b>	<b>310</b>	<b>288</b>
<b>(Deficit) from operations</b>		<b>(120)</b>	<b>(81)</b>	<b>(76)</b>
Gain on revaluation of property, plant and equipment		702	-	-
<b>Surplus (Deficit) for the year</b>		<b>582</b>	<b>(81)</b>	<b>(76)</b>

Explanations of significant variances against budget are detailed in note 9.



B Ellis  
**CHAIRMAN**



C Craig  
**TRUSTEE**

## PERCY THOMSON TRUST – FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	Actual 2022/23 \$000	Budget 2022/23 \$000	Actual 2021/22 \$000
<b>Assets</b>				
<b>Current Assets</b>				
Bank accounts and cash	3	77	128	275
Debtors and prepayments	3	22	10	4
Investments	3	380	250	275
<b>Total Current Assets</b>		<b>479</b>	<b>388</b>	<b>554</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	4	2,539	1,930	1,832
Non-current investments	3	397	502	427
<b>Total Non-Current Assets</b>		<b>2,936</b>	<b>2,432</b>	<b>2,259</b>
<b>Total Assets</b>		<b>3,415</b>	<b>2,819</b>	<b>2,813</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Creditors and accrued expenses	3	27	5	9
Employee costs payable	3	8	2	6
<b>Total Current Liabilities</b>		<b>35</b>	<b>7</b>	<b>15</b>
<b>Total Liabilities</b>		<b>35</b>	<b>7</b>	<b>15</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>3,380</b>	<b>2,812</b>	<b>2,798</b>
<b>Accumulated Funds</b>				
Capital contributed by owners or members	5	0.1	0.1	0.1
Accumulated Surpluses or (deficits)	5	1,471	1,423	1,591
Reserves	5	1,909	1,389	1,207
<b>Total Accumulated Funds</b>		<b>3,380</b>	<b>2,812</b>	<b>2,798</b>

The Trust Board is approved and authorised to issue the financial statements on 2 October 2023.



B Ellis  
**CHAIRMAN**



C Craig  
**TRUSTEE**

## PERCY THOMSON TRUST – FINANCIAL STATEMENTS

### STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	Actual 2022/23 \$000	Actual 2021/22 \$000
<b>Cash Flows from Operating Activities</b>			
<i>Cash was received from:</i>			
Funding from central or local government		50	50
Receipts from non-governmental sources for providing goods or services		46	44
Donations, fundraising and other similar receipts		49	13
Interest, dividends and other investment revenue		41	40
Other revenue		19	17
Net GST		(8)	(2)
<i>Cash was applied to:</i>			
Payments to Suppliers and Employees		(234)	(213)
<b>Net Cash Flows used in Operating Activities</b>		<b>(37)</b>	<b>(51)</b>
<b>Cash Flows from Investing and Financing Activities</b>			
<i>Cash was received from:</i>			
Receipts from the sale of investments		-	199
<i>Cash was applied to:</i>			
Payments to acquire investments		(75)	-
Payments to acquire property, plant and equipment		(86)	(5)
<b>Net Cash flow from Investing and Financing Activities</b>		<b>(161)</b>	<b>194</b>
<b>Net Increase in Cash</b>		<b>(198)</b>	<b>143</b>
Add opening bank accounts and cash		275	132
<b>This is presented by : Bank Accounts and Cash</b>	3	<b>77</b>	<b>275</b>

# PERCY THOMSON TRUST

## **STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2023**

### **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.

The financial statements are presented in NZ dollars, and all values are rounded to the nearest thousand dollars, unless stated otherwise.

#### 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.

##### *Commission on Sales*

Commission on exhibition sales and Percy Place sales is retained by the Trust, with the remaining proceeds passed on to the seller of the artworks. Revenue includes only amounts received and receivable by the Trust on its own account, not the amounts collected for the principal. Revenue is recognised when receivable.

##### *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 are comprised of term deposits with banks, listed bonds, listed shares, short term promissory notes issued by companies and Local Authorities, real estate, and professionally managed portfolios of investments.

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 initially recorded at cost or valuation, less accumulated depreciation and impairment losses. The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties. The fair value of the buildings was determined from market based evidence using the cost approach, reflecting the cost to construct assets of comparable utility and age, adjusted for obsolescence.

