

tauranga art gallery

toī tauranga

OPEN DAILY 10AM - 4.30PM

artgallery.org.nz



Sixth Month Report

01 July – 31 December 2020

Non-Financial and Financial

Contents

Financial Performance

Trustees Commentary	3
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Non-Financial Performance

Review of Key Areas	4 - 10
Performance Measures Non-financial	11-14
Outlook for last six months 2019-2020 Financial Year	15

Appendix

Performance report – Half Yearly prepared by KPMG	16
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TAURANGA ART GALLERY TRUST

Board Commentary and Outlook

Financial Statements for the 6 months ended 31 December 2020

Tauranga Art Gallery's (TAG's) highlights over this 6-month period include 13 exhibitions which showcased leading works by a variety of artists and genres, as well as TAG touring Jess Johnson and Simon Ward's ambitious exhibition 'Terminus' to The Dowse Museum, Lower Hutt. TAG continues to tour Terminus to two further venues in late 2021 and 2022, working with the artists and respective organisations to ensure that each iteration of this complex installation is realised to a consistently high level.

Although the borders are closed, and TAG has experienced additional disruptions caused by the redevelopment of Wharf Street (completed in the late stages of this reporting period), TAG achieved 67% of its reduced annual visitation target of 30,000 (due to COVID-19 restrictions). Despite these disruptions, of our visitors surveyed, 44% indicated their reason for visiting was 'walking past', and 58% of those visitors surveyed were Tauranga residents. For these reasons, we anticipate that with new found synergies between TAG and local hospitalitys, visitation numbers should steadily increase over the next 6-months, albeit not to full pre-COVID levels until the borders reopen.

TAG posted a surplus for the 6 months to 31 December 2020, of \$12,144, against a budgeted surplus of \$24,986 – the difference being attributable to a one-off, extraordinary cost.

Although not reaching the budgeted surplus, TAG has at this 6-month mark met the key performance metric of having secured 20% of its revenue from non-Tauranga City Council sources.

Increasing and diversifying its revenue streams is a key focus of TAG. TAG is actively looking for a business development manager and continues to explore new means of generating greater revenue from commercial activities which can run parallel to our art exhibitions and programmes.

Pleasingly, TAG's non-financial metrics have largely been met, or are on track to being met by the end of the financial year.

While its focus has shifted to revenue generation, TAG continues to keep a tight rein on its costs while not compromising the quality and uniqueness of its art experiences.

Rosemary Protheroe
Chairperson
Tauranga Art Gallery Trust

Non-Financial Performance

Introduction

The Tauranga Art Gallery Trust (TAGT) is incorporated under the Charitable Trusts Act 1957, and is a not-for-profit entity established to deliver and operate a public art gallery to serve residents of the Tauranga, the Western Bay of Plenty and visitors to the region. The TAGT has charitable status with the Inland Revenue Department.

This report is in accordance with the SOI and the Local Government Act 2002 which requires that the TAGT report to Council on a six-monthly and annual basis.

Review of Key Areas of Focus 2020/2021

People and Performance

As at 1 July, our FTEs were 10.58, which dropped to 10.18 with the resignation of Alice Hutchison and Mary Stewart taking over as Interim Director part-time. TAG still had three vacant positions; Marketing, Public Programmes & Business Coordinator, which has been vacant since the start of the 2020 calendar year. These positions are currently being reassessed with the appointment of the new Director who started in mid-January 2021. The staff turnover during this 6-month period was 15%.

Due to fiscal implications of COVID-19, the gallery was unable to move towards a living wage for all staff by the end of 2020. However, we did start the process and all staff are paid at least the minimum wage. Moving all staff to the living wage is being reviewed and will be completed by the end of the financial year ending 30 June 2022.

TAG has a Health & Safety staff committee made up of members from each department (exhibitions, education, front of house, gallery services and the Director) which meets monthly. Minutes are recorded and these form part of the Directors bi-monthly board report. All incidents and near misses are recorded. TAG health and safety procedures meet statutory requirements and best practice standards of reporting.

Financial Sustainability

The organisation is currently achieving 20% of funding from external sources against a target of 20%.

The Gallery posted a surplus of \$12,144 against a budgeted surplus of \$24,986 for this 6-monthly reporting period. While a pleasing result, the forecast is indicating a return to a deficit of \$-20,000 at year end.

Innovative Art Experiences

Total visitors to the Gallery for this six-month period: 20,056, which is 67% of our financial year target of 30,000. Our visitor target for 2020-21 financial year was reduced due to the implications of COVID-19. We expect to reach our target by year end.

For the six-month reporting period the Gallery has delivered 13 exhibitions towards our 2020-2021 financial year target of 12, of these 13, four closed during the financial period with 9 to close before the full financial years concludes.

