



PALMERSTON NORTH CITY COUNCIL

AGENDA

**EXTRAORDINARY ARTS, CULTURE
AND HERITAGE COMMITTEE**

9AM, MONDAY 9 SEPTEMBER 2019

COUNCIL CHAMBER, FIRST FLOOR,
CIVIC ADMINISTRATION BUILDING,
32 THE SQUARE, PALMERSTON NORTH



MEMBERSHIP

Rachel Bowen (Chairperson)

Jim Jefferies (Deputy Chairperson)

Grant Smith (The Mayor)

Susan Baty

Vaughan Dennison

Brent Barrett

Karen Naylor

Adrian Broad

Bruno Petrenas

Gabrielle Bundy-Cooke

Tangi Utikere

Agenda items, if not attached, can be viewed at:

**pncc.govt.nz | Civic Administration Building, 32 The Square
City Library | Ashhurst Community Library | Linton Library**

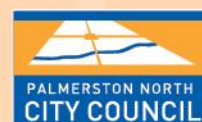
Heather Shotter

Chief Executive, Palmerston North City Council

Palmerston North City Council

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EXTRAORDINARY ARTS, CULTURE AND HERITAGE COMMITTEE MEETING

9 September 2019

MEETING NOTICE

Pursuant to Clause 21 of Schedule 7 of the Local Government Act 2002, I hereby requisition an extraordinary meeting of the Council to be held at 9.00am on Monday, 9 September 2019 in the Council Chamber, first floor, Civic Administration Building, 32 The Square, Palmerston North, to consider the business stated below.



CHAIRPERSON

ORDER OF BUSINESS

NOTE: The extraordinary meeting of the Arts, Culture and Heritage Committee coincides with the ordinary meeting of the Economic Development Committee meeting. The Committees will conduct business in the following order:

- Economic Development Committee
- Arts, Culture and Heritage Committee

1. Apologies

2. Notification of Additional Items

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

3. Declarations of Interest (if any)

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

4. Public Comment

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

(NOTE: If the Committee wishes to consider or discuss any issue raised that is not specified on the Agenda, other than to receive the comment made or refer it to the Chief Executive, then a resolution will need to be made in accordance with clause 2 above.)

5. Presentation - SYLO Group

Page 7

6. Confirmation of Minutes

Page 9

"That the minutes of the Arts, Culture and Heritage Committee meeting of 17 June 2019 Part I Public be confirmed as a true and correct record."

7. Approval of Consultation Material for the Arts and Culture s17A Review Page 17

Memorandum, presented by Andrew Boyle, Head of Community Planning.

8. Potential Collaborative Opportunities with External Funding Providers to Increase the Level of Funding Available to the Arts Sector Page 33

Memorandum, presented by Joann Ransom, Community Development Manager.

9. Final Statement of Intent for Council CCOs: Caccia Birch, Globe Theatre, Regent Theatre and Te Manawa. Page 41

Memorandum, presented by Joann Ransom, Community Development Manager.

10. Committee Work Schedule Page 147

11. Exclusion of Public

To be moved:

“That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

| General subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Ground(s) under Section 48(1) for passing this resolution |
|---|---|---|
| | | |

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

Chief Executive (Heather Shotter), Chief Financial Officer (Grant Elliott), Chief Infrastructure Officer (Tom Williams), General Manager – Strategy and Planning (Sheryl Bryant), General Manager - Community (Debbie Duncan), Chief Customer and Operating Officer (Chris Dyhrberg), General Manager -

Marketing and Communications (Sacha Haskell), Sandra King (Executive Officer) because of their knowledge and ability to provide the meeting with advice on matters both from an organisation-wide context (being members of the Council's Executive Leadership Team) and also from their specific role within the Council.

Legal Counsel (John Annabell), because of his knowledge and ability to provide the meeting with legal and procedural advice.

Democracy Administrators (Carly Chang, Courtney Kibby, Natalya Kushnirenko, and Penny Odell), because of their knowledge and ability to provide the meeting with procedural advice and record the proceedings of the meeting.

[Add Council Officers], because of their knowledge and ability to assist the meeting in speaking to their report and answering questions, noting that such officer will be present at the meeting only for the item that relate to their respective report.

