

globe t h e a t r e

Annual Report to
Palmerston North City Council from the
Globe Theatre Trust Board

June 2019





CONTENTS

Chairperson's Report.....	3
Trust Details as at 30 June 2019.....	4
Manager's Report.....	5
- Statement of service performance – for the year ended 30 June 2019	10
- Strategic Priorities and Performance Monitoring for 2018/19, 2019/20, 2020/21	11
The Globe Theatre Trust Financial Statements for the year ended 30 June 2019	
- Statement of Responsibility.....	16
- Entity information for the year ended 30 June 2019.....	16
- Statement of financial performance for the year ended 30 June 2019	17
- Statement of financial position for the year ended 30 June 2019.....	18
- Statement of changes in accumulated funds for the year ended 30 June 2019	19
- Statement of cash flows for the year ended 30 June 2019	19
- Notes to the financial statements.....	20

These are summary accounts which exactly reflect the audited annual accounts submitted to Palmerston North City Council by 30 September 2019.

A full set of signed accounts with the auditors unmodified opinion is available upon request from

Denise Servante on 06 351 4409 or by emailing info@globetheatre.co.nz



CHAIRPERSON'S REPORT

The Globe Theatre Trust Board is pleased to present this annual report to the Council and to other stakeholders. The year has continued to see the Globe develop towards the Board's vision for a vibrant centre for the performing arts in our City. We believe that the result presented in our financial statements and in our statement of service performance speaks for itself.

This is also reflected in the feedback that we have been receiving from our hirers and our patrons through regularly surveying them about their experiences at the Globe. Comments such as "the best organised community theatre in New Zealand", "fabulous support for our event from the theatre management team" and "friendliness of the front of house and café/bar staff" have been common themes throughout the year. The Board would like to commend and thank our team of staff, contractors and volunteers for their exceptional commitment to customer service.

Of course, our success is within a renewed culture within a City that is setting its sights high - to be recognised as an Arts Powerhouse. The City Council elected members and staff have worked closely with the cultural organisations to support and encourage each of us to identify and maximise our contribution to the Powerhouse. The Trust Board and Theatre Management have been pleased to take a positive and proactive role in this - whether it is contributing to joint projects - such as the inaugural Palmy Fringe Festival - or contributing to partnership planning - such as consultations over the redevelopment of the Library and Te Manawa in the CBD area - or considering how it may best collaborate with other organisations in the City - such as via the Section 17A review of the CCOs.

Taking this positive and proactive approach has led to several new initiatives which the Board is looking to extend in the coming months and years. Specifically, we have continued to develop relationships with promoters and national touring arts organisations to ensure that the Globe Theatre - and Palmerston North - remains in the minds of touring companies and musicians. The service offered at the Globe needs to develop to enable us to provide a full production service for these tours. The move from being a straightforward venue for hire to co-promoting events is challenging within the current financial constraints and an area ripe for collaboration between the performing arts organisations in the City - preferably through the Arts Powerhouse committee.

The Board has enabled the Theatre Management to participate in national conference events, through the PAANZ and EVANZ networks, both to raise the profile of the Globe - and Palmerston North - within these networks and also to bring back key issues within the sector that can help us to develop our services. Issues that have been highlighted at sector networking events are:

- Aligning performance measures to deliver strategic outcomes rather than focussing on "bums on seats"
- Cultural competency in managing and delivering performing arts
- Ensuring public venues are safe (in the wake of the Christchurch terror attacks)
- Managing events and venues sustainably in the face of the climate emergency

The Board is actively considering how it responds to each of these issues in developing the Globe - however, these issues are bigger than a small community theatre and again, can best be taken forward through a city-wide collaborative approach - the Arts Powerhouse Committee.

Our thanks go to the City Council for its continued support. The additional operational funding has enabled us to implement our renewals programme for Trust-owned assets. We would also like to acknowledge and thank the other funding agencies that have contributed this year (Central Energy Trust, Pub Charity Ltd, The Lion Foundation, COGS and the Lottery Community Fund). This funding has enabled us to develop new capital assets and to branch out into programming community events that represent the diversity of our city.

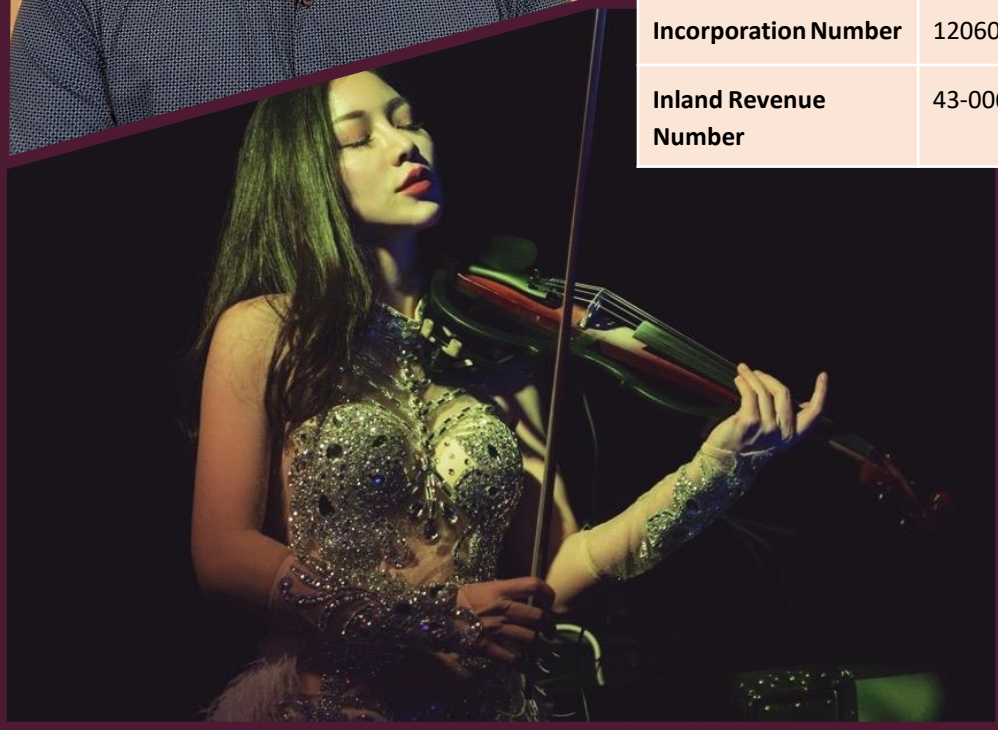
City Council assets staff have worked with our Board and Management to address some long-standing issues with the building for which we are very grateful. Our thanks also go to our many hirers and patrons who have supported us with their business, their entertainment dollar and their feedback to help us to continuously improve what we offer to the arts sector.

On a more personal note, I would like to thank my fellow trustees for their commitment, dedication and constant good cheer. It is an exciting time to be involved in arts in the City.

