

THE BISHOP SUTER TRUST

The Suter® | Gallery | Theatre | Gift Shop | Cafe

Te Aratoi o Whakatū

STATEMENT OF INTENT 2020/2025

THE BISHOP SUTER TRUST

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1. The Bishop Suter Trust (BST) Statement of Intent 2020-2025

As a Nelson City Council (NCC), council-controlled organisation (CCO) and in accordance with statutory obligations of Schedule 8 Section 64 of the Local Government Act 2002, and in response to the NCC's Statement of Expectation (SoE) for the BST, this Statement of Intent (Sol) is for the forthcoming financial year 2020/21 and the following four financial years, ending 30 June 2025.

The BST is the governance body for The Suter® Art Gallery Te Aratoi o Whakatū and the purpose of this Statement of Intent, is to promote public accountability and it is intended as a base against which performance can be assessed. The five years' financial forecast is aligned with the BST's 5-year strategic plan objectives and targets, and this Sol identifies the funding required to deliver on those objectives and targets, in addition to responding to the NCC's Letter of Expectation.

The BST's core funding is provided by NCC, and Tasman District Council (TDC) also contributes funding. BST services are provided with a combined Nelson and Tasman regional focus; and align with both Councils' joint community outcomes as outlined in their respective 2018-2028 LTPs.

1.1. Executive Summary: The Suter®, a destination where art matters

The Trust's aspiration is to be a visual arts destination of the highest quality, a 'must do' attraction for domestic and international FIT visitors, potentially the reason that some people choose to visit Nelson, whilst at the same time being valued and a source of pride for our community.

We mean to get the most out of all aspects of The Suter's facilities and programmes of exhibitions, education and activities, and to take The Suter to the 'next level' by growing the Gallery's reputation. Developing synergies between our lessees, Nelson Suter Art Society, Friends and supporters, iwi, and with other organisations in our region will help us to achieve these objectives.

We intend to take a holistic approach to sustainability to not only focus on the environmental impact of our activities and those of our business partners, but also to ensure that The Suter is financially resilient by managing its core activities as efficiently and effectively as possible. We will keep building revenue streams from both existing and future commercial activities to off-set a significant proportion of the day-to-day operations. Any surplus will be channelled into endowment funds- to grow and care for our collection, protect our valued education services and ensure our much-loved building is kept well maintained. We want to continue to offer free entry to the galleries, which encourages repeat visitation as well as retail spending in The Suter Shop and NSAS exhibitions, along with café and theatre patronage, all of which are crucial to balance out tourism seasonality.

The Suter presents an annual programme of changing exhibitions, and these are enhanced with talks, events and activities that encourage the development of art and its appreciation in the community. Programming for the years ahead have been

reviewed due to COVID-19 and those featuring international artists shifted to the 2021/22 financial year. In the 2020/21 financial year two of a series of three exhibitions on abstraction will be mounted, intended to profile a strength of our collection, culminating in a publication. We will also develop special exhibitions of top local artists, where we hope to enhance both their profile and this region's reputation as a rich environment for the arts nationally and internationally.

Learning opportunities are provided for all ages, with an emphasis on providing high quality, structured learning experiences outside the classroom (LEOTC) for school students. The Gallery aims to grow community hands-on learning with after school and adult art classes, school holiday programmes and to explore more community outreach ventures focussing on Tasman district audiences.

Increasingly The Suter's marketing involves promotion via digital means and social media channels. Positive word of mouth is crucial as is local support through our Friends of The Suter, the structured volunteers' programme, patronage support, special events and collaborative ventures.

We will continue to prudently build the Collection through acquisitions, funded by patronage and benefaction, and through donations of art works. We want to make our collection as widely known as possible and we are embarking on our goal to have our collection searchable on The Suter's website thanks to a tagged donation.

A major aspiration is to work towards acquiring an internationally significant work of art as an iconic piece to really put The Suter and Nelson 'on the map' as we know that there are committed art lovers for whom this will be their primary reason to come to Nelson.

1.2. Organisational description:

The Suter® Art Gallery Te Aratoi o Whakatū is governed by the Bishop Suter Trust, incorporated under the Charitable Trusts Act 1957, and is a not-for-profit entity established to deliver a public art gallery service for residents of Nelson and Tasman and visitors to the region. The Bishop Suter Trust has charitable status with the Inland Revenue Department and is registered with the Charities Commission.

The Suter is a council-controlled organisation whereby the NCC has the right to directly appoint 1 or more of the trustees.

| Abbreviations used in this document: | | | |
|--------------------------------------|------------|-------------------------|-----------|
| The Suter® Art Gallery | The Suter® | The Bishop Suter Trust | The Trust |
| Nelson City Council | NCC | Tasman District Council | TDC |
| Council Controlled Organisation | CCO | Long Term Council Plan | LTP |
| Nelson Suter Art Society | NSAS | Ko Te Pouaranga | KTP |

2 Nature and Scope of the Activities to be undertaken

The NCC's expectation is that the activities of The Suter will engage the regional community and provide a service that is of value to that community as both the owners and customers. Further, the NCC expects that the activities of The Suter will support the objectives of the Nelson Tasman Regional Arts Strategy (2007), Arts Policy (July 2010) and Arts Activity Management Plan 2015 – 2025 (2015).

Also in line with the NCC's goal to reduce annual carbon emissions The Trust must ensure its activities are conducted sustainably, consider environmental impacts and instigate mitigations.

The Trust's kaupapa is described by our Maori name Te Aratoi o Whakatū, which can be interpreted as "the pathway of art for the Nelson region"

Our vision: To be a visual arts destination of the highest quality

Our purpose: To bring art and people together by honouring our cultural and artistic heritage and proactively bringing new perspectives to our audiences through exhibitions, projects, the permanent collection and education that are informative challenging and engaging.

Our Values: The following are principles that underpin The Suter®, informing decision making and setting the standard for performance and interactions with our communities of interest:

- Inclusive: celebrating Aotearoa | New Zealand's cultural heritage of Tangata Whenua and other cultures for all ages and abilities
- Innovative: seeking exciting, imaginative and inspirational approaches to exhibitions, education and community activities
- Responsive: and respectful to all
- Excellence: in all we do
- Sustainable: financially, organisationally, culturally and environmentally.

The activities of The Trust are:

- To manage and operate The Suter for the benefit of the residents of the Nelson/Tasman region and visitors.
- To promote the study, creation and appreciation of all forms of visual arts.
- To acquire, manage, interpret and preserve the Collection and taonga for the benefit of the residents and future generations of the Nelson/Tasman region and visitors.

- To develop and maintain partnerships for the mutual benefit of The Suter, the community and allied organisations.

2.2 Key Priorities:

- 1 To be a visual arts destination of the highest quality
- 2 To inform and engage the public through the visual arts
- 3 To provide innovative educational opportunities
- 4 To collect and preserve, record, communicate and display our artistic heritage
- 5 To develop partnerships that grow The Suter.

2.2.1. To operate a visual arts destination of the highest quality

To be achieved by:

- Optimising the use of The Suter's facilities and resources, in order to achieve its objectives.
- Work in partnership with key stakeholders and other potential funders and supporters to realize objectives.
- Undertaking arts related activities and methods of marketing that will attract and engage the public, increasing visitor numbers.
- Building the capability of the organisation: people, facilities, funding streams and processes - to ensure resilience, operational sustainability and programme innovation.
- Actively identifying and addressing risks through adaptation, mitigation or elimination including; cyber, climate change, health & safety and to resourcing.

Resilience and risk mitigation: A focus for the Trust going forward is ensuring that it has a sustainable asset management and replacement plan, to ensure that the maintenance and renewal of facilities, plant and equipment can be achieved in the future.

The Trust identifies hazards and risks through a health & safety committee and risk register and actively seeks to eliminate or minimise these through interventions, including:

- -Cyber- Maintaining a well-designed Windows based IT network with a strong focus on security; with regular patching, firewall security, monitored server systems and secure regular backups; full separation of WiFi networks and appropriate staff training and practices

- Climate change and effects of extreme weather conditions resulting in flooding or increased fire risk for which the Trust ensures it has a programme of building and grounds maintenance; vigilance with regard to neighbouring environmental risks such as the Queen's Gardens Eel pond water levels and encroaching vegetation
- Taking every possible measure, including security, fire detection and protection systems, management of the interior environment, storage and handling protocols, pest management etc. to safeguard the collection and items on loan to The Suter
- Health & safety committee; regular review of the Hazards Register and elimination, minimisation or mitigation of identified hazards. Regular training of staff and volunteers

Marketing & Promotion: Is focussed around promoting The Suter as a visitor attraction; to let people know 'what's on; to encourage revenue generation, benefaction and support. Increasingly promotion is on-line and via social media channels, in addition to promotion in arts publications and in tourism related media. The plan also takes into account the need to grow visitor segments including from the wider Tasman region, domestic and international visitors once the borders re-open.