As well as the 13 exhibitions in the Gallery, we had one touring exhibition show, *Terminus* at the Dowse Art Museum which started on 14 November 2020 and finishes on 7 March 2021.

The 13 exhibitions shown during the first 6 months of this financial year were:

<i>Insert Coin</i> - Kereama Taepa	01 July 2017 – 30 May 2021
<i>Te Kore Te Wiwia</i> – Kelcy Taratoa	5 October 2019 - 2 August 2020
<i>Poutama</i> - Te Marunui Hotene	19 October 2019 – 30 May 2021
<i>Matatoki: Mata ā Waka</i>	22 February 2020 – 27 September 2020
<i>Sentinels & Sea Change</i> – Lianne Edwards	14 March 2020 – 13 September 2020
<i>The Miles Art Awards Exhibition</i>	14 March 2020 – 12 August 2020
<i>Tauranga Moana Collections</i>	29 August 2020 - 21 February 2021
<i>Hard Sell Future</i> – JK Russ	11 September 2020 - 7 February 2021
<i>Isolation Paintings</i> – Matthew Couper	19 September - 7 March 2021
<i>Head[case]</i> – Julia Morison	17 October 2020 - 14 March 2021
<i>Fools Gold</i> – John Roy	17 October 2020 - 14 March 2021
<i>Lost in the Dark</i> – Tony Fomison	21 November 2020 - 21 February 2021
<i>2020 Visual Arts Folio Exhibition</i>	19 December 2020 - 17 January 2021

Due to COVID-19 our exhibitions were extended, and therefore rather than a single Signature Show we programmed a suite of four exhibitions which made up our signature exhibition. They were *JK Russ: Hard Sell Future*; *Matthew Couper: Isolation Paintings*; *Julia Morison: Head[case]*; and *John Roy: Fools Gold* which had a rolling start from 11 September. Deinstallation will be staggered as well from 7 February until 13 March. During this reporting period, while these shows were open we had 11,810 visitors through, which exceeds our 7,500 annual target.

The bi-annual *Miles Art Awards* exhibition displayed 40 artworks chosen as finalists from 99 submitted entries by artists residing in the Bay of Plenty. *The Miles Art Awards* is Tauranga's premiere art award. The People's Choice Award voting was conducted online due to the COVID-19 lockdown.

Mata ā Waka featured works by 16 carvers from around Aotearoa, bringing together internationally-recognised contemporary Māori carvers who work under the collective 'Matatoki' (meaning 'the blade of the adze, the cutting edge'). The theme for *Mata ā Waka* addressed long traditions of waka carving, te moana (the ocean), voyaging, vessels, navigation and new forms melding these traditions. Alongside these contemporary works are taonga tūturu (historical objects) from the Tauranga Heritage Collection, reflecting traditional artworks that relate to the theme.



Image: *Matatoki: Mata ā Waka*, 2020



Image: Lianne Edwards, *Rise of the Jellies 1* (detail), 2019

Artist Lianne Edwards has a background in marine ecology, conservation and resource management. Her artworks comment on our relationship with, and how we treat and value, the natural world, articulating human influences on the 'beauty and chaos, transience and permanence' of nature.

Las Vegas-based NZ artist, JK Russ, created a site-specific commission and exhibition for the entry atrium gallery titled *Hard Sell Future*. Working predominantly with the medium of collage, JK Russ created a fantasy environment where hybrid humans merge with plants, birds, and other creatures. The impact of humans on the environment is evident in her work. The installation of a chaise lounge in front of the main wall was hugely popular with the public for taking selfies and sharing on social media. It also attracted local news media, such as Will Johnson from radio station The Hits, who recorded a Facebook Live from the Gallery.



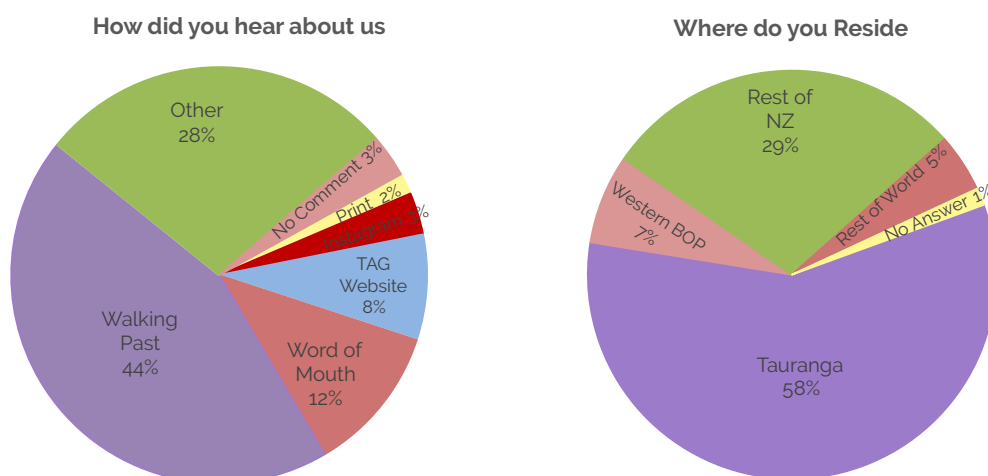
Image: JK Russ: *Cascade* 2015, Courtesy of The Clarke Collection, Gisborne