Maxine Dale
Chairperson
August 2019

TRUST DETAILS AS AT 30 JUNE 2019

Nature of Business	Theatre
Establishment Date	15 April 2002
Trustees	J Adams M Dale (Chairperson) R Harris G Hudson M May P Monk
Treasurer	G Hudson
Secretary	M May
Address	312 Main Street PO Box 132 Palmerston North Telephone: (06) 351 4409
Bankers	Bank of New Zealand
Solicitors	Cooper Rapley
Registered Office	C/ Palmerston North City Council Civic Administration Building The Square Palmerston North
Incorporation Number	1206039
Inland Revenue Number	43-006-495

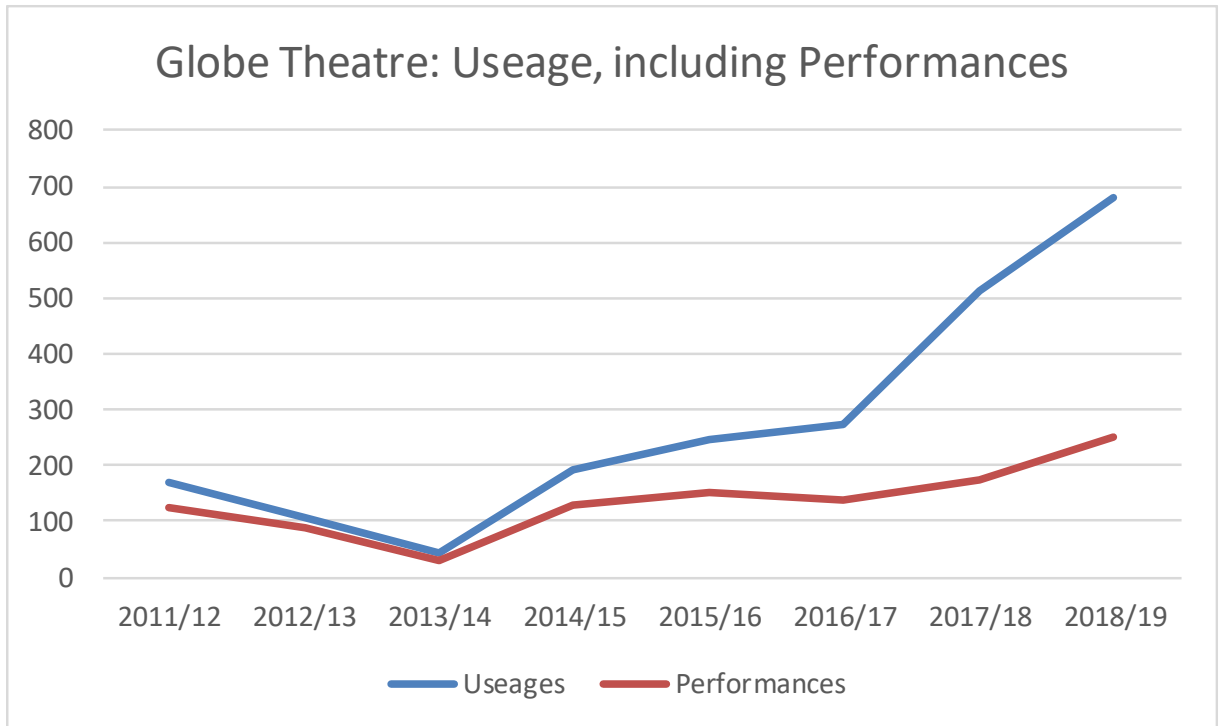


MANAGER'S REPORT

The Theatre Management is delighted to present this report to the Board, to Council and to all other stakeholders. The Board's strategic plan focuses on promoting the theatre for performance-based use, targeting community-based events and extending the range of hirers that use the venues regularly. The staff team has worked to deliver in these areas.

Bookings/Events

The year has seen sustained growth in all areas of use at the Globe Theatre.

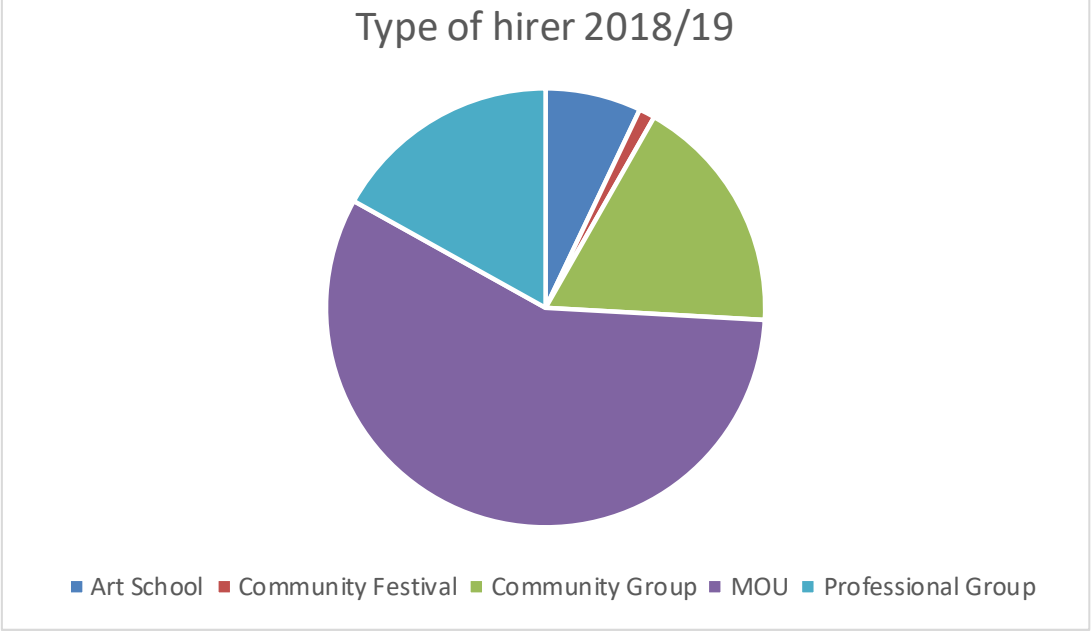


Particularly, there are new community organisations that use the theatre regularly under an MOU arrangement. Of note is the Comedy Hub which holds weekly workshops and at least monthly public events. The Comedy Hub are planning a Comedy Festival in November 2019 and it is our pleasure to be hosting these events at the Globe.