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 to 20 years (5% to 10%)
Office Equipment	4 to 10 years (10% to 25%)
Buildings	10 to 80 years (1.25% to 10%).

### *Revaluation*

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

Unless stated, valuations are carried out or reviewed by independent qualified valuers and are carried out at least on three yearly cycles. Valuations will be undertaken more regularly if necessary to ensure no individual item of property, land or equipment within a class has a carrying value that is materially different from its fair value.

Land and buildings were valued as at 30 June 2023 by Telfer Young (Taranaki) Ltd, independent valuers at fair value as determined from the market-based evidence. Buildings have been valued using the depreciated replacement cost which is based on the modal rate. The modal rate is the rate derived from the construction cost movement from 2020 (which is the date the last valuation was performed) to 2023. Land has been valued on the basis of the open market value of that land.

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 tier 2 accounting standards for asset revaluations only, in preparing its financial statements. This was to bring consistency in property revaluations between the Trust and its parent, the Stratford District Council.

## **CHANGES IN ACCOUNTING POLICIES**

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

## PERCY THOMSON TRUST – NOTES TO THE PERFORMANCE REPORT

### 1. Analysis of Revenue

	Actual 2022/23 \$000	Actual 2021/22 \$000
<b>Funding from central or local government</b>		
- Stratford District Council	50	50
<b>Donations, fundraising and other similar revenue</b>		
Grant - Taranaki Electricity Trust	30	-
Grant - Toi Foundation	-	-
Grant - Taranaki Foundation	10	-
Other grants	4	-
Creative New Zealand Funding	-	12
Wages subsidy	1	1
<b>Total donations, fundraising and other similar revenue</b>	<b>45</b>	<b>13</b>
There are no unfulfilled conditions and other contingences attached to grants recognised.		
<b>Other Revenue</b>		
- Commission Sales	19	17
- Insurance proceeds	10	-
- Gain on sale of financial assets	-	49
<b>Total Other Revenue</b>	<b>29</b>	<b>66</b>

### 2. Analysis of Expenses

	Actual 2022/23 \$000	Actual 2021/22 \$000
<b>Employee related costs</b>		
Salaries and Wages	116	115
Kiwisaver Contributions	3	3
Increase (Decrease) in Employee Entitlements	2	(1)
<b>Total employee related costs</b>	<b>121</b>	<b>117</b>
<b>Costs related to providing goods or services</b>		
Property expenses	29	18
Art Gallery expenses	52	43
Other operating expenses	23	23
<b>Total costs related to providing goods or services</b>	<b>104</b>	<b>84</b>
<b>Other expenses</b>		
Audit Fees for Financial Statement Audit	25	7
Loss on disposal of assets	3	-
Depreciation	81	80
<b>Total other expenses</b>	<b>109</b>	<b>87</b>

## PERCY THOMSON TRUST – NOTES TO THE PERFORMANCE REPORT

### 3. Analysis of Assets and Liabilities

#### Current Assets

	Actual 2022/23 \$000	Actual 2021/22 \$000
<b>Bank Accounts and Cash</b>		
Cheque Account - TSB	77	275
<b>Total Bank accounts and cash</b>	<b>77</b>	<b>275</b>
<b>Debtors and Prepayments</b>		
GST Refundable	8	-
Sundry Debtors	14	4
<b>Total Debtors and Prepayments</b>	<b>22</b>	<b>4</b>
<b>Investments</b>		
<u>Bonds</u>		
Auckland International Airport - 4.28% - matures 09/11/2022	-	25
Meridian Energy Ltd - 4.88% - matures 20/03/2024	30	
<u>Other Investments</u>		
Term Deposit TSB Bank - 5.30% - mature 4/12/2023	250	250
Term Deposit TSB Bank - 4.35% - mature 20/09/2023	50	-
Term Deposit TSB Bank - 5.65% - mature 20/12/2023	50	-
<b>Total Investments</b>	<b>380</b>	<b>275</b>
<b>Non-current Investments</b>		
<u>Bonds</u>		
Meridian Energy Ltd - 4.88% - matures 20/03/2024	-	30
<u>Other Investments</u>		
Proportionate Ownership - Albany, Auckland	50	50
Proportionate Ownership - Manukau, Auckland	50	50
Proportionate Ownership - Porirua, Wellington	72	72
Proportionate Ownership - Albany, Auckland	75	75
Proportionate Ownership - Tauranga	50	50
Proportionate Ownership - Henderson, Auckland	100	100
<b>Total Non Current Investments</b>	<b>397</b>	<b>427</b>
<b>Creditors and Accrued Expenses</b>		
Creditors	2	1
Income received in advance	2	-
Accrued Expenses	23	8
<b>Total Creditors and Accrued Expenses</b>	<b>27</b>	<b>9</b>
<b>Employee Costs Payable</b>		
Annual Leave	8	6
<b>Total Employee Costs Payable</b>	<b>8</b>	<b>6</b>