[Add Third Parties], because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].

PRESENTATION

TO: Arts, Culture and Heritage Committee

MEETING DATE: 9 September 2019

TITLE: Presentation - SYLO Group

RECOMMENDATION(S) TO ARTS, CULTURE AND HERITAGE COMMITTEE

1. That the Arts, Culture and Heritage Committee receive the presentation for information.

SUMMARY

Ms Christine Archer-Lockwood will make a presentation regarding the 'Sing Your Lungs Out' (SYLO) Group.

ATTACHMENTS

Nil

PALMERSTON NORTH CITY COUNCIL

Minutes of the Arts, Culture and Heritage Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 17 June 2019, commencing at 9.00am

- Members Present:** Councillor Rachel Bowen (in the Chair) and Councillors Brent Barrett, Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Jim Jefferies, Karen Naylor, Bruno Petrenas and Tangi Utikere.
- Non Members:** Councillors Lew Findlay QSM, Leonie Hapeta, Lorna Johnson and Duncan McCann.
- Apologies:** The Mayor (Grant Smith) and Councillors Leonie Hapeta (early departure) and Aleisha Rutherford.

Councillor Vaughan Dennison was present when the meeting resumed at 11.10am. He was not present for clause 16.

Councillor Leonie Hapeta was not present when the meeting resumed at 1.04pm. She was not present for clauses 21-25 inclusive.

16-19 Apologies

Moved Rachel Bowen, seconded Tangi Utikere.

The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

Clause 16-19 above was carried 13 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

The meeting adjourned at 9.02am

The meeting resumed at 11.10am

When the meeting resumed Councillor Vaughan Dennison was present

17-19 Confirmation of Minutes

Moved Rachel Bowen, seconded Jim Jefferies.

The COMMITTEE RESOLVED

1. That the minutes of the Arts, Culture and Heritage Committee meeting of 15 April 2019 Part I Public be confirmed as a true and correct record.

Clause 17-19 above was carried 14 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

18-19

Maintenance and Renewal Plans and Budgets for Cultural Facilities

Memorandum, dated 16 May 2019 presented by the Property Manager, Bryce Hosking.

Moved Rachel Bowen, seconded Bruno Petrenas.

The **COMMITTEE RESOLVED**

1. That the Arts, Culture and Heritage Committee receive the report titled 'Maintenance and Renewal Plans and Budgets for Cultural Facilities' dated 16 May 2019.

Clause 18-19 above was carried 14 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

19-19

Review of Asset Renewal Process for the Regent Theatre Trust

Memorandum, dated 16 May 2019 presented by the Property Manager, Bryce Hosking.

Elected members confirmed that the sound system in the Regent Theatre was a Tenant fit-out item and a non-Council-owned, non-fixed asset. After further discussion it was agreed that the item be left to lie on the table until the Finance and Performance Committee meeting in August 2019.

Moved Rachel Bowen, seconded Bruno Petrenas.

The **COMMITTEE RESOLVED**

1. That the Arts, Culture and Heritage Committee receive the report titled 'Review of Asset Renewal Process for the Regent Theatre Trust' dated 16 May 2019.
2. That the Arts Culture and Heritage Committee confirm that the sound system in the Regent Theatre is a Tenant fit-out item and a non-Council-owned, non-fixed asset.

Clauses 19.1 and 19.2 above were carried 14 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

Moved Karen Naylor, seconded Tangi Utikere.

3. That the item be left to lie on the table until the Finance and Performance Committee meeting in August 2019.

Clause 19.3 above was carried 13 votes to 1, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

Against:

Councillor Leonie Hapeta.

20-19

Military Heritage Update 2018/19

Memorandum, dated 31 May 2019 presented by the City Planning Manager, David Murphy.

Moved Lorna Johnson, seconded Rachel Bowen.

The **COMMITTEE RESOLVED**

1. That the memorandum titled 'Military Heritage Update 2018/19' dated 30 May 2019 is received.

Clause 20-19 above was carried 14 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

The meeting adjourned at 11.56am

The meeting resumed at 1.04pm

When the meeting resumed Councillor Leonie Hapeta was not present

21-19

Presentation - New Zealand National Kid's Lit Quiz Final

Alan Dingley and representatives of the PNINS Kids Lit Quiz team made a presentation to the Committee regarding their path to the National and World Kid's Lit Quiz Final.