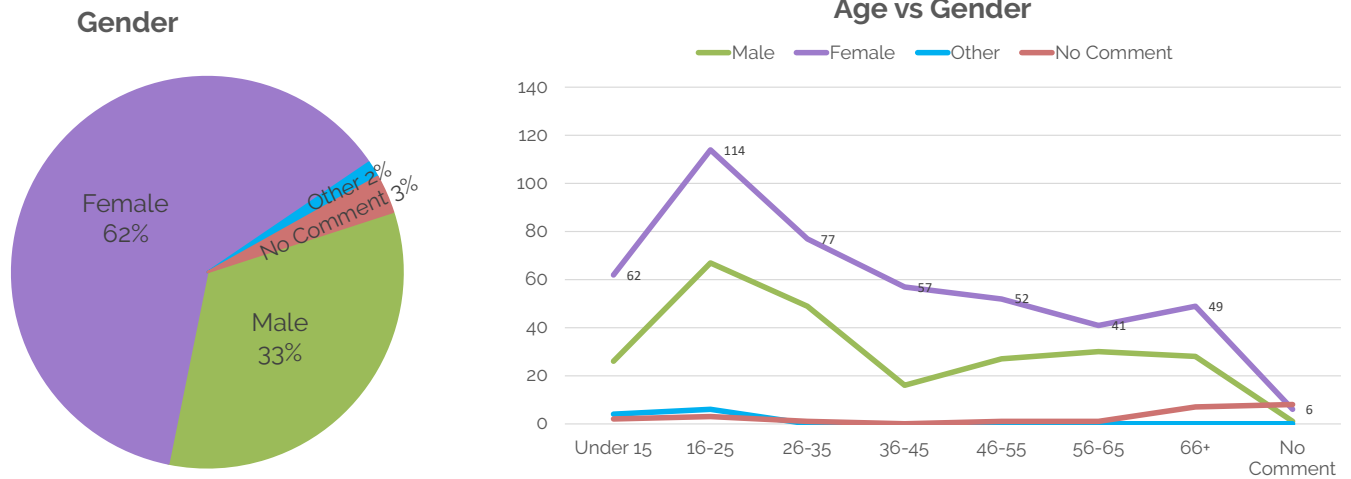
Innovative Art Experiences

Touring exhibitions

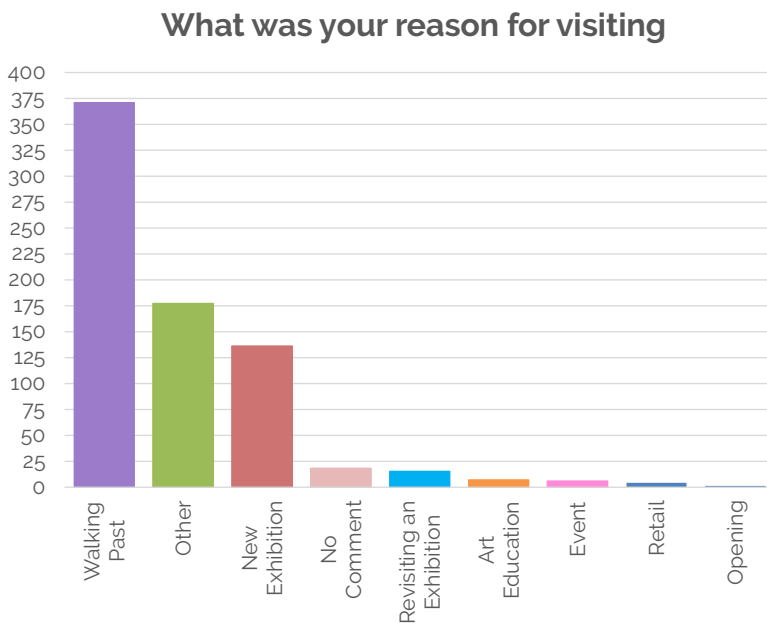
Visitor Surveys

During the six-month period, 735 visitors completed our visitor survey compared to 1854 the same period last year. This is a 40% drop which we attribute to the impact of COVID-19 and the redevelopment of Wharf Street. From the 735 visitors surveyed, 77% indicated an above average satisfaction with their experience. Our main demographic was again the 16-25 years age group, who accounted for 26% of those surveyed. Gender balance was consistent with the previous period: female (62%), and male (33%) – the remainder were undisclosed. In terms of residence: Tauranga and WBOP made up 65% of visitors, which is an increase from 57%, and international visitors made up 5%, which is down from 19%. This is naturally attributed to the border closures due to COVID-19. New Zealand domestic tourists made up 29%, an increase from 23% the previous year.