Communication with supporters will increasingly be through e-newsletters and social media, in addition to activities /events to encourage visits, acknowledge and foster benefaction, patronage, membership (Friends and Patrons), volunteering, sponsorships and other supportive relationships.

A key objective is to **build revenue generating opportunities** including venue hire, using the Jane Evans Foyer, The Suter Theatre and other spaces in the complex; retail in The Suter Shop and commissions; classes and other activities and services.

The Suter is open every day except New Year's Day, Good Friday and Christmas Day, the exhibition galleries from 9.30am-4.30pm. Other aspects of the facilities may however be variously in use from 8am – 11.30pm.

2.2.2. To inform and engage the public through the visual arts

To be achieved by:

- Providing a programme of exhibitions that appeal to a variety of audiences, and that present the visual arts in its many forms by local, national and where possible, international artists.

The Suter provides a programme of regularly changing exhibitions and these are mounted in 3 large exhibition galleries, the intimate Contemplation Gallery and in other spaces including the Jane Evans Foyer and outdoors along the

Pastorius Waller International Sculpture Walk.¹ In 2020/21, as part of our exhibition programme, it is intended to mount an exhibition by an international artist; begin presenting a series of exhibitions on abstraction, leading to a publication; profile in solo survey exhibitions works by Nelson/Tasman region artists supported with catalogues, in addition to other touring and thematic shows either bought in or curated in-house.

Work will also go into exhibitions programmed for future years including the next biennial Suter Contemporary Art Project and exhibitions aligned to regional events including Light Nelson 2021, the Adam Music Festival 2021 & 2022, and toi Māori exhibitions timed to complement upcoming significant national kapa haka events being hosted in Whakatu.

Small Suter curated displays will be mounted Tasman District facilities such as the Richmond Library as part of Suter outreach initiatives.

2.2.3. To provide innovative educational opportunities

- Encouraging life-long learning by being a respected provider of curriculum relevant learning experiences outside the classroom for the school sector, and provider of visual arts experiences for diverse audiences.

The Suter has “Approved Setting” status with the Teaching Council New Zealand and has a 3-year contract with the Ministry of Education for Provision of Learning Experiences Outside the Classroom (LEOTC) for years 1-13 students of the Nelson/Tasman region which concludes 31st December 2021. This assists resourcing a .5 Educator position². It is a challenge to secure ongoing resourcing for LEOTC and the BST have established an Education Endowment Fund, which we will continue to seek additional support for.

The Suter delivers after-school programmes through The Suter Kids Club (SKC) and is progressively developing further activity-based art classes and art related courses for audiences of various ages and abilities using, in particular, the Mina Arndt Education Room. We will also look to develop holiday programmes as resourcing and demand allow.

Illustrated talks, lectures, floor-talks, opening previews, workshops and other events are held to complement and support projects and the exhibitions’ programme.

¹ A further gallery space is occupied by the Nelson Suter Art Society (NSAS) who run their own programme of regularly changing exhibitions, the majority of which showcase work by Nelson/Tasman region artists. 2 exhibitions per annum are more comprehensive and involve input from BST staff.

² Contract funding level has been at the same level since 2011

The volunteers are an important part of The Suter’s visitor experience, making them welcome and introducing exhibits, aspects of the building and The Suter’s rich history. Volunteers receive structured training, periodic sessions to introduce new exhibitions and events to acknowledge their contribution to visitor hosting, archives management, enquiries’ research, fundraising and other tasks.

2.2.4 To collect and preserve, record, communicate and display our artistic heritage

To be achieved by:

- Being the recognised custodian of Nelson/Tasman region’s artistic heritage by developing the Collection, disseminating information and increasing knowledge of the Collection.
- By profiling aspects of the Collection and Nelson/Tasman regions’ artists through exhibitions, loans, public programmes, publications, websites and other means.

Collection development is focussed on **acquiring works that are regionally relevant and nationally significant**, with over-arching collection themes of dislocation and the environment, guiding acquisition decisions, and with collection growth carefully managed cognizant of resources and of storage capacity. Projects during 2020/21 include a major review of the BST’s Collection Policy and implementing the plan to make The Suter’s collection directly accessible and searchable on The Suter’s website.

The changing exhibitions and ancillary spaces in The Suter mean that there are always some collection works on display and the collection is ‘rotated’ and this is supplemented by curated data (slide) shows which screen in the Foyer, and on interactive interpretative devices.

We will publish³ our research, arising from both exhibition development and particularly in relation to our collection.

2.2.5 To develop partnerships that grow The Suter

To be achieved by:

- Honouring the kaupapa of the Memorandum of Understanding [MoU] with Ko Te Pouāranga.
- Developing partnerships which contribute to the delivery of programmes, development of the Collection, resources and other projects: - in particular

³ On line; as journal articles or as catalogues and other printed materials

the ongoing operational and collection acquisitions' funding⁴ of The Suter, but also exhibitions and education.

The Suter is supported through memberships: including The Friends of The Suter and the Legacy Group. We intend to review The Friends to increase memberships, activities and benefits that can be extended to those who are generous in their support for the Gallery.

- Contributing to the fulfilment of the Nelson Tasman Regional Arts Strategy and Arts Policy by providing leadership in the area of visual arts.

Suter staff and Trustees have expertise that can be called upon to contribute to arts endeavours that enhance Nelson's reputation and achieve economic, cultural and social outcomes.

2.3 Alignment with Nelson City Council and TDC Outcomes

The Suter actively seeks to deliver outcomes that align with the joint community outcomes outlined in the NCC and TDC LTPs 2018-2028 as follows:

| NCC and TDC joint community outcomes | The Suter Gallery's contribution to the delivery of joint community outcomes |
|---|--|
| Our unique natural environment is healthy and protected | The Suter was built to respect its natural environment setting and features such as the boardwalk and management of storm water run-off are designed to protect flora and fauna, land and water quality. Exhibitions and public programmes can profile environmental issues and the environment is a collection development theme. |
| Our urban and rural environments are people friendly, well planned and sustainably managed | The Suter is a quality facility built with sustainability and accessibility in mind |
| Our infrastructure is efficient, cost effective and meets current and future needs | The Suter was purpose built, however needs and performance are regularly reviewed, for efficiency and cost effectiveness. |
| Our communities are healthy, safe inclusive and resilient | By providing a welcoming environment that respects our diverse community and visitors to the region; acknowledges and incorporates Maori culture and tikanga; that takes its role as a kaitiaki (caretaker) of our community's taonga (treasures) as a primary responsibility |

⁴ All collection purchases are funded through fundraising, bequests and other forms of benefaction

| | |
|---|--|
| <p>Our communities have opportunities to celebrate and explore their heritage, identity and creativity</p> | <p>By providing an arts centre in which inspiring art, heritage and cultural activities take place; that generates pride; celebrates our artistic and built heritage and values those things that make Nelson/Tasman special and unique.</p> |
| <p>Our communities have access to a range of social, educational and recreational facilities and activities</p> | <p>By providing opportunities for social engagement, quality recreational, educational and leisure opportunities for all ages, backgrounds and ability levels.</p> |
| <p>Our Council provides leadership and fosters partnerships, a regional perspective and community engagement</p> | <p>By demonstrating leadership in the arts community, promoting the development of Nelson arts and being the recognised custodian of Nelson/Tasman region's artistic heritage.</p> |
| <p>Our region is supported by an innovative and sustainable economy</p> | <p>By encouraging a thriving arts, heritage and cultural community, through employment, exhibitions, promotion of Nelson/Tasman region's arts, and as a destination tourism attraction.</p> |

The Suter Trust will periodically meet with NCC and TDC staff and representatives to discuss outcomes, look at future opportunities, partnership activities and resourcing requirements.

3. Objectives, Performance Measures and Targets

NOTE: The following chart indicates objectives and goals for The Bishop Suter Trust for three years and the target levels of performance. Targets for future years may need to be adjusted in light of trends that emerge, resourcing and capacity to deliver.