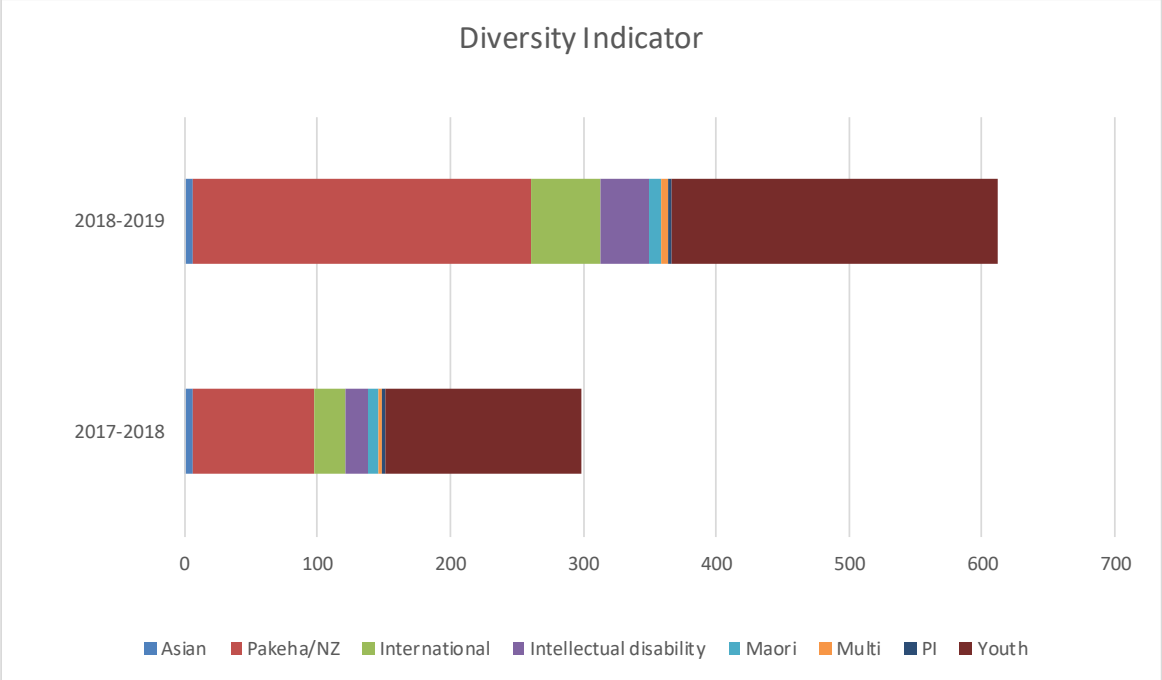


Type of hirer 2018/19

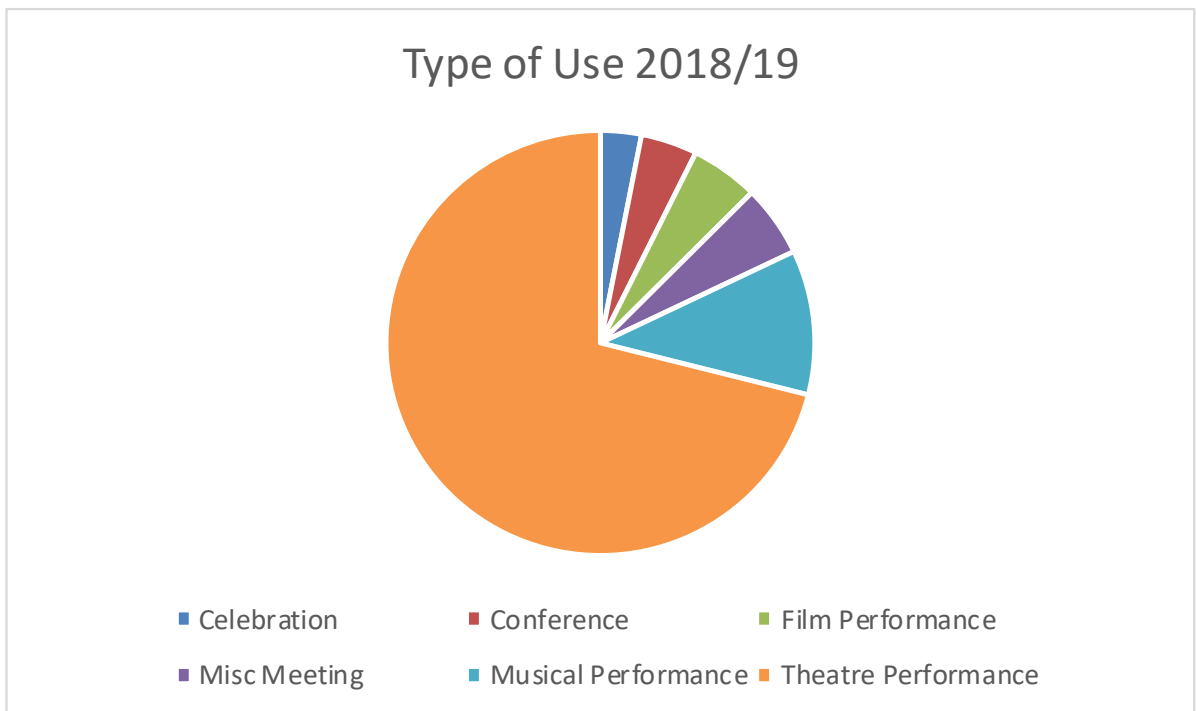


This growth in hire events within the MOU arrangements means that more of our activities remain broadly culturally Pakeha/NZ. The focus on youth has been maintained with several intermediate/high school and dance schools holding end-of-year shows, a return booking from Massey University Drama Association and the highly successful Seussical Jr from Manawatu Youth Theatre. The number of hires from groups from other cultural groups has grown but remains a relatively small proportion of our overall business.

Diversity Indicator



There had been good growth in the “international” element of use – that is mainly musicians touring internationally and bringing a specific genre of music to the Globe. Overall, the proportion of useage that is performance based, and so is ideally suited to the performance spaces available for hire, remains at 86%.



Event Marketing and Audience Development

A focus for the future remains audience development – although audience numbers is not directly related to the Globe’s primary function as a venue for hire, it certainly increases the attractiveness of the venue to hirers if we have a good marketing and promotional network that can translate into audience numbers. The main avenues for marketing events at the Globe are:

- The monthly advert “What’s On” in the Enjoy supplement, which is accompanied by an editorial
- E-marketing to our database of ticket buyers/suppliers and supporters (currently almost 3,500): these have increased in frequency to almost weekly as the theatre has got busier. The average opening rate of the newsletters is 33%.
- Regular posting and sharing on Facebook – the page followers have increased from 1,067 as at 1 July 2018 to 1,439 as at 30 June 2019.
- Ensuring all events are listed on Eventfinda (and hence picked up by various events listing websites) and FB events created (and co-hosted).
- Working closely with destination marketing agencies such as www.TheSquare.co.nz and My Manawatu (CEDA) through, for example, double pass giveaways to certain shows.
- Displaying posters in the venue and distributing to key information points in the CBD, including the i-site and George Street Cafes.
- Some limited production of other printed materials (such as billboards for the “grassy knoll” on the intersection of Main/Pitt Streets and DLE flyers for distribution).



Two specific initiatives have been undertaken during the year. Firstly, a promotional campaign was undertaken in the late summer of 2019 to promote a "Summer Sounds Festival" – a series of music events between mid-January to mid-March which were linked and promoted through a special ticket price to three or more events in the season. The Festival was marketed including through the front page of Enjoy, weekly ads in the Guardian newspaper and a billboard on the grassy knoll. The summer of 2020 is looking to be as busy with music events as many north American and European acts go sun-seeking in the southern hemisphere.