This year we added a new question to our survey, 'What was your reason for your visiting?'. Surprisingly given the Wharf Street redevelopment works and COVID-19 restrictions, 'Walking Past' still made up 50% of our visitors' answers. This was followed by 'Other' (24%), which normally indicates they couldn't decide, followed by New Exhibition (19%), Revisiting an Exhibition, Art Education, Event, Retail and No Comment making up the remaining 7%.



Education

Whilst the COVID-19 pandemic affected the number of school visits and programmes, due to cancellations between 1 July 2020 and 31 December 2020, we are still tracking well towards achieving the targets set out in the previous agreement as at 31 December 2020. 4,315 LEOTC students participated in our Tauranga Art Gallery LEOTC programmes during this 6-month period. In addition, 933 adults accompanied these school visits. We are expecting to exceed the target of 7,500 by year end.

Between 1 July 2020 and 31 December 2020, the Gallery hosted 183 school classes, out of a total of 196. 35 schools out of 40 travelled via the ArtBus to participate in our education programme, compared to the previous year which was 40 out of 46. This totals 250 out of 264, an impressive result given the COVID-19 restrictions of 2020.

School education programmes offered over this time, in chronological order, were: *The Miles Art Awards 2020*; *Lianne Edwards: Sentinels & Sea Change*, *Matatoki: Mata ā Waka*, *JK Russ: Hard Sell Future*, and *Julia Morison: Head[case]*. The most popular education programmes over this time were *Matatoki: Mata ā Waka*, with 56 school group visits and 1256 learners, and *Julia Morison: Head[case]* with 58 school group visits and 1155 learners. All our education programmes connected to a variety of curriculum areas, including Art, English, Languages, Technology, Science and Social Sciences.

Break down of numbers below:

TAG Art Studio for Children

July Holiday Programme: 15 classes, 185 participants and 133 adult supporters

October Holiday Programme: 15 classes, 171 participants and 156 adult supporters

December Holiday Programme: 6 classes, 67 participants and 56 adults supporters

4 x TAG Art Studio for Children (3x Wild Wall Sculpture & 1x Shell Casting): totalling 47 participants & 37 adult supporters.

Total of the above: 470 participants & 382 adult supporters

TAG Art Studio for Adults

2x TAG Art Studios for Adults (Portraiture for Beginners & Collage Art): totalling 25 participants

TAG Art Studio for Families (1 adult & 1 child)

2x TAG Art Studios for Families (Mindful Making Diaries): totalling 20 participants

Drop-In Sessions

Upcycled Plastic Plankton: 59 participants

Mini Clay Characters: 59 participants

Muka Youth Prints

95 participants and supporters

An online interview with exhibiting artist JK Russ was developed as an addition to the resources created during the lockdown period.

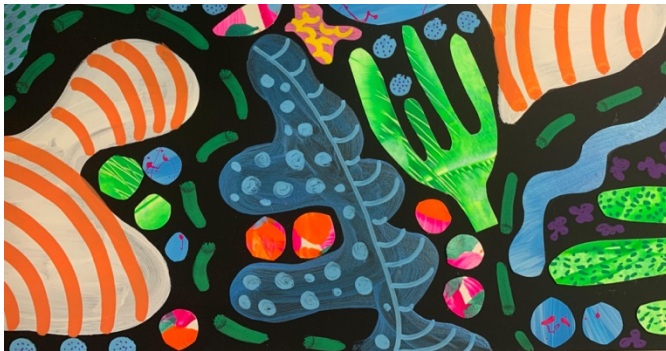
TAG's annual *NCEA Visual Arts Folio Exhibition* for 2020 was well received by secondary schools with 9 local schools taking part in the Level 1 (Year 11) and Level 2 (Year 12) show. This is the highest number of schools that have participated in this popular exhibition since its inception, contributing a total of 45 student folio boards. We had a total of 75 students, teachers and whānau attending the opening of the folio exhibition in December.