3.1 GOVERNANCE: Operate a visual arts destination of the highest quality:

- 3.1.1. Provide an arts centre and visitor attraction: **That is open 362 days of the year with a minimum of 100,000⁵ visits per annum to The Suter. Report six monthly with visitor statistics.**
- 3.1.2 Ensure that The Suter is well managed and operates within its agreed plans: **Reports, plans and budgets meet set deadlines. The Risk Management Plan is reviewed annually, and mitigation strategies identified are implemented (including cyber security, and response planning for natural hazards and climate change).**
- 3.1.3 Implement an asset management plan (maintenance and renewals) in relation to the Suter facilities and develop an assets' renewal fund, to be achieved from operational cash surpluses (before depreciation) to fully fund the BST's share of depreciation, over time; **Report on progress annually.**
- 3.1.4 Undertake an energy and carbon emissions audit, develop a management plan: **Audit undertaken, and plan developed by 30.06.21; monitor and report on energy use six monthly and impact of mitigations**
- 3.1.5 Be a good employer, fostering a culture of staff excellence and well-being by maintaining good employer policies, procedures and practices and providing a safe and healthy workplace; **Report on observance of policies, health & safety, turnover and related statistics.**

3.2 VISITOR EXPERIENCE: Inform and engage the public through the visual arts:

- 3.2.1 Provide a programme of regularly changing internally produced and externally sourced exhibitions: **10-15 exhibitions mounted per annum; Report 6 monthly on progress.**
- 3.2.2 Develop a forward exhibition programme that is diverse and stimulating, including internally produced and externally sourced exhibitions; **Exhibitions scheduled that meet the needs and interests of a broad audience. Report 6 monthly on progress.**

3.3 LIFE LONG LEARNING: Provide innovative educational opportunities

- 3.3.1 Provide learning experiences for regional school students that support their NZ curriculum studies based on The Suter's programmes and resources;

⁵ Modified forecast for 2020/21 assuming border restrictions, fewer tourists and a reduction in Suter Theatre patronage

Target is 3,100 students from 25 schools as per the Ministry of Education (MoE) LEOTC Contract Milestones⁶ & post visit evaluations indicate 90% satisfaction ratings of “fine” to “great”. At least one Education Advisory Committee meeting held per annum. Structured schools’ education programme delivery target: 5,000 students per annum.

- 3.3.2 Provide public programmes which enhance appreciation and enjoyment of the visual arts; **A minimum of 20 talks/ events/ activities are held per annum. Report 6 monthly on progress.**
- 3.3.3 Provide out-of-school and other art educational activities; **Minimum 80 SKC and other community learning sessions are delivered per annum.**
- 3.3.4 Provide and manage The Suter Volunteers’ programme: That provides av. >80 hours of contribution per month/ per annum **Report 6 monthly on progress.**

3.4 COLLECTION: Collect and preserve, record, communicate and display our artistic heritage.

- 3.4.1 Develop The Suter’s Collection in accordance with The Suter’s Collection Policy; **In 20/21 the collection policy is reviewed and approved. All acquisitions and de-accessions approved by the Trust comply with the Collection Policy and related procedures and are reported 6-monthly.**
- 3.4.2 The Collection is stored, handled and exhibited safely and securely: **The Collection is stored/displayed in environmental conditions that are in line with accepted museum practice (including temperature 18-22°C/ relative humidity 50-55%, pest control, archival materials, security and fire monitoring). There are no handling mishaps or other damage occurs to Collection items.**
- 3.4.3 Enhance knowledge and reputation of the Collection: Collection records are significantly upgraded to increase accessibility and usability, as a part of a project to make the collection searchable on www.thesuter.org.nz; **Collection records upgraded; 2020/21 all copyright cleared collection items are uploaded to www.thesuter.org.nz; Loans, reproductions and other collection requests are met in a timely fashion; Publishing occurs; Progress reported six monthly.**

3.5 COLLABORATIONS & PARTNERSHIPS: Partnerships that grow The Suter

- 3.5.1 Strengthen The Suter’s partnership with Iwi and Māori; **Honour the kaupapa of the Memorandum of Understanding [MoU] with Ko Te Pouāranga [KTP]; KTP input to programmes, collection and policy development; and co-develop toi Māori exhibitions. Report 6 monthly.**
- 3.5.2 Develop a collaborative Partnership Plan that actively engages both commercial partners and philanthropic sponsors to provide additional funding and/or supply

⁶ LEOTC statistics count repeat same class visits once only, so actual numbers of students attending Suter Educator programmes at The Suter will be higher than the MoE Contract Milestone targets

goods and/or services to achieve project and programme goals. **Report 6 monthly on progress against our plan.**

- 3.5.3 The Friends of The Suter (FOTS) and Legacy Group are enhanced; **2020/21 FOTS review carried out; FOTS membership increases, activities and progress on patronage scheme. Report 6-monthly.**
- 3.5.4 The Suter contributes to other organisations and initiatives to promote Nelson/Tasman visual arts and heritage and provides leadership in fields of expertise to support the Council's provision of social /cultural wellbeing: **Report on contribution to the implementation of the Regional Arts Strategy, Heritage Strategy, and other related initiatives; report on contribution nationally in areas of expertise.**
-

4. Operating Framework

4.1. Background

The Suter has a long and rich history dating back to 1895 when Amelia Suter, widow of Nelson's second Bishop, Andrew Burn Suter, gave a collection of art works and land to encourage the establishment of an art gallery, as a memorial to her late husband. In 1896 the Bishop Suter Art Gallery Board of Trustees was formed, and a private Act of Parliament passed allowing the transfer and acquisition of property including a parcel of land adjacent to Queen's Gardens, the Matthew Campbell School buildings upon it and establishing a self- perpetuating form of trust.

The Bishop Suter Art Gallery Restructuring Act (2008) repealed The Bishop Suter Art Gallery Trustees Act (1896) the new Bishop Suter Trust was established, and The Suter became a CCO of the Nelson City Council.

In May 1899 the Frederick de Jersey Clere designed Bishop Suter Memorial Art Gallery opened⁷ adjoined to the former Matthew Campbell School building. It was gradually added to including further gallery spaces, workshop and studio, Theatre, foyer shop and café.

In early 2015 everything bar the Original Gallery and Suter Theatre was demolished to enable new state-of-the art facilities to be built, designed by Marc Barron of Jerram Tocker + Barron, a Nelson based firm and Warren & Mahoney. The Project was a partnership between the Trust and Nelson City Council and the new Suter Art Gallery Te Aratoi o Whakatū opened to the public on 2 October 2016.

Community involvement in The Suter is very evident in the significant financial contributions to the Redevelopment, to the Collection and other projects. Over 90% of items in The Suter's collection have been donated or acquired through benefaction. Of national significance, the Collection includes historical and

⁷ This building is now generally referred to as the Original Gallery, registered as a category II historic place since 2008.

contemporary art works and ceramics by New Zealand artists, plus some international works.

4.2 Governance, stakeholders and staffing

The Bishop Suter Trust has been formed by the NCC, as a charitable trust, and incorporated under the Charitable Trust Act (1957) to manage and operate The Suter. As a CCO, the NCC are responsible for appointing the majority of the members of the Board, comprising 7 trustees, including a representative of Ko Te Pouāranga and ex-officio, President of the NSAS. Trustees are appointed for three-year terms.

The Bishop Suter Art Gallery Trust Board has a longstanding relationship with the **Nelson Suter Art Society Inc.**, a voluntary incorporated society which has traditionally occupied part of The Suter premises. The relationship is defined in deeds between the BST and NSAS

Friends of The Suter comprises between 350-450 memberships of which about a third are Life memberships. It is not an incorporated society. Members receive regular e-newsletters, and a range of events and activities are held to advance Friends' appreciation of art in general as well as support for The Suter. Reciprocal Friends' benefits have been agreed with Christchurch Art Gallery and Auckland Art Gallery.

The Legacy Group are patrons of The Suter who contribute to the **5 x 40 Acquisitions Fund / 10 x 10 Acquisitions Fund** or otherwise choose to provide significant support for specific Suter programmes or projects such as The Suter biennial Contemporary Art Project. They receive regular updates and have involvement in projects, plus events are held especially for them, in recognition of their generosity, interest and support.

Ko Te Pouāranga is the name of the group comprising representatives from each of the six recognised manawhenua Iwi organisations of Whakatu, Motueka and Mohua. A Memorandum of Understanding reviewed every 3 years establishes principles of partnership and confirms full, permanent as of right, Māori representation on the Board of The Suter as outlined in the Trust Deed. KTP hui tend to be held in conjunction with Te Tai Ao Komiti (Tasman Bays Heritage Trust), at least 4 times per annum.

Staffing: (as at 1 March 2020) The Suter's staffing complement approximates to 7.5 F.T.E's across 7 day weeks; comprising 3 full- time staff and 8 part time. This increases with casuals and contractors to cover venue hire, graphic design, exhibition installation and maintenance.