The Theatre Management will work with other stakeholders in the sector to bring the greatest benefit to the City from these opportunities.

Secondly, segmented databases have been developed so that shows and special offers may be better targeted. Particularly, we are looking to provide opportunities for young people to come and see a range of local and touring acts through group discounts offered to music/drama teachers, schools and kindies for appropriate events. This is another area to be developed in 2019/20.

Capital upgrades and renewals, repairs and maintenance

In conjunction with the PNCC Asset Managers, there has been good progress in key aspects of the theatre maintenance and renewal:

- Accessible seating in Globe 1 completed at the end of June 2018.
- Leaking roof above the rehearsal room repaired and gib lining stripped and replaced September 2018.
- The rehearsal room and stairwell repainted September 2018.
- Structural integrity of Globe 1 completed on schedule in mid-January 2019.
- New heat pump for heating and cooling installed in Globe 1 on schedule in June 2019.

Two remaining projects that are to be completed in conjunction with PNCC Asset Managers are the refurbishment of the Globe 1 backstage toilets/showers and the configuration of the café/bar servery.

During 2018/19, the Trust Board raised funds for two capital projects:

- A new digitally enabled lighting rig, with mechanical winches and hand lines, installed in Globe 1 on schedule by early February 2019.
- Digital lighting console purchased in April 2019.

Plans for the coming year include the purchase of a full complement of digital lights for Globe 1 (subject to successful fundraising).

One night only! @ The Globe

The Theatre's capital renewal programme has been progressed in line with the Trust Board's submission to PNCC for increased funding in 2018/19:

- Frosting has been put over the glass behind the working area of the café
- A reconditioned computer and reconditioned laptop purchased for the office/front of house
- Hood/extractor fan for the café kitchen area (paid for by PNCC)
- New promotional pennants
- New café seating
- Vacuum cleaner purchased (which does spot cleaning of the carpet and upholstery also)
- Replacement double door bar fridge for café area
- Additional mic stands/music stand
- The following maintenance and repairs have been undertaken:
 - Bike rack straightened and arranged at front of building
 - PAT on electrical equipment
 - Annual servicing of retractable seating in Globe 2
 - Annual maintenance of Steinway Grand piano in Globe 1
 - Annual tuning of upright piano in Foyer
- The torn lining of the main curtain in Globe 1 was been repaired. (The cleaning and fire-retardant work on both sets of curtains in both theatres is scheduled for July 2019.)
- Minor work has been undertaken to address practical issues in Globe 2 (house lights now operable from sound/light desk, HDMI and internet cables to enable access from stage as well as the sound box).



Looking forward to the coming year

Bookings are well advanced for 2019/20 and into 2020/21. Regular events – which are booked for next year even as the current year's event finishes – means that the future calendars are healthily busy.

We are committed to opening the doors of the theatres to as many groups, organisations and residents of the Manawatu as possible. This is the community theatre and the community are always very welcome here. As a team, we will endeavour to help you organise and run a successful, safe, sustainable event.

Denise Servante

Manager

August 2019

STATEMENT OF SERVICE PERFORMANCE – FOR THE YEAR ENDED 30 JUNE 2019

DEFINITIONS

USER GROUPS

MOU Group – has an MOU arrangement with the Globe Theatre, is performance-based, may be a community group or professional group

Art School – is performance based, where the performance is delivered by students whether or not the organisation is a commercial company

Community Group – the hirer is a community organisation, may or may not be performance based

Professional Group – the hirer is a professional performing arts practitioner, a private individual or a commercial company (may or may not be performance based)

Community Festival – the Globe Theatre participates in a city-wide/cultural precinct-wide series of events that form part of a festival. May or may not be performance based, may or may not attract a hire fee

USAGE AND PERFORMANCE

Useage – A space in the theatre is set aside for a specific event, activity or exclusive use by a hirer.

Performance – The “useage” involves an audience of any description

Note: The Theatre has two auditoria, the foyer and a rehearsal room which are all available for hire. Thus, there may be multiple uses, both across hireable spaces and of single hire spaces – for example morning and evening use in the same space - in any one day

PERFORMANCE BASED USEAGE :

Theatre Performance – a dramatic or dance performance on stage to an audience, open to the public, may be ticketed or not, or a rehearsal towards a performance in front of an audience

Musical Performance – a musical performance on stage to an audience, open to the public, may be ticketed or not, or a rehearsal towards a performance in front of an audience

Film Performance – a film show to an audience, open to the public, may be ticketed or not

NON-PERFORMANCE BASED USEAGE:

Conference – a presentation on stage to an audience, may be open to the public or may be pre-registered delegates, may be ticketed or not

Celebration – a ceremony, party or other festive event, may be open to the public or not, may involve a “performance” to an audience, may be ticketed or not

Misc. meeting – anything else!





Strategic Priorities and Performance Monitoring for 2018/19, 2019/20, 2020/21

SUPPORT THE COUNCIL’S VISION FOR PALMERSTON NORTH AS PROVISION OF SMALL CITY BENEFITS AND BIG CITY AMBITION, PARTICULARLY THROUGH THE GOAL OF A CREATIVE AND EXCITING CITY

Outcomes	Outputs (KPIs)	
	Target 2019 SOI	Result at 30 June 2019
<p>Understand and maximize usage through quantifying number of visitors (audiences), number of events and attendees (participants), type of event and hours of use</p> <p>Result at 30 June 2018</p> <p>514 usage nights and 175 performance nights (with an audience of any description).</p>	<p>Comparison with previous year on number of events and type of event: aim for increases – commentary on issues</p> <p>New benchmarks established for numbers of visitors and attendees, and hours of use.</p>	<p>Achieved: 680 usage nights and 253 performance nights (with an audience of any description)</p> <p>After a slower start in July – Dec 2017, usage picked up in the second half of 2017/18 to give a good result in the 2017/18 Annual Report. This level of use has been maintained through 2018/19 to give a good year-end result as at 30 June 2019. Forward bookings for 2019/20 are robust.</p> <p>New benchmarks:</p> <p>Hours of Use by Hirers = 2,544 (does not include box office or café opening hours)</p> <p>No. of discreet participants = 1,843 (people taking part in multiple “usages” for a single event are counted only once. For example, a play that is rehearsed at the Globe and shown at the Globe with 10 participants is only counted as 10 participants although each rehearsal and performance is a separate hire or “usage”)</p> <p>No. of visitors/audience members = 21,409 (people participating at the Globe as an audience member/attending an event but not as an organiser or performer. For example, someone who has been to multiple events at the Globe as an audience member would be counted for each event they attend. It does not include people visiting the box office or café.)</p>

SUPPORT THE COUNCIL'S VISION FOR PALMERSTON NORTH AS PROVISION OF SMALL CITY BENEFITS AND BIG CITY AMBITION, PARTICULARLY THROUGH THE GOAL OF A CREATIVE AND EXCITING CITY.