Plaster Casting
Photo credit: Tauranga Art Gallery









Education programme: JK Russ
Photo credit: Tauranga Art Gallery
















Holiday Programme : Organic Painting
Photo credit: Tauranga Art Gallery









Performance Measures

Non-financial

People and Performance			
Objective	Strategies	Performance Target	Status
TAGT will take all practical steps to ensure our people are valued & supported.	Continue our commitment towards enhancing a positive staff culture and staff well-being.	Staff turnover of not more than 20% in the financial year.	
		Move towards a living wage for all staff by the end of 2020, but subject to review because of fiscal implications of COVID-19.	
	Explore opportunities and appropriateness from the TAGT perspective to link in with TCC's staff culture survey or investigate other alternatives.	Investigate developing staff survey options and implement the best option for TAG management and governance.	
TAGT will take all practical steps to ensure Health & Safety policies & procedures are adopted as per statutory requirements.	Health & Safety Policies and Procedures are up to date.	Health & Safety Policy and operational procedures meet statutory requirements and best practice standards of reporting.	
		Monthly Health & Safety staff meetings are held to identify risks or concerns, minutes recorded, required actions and details are promptly conveyed to all staff.	
	The TAGT Board receives regular and detailed information about the status of TAG Health and Safety performance and / or issues and risk mitigation plans.	Detailed information on H&S performances will be provided as part of the Director's Board report.	

Financial Sustainability			
Objective	Strategies	Performance Target	Status
Demonstrate a commitment towards being financially sustainable.	Post COVID-19 lockdown new strategies to be explored. Gross revenue target achieved, and forecasted expenditure is contained within the approved budget.	Budget is met.	
	TAG will investigate ongoing opportunities to future proof both the physical and fiscal future proofing of the Gallery for current and future generations.	The Director will provide information to the Board and work with the Board to agree on strategies for future proofing physical and cost-effective management of the Gallery.	
	Maintaining no deficit. Maintaining this financial position relies upon prudent management and accountability.	The Board will determine the most appropriate fiscal actions and cost-effective options to meet future needs.	
	TAG explores alternative funding mechanisms and increases the level of income generated by the TAGT from sources other than Council.	Develop a TAGT funding and strategy (for post COVID-19 environment).	
TAGT will pursue opportunities to secure funding and manage all funds with prudence and care.	Manage all funds with prudence and care.	Compliance with TAGT Audit Committee Policy, Audit NZ requirements and approved general accounting practices.	
	Achieve a diversity of revenue generation, from benefactors, sponsors, build external partnerships and secure grants.	Not less than 20% of TAGT operating expenditure will be provided from sources other than Council funds.	
	Our financial management is supported by appropriate systems & controls.	External accountant to perform monthly checks on monthly financial processes.	
	Maintain good working relationships with TCC staff and elected members, observing the 'no surprises' principle.	Regular meetings with TCC & elected members as mutually agreed.	

Innovative Art Experiences			
Objective	Strategies	Performance Target	Status
Provide the opportunity for all to access learn and experience visual arts.	Due to COVID-19 lockdown, CBD downturn / construction; the number of visitors taking part in TAG art experiences to be increasingly measured by online engagement due to significant drop in visitation.	Total gallery visitation is not less than 30,000 in the financial year 2020/2021 [during COVID-19 closure, reporting nil visitation to gallery, limitation on capacity to 50 at Level 2, and slow build up over next year restoring pre-COVID-19 visitation]. Increase in online engagement contributing to reporting measures. Revised visitation targets post-pandemic.	
	Provide an ArtBus to deliver school students to and from the Gallery.	The ArtBus is offered to school groups and funding raised to meet the demand (when school buses resume after COVID-19 lockdown level 1 with social distancing measures in place which will further decrease numbers, currently limited to groups of 10 at Level 2; max. capacity of 50 in gallery including staff)	
	Investigate alternative ways to provide art experiences for the city with key stakeholders.	Deliver art experiences and activities with key stakeholders, subject to satisfactory fiscal commitments by all parties.	
Ensuring TAG is seen as a destination for both visitors and residents.	Stage an annual signature event, attracting visitors to the Gallery and the city centre.	Present at least 1 signature event annually, with that event attracting not less than 7,500 visitors (and/or online engagement).	
	Offer a wide range of exhibitions and art experiences to engage with a diverse audience.	Deliver not less than 12 exhibitions and other art experiences (including online projects) that cover contemporary and historical content, and which feature a range of multicultural perspectives.	

Innovative Art Experiences			
Objective	Strategies	Performance Target	Status
Ensuring TAG is seen as a destination for both visitors and residents	Achieve a high level of customer satisfaction.	At least an 80% 'highly satisfied'/positive visitor response rating.	
	Collaborate with other organisations to create and promote art opportunities in Tauranga.	Partner with not less than 1 other organisation to develop and present an exhibition or event per calendar year.	
	Explore opportunities to engage with the community through art experiences outside the gallery.	Deliver not less than 1 off-site exhibition in collaboration with another CCO or community group and increase online experiences.	
	Use of technology and digital platforms to provide alternative art experiences, to enhance audience development and enable greater visitor access to the visual arts.	Deliver not less than 2 alternative art experiences per calendar year. Report on website and social media engagement.	
	Collaborate with other organisations to create and promote art opportunities in Tauranga.	Partner with not less than 1 other organisation to develop and present an exhibition or event per calendar year.	
	Work collaboratively with TCC Events team with the development of the TCC city-wide events strategy.	Participate in TCC's strategic process for a city-wide events strategy.	
		Submit listings into mytauranga.co.nz event website as a shared space for all Tauranga events.	
		Both TCC and TAG agree to collaborate to cross promote city wide event & activities.	