The team was raising money to enable the team of four students and two teachers to attend the final in Singapore. First prize for winning the Nationals was \$6,000 towards flights, Rotary had donated \$3,000, and a raffle was being held to raise the remaining funds required. Alan thanked Council for their contribution to the raffle prize.

The team advised they read paper books rather than onscreen for the most part, and that they prepare for competition by reading, research and online quizzes. Their strongest subject area was the fantasy genre.

The team were looking forward to representing Palmerston North on the world stage and hoped there would be a livestream of the competition.

Moved Karen Naylor, seconded Tangi Utikere.

The **COMMITTEE RESOLVED**

1. That the Arts, Culture and Heritage Committee receive the presentation for information.

Clause 21-19 above was carried 13 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

22-19

Presentation - All Saints Development Project

John Hornblow and associates made a presentation to the Committee regarding the All Saints Development Project.

The project was currently in the pre-consent process; fundraising had been put on hold until consent had been granted, at which time fundraising would recommence.

Approval from Heritage NZ was required for the project to proceed; protracted negotiations were continuing. Heritage NZ were more concerned with strengthening the building and had not been receptive to any development of the site, including street frontage changes. Significant changes had been made to the project in an effort to obtain Heritage NZ approval, which had seen it become less flamboyant and exciting.

Elected members were of the view that this was an important project for the city as it involved an iconic building, and hoped to see its reinvention.

Moved Rachel Bowen, seconded Vaughan Dennison.

The **COMMITTEE RESOLVED**

1. That the Arts, Culture and Heritage Committee receive the presentation for information.

Clause 22-19 above was carried 13 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

23-19 Public Comment

Public Comment was received from Nicky Birch and Grant O'Donnell outlining their concerns with the content of the s17A review document.

Moved Rachel Bowen, seconded Duncan McCann.

The **COMMITTEE RESOLVED**

1. That the public comment be received for information.

Clause 23-19 above was carried 13 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

24-19 s17A Arts and Culture Review - Consultation on Options

Report, dated 30 May 2019 presented by the Head of Community Planning, Andrew Boyle.

After discussion Elected Members requested that the Chief Executive be instructed to report back to the Committee with a revised consultation document for the s17A review to ensure the process was measured and thorough.

Moved Brent Barrett, seconded Vaughan Dennison.

The **COMMITTEE RECOMMENDS**

1. That the Chief Executive be instructed to report back to the Arts, Culture & Heritage Committee with a revised consultation document for the s17A review.

Clause 24-19 above was carried 13 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

Moved Rachel Bowen, seconded Jim Jefferies

Note:

On a motion that:

- "1. The Council consult on future options for the governance of Te Manawa and Caccia Birch and approve the attached consultation material for this purpose; subject to the following amendments:
 - Deletion of paragraph 1 under heading "where are we now?" (page 50) and include reference to the more recent creative New Zealand data instead of the 2016 focus group survey
 - Under the heading "Te Manawa" (page 51) delete the words "as Te Manawa does not

have all the necessary expertise”

- Under heading “Caccia Birch” 5th paragraph (page 51) add the option of considering an advisory board or friends group with specialist heritage skills or interests to help run Caccia Birch House
 - Under the heading “The Globe and Regent Theatres” 2nd paragraph (page 51) amend “... PwC review found there is sometimes competition instead of cooperation between the two theatres” by adding “and conference and function centre and Central Energy Trust Arena”
 - Under the heading “The Globe and Regent Theatres” 2nd paragraph (page 51) delete the words “and some shows at the Regent have been cancelled because of relatively low ticket sales instead of being transferred to the more suitable Globe.”
2. The Chairperson and Deputy Chairperson of the Arts, Culture and Heritage Committee be authorised to make minor amendments to the consultation material prior to publication.
 3. The Council ask the Globe Theatre and Regent Theatre Trust Boards to work together to prepare a proposal by October 2019 on how the two Boards can take a more cooperative approach to governing and running the two theatres to deliver Council’s aspirations.”

the motion was lost 4 votes to 9, the voting being as follows:

For:

Councillors Rachel Bowen, Lew Findlay QSM, Jim Jefferies and Karen Naylor.