Outcomes	Outputs (KPIs)	
	Target 2019 SOI	Result at 30 June 2019
<p>Maintain or improve satisfaction ratings of hirers</p> <p>Result at 31 May 2018 = 97% (n=33)</p> <p>Results at 30 June 2018 = 91% (n=35)</p>	<p>Benchmark (97%) maintained or improved – commentary on issues</p>	<p>Partly achieved: 102 hirers have been sent post-hire surveys and 50 have replied. 41 record an excellent rating, 8 good and 1 fair. This equates to 93% satisfaction rating which is higher than the result for 2017/18 but slightly down on the benchmark of 97%.</p> <p>Comments provided with feedback are considered monthly at Board meetings and issues addressed where appropriate. There is no clear indication from the comments what may have affected the overall rating. Possibly with a wider range of hirers, there may be more divergence of what constitutes an excellent experience compared to a good experience. It is also fair to expect that as the venue is busier, resources may not stretch to quite the level of customer service as in 2017/18.</p> <p>In January 2019, an additional question sought more detailed feedback on what factors have affected the hirers assessment of their experience. The factor most likely to affect hirer’s satisfaction with their hire is the pre-event and booking paperwork/ processes.</p>
<p>Maintain or improve satisfaction ratings of visitors (audiences)</p> <p>Benchmark established for visitors up to July 2017 = 78% (n=171)</p> <p>Results at 30 June 2018 = 79% (n=255)</p>	<p>Provide annual result and commentary on any issues</p>	<p>Achieved: 84% (n=148)</p> <p>Audience surveys take place monthly and target ticket buyers through the Globe ticketing system. Comments and feedback are considered at Board meetings. The factors most likely to affect satisfaction ratings of visitors is front-of-house/reception and online booking of tickets.</p>



Outcomes	Outputs (KPIs)	
	Target 2019 SOI	Result at 30 June 2019
Bring well-known national and international visiting productions to the venue that are well supported by our community	5 events co-promoted by the Globe. Target average 67% house sold	Achieved: 28 events were co-promoted (i.e. some form of box office split rather than a straightforward hire-fee):
	<ul style="list-style-type: none"> • Anthonie Tonnon • Cellophonics • David Dondero and the Dauphin • Monty Bevins • Playtime Theatre • The Easy Leaves • Sparrow & Boyle • Stephen Taberner • Super Hugh Man • Tim Brown (and the Caramellos) • Frank Burkitt Band (Lost but Alive) • Hello Pecia (Logan Kitney) • Miho's Jazz Orchestra • Fraser Hooper (Funny Business) • Paper Cranes/Fables 	<ul style="list-style-type: none"> • Virelai • Sofia Talvik • Smith and McClennan • Spina and Benignetti • Stretch - Chasing Summer • Isaiah B Brunt Trio • Sonic Delusion (Hey Trouble release tour) • Bloom (Linda Ronstadt) • Adam McGrath • Sparrow and Boyle (Merry Wives) • Arts on Tour (Trick of the Light) • Richard Gilewitz • D-Day Dedication
	The range of capacity was 7% - 100% and the average was 39%	

SUPPORT THE LOCAL PERFORMING ARTS COMMUNITY TO SHOWCASE THEIR TALENTS

Outcomes	Outputs (KPIs)	
	Target 2019 SOI	Result at 30 June 2019
<p>Increasing proportion of use that is driven through MOU arrangements and is performance based</p> <p>Result at 31 May 2018 (11 months) = 51% of which 92% is performance based.</p>	<p>60% use MOU arrangements of which 90% is performance based</p>	<p>Partly achieved: 57% of usage of which 95% was performance-based.</p> <p>Six MOU arrangements are currently in place: MTS, Sunday Matinee, Tall Poppies, The Rose Academy, Alliance Francaise and The Comedy Hub. In addition, Manawatu Youth Theatre was treated as an MOU agency under the umbrella of Manawatu Theatre Society and is included in these statistics. A new regular arrangement was made to include a monthly matinee event: Jazz + Café organized along the same lines as for the Sunday Matinee Series. The first event took place in June 2019. This may develop into an MOU arrangement in 2019/20.</p>
<p>Monitor the number of uses from established community users as a proportion of overall usage.</p> <p>Result at 31 May 2018 (11 months) = 31%</p>	<p>Comparison with benchmark (31%) – commentary on issue</p>	<p>Achieved: 143 (21%) uses from 24 returning hirers (excluding regular MOU/Professional Groups hiring the venue).</p> <p>The aim is to reduce this proportion, aiming to convert regular community users to MOU arrangements. Note: community use overall remains at 80% of overall usage.</p>
<p>Monitor the number of uses from new community groups (1) using the complex as a proportion of overall usage</p> <p>Result at 31 May 2018 (11 months) = 3.5%</p>	<p>Comparison with benchmark (3.5%) – commentary on issue</p>	<p>Achieved: 36 (5.3%) uses from 27 new hirers. The aim is to increase the proportion of use from new hirers. The figure for this year was boosted by the inclusion of 10 performances from new hirers as part of the Palmy Fringe. These hires have been categorized as a Community Festival because normal terms and conditions of hire were waived as part of the Board’s contribution to the Festival.</p>

(1) Note will be made of the ethnic and cultural origin of users to monitor success in outreach programmes

MAINTAIN VENUES EQUIPPED TO ACCOMMODATE BOTH COMMUNITY AND PROFESSIONAL PERFORMING ARTS ORGANISATIONS AND EVENTS.

Outcomes	Outputs (KPIs)	
	Target 2019 SOI	Result at 30 June 2019
Resolve ongoing issues with the refurbishment of Globe 1 - structural issues, new rigging and lighting equipment installed; heating/air conditioning upgraded.	Report on progress	<p>A fully LED enabled rig has been installed and an LED lighting console purchased. This means that all lighting and set can be installed at ground level (the only height work required is to focus lights).</p> <p>Quotes for replacement lighting have been sourced and the target to fundraise is \$90,000. Half of this has been raised and further funding applications have been submitted for the balance. It is hoped to replace the lights with LED lighting during 2019/20.</p> <p>A new heating/air conditioning unit has been installed in Globe 1 as part of Council's asset management planning. This will really come into its own to reduce energy costs and improve the patron experience during 2019/20.</p>
Maintenance and renewal schedule initiated through funded depreciation	33% of depreciation costs funded	<p>Achieved: 45% depreciation funded in 2018/19</p> <p>However, depreciation of the new rig will start in 2019/20 and the proposed new digital lights in 2020/21 and this will increase depreciation costs from 2020 onwards. In addition, the scheduled renewal programme has been implemented, with the replacement of office computers, promotional materials and café furniture.</p>



THE GLOBE THEATRE TRUST FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

STATEMENT OF RESPONSIBILITY

We are responsible for the preparation of the Globe Theatre Trust's financial statements and statement of performance, and for the judgements made in them. We are responsible for any end-of-year performance information provided by the Globe Theatre Trust under section 19A of the Public Finance Act 1989. We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the Globe Theatre Trust for the 12 months ended 30 June 2019.