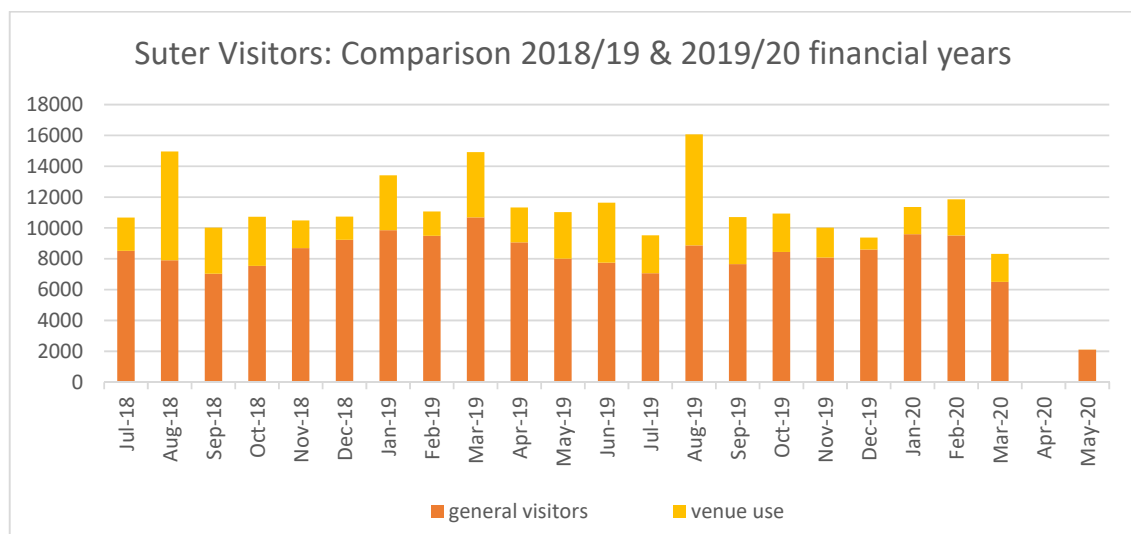
Volunteers: A formalised volunteer programme was introduced in August 2016. Volunteers are rostered front-of-house as visitor hosts, assisting with events and activities such as openings and fundraising; conducting visitor surveys; and behind-the-scenes with archives and collection research projects.

5. Operating Environment

The following factors are likely to influence The Suter over the next five years:

Visitor trends:

In the 2018/19 financial year our target was 130,000 visitors using some part of The Suter's facilities⁸ and we achieved 140,975 visitors. This and the previous financial year's success motivated the Trust to increase its visitor growth targets in its 5-year plan, with a target of 140,000 for the 2019/20 financial year. At the 6 month point however, visitor numbers were trending below target, and the Trust agreed that a target of 130,000 visitors might be a realistic expectation going forwards. As it turned out COVID-19 has significantly impacted tourism and the economy. Going forwards with international travel restrictions, modified regional events' programmes and for example, no International Film Festival screening in our Theatre in August 2020, a visitor target of 100,000 for 2020/21 might be a feasible target for us to aspire to.



Normally in the peak tourism season (late November-April) travellers to the Nelson region make up approximately 60% of The Suter's visitors. We are increasing the profile of The Suter through tourism media, at I-Sites, having a multi-platform website www.thesuter.org.nz, as well as increasing the use of social media. We also need to make sure that we attract our community and apart from our exhibitions, public programmes and educational activities, normally events such as the NZ

⁸ Visitors to all or any part of The Suter's facilities, recorded with the exception of visitors to the Café who enter and leave via the Queens Gardens.

International Film Festival⁹ have been important for ensuring a consistent flow of visitors year round.

Collecting:

The Suter intends to continue developing its collection, by raising funds, investing funds including tagged bequests and accepting relevant gifted art works. Well over 90% of The Suter's Collection has been acquired by donation- either of art works or funds, reflecting community input and ownership¹⁰. A collection of national significance with iconic pieces is both a drawcard and a source of local pride.

It is desirable for The Suter to actively collect (i.e. make strategic purchases) if the Gallery is to provide a comprehensive record of the visual arts of Nelson/Tasman, contextualised in relation to developments in New Zealand art. Collecting also includes art works that may be part of the building or able to be displayed outdoors.

Contributors to the Acquisitions Fund will be actively involved in The Suter's collection development and as our acquisitions' programme gains momentum The Suter will continue to enhance our Collection of national significance.

The Trust's philosophy is that the more Collection items are known and recognised, the more they will be sought out and treasured. To that end The Suter prioritises requests for loans or reproductions from its collection; and makes an effort to publish either on line or in print featuring highlights of the Collection. It is also the Trust's motivation for making the Collection available to search on-line, a project now made possible through a generous tagged donation.

Resourcing:

One of The Trust's key endeavours is to build income streams in addition to local government grants. Revenue comes from leases and venue hires, LEOTC Contract and life-long learning activities, sales (retail and commissions), grants and sponsorships. Additional income is derived from memberships, donations, events/activities and specific fundraising ventures. We expect however, that the philanthropic 'space' will be challenging as we head into recession.

In 2020/21 we also anticipate a drop-in venue hire of our Theatre, Jane Evans Foyer, Mina Arndt Education Room and Library/Board Room compared to previous years due to fewer live performances, conferences, lectures and films. A retail area is situated in the Foyer and features Suter generated merchandise and hand-crafted work with an emphasis on items made by Nelson/Tasman region's artists, quality items which appeal to locals and tourists alike, and which relate to exhibitions and other public programmes; all of which contribute to revenue.

⁹ The NZIFF will be replaced with the Italian Film Festival in 2020. The NZIFF attendance accounts for the August spike in visitor numbers; March is normally heavily weighted to tourists-domestic and international; plus, on-site LEOTC class visits.

¹⁰ No NCC or TDC operational grant money is used to purchase art works

Sustainability:

The Suter will undertake an audit to identify possible energy and carbon emissions saving opportunities and instigate an energy and carbon management plan which we intend to have in place by 2020/21 financial year end. Currently The Suter team operate various “best practice” procedures for recycling, minimising waste and supporting environmentally friendly products and manufacturing methods throughout the operation and whilst these have varying degrees of success we have recently embarked on a more formal and structured approach to sustainability.

In 2019 the BST undertook a significant piece of work, to examine the potential of reducing our electricity consumption, and sizable portion of our carbon footprint, by installing solar energy panels on The Suter’s roof. Regrettably, the conclusion reached was that it was not economically viable for us to proceed at this point.

6. Accountability**6.1 Information to be provided to Nelson City Council****Half Yearly**

By 28 February a six-month report covering Statement of Financial Performance and Statement of Financial Position, performance against targets, commentary on activities, cash flow statement, and other such information as the Trustees consider necessary to enable an informed assessment of the Trust’s performance during the period being reported.

Annually:

Within three months of the end of the financial year (i.e. 30 September) the Trustees shall deliver to NCC an annual report which fulfils the requirements of Section 67 of the Local Government Act 2002, prepared to comply with International Financial Reporting Standards and audited financial statements in respect of the financial year, containing the following information as a minimum:

- A Trustees’ Report including a summary of the financial results, a review of operations, and a comparison of planned and actual performance in relation to objectives.
- A financial statement disclosing actual and budgeted revenue and expenditure and comparative figures from the previous financial report.
- A statement of financial position as at the financial year end.
- A statement of cash flows.

- An Auditor's Report on the above statements and the measures of performance in relation to objectives.
- Any other matters that NCC and the Trustees agree shall be disclosed as appropriate.

This Annual Report shall be made available for inspection at Council offices.

7. Prospective Financial Statements

7.1. Introduction:

The Suter's Statement of Intent covers the period 1 July 2020 to 30 June 2025. The financial information contained in the Statement of Intent has been prepared to assist the NCC consider The Suter's planned performance.

The prospective financial statements are based on assumptions as to future events that The Suter may reasonably expect to occur at the time when this information was prepared. Actual results may vary, and this variation may be material.

7.2 Statement of Significant Assumptions

The SOI shows that there will be net losses in general funds after depreciation. Accordingly, we need to build revenue to reduce and eliminate these over time. The extent to which we can achieve that in these post Covid times will determine the degree to which we need to gain grants or fundraise for future projects.

7.2.1. Fiscal support from local authorities: The Suter is an NCC CCO with the NCC's commitment to long term funding support set out in a Memorandum of Understanding. The TDC also provides an annual contribution, and the basis of this commitment is set out in the TDC's LTP, (not annually adjusted for CPI). To the extent the actual money allocated is less or more than that set out, The Suter will need to adjust its activity levels.

7.2.2. Other revenues: Other revenues reflect forecast visitor activity levels consistent with historic trends, obligations of lessees and the restrictions.

7.2.3. Special Purpose Funds The Suter has historic and ongoing bequests, gifts and contributions that generally have restrictions on use. These funds are shown separately on the balance sheet.

7.2.4. Operating Expenditure Operating expenditure is generally forecast to continue at historic levels adjusted for inflation.

7.2.5. Capital Expenditure The majority of Capital Expenditure during the period will relate to the ongoing asset renewals programme

7.2.6. Inflation: 1.9 % CPI adjustment was applied from the 2019/2020 financial year and the subsequent financial years' projected revenue from the NCC.