Against:

Councillors Brent Barrett, Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lorna Johnson, Duncan McCann, Bruno Petrenas and Tangi Utikere.

25-19 Committee Work Schedule

Elected Members requested that the Chief Executive be instructed to provide a report to the next Finance & Performance meeting outlining options for assisting the Regent Theatre in funding a new sound system, including the option of providing a loan, to clarify options available.

Moved Karen Naylor, seconded Rachel Bowen.

The **COMMITTEE RECOMMENDS**

1. That the Arts, Culture and Heritage Committee receive its Work Schedule dated June 2019.
2. That the Chief Executive be instructed to provide a report to the next Finance & Performance Committee meeting outlining options for assisting the Regent Theatre in funding a new sound system, including the option of providing a loan.

Clause 25-19 above was carried 13 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

The meeting finished at 2.27pm

Confirmed 16 September 2019

Chairperson

MEMORANDUM

TO: Arts, Culture and Heritage Committee

MEETING DATE: 9 September 2019

TITLE: Approval of Consultation Material for the Arts and Culture s17A Review

PRESENTED BY: Andrew Boyle, Head of Community Planning

APPROVED BY: David Murphy, Acting General Manager - Strategy & Planning

RECOMMENDATION(S) TO ARTS, CULTURE AND HERITAGE COMMITTEE

1. That the Committee approve the attached consultation material as outlined in Attachment 1 of the memorandum entitled Approval of Consultation Material for the Arts and Culture s17A Review considered at the Arts, Culture and Heritage Committee meeting on 9 September 2019.
2. That, as part of the consultation, the Committee decide whether to hold either:
 - a. an informal Let's Talk meeting; or
 - b. formal hearings.
3. That the Chairperson and Deputy Chairperson of the Arts, Culture and Heritage Committee be authorised to make minor amendments to the consultation material prior to publication.

1. ISSUE

The Committee is being asked to approve the attached consultation material for stage 2 of the s17A Review of the Arts and Culture Council Controlled Organisations - Te Manawa, the Regent Theatre, the Globe Theatre, and Caccia Birch House.

A previous draft of the consultation material was presented to the Committee in June 2019. At that meeting Elected Members said the draft lacked options and details and asked the Chief Executive to report back with a revised version. This is included as Attachment 1.

The purpose of the consultation is to get stakeholder and wider community views on the ways that Te Manawa, the Regent Theatre, the Globe Theatre, and Caccia Birch House are governed and run. If, at the end of this, Council decides to make substantial changes to the

way they are governed and run, then it will hold more detailed discussions with stakeholders and a further round of wide community consultation may be required.

2. BACKGROUND

Council's vision for Palmerston North is 'Small city benefits, Big city ambition'. Within this, one of Council's strategic goals is to make Palmerston North a creative and exciting city. This involves transforming Palmerston North into an arts powerhouse with a national reputation for creativity and the arts. Council also wants to celebrate the city's history and cultural diversity, and to ensure Palmerston North is an exciting place with plenty to do at night and on the weekends.

Arts, culture and heritage have a crucial role in this transformation. Hence the Council is reviewing the governance structure of the Te Manawa, the Regent and Globe Theatres, and Caccia Birch House all fully play their part.

The review is being carried out under Section 17A of the Local Government Act.

3. DISCUSSION

In 2017 the Council carried out its first round of s17A reviews. These included the Arts and Culture Council Controlled Organisations (CCOs). The reviews were high level reviews and, at the end of them, Council asked for a more detailed Stage 2 review of the CCOs.

PricewaterhouseCoopers (PwC) were engaged to assist with this Stage 2 review. PwC looked at the best forms of governance and service delivery for the CCOs. Options were:

- maintain the status quo
- set up new CCO(s)
- full governance and service delivery by Council (in house).

Levels of service and funding levels were excluded from the review.

PwC met with the Chair and Chief Executive / Manager of each of the CCOs, along with representatives of the three founding Te Manawa organisations (Te Manawa Art Society, Te Manawa Museum Society, The Science Centre Inc).

PwC also sought feedback on Te Manawa from Rangitāne – face to face meetings were not possible within the timeframe and limited written feedback was received.