Traffic Light Status Key



On track and remaining so



Off track but likely to be on target at Year End



Off track and needing further monitoring

Forecast for the last six months of the 2020-2021 financial year

As indicated above, incumbent Director Stephen Cleland is confident that while some activities are tracking behind schedule due to various interruptions in late 2020, TAGT is nonetheless on track to fulfil the majority of its KPIs by the end of the financial year.

A key focus area will be addressing the significant reduction in human resources over the past year. While this has worked to offset expenses and lost revenue due to COVID-19 disruptions, this is not feasible in the medium-to long-term if TAG is to fulfil its goal of increasing its revenue channels. Specifically, the reinstatement of a Business Development position remains a priority, in order to support the Director to identify and secure new funding and revenue streams.

Financial Sustainability Performance Targets

	Target	Actual
Gross revenue	\$656,445	\$640,944
Expenditure	\$554,613	\$557,186
Working Capital Ratio	3.1	5.85:1
Interest expense as percentage of total revenue	0%	0%
New debt	\$0	\$0
Percentage of revenue from external sources	20%	20%

Performance report – Half year
Tauranga Art Gallery Trust
For the 6 months ended 31 December 2020

Prepared by KPMG National Reporting – Appendix 1

Performance report - Half year

Tauranga Art Gallery

For the 6 months ended 31 December 2020

Prepared by KPMG

Contents

3	Compilation report
4	Statement of Financial Performance
5	Statement of Financial Position
6	Statement of Cash Flows
7	Statement of Accounting Policies
11	Notes to the Performance Report
13	Notes to the Performance Report continued

Compilation report

Tauranga Art Gallery For the 6 months ended 31 December 2020

Compilation Report to Tauranga Art Gallery

Scope

On the basis of information provided and in accordance with Service Engagement Standard Number Two: Compilation of Financial Information, we have compiled the special purpose financial statements of Tauranga Art Gallery for the six month's ended 31 December 2020.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

Responsibilities

Tauranga Art Gallery is solely responsible for the information contained in the special purpose financial statements and have determined that the Special Purpose Reporting Framework used is appropriate to meet your needs and for the purpose that the special purpose financial statements were prepared.

The special purpose financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Disclaimer

We have compiled the special purpose financial statements of Tauranga Art Gallery for the year ended 31 December 2020 in accordance with the limited procedures agreed in our letter of engagement dated 14th December 2020.

Our procedures use accounting expertise to undertake the compilation of the special purpose financial statements from information provided to by you. The compilation is limited primarily to the collecting, classifying and summarisation of financial information supplied by you. Our procedures do not involve verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed. We have not attempted to verify the accuracy or completeness of the information and therefore neither we nor any of our employees or agents accept any responsibility for the accuracy of the information from which the special purpose financial statements have been prepared.

These special purpose financial statements have been prepared at your request for your purpose only and neither we nor, any of our employees or agents accept any responsibility on any ground whatsoever, including liability in negligence, to any other person.

KPMG
Level 2
247 Cameron Road
Tauranga

Dated: 19.02.2021

A handwritten signature of 'KPMG' in black ink, written in a stylized, cursive-like font.

Statement of Financial Performance

Tauranga Art Gallery

For the 6 months ended 31 December 2020

	NOTES	JUL - DEC 2020	BUDGET: JUL - DEC 2020	JUL - DEC 2019
Revenue				
Donations, fundraising and other similar revenue	1	526,190	568,868	623,250
Revenue from providing goods or services	1	103,106	79,975	121,958
Interest, dividends and other investment revenue	1	7,260	6,000	12,521
Other revenue	1	4,388	1,600	5,478
Total Revenue		640,944	656,443	763,207
Expenses				
Expenses related to public fundraising	2	110,636	100,250	167,629
Volunteer and employee related costs	2	300,689	326,550	341,908
Costs related to providing goods or service	2	131,332	118,765	99,698
Other expenses	2	14,529	13,892	14,637
Total Expenses		557,186	559,457	623,871
Depreciation				
Depreciation		71,613	72,000	73,102
Total Depreciation		71,613	72,000	73,102
Surplus/(Deficit) for the Year		12,144	24,986	66,234