Signed on behalf of the Board:

Maxine Dale

Gerard Hudson

ENTITY INFORMATION FOR THE YEAR ENDED 30 JUNE 2019

LEGAL NAME, TYPE OF ENTITY AND LEGAL BASIS

The Globe Theatre Trust (the Trust) is a trust incorporated in New Zealand under the Charitable Trusts Act 1957 and is domiciled in New Zealand. The Trust is controlled by Palmerston North City Council (PNCC) and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002, by the Council's right to appoint the Board of Trustees.

THE TRUST'S PURPOSE OR MISSION

The primary objective of the Trust is to promote the arts within Palmerston North by catering for a variety of local and touring arts and cultural events such as drama, comedy, musical theatre, dance and musical recitals, public artistic competitions, conferences and seminars, rather than making a financial return.

STRUCTURE OF THE TRUST'S OPERATIONS, INCLUDING GOVERNANCE ARRANGEMENTS

The Globe Theatre is a Council-owned venue that is managed by a Trust Board comprising 5 Council-appointed trustees and up to 2 trustees co-opted by these appointees.

MAIN SOURCES OF THE TRUST'S CASH AND RESOURCES

The Trust Board manages the theatre complex as multi-purpose venues for hire. Principally, the venues are for the performing arts with two theatres; one a 200-seat proscenium theatre and one is a flat-floor performance space with an option of up to 100 proscenium layouts. The Trust Board also hires the foyer/cafe-bar area separately as a meeting space. The Trust Board maintains an asset register of equipment, including a projector for film viewings.

The Globe Theatre complex primarily serves the community performing arts in Palmerston North with an operating subsidy from the City Council which ensures that the complex is affordable for amateur and community arts groups. Particularly, the Theatre was developed in 1982 as a partnership project between the City Council and the Manawatu Theatre Society and this relationship remains enshrined on the Board's Trust Deed.

The theatre provides a quality experience that is also available to professional organisations for hire.

Finally, the Trust Board raises funds to maintain its equipment and asset register to ensure that it can continue to offer that quality experience to all its clients. As part of this, the Trust Board also promotes shows to raise funds for this purpose.

Statement of Financial Performance for the year ended 30 June 2019

	Notes	Actual 2019	SOI Budget 2019	Actual 2018
Income				
Donations, Fundraising and other similar revenue	2	100,267	60,000	40,540
Council Funding	3	113,366	113,366	76,582
Investment Revenue		421	83	105
Sales of Goods and Services	4	90,785	84,918	64,401
Total revenue		304,839	258,367	181,628
Expenditure				
Costs related to providing goods and services	5	31,970	25,673	17,720
Employee related costs	6	85,223	89,646	93,880
Administration and Overhead	7	45,062	43,173	34,523
Other Expenses	8	21,247	22,408	25,388
Asset Write-offs		1,599	-	182
Depreciation		37,363	34,991	37,905
Total Expenditure		222,464	215,891	209,599
Net Surplus/(Deficit)		82,375	42,476	-27,971



SHEL WE

BY TUPUA TIGAFUA

7.30pm | 12-14 December
Te Atuaaha 65 Dixon Street Wellington
Tickets: www.measinafestival.org

Statement of Financial Position for the year ended 30 June 2019

	Notes	Actual 2019	SOI Budget 2019	Actual 2018
Assets				
Current Assets				
Bank Accounts and Cash	9	70,799	23,059	32,909
Debtors and Prepayments	10	13,233	18,185	9,882
Total Current Assets		84,032	41,244	42,791
Non-Current Assets				
Property, Plant and Equipment	11	275,848	320,046	228,051
Total Non-Current Assets		275,848	320,046	228,051
Total Assets		359,880	361,290	270,841
Liabilities				
Current Liabilities				
Creditors and Accrued Expenses	12	36,556	20,265	26,359
Employee costs payable	13	7,619	-	16,150
Unused Grants and Donations with Conditions	14	5,500	-	500
Total Current Liabilities		49,676	20,265	43,010
Non-Current Liabilities				
Total Non- Current Liabilities			-	-
Total Liabilities		49,676	20,265	43,010
Net Assets		310,205	341,025	227,831
Trust Equity				
Contributed capital		100	100	100
Retained surpluses		310,105	340,925	227,731
Total Trust Equity		310,205	341,025	227,831

Statement of Changes in Accumulated Funds for the year ended 30 June 2019

		Actual 2019	SOI budget 2019	Actual 2018
Balance at 1 July		227,831	298,546	255,802
Current Period				
Surplus/(Deficit)		82,375	42,479	-27,971
Balance at 30 June	15	310,206	341,025	227,831

Statement of Cash Flows for the year ended 30 June 2019

		Actual 2019	SOI budget 2019	Actual 2018
Cash Flows from Operating Activities				
Receipts of Council Grants		113,366	113,366	76,582
Donations, Fundraising and other similar revenue		101,182	59,622	34,516
Receipts from sale of goods and services		87,264	84,917	69,769
Interest Received		421	83	105
Payments to Suppliers		-181,434	-180,518	-157,266
Goods and Services Tax (net)		-932	-	223
Net Cash Flows from Operating Activities		119,867	77,469	23,930
Cash Flows from Investing & Financing Activities				
Purchase of Fixed Assets		-81,977	-50,000	-23,011
Net Cash Flow from Investing & Financing Activities		-81,977	-50,000	-23,011
Net Increase/(Decrease) in Cash		37,890	15,922	919
Opening Cash Balance		32,909	7,137	31,990
Closing bank accounts and cash	9	70,798	23,059	32,909

Notes to the financial statements

1. Statement of Accounting Policies

REPORTING ENTITY

The financial statements for the Trust are for 12 months ended 30 June 2019 and were approved by the Board of Trustees on 16 September 2019.

BASIS OF PREPARATION

The Trust has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that it does not have public accountability as defined and has total annual expenses of equal to or less than \$2,000,000. All transactions in the performance report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Statement of compliance

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

Measurement base

The financial statements have been prepared on a historical cost basis.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Changes in Accounting Policies

There have been no changes to accounting policies this year.

GST

The Trust is registered for GST. All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Sale of goods

Revenue from the sale of goods is recognised when the goods are sold to the customer.

Sale of services

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

Theatre Hire

Charges for Theatre Hire are recognised when the Theatre is hired to the customer.

Interest Revenue

Interest revenue is recorded as it is earned during the year.

Grants

Grants received from the Palmerston North City Council are the primary source 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.

Council, government, and non-government grants are recognised as revenue when they are received 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.

Fundraising and Donations

Fundraising and donations are recognised as revenue when cash is received, unless the donations have a "use or return" condition attached. If there is such a condition, then the donation is initially recorded as a liability on receipt and recognised as revenue when conditions of the donation are met.

Donated assets revenue

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.

Advertising, marketing, administration, overhead and fundraising costs

These are expensed when the related service has been received.

Bank Accounts and Cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with

banks. Bank overdrafts are presented as a current liability in the statement of financial position.