7.2.7. Trustees' Estimate of Trust Value: The Trustees estimate that the opening balance of funds in the annual accounts will represent the value of the Trust. The Trustees will advise NCC on an annual basis if they believe the value to differ materially from this state. The audited opening equity at 9 August 2008 is \$9,593,656¹¹.

7.2.8. Heritage Assets: This is represented by the Collection. Additions to the Collection will be recorded at either purchase price or market valuation for donated art works. The Collection is not regarded as a realisable financial asset and valuation is carried out for the purposes of insurance and compliance with NZ IFRS.

7.2.9. Dividend Policy: It is important to note that the shareholders of the Trust do not expect, nor anticipate, the Trust to pay dividends in the usual commercial manner. However, the Trust anticipates, through appropriate performance measures, to review annually the non-financial dividend which will be returned to our wider regional community.

¹¹ This is the date when The Bishop Suter Trust assumed responsibility for governance of The Suter Art Gallery

Appendix I: Financial Budgets

The Bishop Suter Trust
Business Plan 2019 to 2025

| | Actual YE 30 Jun 2019 | Plan YE 30 Jun 2020 | Plan YE 30 Jun 2021 | Plan YE 30 Jun 2022 | Plan YE 30 Jun 2023 | Plan YE 30 Jun 2024 | Plan YE 30 Jun 2025 |
|-----|-----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Cpi | 1.90% | 1.90% | 1.90% | 1.90% | 1.90% | 1.90% | 1.90% |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |

| | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Statement of Comprehensive Income | | | | | | | |
| Income | | | | | | | |
| General Funds | | | | | | | |
| Non-exchange Revenue | | | | | | | |
| Donations & Sponsorships | 9,493 | 32,600 | 22,250 | 33,850 | 34,495 | 35,150 | 35,825 |
| Donations and sponsorship - Exhibitions | 75,000 | 70,000 | 70,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Grants | | | | | | | |
| NCC - Operating | 654,040 | 668,194 | 678,746 | 691,642 | 704,783 | 718,174 | 731,820 |
| NCC - Depreciation | 231,625 | 229,423 | 230,133 | 230,661 | 231,309 | 231,705 | 232,065 |
| NCC - Capital, maintenance | 20,000 | 20,380 | 20,767 | 21,162 | 21,564 | 21,974 | 22,391 |
| TDC | 87,813 | 87,813 | 87,813 | 87,813 | 87,813 | 87,813 | 87,813 |
| Total non-exchange Revenue | 1,077,971 | 1,108,410 | 1,109,709 | 1,165,128 | 1,179,964 | 1,194,816 | 1,209,914 |
| Exchange Revenue | | | | | | | |
| Investments | 7,187 | 5,000 | 1,000 | 1,000 | 1,500 | 2,000 | 2,500 |
| Exhibitions | 21,925 | 5,095 | 5,000 | 5,095 | 5,192 | 5,291 | 5,392 |
| Education | 72,136 | 70,600 | 75,000 | 71,330 | 72,685 | 74,066 | 75,473 |
| Education Sponsorship | 0 | 10,000 | 1,000 | 5,000 | 7,500 | 10,000 | 10,000 |
| Retail and Membership (FoTs) | 175,107 | 142,660 | 160,000 | 170,000 | 185,000 | 188,515 | 192,097 |
| Rent and outgoings recovery | 147,058 | 121,261 | 119,000 | 149,000 | 151,831 | 154,716 | 157,656 |
| Other Income | 6,115 | 1,000 | 250 | 1,000 | 1,000 | 1,000 | 1,000 |
| Total Exchange Revenue | 429,528 | 355,616 | 361,250 | 402,425 | 424,708 | 435,588 | 444,118 |
| Total Income General Funds | 1,507,499 | 1,464,026 | 1,470,959 | 1,567,553 | 1,604,672 | 1,630,404 | 1,654,032 |
| Special Purpose Funds - Exchange Revenue | | | | | | | |
| Education Endowment Fund | | | | | | | |
| Interest earned | | | 100 | 150 | 250 | 400 | 600 |
| Maintenance and Depreciation Funds | | | | | | | |
| Interest earned | | 22,500 | 4,500 | 5,000 | 6,000 | 7,000 | 8,500 |
| Unrealised Market Adjustments | | | | | | | |
| Cuthbertson Fund | | | | | | | |
| Interest and dividends earned | 14,798 | 11,800 | 5,500 | 5,500 | 8,000 | 9,500 | 11,800 |
| Cuthbertson Fund unrealised market adjustment | 21,587 | | | | | | |
| Burton Fund | | | | | | | |
| Interest earned | 1,792 | 4,600 | 1,500 | 2,250 | 2,750 | 3,000 | 3,000 |
| Acquisitions Fund | | | | | | | |
| Donations received | 39,250 | 150,000 | 40,000 | 50,000 | 60,000 | 75,000 | 100,000 |
| Interest earned | 770 | 1,500 | 400 | 250 | 300 | 400 | 550 |
| Total Special Purpose Funds Income | 78,197 | 190,400 | 52,000 | 63,150 | 77,300 | 95,300 | 124,450 |
| Other Non-exchange Revenue | | | | | | | |
| Donated Collection Items at Valuation | 61,620 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Total Other Income | 61,620 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Total Revenue | 1,647,316 | 1,664,426 | 1,532,959 | 1,640,703 | 1,691,972 | 1,735,704 | 1,788,482 |

Appendix I: Financial Budgets continued

The Bishop Suter Trust
Business Plan 2019 to 2025

| | Actual YE 30 Jun 2019 | Plan YE 30 Jun 2020 | Plan YE 30 Jun 2021 | Plan YE 30 Jun 2022 | Plan YE 30 Jun 2023 | Plan YE 30 Jun 2024 | Plan YE 30 Jun 2025 |
|-----|-----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Cpi | 1.90% | 1.90% | 1.90% | 1.90% | 1.90% | 1.90% | 1.90% |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |

| | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|
| Expenses | | | | | | | |
| General Funds | | | | | | | |
| Personnel Costs | 459,461 | 604,055 | 595,532 | 606,847 | 618,377 | 630,126 | 642,098 |
| Audit | 11,382 | 16,731 | 16,000 | 16,304 | 16,614 | 16,930 | 17,252 |
| Administration | 116,716 | 120,166 | 110,449 | 112,548 | 114,686 | 116,865 | 119,085 |
| Governance | 54,269 | 52,282 | 56,805 | 57,884 | 58,984 | 60,105 | 61,247 |
| Exhibitions | 82,908 | 159,184 | 123,570 | 125,918 | 128,310 | 130,748 | 133,232 |
| Life Long Learning | 4,670 | 4,107 | 6,400 | 6,522 | 6,646 | 6,772 | 6,901 |
| Visitor Services | 80,134 | 78,047 | 84,900 | 90,206 | 98,166 | 100,031 | 101,931 |
| Collection | 5,790 | 10,457 | 8,656 | 8,820 | 8,988 | 9,159 | 9,333 |
| Facilities | 147,950 | 164,689 | 162,905 | 166,000 | 169,154 | 172,368 | 175,643 |
| Deferred maintenance and redevelopment planning | 15,944 | | | | | | |
| Operating Costs | 979,224 | 1,209,718 | 1,165,217 | 1,191,049 | 1,219,925 | 1,243,104 | 1,266,722 |
| EBITDA (before redevelopment costs) | 668,092 | 454,708 | 367,742 | 449,654 | 472,048 | 492,600 | 521,759 |
| Depreciation and Loss on sale | | | | | | | |
| Depreciation Landscaping | 22,926 | 22,926 | 22,926 | 22,926 | 22,926 | 22,926 | 22,926 |
| Depreciation Buildings | 377,679 | 377,679 | 377,679 | 377,679 | 377,679 | 377,679 | 377,679 |
| Depreciations Plant and Equipment | 55,437 | 58,241 | 59,661 | 61,197 | 62,493 | 63,285 | 64,005 |
| Depreciation and Loss on sale | 456,042 | 458,846 | 460,266 | 461,802 | 463,098 | 463,890 | 464,610 |
| Total Expenses before Redevelopment | 1,435,266 | 1,668,564 | 1,625,483 | 1,652,851 | 1,683,023 | 1,706,994 | 1,731,332 |
| Redevelopment Fund Costs | 29,025 | | | | | | |
| Total Expenses | 1,464,291 | 1,668,564 | 1,625,483 | 1,652,851 | 1,683,023 | 1,706,994 | 1,731,332 |
| Earnings after Depreciation and Redevelopment | 183,025 | (4,138) | (92,524) | (12,148) | 8,950 | 28,710 | 57,149 |
| Net Surplus | | | | | | | |
| General Funds | 52,233 | (224,918) | (175,291) | (106,460) | (99,914) | (98,563) | (99,692) |
| Maintenance Fund | | 42,880 | 25,267 | 26,162 | 27,564 | 28,974 | 30,891 |
| Redevelopment Fund | (9,025) | | | | | | |
| Education Fund | | | 100 | 150 | 250 | 400 | 600 |
| Cuthbertson Fund | 36,385 | 11,800 | 5,000 | 5,600 | 8,500 | 9,950 | 11,600 |
| Burton Fund | 1,792 | 4,600 | 2,001 | 2,149 | 2,250 | 2,550 | 3,201 |
| Acquisitions Fund | 101,640 | 161,500 | 50,400 | 60,250 | 70,300 | 85,400 | 110,550 |
| Other Funds | | | | | | | |
| | 183,025 | (4,138) | (92,523) | (12,149) | 8,950 | 28,710 | 57,150 |
| Statements of Changes in Equity | | | | | | | |
| General Purpose Funds | | | | | | | |
| Opening Equity | 13,441,692 | 13,493,925 | 12,769,007 | 12,593,716 | 12,487,256 | 12,387,342 | 12,288,779 |
| Nelson City Council Equity subscription | | (500,000) | | | | | |
| Transfer to Maintenance Fund | | | | | | | |
| Surplus/(deficit) for the period | 52,233 | (224,918) | (175,291) | (106,460) | (99,914) | (98,563) | (99,692) |
| Closing Equity | 13,493,925 | 12,769,007 | 12,593,716 | 12,487,256 | 12,387,342 | 12,288,779 | 12,189,087 |