Statement of Financial Position

Tauranga Art Gallery As at 31 December 2020

	NOTES	31 DEC 2020	31 DEC 2019
Assets			
Current Assets			
Bank accounts and cash		542,413	336,420
Debtors and prepayments		33,945	118,479
Inventory		8,820	12,057
Other Current Assets		6,800	6,800
Term Deposits		631,453	612,837
Total Current Assets		1,223,431	1,086,592
Non-Current Assets			
Property, Plant and Equipment		8,977,808	9,026,945
Total Non-Current Assets		8,977,808	9,026,945
Total Assets		10,201,239	10,113,537
Liabilities			
Current Liabilities			
Creditors and accrued expenses		149,872	166,185
Employee costs payable		59,124	53,140
Total Current Liabilities		208,996	219,325
Total Liabilities		208,996	219,325
Total Assets less Total Liabilities (Net Assets)		9,992,242	9,894,212
Accumulated Funds			
Capital contributed by owners or members		1,000,000	1,000,000
Accumulated surpluses or (deficits)		6,026,896	5,993,658
Reserves		2,965,346	2,900,554
Total Accumulated Funds		9,992,242	9,894,212

Statement of Cash Flows

Tauranga Art Gallery

For the 6 months ended 31 December 2020

	JUL - DEC 2020	JUL - DEC 2019
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	584,389	623,298
Receipts from providing goods or services	111,721	102,414
Interest, dividends and other investment receipts	131	3,897
Cash receipts from other operating activities	4,478	5,677
GST	(43,742)	(48,728)
Payments to suppliers and employees	(624,575)	(852,343)
Cash flows from other operating activities	(1,035)	(1,914)
Total Cash Flows from Operating Activities	31,367	(167,699)
Cash Flows from Investing and Financing Activities		
Receipts from sale of investments	-	214,302
Payments to acquire property, plant and equipment	(5,247)	(2,000)
Cash flows from other investing and financing activities	(10,535)	85,790
Total Cash Flows from Investing and Financing Activities	(15,782)	298,092
Net Increase/(Decrease) in Cash	15,585	130,394
Bank Accounts and Cash		
Opening cash	(526,827)	(206,146)
Closing cash	(542,413)	(336,540)
Net change in cash for period	(15,585)	(130,394)

Statement of Accounting Policies

Tauranga Art Gallery

For the 6 months ended 31 December 2020

Basis of Preparation

The entity has elected to apply special purpose financial reporting as the basis for this half-year report.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Grants

Council, government and non-government grants are recognised as revenue when the funding is received or receivable 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 when the services are provided to the customer.

Donated assets

Revenue from donated assets is recognised upon receipt of the asset, if the asset has a useful life of 12 months or more and the value of the asset is readily obtainable and significant.

Entrance fees

Entrance fees are not charged, any revenue in the form of admission donations is recognised upon receipt of the donation.

Venue hire

Fees charged for events or venue hire are recognised upon attendance at the event or at the time of venue hire. Refundable fees, paid in advance of an event or venue hire are recognised as liabilities until the time of the event or venue hire, at which time they are recognised as revenue. Non-refundable deposits are recognised as revenue at the time of receipt.

Interest and dividend revenue

Interest revenue is recorded as it is earned during the year. Dividend revenue is recognised when the dividend is declared.

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 the services and become entitled to the contributions.

Advertising, marketing, administration, overhead and fundraising costs

These costs are expensed when the related service has been received.

Lease expense

Lease payments are recognised as an expense on a straight line basis over the lease term.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

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.

Inventories

Inventories are initially recorded at cost. Goods held for sale are subsequently measured at the lower of cost and their selling price. Goods for use or distribution are subsequently measured at cost and written down if they become obsolete.

When inventories are sold, exchanged, or distributed, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed or the related service is rendered.

The amount of any write-down of inventories and all losses of inventories is recognised as an expense in the period the write-down loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Investments

Investments comprise term deposits with banks. Bank deposits are initially measured at the amount paid. The carrying value of bank deposits maturing within 12 months approximates their fair value.

Property, Plant and Equipment

Land is measured at fair value and buildings are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Land, buildings and artwork are revalued with sufficient regularity to ensure that their carrying amount doesn't differ materially from fair value. A revaluation is undertaken at least every three years.

Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

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 can be readily obtainable and significant.

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 (SL) or diminishing value (DV) basis, at rates that will write the asset off over their useful lives. The useful lives and associated depreciation rates of major classes of assets is unchanged from prior year and estimated as follows:

- Artworks: N/A
- Land: N/A
- Building: 1.0%- 2.0% SL
- Building Improvements: 1.0% -33.3% SL and 20% DV
- Office equipment: 4.0% to 30.0% DV
- Computer Equipment: 20.0% DV
- Exhibition Equipment: 6.6% to 40.0% DV
- Tools and Workshop Equipment: 10.0% DV
- Intangibles: 20.0%- 50.0% DV

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. A liability and expense for long service leave and gratuities are recognised when the entitlement becomes available to the employee.