Debtors and other receivables

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Investments

Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

Property, plant, and equipment

Property, plant, and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation

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

- Theatre Equipment 10 years (10%)
- Computer Equipment 5 years (20%)
- Furniture & Fittings 10 years (10%)

Creditors and other payables

Creditors and accrued expenses are measured at the amount owed.

Employee and contractor costs

Wages, salaries and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries and leave entitlements. Independent contractor costs are also included where at the discretion of management these services could equally have been delivered by an employee.

Performance payments are recorded when the employee has been notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

Notes to the financial statements continued

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 retirement gratuities is recognised when the entitlement becomes available to the employee.

Provisions

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation because of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Income Tax

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

Accumulated Funds

Accumulated Funds are measured through the following components:

- Retained Earnings
- Contributed Capital

Budget figures

The budget figures are derived from the statement of intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Tier 2 PBE Accounting Standards applied

The Trust has applied the following Tier 2 Accounting Standards in preparing its financial statements.

Grant expenditure

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Globe Theatre Trust has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Grants Approval Committee and the approval has been communicated to the applicant. The Globe Theatre Trust's grants awarded have no substantive conditions attached.

2. Donations, Fundraising and Other Similar Revenue

	Actual 2019	Budget SOI 2019	Actual 2018
Donations and Fundraising	2,494	10,000	2,994
Other	97,773	50,000	37,545
Total Donations and Fundraising Revenue	100,267	60,000	40,539

"Other" fundraising comprises:

	Actual 2019	Actual 2018
NZ Guardian Trust		1,750
Palmerston North City Council		8,804
Central Energy Trust	72,773	5,459
Community Organisation Grants Scheme	4,000	4,600
Lottery Community Fund	5,000	7,500
Mainland Foundation		4,487
Pub Charity Ltd	6,000	3,751
Lion Foundation	10,000	1,195
Other		
Total Donations and Fundraising Revenue	97,773	37,546

There is no revenue with conditions that requires it to be recorded as a liability.

3. Council Funding

	Actual 2019	Budget SOI 2019	Actual 2018
PNCC grant	113,366	113,366	76,582
Total grants revenue	113,366	113,366	76,582

4. Sales of Goods and Services

	Actual 2019	Budget SOI 2019	Actual 2018
Foyer rental	4,700	10,800	3,401
Theatre Hire	59,899	44,603	44,226
Recoverable income	9,410	8,121	4,658
Sales	58	-	703
Ticket Sales (commission and shows)	16,718	21,394	11,415
Total Sales of Goods and Services	90,785	84,918	64,402

5. Costs relating to providing Goods and Services

	Actual 2019	Budget SOI 2019	Actual 2018
Project Expenses	10,696	-	4,384
Recoverable expenses	9,532	8,095	4,574
Shows Expenses	11,743	17,578	8,760
Total Costs of Goods Sold	31,970	25,673	17,720

6. Employee and contractor related costs

	Actual 2019	Budget SOI 2019	Actual 2018
Salaries, wages and employment related costs	68,146	78,595	87,871
Contractor costs	9,414	3,673	3,960
Trustee Remuneration	5,355	5,100	-
KiwiSaver Employer Contributions	2,308	2,278	2,048
Total Employee Related Costs	85,223	89,646	93,880

7. Administration and Overheads

	Actual 2019	Budget SOI 2019	Actual 2018
Cleaning	3,486	4,164	3,382
Hire of Plant and Equipment	580	204	1,170
Light, heating and power	16,464	14,104	14,209
Marketing	6,180	6,077	4,788
Office Costs	679	1,416	133
Postage Printing and Stationery	1,169	2,676	1,648
Repairs and Maintenance	13,600	12,000	6,628
Telephones and Internet	2,904	2,532	2,565
Total Administration and Overheads Costs	45,062	43,173	34,523

8. Other expenses

	Actual 2019	Budget SOI 2019	Actual 2018
Audit Fees	8,564	8,687	8,449
Bank Charges	40	42	41
Consulting and Accountancy	812	2,271	2,147
General Expenses	1,880	4,664	3,226
Insurance	2,723	2,447	2,394
Legal expenses	0	1,000	4,760
New Capital Purchases	2,446		
Professional Development	1,368	1,030	912
Provision for impairment	-	-	-287
Security	492	646	562
Subscriptions and compliance costs	1,473	652	2,220
Waste Disposal	1,448	969	965
Total Other Expenses	21,247	22,408	25,388

9. Banks accounts and cash

	Actual 2019	Actual 2018
Cash on hand	458	457
Non-profit current	20,049	28,714
Rapid Save (donations)	50,292	3,738
Total Cash and Cash Equivalents	70,799	32,909

10. Debtors and prepayments

	Actual 2019	Actual 2018
Accounts Receivable	12,772	9,882
Less provision for impairment	-	-
GST Receivable	461	-
Prepayments	-	-
Sundry Debtors Accruals	-	-
Total Debtors and Other Receivables	13,233	9,882

11. Property, Plant and Equipment

	Furniture and Fittings	Theatre Equipment	Computer Equipment	Total
Cost				
Balance at 1 July 2017	39,680	454,763	6,226	500,669
Additions	1,694	17,665	-	19,359
Disposals	-	-15,446	-2,727	-18,173
Balance at 30 June 2018	41,374	456,982	3,499	501,855
Accumulated Depreciation and Impairment Losses				
Balance at 1 July 2017	9,017	240,867	4,006	253,890
Depreciation Expense	4,658	32,548	700	37,905
Impairment Losses	-	-	-	-
Disposals	-	-15,446	-2,546	-17,992
Balance at 30 June 2018	13,675	257,969	2,160	273,803
Carrying Amount	27,699	199,013	1,339	228,051
Cost				
Balance at 1 July 2018	41,374	456,982	3,499	501,855
Additions	7,683	79,077	-	86,760
Disposals	-2,235	-	-1,251	-3,486
Balance at 30 June 2019	46,822	536,058	2,246	585,128
Accumulated Depreciation and Impairment Losses				
Balance at 1 July 2018	13,675	257,969	2,160	273,803
Depreciation Expense	5,131	31,653	580	37,363
Disposals	-1,155	-	-732	-1,887
Balance at 30 June 2019	17,651	289,622	2,005	309,278
Carrying Amount	29,171	246,436	241	275,848

The above carrying value includes Work in Progress of \$0 as at 30 June 2019 (2018: \$0). There are no restrictions over the title of the Trust's property, plant, and equipment; nor is any pledged as security for liabilities.

12. Creditors and Accrued Expenses

	Actual 2019	Actual 2018
Accrued Expenses	17,536	11,686
PAYE Payable	1,788	1,451
Creditors	17,232	12,935
GST Payable	-	287
Total Creditors and Other Payables	36,556	26,359

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

13. Employee and Contractor Related Costs Payable

	Actual 2019	Actual 2018
Annual Leave	4,677	3,200
Wages and bonus accrual	2,942	12,950
Total Employee Costs Payable	7,619	16,150

14. Unused Donations and Grants with Conditions

	Actual 2019	Actual 2018
Lions Club of Middle Districts	500	500
NZCT	5,000	-
Total Unused Donations and Grants with Conditions	5,500	500

Grants received in advance relate to funding received for the provision of specific development where conditions of the grant have not yet been satisfied, and conditions include a "use or return" clause.