Council circulated the PwC report to the CCOs Trust Boards and the three founding Te Manawa organisations for their comments.

A key finding from PwC was that the purpose of each organisation needs to be clarified so there is greater mutual understanding of the Council's and organisations' expectations, resulting in greater alignment with Council's strategic expectations.

Other findings are that:

- There is a need to develop more capability in marketing and promotion of the organisations, particularly in the digital space.
- Council could provide greater support in terms of financial services, which would allow the organisations to focus more on meeting Council's strategic expectations and revenue generation.
- There are some tensions in the relationships between Te Manawa and the founding organisations
- There is a lack of co-operation and coordination between the Globe and Regent Theatres.
- the Council and Caccia Birch need to be clearer about the main purpose of the House – is it to generate revenue as a venue for hire, or to be a community heritage building?

In response the Boards said they want to work with Council to discuss and address the issues raised in the PwC report.

The Boards also said that the evaluation criteria in the report were subjective and that different scores could be assigned from different perspectives. Council acknowledges this. One of the reasons for the PwC Report was to get an independent view. Nevertheless, all such evaluations are to some degree subjective, so Council is using them as starting points for further discussions, not as definitive decision-making tools.

The Te Manawa Board said that Council needs to put more emphasis on strengthening the special relationship between tangata whenua and Te Manawa. Te Manawa is the only Board that has tangata whenua representation guaranteed in its deed.

The Regent and Globe Boards said that the two theatres have distinct priorities and issues that are best addressed by separate Boards. A single Board could also lose the skills, expertise and voluntary effort of Board members who are committed to the particular theatre to which they are associated.

The Caccia Birch Trust Board agreed that clarity is needed about the main purpose of Caccia Birch House

Common themes in the feedback on the PwC report from the three founding Te Manawa organisations include:

- The three organisations support the review and want to work closely with the Council to improve outcomes for Te Manawa.
- Whatever option is chosen Te Manawa governance and management needs stronger and closer relationships with the founding organisations and the wider arts, heritage and science communities.

- Te Manawa needs to generate higher community profiles for science, arts and heritage.
- Te Manawa needs to promote the collections and provide heritage, science and arts exhibitions that wider communities can enjoy and learn from. Through these it can contribute to all Council's goals.

Officers used this information to prepare draft consultation material. This was considered by the Arts, Culture and Heritage Committee in June. In discussion Elected Members said that the material needed to cover more options and to contain more details. The Committee therefore requested that the Chief Executive report back with a revised consultation material to ensure the process was measured and thorough.

The Committee also rejected a recommendation that, as first step *the Council ask the Globe and Regent Theatre Trust Boards to work together to prepare a proposal by October 2019 on how the two Boards can take a more cooperative approach to governing and running the two theatres to deliver Council's aspirations*. If the proposal was unsatisfactory to Council it would have then pursued the option of a combined Trust Board.

The revised consultation material is attached. It includes a wider range of options for the organisations and has more details on these.

4. NEXT STEPS

Consultation will occur. This will start on or about the 21 October (ie, after the Council elections) and run for 5 weeks. The aim of the consultation is to get stakeholder and community feedback on the options outlined in the consultation material.

The consultation material will be sent to all key stakeholders. It will be put on Council's website and would be promoted through social media and other appropriate means.

A stakeholder / community Q&A meeting will be held near the start of the consultation period for Council to explain the options. (This would be separate to the Let's Talk meeting / hearings discussed below.)

There are no legal requirements for Council to hold hearings. Hence Council has three options:

1. Hold an open informal meeting where people would outline their thoughts to Elected Members and hear the thoughts of others. It would build on the approach taken for 10 Year Plan Let's Talk sector meetings. This is the preferred option. Council would work with an organisation like Community Arts Palmerston North to co-host the meeting. This approach would encourage discussion and would be a good way to find common themes. The meeting would be held near the end of the submission period. Meeting notes would be kept and used for subsequent reports

and decisions. However, a disadvantage of this approach is that we could not take peoples' spoken comments at the meeting as submissions. Hence, Council would need to be clear that if they want to make a submission they can do this separately.