Notes to the Performance Report

Tauranga Art Gallery

For the 6 months ended 31 December 2020

	JUL - DEC 2020	BUDGET: JUL - DEC 2020	JUL - DEC 2019
1. Analysis of Revenue			
Donations, fundraising and other similar revenue			
Tauranga City Council	484,996	488,468	482,851
Western Bay of Plenty District Council	17,755	17,000	17,755
Ministry of Education	-	-	786
Exhibition Sponsorship	6,000	35,000	74,440
Artbus Sponsorship	1,000	5,000	10,833
Admission Donations	9,266	13,000	21,054
Other donations	7,173	10,400	15,531
Total Donations, fundraising and other similar revenue	526,190	568,868	623,250
Revenue from providing goods or services			
Education programme revenue	30,716	21,600	37,930
Events and exhibitions	28,684	28,425	19,144
Exhibition Touring Income	14,537	10,000	26,300
Retail Sales	24,916	17,500	26,693
Venue hire	4,254	2,450	11,890
Total Revenue from providing goods or services	103,106	79,975	121,958
Interest, dividends and other investment revenue			
Interest Income	7,260	6,000	12,521
Total Interest, dividends and other investment revenue	7,260	6,000	12,521
Other revenue			
Sundry Income	4,388	1,600	5,478
Total Other revenue	4,388	1,600	5,478

	JUL - DEC 2020	BUDGET: JUL - DEC 2020	JUL - DEC 2019
2. Analysis of Expenses			
Expenses related to public fundraising			
Advertising and marketing	17,847	16,650	31,386
Collection expenses	(27)	700	-
Contractor expenses	-	200	500
Cost of goods sold	7,770	11,700	10,749
Education expenses - Art bus	15,396	17,350	21,901
Education program expenses	3,960	5,350	6,477
Event and exhibition expenses	64,464	46,550	92,595
Special projects	1,105	1,000	-
Venue Hire	122	750	3,917
Workshop Tools Maintenance	-	-	103
Total Expenses related to public fundraising	110,636	100,250	167,629

JUL - DEC 2020

BUDGET: JUL -
DEC 2020

JUL - DEC 2019

Volunteer and employee related costs

Salaries and wages	286,337	322,750	335,917
Recruitment and HR costs	10,437	1,000	570
Staff travel	14	300	3,157
Staff training	1,494	200	22
Other Employee related costs	2,407	2,300	2,242
Total Volunteer and employee related costs	300,689	326,550	341,908

Costs related to providing goods or services

Accounting and payroll administration	2,850	6,500	7,500
Administration expenses	30,207	29,948	29,959
Building and maintenance	63,707	63,921	61,988
Consultants and legal	18,823	3,250	4,555
Insurance	12,600	12,000	(7,450)
Lease expense	3,146	3,146	3,146
Total Costs related to providing goods or services	131,332	118,765	99,698

Other expenses

Audit fees	12,600	11,502	11,575
Bad Debts Written Off	-	100	788
Bank fees	1,929	2,290	2,274
Total Other expenses	14,529	13,892	14,637

Notes to the Performance Report continued

Tauranga Art Gallery

For the 6 months ended 31 December 2020

	JUL - DEC 2020	BUDGET: JUL - DEC 2020	VARIANCE
1. Major Variances to budget			
Revenue			
Donations, fundraising and other similar revenue	526,190	568,868	(42,678)
Revenue from providing goods or services			
Education programme	30,716	21,600	9,116
Exhibition Touring Income	14,537	10,000	4,537
Retail Sales	24,916	17,500	7,416
Events	32,938	30,875	2,063
Total Revenue from providing goods or services	103,106	79,975	23,131
Interest, dividends and other investment revenue	7,260	6,000	1,260
Other revenue	4,388	1,600	2,788
Total Revenue	640,944	656,443	(15,499)
Expenses			
Administration expenses	(29,956)	(29,948)	(8)
Advertising & Marketing	(17,847)	(16,650)	(1,197)
Building & Maintenance	(63,707)	(63,921)	214
Collection expenses	27	3,122	(3,095)
Cost of goods sold	(7,770)	(11,700)	3,930
Education expenses	(3,960)	(5,350)	1,390
Event and exhibition expenses	(48,444)	(40,350)	(8,094)
Insurance	(12,600)	(12,000)	(600)
Lease expense	(3,146)	(3,146)	-
Venue hire	(122)	(750)	628
Volunteer and employee related costs	(298,331)	(326,150)	27,819
Total Expenses	(485,855)	(506,843)	20,988