Appendix I: Financial Budgets continued

The Bishop Suter Trust
Business Plan 2019 to 2025

| | Actual YE 30 Jun 2019 | Plan YE 30 Jun 2020 | Plan YE 30 Jun 2021 | Plan YE 30 Jun 2022 | Plan YE 30 Jun 2023 | Plan YE 30 Jun 2024 | Plan YE 30 Jun 2025 |
|---|-----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Cpi | 1.90% | 1.90% | 1.90% | 1.90% | 1.90% | 1.90% | 1.90% |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Redevelopment Fund | | | | | | | |
| Opening Equity | 4,833,267 | 4,824,242 | 4,824,242 | 4,824,242 | 4,824,242 | 4,824,242 | 4,824,242 |
| Nelson City Council | 20,000 | | | | | | |
| Transfer to Maintenance Fund | | 0 | | | | | |
| Surplus/(deficit) for the period | (29,025) | 0 | 0 | 0 | 0 | 0 | 0 |
| Closing Equity | 4,824,242 | 4,824,242 | 4,824,242 | 4,824,242 | 4,824,242 | 4,824,242 | 4,824,242 |
| Maintenance Fund | | | | | | | |
| Opening Equity | | | 542,880 | 568,147 | 594,309 | 621,873 | 650,846 |
| Transferred from Redevelopment and GPF | | 500,000 | | | | | |
| Surplus/(deficit) for the period | | 42,880 | 25,267 | 26,162 | 27,564 | 28,974 | 30,891 |
| Closing Equity | | 542,880 | 568,147 | 594,309 | 621,873 | 650,846 | 681,738 |
| Cuthbertson Fund | | | | | | | |
| Opening Equity | 523,195 | 559,580 | 571,380 | 576,380 | 581,980 | 590,480 | 600,430 |
| Surplus/(deficit) for the period | 36,385 | 11,800 | 5,000 | 5,600 | 8,500 | 9,950 | 11,600 |
| Closing Equity | 559,580 | 571,380 | 576,380 | 581,980 | 590,480 | 600,430 | 612,030 |
| Burton Fund | | | | | | | |
| Opening Equity | 159,763 | 161,555 | 166,155 | 168,156 | 170,305 | 172,555 | 175,105 |
| Surplus/(deficit) for the period | 1,792 | 4,600 | 2,001 | 2,149 | 2,250 | 2,550 | 3,201 |
| Closing Equity | 161,555 | 166,155 | 168,156 | 170,305 | 172,555 | 175,105 | 178,306 |
| Acquisitions Fund | | | | | | | |
| Opening Equity | 1,671,313 | 1,772,953 | 1,934,453 | 1,984,853 | 2,045,103 | 2,115,403 | 2,200,803 |
| Surplus/(deficit) for the period | 101,640 | 161,500 | 50,400 | 60,250 | 70,300 | 85,400 | 110,550 |
| Transfers | | | | | | | |
| Closing Equity | 1,772,953 | 1,934,453 | 1,984,853 | 2,045,103 | 2,115,403 | 2,200,803 | 2,311,353 |
| Other Funds | | | | | | | |
| Opening Equity | 48,341 | 48,341 | 48,341 | 48,341 | 48,341 | 48,341 | 48,341 |
| Surplus/(deficit) for the period | | | | | | | |
| Transfers | | | | | | | |
| Closing Equity | 48,341 | 48,341 | 48,341 | 48,341 | 48,341 | 48,341 | 48,341 |
| Total Changes in Equity | | | | | | | |
| Opening Equity | 14,677,568 | 14,860,593 | 14,856,455 | 14,763,832 | 14,751,533 | 14,760,233 | 14,788,543 |
| Nelson City Council Equity subscription | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 |
| Surplus/(deficit) for the period | 183,025 | (4,138) | (92,623) | (12,299) | 8,700 | 28,310 | 56,550 |
| Closing Equity | 20,860,593 | 20,856,455 | 20,763,832 | 20,751,533 | 20,760,233 | 20,788,543 | 20,845,093 |
| Assets | | | | | | | |
| Current Assets | | | | | | | |
| Cash and Cash equivalents | 380,707 | 376,152 | 414,592 | 521,448 | 638,521 | 760,369 | 882,677 |
| Cash on hand | 546 | 546 | 546 | 546 | 546 | 546 | 546 |
| NCC Depreciation Fund | 630,335 | 859,758 | 1,089,891 | 1,320,552 | 1,551,861 | 1,783,566 | 2,015,631 |
| Bank term deposit | 100,000 | 101,500 | 101,900 | 102,150 | 102,450 | 102,850 | 103,400 |
| Receivables | 11,357 | 11,357 | 11,357 | 11,357 | 11,357 | 11,357 | 11,357 |
| Accrued Interest Burton Fund | 181 | 181 | 181 | 181 | 181 | 181 | 181 |
| Other Current Assets | 41,413 | 41,413 | 41,413 | 41,413 | 41,413 | 41,413 | 41,413 |
| GST receivable | 7,784 | 7,784 | 7,784 | 7,784 | 7,784 | 7,784 | 7,784 |
| Total Current Assets | 1,172,323 | 1,398,691 | 1,667,664 | 2,005,431 | 2,354,114 | 2,708,068 | 3,062,991 |
| Specific Purpose Investments | | | | | | | |
| Cuthbertson Investments | 463,702 | 475,502 | 481,002 | 486,502 | 494,502 | 504,002 | 515,802 |
| Burton Fund Investments | 100,000 | 104,600 | 106,100 | 108,350 | 111,100 | 114,100 | 117,100 |
| Maintenance and Depreciation Funds | 512,850 | 555,730 | 580,997 | 607,159 | 634,723 | 663,696 | 694,588 |
| Total Specific Purpose Investments | 1,076,552 | 1,135,832 | 1,168,099 | 1,202,011 | 1,240,325 | 1,281,798 | 1,327,490 |
| Non Current Assets | | | | | | | |
| Collection | | | | | | | |
| Opening Balance | 7,803,284 | 7,867,842 | 8,027,842 | 8,077,842 | 8,137,842 | 8,207,842 | 8,292,842 |
| Additions from accumulated reserves | | | | | | | |
| Donated | 64,558 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Ex Acquisitions | | 150,000 | 40,000 | 50,000 | 60,000 | 75,000 | 100,000 |
| Total Collection Assets | 7,867,842 | 8,027,842 | 8,077,842 | 8,137,842 | 8,207,842 | 8,292,842 | 8,402,842 |
| Property Plant and Equipment | | | | | | | |
| Land | 442,000 | 442,000 | 442,000 | 442,000 | 442,001 | 442,002 | 442,002 |
| Landscaping | 459,249 | 459,249 | 459,249 | 459,249 | 459,249 | 459,249 | 459,249 |
| Depreciation Landscaping | (62,283) | (85,209) | (108,135) | (131,061) | (153,987) | (176,913) | (199,839) |
| Work in Progress | 751 | 751 | 751 | 751 | 751 | 751 | 751 |
| Buildings and fitout | 10,798,422 | 10,829,847 | 10,829,847 | 10,829,847 | 10,829,847 | 10,829,847 | 10,829,847 |
| Additions / Redevelopment | 31,425 | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation Buildings | (1,216,909) | (1,594,588) | (1,972,267) | (2,349,946) | (2,727,625) | (3,105,304) | (3,482,983) |
| Plant & Equipment | 588,323 | 596,505 | 606,889 | 624,639 | 643,839 | 660,039 | 673,239 |
| Additions | 8,182 | 10,384 | 17,750 | 19,200 | 16,200 | 13,200 | 12,000 |
| Depreciation Plant and Equipment | (196,166) | (254,407) | (314,068) | (375,265) | (437,758) | (501,043) | (565,048) |
| Property Plant and Equipment | 10,852,994 | 10,404,532 | 9,962,016 | 9,519,414 | 9,072,517 | 8,621,828 | 8,169,218 |
| | 18,720,836 | 18,432,374 | 18,039,858 | 17,657,256 | 17,280,359 | 16,914,670 | 16,572,060 |
| Total Assets | 20,969,711 | 20,966,897 | 20,875,622 | 20,864,699 | 20,874,799 | 20,904,537 | 20,962,540 |