## PERCY THOMSON TRUST – NOTES TO THE PERFORMANCE REPORT

### 4. Property, Plant and Equipment

Cost or Valuation	Buildings at	Land at	Plant and	Total
	revalued amount	revalued amount	Equipment at Cost	
	\$000	\$000	\$000	\$000
<b>As at 1 July 2022</b>	1,749	235	120	2,104
Additions	63	-	26	89
Disposals	-	-	(3)	(3)
Revaluation increase	260	150	-	410
<b>As at 30 June 2023</b>	<b>2,072</b>	<b>385</b>	<b>143</b>	<b>2,600</b>

Accumulated Depreciation	Buildings at	Land at	Plant and	Total
	revalued amount	revalued amount	Equipment at Cost	
	\$000	\$000	\$000	\$000
<b>Balance at 1 July 2022</b>	217	-	55	272
Eliminated on disposals of assets	-	-	-	-
Depreciation expense	75	-	6	81
Depreciation reversed on revaluation	(292)	-	-	(292)
<b>Balance at 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>61</b>	<b>61</b>
<b>Balance as at 30 June 2023</b>	<b>2,072</b>	<b>385</b>	<b>82</b>	<b>2,539</b>
<b>Balance as at 30 June 2022</b>	<b>1,532</b>	<b>235</b>	<b>65</b>	<b>1,832</b>

### 5. Accumulated Funds

	Actual 2022/23 \$000	Actual 2021/22 \$000
<b>Opening Equity</b>		
Contributed Capital	0.1	0.1
Revaluation Reserve	1,207	1,207
Accumulated Surpluses	1,591	1,681
<b>Total Opening Balance</b>	<b>2,798</b>	<b>2,889</b>
<b>Movements during the year</b>		
Surplus (Deficit)	(120)	(76)
Revaluation during the year	702	-
<b>Total</b>	<b>582</b>	<b>(76)</b>
<b>Closing Equity</b>		
Contributed Capital	0.1	0.1
Revaluation Reserve	1,909	1,207
Accumulated Surpluses	1,471	1,591
<b>Total Closing Equity</b>	<b>3,380</b>	<b>2,798</b>

## PERCY THOMSON TRUST – NOTES TO THE PERFORMANCE REPORT

### 6. Commitments and Contingencies

	Actual 2022/23 \$000	Actual 2021/22 \$000
<b>Financial Commitments</b>		
* Percy Thomson Trust will provide building space in the Complex for Sgt Peppers to operate, for the period to 1 June 2022, to 31 May 2023, with two further rights of renewal of one year each.	-	14
* Percy Thomson Trust will provide building space in the Complex for Juffermans Surveyors Ltd to operate, for the period to 12 April 2026, with two further rights of renewal of three years each.	50	68
* Percy Thomson Trust will provide land outside the Complex for NZ Post to use as a box lobby, for the period to 31 May 2024.	1	2
<b>Total</b>	<b>51</b>	<b>84</b>
<b>Operating Leases as a Lessor</b>		
Not later than one year	19	33
Later than one year and not later than five years	32	51
Later than five years	-	-
<b>Total operating leases as a lessor</b>	<b>51</b>	<b>84</b>

#### Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (last year – nil).

### 7. Related Party Transactions

The Trust is a subsidiary of Stratford District Council and receives an operating grant from the Council to deliver its objectives as specified in the Trust Deed. The Stratford District Council is the ultimate controlling party.