15. Accumulated Surpluses

	Actual 2019	Actual 2018
Contributed Capital		
Balance at 1 July	100	100
Capital Contribution		
Balance at 30 June	100	100
Retained Surplus		
Balance at 1 July	227,731	255,702
Surplus/(Deficit) for the Year	82,375	-27,971
Balance at 30 June	310,106	227,731
Total Equity	310,206	227,831

16. Capital Commitments and Operating Leases

The Trust has no capital commitments and no operating lease commitments (2018 \$nil).

17. Contingencies

CONTINGENT LIABILITY

The Trust has no contingent liabilities (2018 nil).

CONTINGENT ASSETS

The Trust has no contingent assets (2018 \$nil).

18. Related Party Transactions

The Trust was settled by The Palmerston North City Council and receives a significant amount of operating grants from the Council to deliver its objectives as specified in the Trust deed. In addition, the Trust does not pay for a lease to use the Council building. The Palmerston North City Council is the ultimate controlling party of the Trust.

The following transactions were carried out with related parties during the year:

PALMERSTON NORTH CITY COUNCIL

The total amount of operating grants received from the Council is disclosed in the statement of financial comprehensive income, being \$113,366 (2018 \$76,582). No other grant funding was received from Council in 2019 (2018 \$1,500). There is no outstanding balance at balance date (2018 nil).

No capital contributions were received from Council (2018 \$7,304).

Goods and services of \$3,389 (excl GST) (2018 \$2,131) were purchased from the Council relating to gas, insurance, rates and telephone services. At balance date the amount outstanding is \$312 (2018 \$460).

Goods and Services of \$6,435 (exc GST) (2018 \$3,852) were supplied to the Council on normal commercial terms. At balance date, there was \$nil owing (2018 \$1,877).

The Trust did not provide any free venue hire to PNCC during the year (2018 \$60).

KEY MANAGEMENT PERSONNEL

Goods and services of \$6,595 were supplied to the Manawatu Theatre Society (2018 \$6,298), a society in which Trustee M Dale is a member, on normal commercial terms. At balance date, there was nil owing (2018 \$834).

Goods and services (booking fees/ticketing commission) of \$2,059 (2018 \$1,995) were purchased from the Manawatu Theatre Society, a society in which Trustee M Dale is a member, on normal commercial terms. At balance date, there was nil owing (2018 nil). The Trust has no outstanding accruals owing to the Manawatu Theatre Society, a society in which Trustee M Dale is a member (2018 nil).

Goods and services of \$1,070 (2018 \$135) were purchased from Trustee Russell Harris relating to reimbursement of building materials. At balance date, there was nil owing (2018 nil).

No provision has been required, nor any expense recognised, for impairment of receivables from related parties (2018 nil).

During 2018/19, Trustees were paid a meeting fee of \$85 for each Board meeting attended. All remuneration paid to the staff is disclosed in Note 6. No other benefits were provided.

The Key Management Personnel is made up of six Trustees, including the Chairperson, Treasurer and Board Secretary, 1 full time Manager.

OTHER RELATED PARTIES

The Regent on Broadway paid for the Globe Theatre subscription to EVANZ and was reimbursed the full cost of \$289.

19. Capital Management

The Trust's capital is its equity, which comprises Trust capital and retained surpluses. Equity is represented by net assets.

The Trust deed requires the Board of Trustees to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently. The Trust's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing the Trust's equity is to ensure that the Trust effectively achieves its objectives and purpose, whilst remaining a going concern.

20. Explanation of major variances against budget

REVENUE

Donations, Fundraising and other similar revenue: When the SOI was prepared in early 2018, the Board had expected to have completed the rig project and to be working on raising \$50,000 to replace the lighting in Globe 1 with digital lights. The replacement of the rig was completed in January 2019 and the final cost was \$70,000. The Board successfully raised funds for this and successfully raised funds to purchase a new LED lighting console (\$12,500). In 2019/20 it is anticipated that further fundraising will enable the purchase of digital lighting to reduce energy costs and to provide a wider range of lighting effects for hirers.

The Board raised funds to support an outreach project which included three performances from a Pk-based dance company, Le Moana. This was unbudgeted income (with corresponding unbudgeted expense – see below).

Sale of Goods and Services: The Board set targets in its SOI budget based on the actual income achieved in 2017/18 for theatre hire and an aspirational target for foyer rental. Overall, income from venue hire was 10% over budget which reflects the growth in usage. Foyer rental is lower than budget which reflects a slow, but increasing, growth in the café business within the complex. Income from commission and fees associated with ticket sales is lower than budgeted but when offset against show expenses, the net income is greater than budgeted.

Notes to the financial statements continued

EXPENDITURE

Costs related to goods and services is higher than the budgeted figure. This is due to expenses associated with the outreach project mentioned above. This is offset by an increase in donations/fundraising to cover these costs. Show expenses is under budget and reflects that many of the risk share events had few show expenses associated with them. Employee and contractor costs are above budget. This reflects increased usage and a consequential increase in the use of casual staff and contractors.

Administration and Overheads: Expenditure is slightly over budget, mainly due to higher energy costs. This reflects increased usage.

Other Expenses: Expenditure is lower than budget mainly relating to savings in Consulting and Accountancy. That expertise now resides at Board level and it is no longer necessary to use external consultants to prepare the accounts. Significant reduction in general expenses reflects that costs have been more properly allocated to other budget headings (for example, membership of Chamber of Commerce and EVANZ are now recorded in Subscriptions and Compliance. Subscriptions and compliance is over budget as a result). In addition, some costs allocated to General Expenses in previous years (such as the strategic review in 2017/18) have not been undertaken during this financial year. Depreciation is higher than expected and simply reflects the accurate application of depreciation rather than the estimate that was applied when the budgets were prepared. Nonetheless, the Board achieved its target to partially fund depreciation to at least 33%.

BALANCE SHEET

The Bank accounts and cash balance is higher than budgeted. This is because:

- a) the opening balance used per budget being \$9k less than 2017/18 actual
- b) increased income from sales of goods and services
- c) ticket sales for shows in late June/early July are sitting in the Trust bank accounts

Non-current assets have been developed as anticipated, however, a year behind schedule. This means that the actual non-current assets is lagging behind budget by a year.

Creditors and accrued expenses includes about \$16,000 in ticketing money held on behalf of hirers for shows in late June or early July. The amount is unknown until year-end so cannot be confidently predicted in the budget. The creditors also include several large amounts to suppliers for capital and renewal expenses: a replacement fridge for the café/bar area and new bistro seating for the café/bar area.

Liabilities for employment costs include the final fortnightly pay for 2018/19, accrued holiday pay (which will be cleared during the first quarter of 2019/20) and contractual staff bonuses.

21. Events after Balance Date

There were no events after balance date that require disclosure.

22. Ability to continue operating

The Trust intends to continue operating in future periods.