Appendix I: Financial Budgets continued

The Bishop Suter Trust
Business Plan 2019 to 2025

| | Actual YE 30 Jun 2019 | Plan YE 30 Jun 2020 | Plan YE 30 Jun 2021 | Plan YE 30 Jun 2022 | Plan YE 30 Jun 2023 | Plan YE 30 Jun 2024 | Plan YE 30 Jun 2025 |
|-----|-----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Cpi | 1.90% | 1.90% | 1.90% | 1.90% | 1.90% | 1.90% | 1.90% |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |

| | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Liabilities | | | | | | | |
| Current Liabilities | | | | | | | |
| GST Payable | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payables from exchange transactions | 69,658 | 70,982 | 72,330 | 73,704 | 75,105 | 76,532 | 77,986 |
| Employee Entitlements | 34,096 | 34,096 | 34,096 | 34,096 | 34,096 | 34,096 | 34,096 |
| Redevelopment accruals and retentions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Liability | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income In Advance | 5,361 | 5,361 | 5,361 | 5,361 | 5,361 | 5,361 | 5,361 |
| Total Current Liabilities | 109,115 | 110,439 | 111,788 | 113,163 | 114,565 | 115,993 | 117,447 |
| Long Term Liabilities | | | | | | | |
| NSAS Loan | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Long Term Liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Liabilities | 109,115 | 110,439 | 111,788 | 113,163 | 114,565 | 115,993 | 117,447 |
| Net Assets | 20,860,596 | 20,856,458 | 20,763,834 | 20,751,535 | 20,760,234 | 20,788,544 | 20,845,094 |
| The Bishop Suter Trust Equity | | | | | | | |
| Capital & Reserves | | | | | | | |
| General Purpose Funds | 7,493,925 | 6,769,007 | 6,593,715 | 6,487,255 | 6,387,339 | 6,288,775 | 6,189,083 |
| Nelson City Council | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,001 | 6,000,002 | 6,000,002 |
| Redevelopment Fund | 4,824,242 | 4,824,242 | 4,824,242 | 4,824,242 | 4,824,242 | 4,824,242 | 4,824,242 |
| Maintenance Fund | 0 | 542,880 | 568,147 | 594,309 | 621,873 | 650,846 | 681,738 |
| Cuthbertson Fund | 569,580 | 571,380 | 576,380 | 581,980 | 590,480 | 600,430 | 612,030 |
| Burton Fund | 161,555 | 166,155 | 168,156 | 170,305 | 172,555 | 175,105 | 178,306 |
| Other Funds | 48,341 | 48,341 | 48,341 | 48,341 | 48,341 | 48,341 | 48,341 |
| Acquisitions Fund | 1,772,953 | 1,934,453 | 1,984,853 | 2,045,103 | 2,115,403 | 2,200,803 | 2,311,353 |
| Total Trust Equity | 20,860,596 | 20,856,458 | 20,763,834 | 20,751,535 | 20,760,234 | 20,788,544 | 20,845,094 |
| The Bishop Suter Trust | | | | | | | |
| Statement Of Cash Flows | | | | | | | |
| CashFlows from operating Activities | | | | | | | |
| Sales of Good and Services | 437,105 | 305,316 | 321,750 | 360,761 | 379,365 | 386,555 | 393,882 |
| Grants and Donations | 885,962 | 1,293,330 | 1,177,442 | 1,244,631 | 1,272,243 | 1,304,876 | 1,345,259 |
| Interest and Dividends | 24,173 | 22,900 | 8,400 | 9,000 | 12,550 | 14,900 | 17,850 |
| Payments to Suppliers | (563,152) | (604,339) | (568,336) | (582,828) | (600,147) | (611,551) | (623,170) |
| Payment to Employees | (461,990) | (604,055) | (595,532) | (606,847) | (618,377) | (630,126) | (642,098) |
| Net GST | (17,623) | | | | | | |
| Net Cash flows from Operating Activities | 314,475 | 413,152 | 343,724 | 424,717 | 445,633 | 464,654 | 491,722 |
| Cash Flows from Investing Activites | | | | | | | |
| Proceeds from sale of Financial Assets | 198,620 | | | | | | |
| Purchase of Property Plant and Equipment | (36,228) | (10,384) | (17,750) | (19,200) | (16,201) | (13,201) | (12,000) |
| Purchase of Collection Assets | (2,938) | (160,000) | (50,000) | (60,000) | (70,000) | (85,000) | (110,000) |
| Purchase of Investments | (627,742) | (247,323) | (237,533) | (238,661) | (242,359) | (244,605) | (247,415) |
| Net Cash flow from Investing Activities | (468,288) | (417,707) | (305,283) | (317,861) | (328,560) | (342,806) | (369,415) |
| Cash flows from Financing Activities | | | | | | | |
| Repayment of Borrowings | (103,003) | | | | | | |
| Net cash flow from Financing Activities | (103,003) | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Increase/(Decrease) in Cash and Cash equivalents | (256,816) | (4,555) | 38,441 | 106,856 | 117,073 | 121,848 | 122,307 |
| Cash and cash equivalents at beginning of Period | 638,069 | 381,253 | 376,698 | 415,138 | 521,994 | 639,067 | 760,915 |
| Cash and Cash equivalents at end of Period | 381,253 | 376,698 | 415,138 | 521,994 | 639,067 | 760,915 | 883,223 |

Notes to the 2020-2025 SOI Budgets (Appendix 1):

- The budgets clearly separate activities between Operating and Special Purpose Funds which have independent and tagged purposes; these are:
 - Cuthbertson Fund – a historic bequest whose capital is invested, and growth tagged to purchase and care for collections items.
 - Burton Fund – a historic bequest whose capital is invested, and growth tagged to purchase collections items.
 - 5 x 40 & 10X10 Acquisitions Fund [Legacy Group] and Fields Pond – Specific funds sought and held in trust to purchase collection items, put the collection on-line, provide educative interpretation and a library.
 - Education Endowment Fund- Donated funds invested and tagged for educational purposes. These funds are currently deposited with others to take advantage of higher interest rates.
 - Asset Maintenance Fund: Redevelopment Fund – This fund has been established to provide for asset maintenance and renewal guided by the 25-year Asset Management and Maintenance Plan commissioned by the Trust upon completion of the Project and transfer of the balance of funds remaining after completion of the Redevelopment Project. The Asset Management and Maintenance Plan informs planning, funding and decisions that will ensure the redeveloped premises and related plant and equipment are properly maintained consistent with the provisions of the *Redevelopment Project Heads of Agreement* between The Suter and NCC and the Annex thereto.
- Total Exchange Revenue is budgeted to increase in the 2020-2021 year by 1.5% from \$355,616 in the 19/20 financial year to \$361,250. This is derived from a slight increase in our overall commercial activity even taking into account expect revenue reductions due to the economic climate post COVID-19 and difficult environment for philanthropic endeavours.
- Our Operating costs contain items, namely Property and Personnel, which have limited flexibility however we have budgeted 3.7% lower than the 19/20 financial year to help mitigate the effects of the post COVID-19 environment. Personnel costs are CPI adjusted. Some facilities costs have increased beyond CPI and this is also reflected in the budget.
- Investment interest income has been reduced reflecting current & forecasted market rates.
- The BST post Covid-19 have reluctantly made the decision to run a deficit budget reflecting the anticipated significant tourism downturn and impending recession.

Appendix II: The Bishop Suter Trust Statement of Accounting Policies

Statement of significant accounting policies

i. REPORTING ENTITY

The Bishop Suter Trust (the Trust) is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 2005 on 5 April 2008 and is domiciled in New Zealand. The Trust is controlled by Nelson City Council as a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees

The primary objective of the Trust is to provide the people of Nelson and visitors to the region access to our cultural heritage and to the many forms of contemporary cultural expression. This means communicating the diverse ideas and experiences that art offers to the widest possible audience by the presentation of quality visual arts programmes and by developing and caring for the permanent collection.