Trustees that have a relationship with Stratford District Council:

- Gloria Webby, Deputy Chairman, is a Councillor (resigned March 2023)
- Ellen Hall, Trustee, is a Councillor (appointed May 2023)
- Christine Craig, Trustee, is an employee of Stratford District Council

The following transactions were carried out with related parties at normal commercial terms:

	Actual 2022/23 \$000	Actual 2021/22 \$000
<b>Stratford District Council</b>		
Grant received from the Council	50	50
Fees paid to Council for administration services	21	21

## PERCY THOMSON TRUST – NOTES TO THE PERFORMANCE REPORT

### 8. Events After the Balance Sheet Date

There were no significant events after balance date.

### 9. Explanations of major variances against budget

Explanations for major variances from the Trust's budgeted figures in the 30 June 2023 Statement of Intent are as follows:

#### Statement of Financial Performance

- Revenue from grants was less than budget due to the current market situation, however the Trust are pro-actively seeking alternative sources of grant funding.
- Audit fees are considerably higher than budget, as Deloitte's are now doing a full cost recovery.
- Land and buildings were revalued at 30 June 2023, resulting in a gain on the revaluation.

#### Statement of Financial Position

- The cash balance was less than budget as additional funds were placed on short term deposits. Also, some additional funds were used to complete the development work at the arboretum, after receiving a grant of \$30,000 from Taranaki Electricity Trust.

## PERCY THOMSON TRUST – AUDIT REPORT



### Independent Auditor's Report

To the readers of Percy Thomson Trust's financial statements and performance information for the year ended 30 June 2023

The Auditor-General is the auditor of Percy Thomson Trust (the Trust). The Auditor-General has appointed me, Pam Thompson using the staff and resources of Deloitte Limited to carry out the audit of the financial statements and performance information of the Trust on her behalf.

#### Opinion

We have audited:

- the financial statements of the Trust on pages 10 to 20, that comprise the statement of financial position as at 30 June 2023, the statement of financial performance, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 6 to 7.

In our opinion:

- the financial statements of the Trust on pages 10 to 20:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2023; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standard; and
- the performance information of the Trust on pages 6 to 7 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2023.

Our audit was completed on 2 October 2023. This is the date at which our opinion is expressed. The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trust Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

#### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



#### **Responsibilities of the Trust Board for the financial statements and the performance information**

The Trust Board is responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trust Board is also responsible for preparing the performance information for the Trust.

The Trust Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Trust Board is responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trust Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trust Board intends to liquidate the Trust or to cease operations or has no realistic alternative but to do so.

The Trust Board's responsibilities arise from the Local Government Act 2002.

#### **Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Trust's Statement of Intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trust Board.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.

# Deloitte.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trust Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trust Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## Other Information

The Trust Board is responsible for the other information. The other information comprises the information included on pages 1 to 5 and 8 to 9 but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.



Pam Thompson  
Deloitte Limited  
On behalf of the Auditor-General  
Wellington, New Zealand

# PERCY THOMSON TRUST

• Percy Thomson Gallery • Percy Thomson Herbarium

• Percy Thomson Arboretum



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## MEETING SCHEDULE - January - December 2024

All meetings will be held at 4.00 pm in the Committee Room  
at the Stratford District Council  
(unless otherwise notified)

### Meeting Date:

Thursday 15 February 2024

Thursday 18 April 2024

Thursday 20 June 2024

Thursday 15 August 2024

Thursday 17 October 2024 + AGM

Thursday 19 December 2024

### Reports/Agenda Items Due By:

Wednesday 7 February 2024

Wednesday 10 April 2024

Wednesday 12 June 2024

Wednesday 7 August 2024

Wednesday 9 October 2024

Wednesday 11 December 2024



**Our reference**  
F19/13/03-D21/40748

### **Karakia**

Kia uruuru mai  
Ā hauora  
Ā haukaha  
Ā haumāia  
Ki runga, Ki raro  
Ki roto, Ki waho  
Rire rire hau Paimārire

I draw in (to my being)  
The reviving essence  
The strengthening essence  
The essence of courage  
Above, Below  
Within, Around  
Let there be peace.