Accordingly, the Trust has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

ii. BASIS OF PREPARATION

Compliance

The financial statements of the Trust will be prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

Financial statements will be prepared in accordance with NZ GAAP and comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement base

The financial statements will be prepared on a historical cost basis.

Functional and presentation currency

The financial statements will be presented in New Zealand dollars and all values rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars.

Changes in accounting policies

No changes in accounting policies are anticipated. In the event there are, they will be disclosed.

iii. SIGNIFICANT ACCOUNTING POLICIES

Revenue

Revenue is measured at the fair value of consideration received.

Grants

Grants received from Nelson City Council and Tasman District Council are the primary sources of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust's Trust Deed. The Trust also receives grants from bodies such as Creative New Zealand, and these grants have restrictions on their use.

Council, government and non-government grants are recognized as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Other revenue

Products held for sale are recognized when a product is sold to the customer.

Where art works are donated in the Trust for nil consideration, the fair value of the work is recognised as income.

Interest income is recognised on receipt.

Volunteer services received are not recognised as revenue or expenditure as the Trust is unable to reliably measure the fair value of the services received.

Advertising costs

Advertising costs are expensed when the related service has been rendered.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Income Tax

The Trust has been granted Charitable status by the Inland Revenue Department, and therefore is exempt from income tax.

Leases

- Finance Leases

The Trust has no finance leases.

- Operating leases

The Trust has 3 (tenancy) leases with other parties; these leases cover the Trust's Theatre, the Café and a special lease arrangement with NSAS. The income received from the leases is recorded as income on receipt. The Trust also has an operating lease for its photocopier.

There are no incentives attached to the leases.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of 3 months or less.

Debtors and other receivables

Debtors and other receivables are usually paid within a month. Other than operational grants, debtors are not significant.

Inventories

Inventories are held at the lower of cost or net realisable value. Any Trust published inventory remaining after 2 years is written off.

Investments

Investments are shown at actual or realisable value.

Property, plant and equipment

Land and buildings were re-valued for the Trust's opening balance. Plant and equipment were brought on at book value, i.e. cost less accumulated depreciation.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at cost. When an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are recognised in the statement of financial performance.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

Depreciation

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

| | |
|------------------------|------------------|
| Buildings | 50 years (2%) |
| Improvements | 20 years (5%) |
| Furniture and fittings | 16 years (6.25%) |
| Computer equipment | 5 years (20%) |

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Intangible assets

Software acquisition:

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of the Trust's website are recognised as an expense when incurred because the website is primarily promoting the Trust's services.

Staff training costs are recognised as an expense when incurred.

Amortisation

Computer software licences are amortised on a straight-line basis over their estimated useful life of 5 years. Amortisation begins when the asset is available for use and ceases

at the date that the asset is disposed of. The amortisation charge for each period is recognised in the Statement of Financial Position.

Impairment of property, plant and equipment and intangible assets

Property, plant and equipment are reviewed for impairment at each balance date. When impairment is recognised, the recoverable value of the asset is estimated, an impairment loss is recognised and the carrying value of the asset is reduced to its recoverable amount.

Impairment loss is recognised in the statement of financial performance.

Collection

The opening balance of the Collection is the deemed cost at market valuation at the commencement of the Trust. Items purchased for the Collection are recorded at cost. Items donated to the Collection are valued at the time of acquisition and recorded at valuation.

The value of the Collection assets is reviewed and reassessed from time to time. In accordance with IFRS, the Trust will apply an impairment test to the Collection each year.

The Collection is not depreciated.

Creditors and other payables

Creditors and other payables are measured at fair value.

Employee entitlements

Short term entitlements

Entitlements that the Trust expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include annual leave and holiday pay earned to, but not yet taken at balance date.

Good and Service Tax (GST)

All items on the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognized as part of the related asset or expense.

The net GST recoverable from or payable to, the Inland Revenue Department (IRD) is included as part of the receivables or payables in the statement of financial position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Budget figures

The budget figures are those approved by the Trustees at the beginning of the year in the Statement of Intent. This budget has also been reassessed post Covid to reflect the expected global downturn and reduced tourism numbers over the next year.

The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by the Trust for the preparation of the financial statements.

Critical accounting estimates and assumptions

The Trust has made a number of estimates and assumptions in the preparations of the financial forecasts.

- that Council funding will be consistent with the Memorandum of Understanding and Community Plans
- A consistent level of donations has been assumed
- Commercial revenue is based on visitor numbers and historical performance
- Expenditure costs have both an historical and an actual (if known) base

Critical judgement in applying the Trust's accounting policies

The Trustees must exercise their judgement when recognising grant income to determine if conditions of the grant contract have been satisfied. This judgement will be based on the facts and circumstances that are evident for each grant contract.

Appendix III: The Trust's Approach to Governance

Governance Principles

The Trust operates to the Principles and Guidelines for Corporate Governance in New Zealand, published by the Securities Commission New Zealand;

- Trustees should observe and foster high ethical standards.
- There should be a balance of independence, skills, knowledge, experience, and perspectives among Trustees so that the Board works effectively.
- The Board should use committees where this would enhance its effectiveness in key areas while retaining board responsibility.
- The Board should demand integrity both in financial reporting and in the timeliness and balance of disclosures on entity affairs.
- The remuneration of Trustees and executives should be transparent, fair, and reasonable.
- The Board should regularly verify that the entity has appropriate processes that identify and manage potential and relevant risks.
- The Board should ensure the quality and independence of the external audit process.
- The Board should foster constructive relationships with NCC that encourage them to engage with the entity.
- The Board should respect the interests of stakeholders within the context of the entity's ownership type and its fundamental purpose.

The Role of The Trust Board

- Ensuring that the Trust operates in accordance with its Deed of Trust.
- Ensuring that the Trust meets its objectives as defined in this Statement of Intent.
- Ensuring the Trust complies with all its lawful obligations.
- Ensuring the NCC are kept well informed on all relevant issues and that there are "no surprises" on matters likely to cause community or political concern.
- Making any decisions as to policy that are not the preserve of general management and day-to-day administration.
- Employing the Gallery Director (including entering into a performance management agreement, reviewing performance and setting remuneration).

- Ensuring sound financial management of The Trust.

Composition of The Board

- The Board is made up of 6 non-executive Trustees.
- Trustees are appointed by resolution of Council in accordance with the Trust Deed of The Bishop Suter Trust, the Council's policy for the appointment of Trustees and cognisant of the balance of competencies that shall include financial stewardship, expertise and knowledge in art matters and issues, education, tourism, regional development, promotion, iwi perspectives and cultural awareness¹².
- Ideally the BST should have a split of members who have business, marketing, human resources, legal and financial skills and those who have significant understanding of art, fundraising skills and networks, both local and national including in terms of patronage.
- The Trustees appoint a Chairperson at the first meeting after the AGM.

Board Remuneration

- The NCC will set total remuneration for the Board. The Board will from time to time determine their remuneration and apportionment of this allocation cognisant of The Trust's financial position.

Risk Management Policies

- The Board shall ensure that appropriate insurance is maintained on all insurable risks of the Trust, and in particular public liability insurance and insurance of the heritage assets.
- The Board shall ensure that the Trust has procedures in place to achieve compliance with all applicable legislation.
- The Board will complete a risk review annually and identify mitigations of those risks. Cyber security and environment risks form part of the evaluation
- The Chair of the Audit & Risk Sub-committee also sits on the Executive Health & Safety Committee as a Board representative. Minutes of meetings are distributed to all Trustees
- The Board shall complete a regular 25-year property maintenance & renewal plan.

¹² Section 13 clauses C; 2 & 3 The Bishop Suter Trust Deed of Trust

Guidance and Resources Provided to Board Members.

Sound financial management and systems that provide reports to the Board as follows:

- Statement of financial performance for the preceding month, year to date and year end projections.
- Statement of financial position at the preceding month end.
- Statement of cash flow for the preceding month and monthly update on expected year end position.
- Gallery Director's report addressing issues related to the Trust's performance against objectives (financial and non-financial).
- The Board will ensure that relevant training opportunities are made available to Trustees.

Board and management Succession Planning

- With a small staff it is not possible to have succession planning for all key positions e.g. Director, Curator or Educator, Commercial Manager as there are limited opportunities for internal promotion.
- Trustee succession relies on identification of competency needs prior to trustee rotation/ replacement; and ensuring that there is cover during Trustee change (which may involve short duration extension of term(s) to provide transition support to an incoming trustee(s))

Board Performance Review

- A performance review is undertaken every 18 months. Initiatives arising from this include:
 - the need to focus on a Board succession programme
 - review of Board subcommittees and terms of reference