2. Hold formal hearings. These would be like the Annual Budget hearings. Submitters would have 10 minutes when they can speak at a Council meeting about their submissions. Formal minutes would be kept. This would work and many submitters are used to it. However, it is not the preferred option because of its formality. Also, it would need to follow the submission period so would be difficult to set up prior to Christmas.
3. Do not hold any hearings. This is not recommended, as it is likely that many submitters will want to discuss their submissions with Elected Members.

Staff will summarise the feedback and prepare a report for Council to consider in the new year. If Council decides to make substantial changes to the way any of the organisations are governed and run, then it will hold more detailed discussions with them. If Council's decision is to bring any of the organisations in-house a further round of consultation and a 10 Year Plan amendment may be required under s97 of the LG Act.

COMPLIANCE AND ADMINISTRATION

| | |
|--|------------|
| Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual 168.4 | Yes |
| Are the decisions significant? | No |
| If they are significant do they affect land or a body of water? | No |
| Can this decision only be made through a 10 Year Plan? | No |
| Does this decision require consultation through the Special Consultative procedure? | No |
| Is there funding in the current Annual Plan for these actions? | Yes |
| Are the recommendations inconsistent with any of Council's policies or plans? | No |
| The recommendations contribute to Goal 2: A Creative and Exciting City | |
| The recommendations contribute to the outcomes of the Creative and Liveable Strategy | |
| The recommendations contribute to the achievement of action/actions in the Arts Plan They also contribute to other Plans, eg the Culture and Heritage Plan and the Events and | |

| | |
|-------------------------------------|---|
| Festivals Plan. | |
| Contribution to strategic direction | Part of Council's strategic direction is to transform Palmerston North into an arts powerhouse with a national reputation for creativity and the arts. Council also wants to celebrate the City's history and cultural diversity, and to ensure that Palmerston North is an exciting place with plenty to do on the weekends. The Arts and Cultural CCOs contribute to these strategic objectives |

ATTACHMENTS

1. Consultation Material for Arts and Culture [↓](#) 

Consultation Material for the Review of Governance for

Te Manawa, the Regent Theatre, the Globe Theatre and Caccia Birch House

[NB: this material is still to go through design and layout.]

This review is about who governs and runs Te Manawa, the Regent, the Globe and Caccia Birch House. *Governance* means who makes the binding decisions about the organisations' strategic goals. *Run* means who makes the day to day decisions about what they do.

Why is Council Doing this Review?

Council's vision for Palmerston North is '**Small city benefits, Big city ambition**'. Within this, one of Council's goals is to make Palmerston North a creative and exciting city. We want to transform Palmerston North into an arts powerhouse with a national reputation for creativity and the arts. We want to celebrate the city's heritage and cultural diversity. And we want to ensure it is an exciting place with plenty to do at night and on the weekends.

Arts, culture and heritage - which includes Te Manawa, the Regent, the Globe and Caccia Birch House - has a crucial role in this transformation.

Te Manawa, the Regent, the Globe and Caccia Birch are Council-Controlled Organisations. This means they are predominantly funded by Council but are governed and run by Trust Boards.

The Council gives grants of \$3.6m a year to the Trusts. The Council owns the buildings and the Trusts use them rent free. The Council spends around \$930,000 a year maintaining and renewing the buildings.

The Council sets broad expectations – through letters of expectation - about what it expects in return for this support. The Boards decide on the strategies the organisations will pursue and their day to day actions to achieve Council's expectations. These expectations must be set out in legally prescribed statements of intent. The process for these is cumbersome and can lead to a lack of clarity and misalignment of actions with expectations.

This is one of the biggest reasons behind the review: would it be easier to achieve Council's aspirations if we had more hands-on control over Te Manawa, the Regent, the Globe and Caccia Birch House? And would more hands-on control lead to more accountability for the spending of rate-payer funds?

Or, are these outweighed by the advantages of separate Trusts – in particular, the ability to attract voluntary Trustees who have passion and specific skills for the venues, and the ability for the Trusts to raise funds independent of Council and – if appropriate - focus on commercial opportunities?

There is no clear-cut answer to these questions, so **we would like to hear your thoughts about the best way forward.**

In general, the Council is considering the following options:

- **the enhanced status quo option:** keeping the current Trust Boards, with improvements in the way they and Council work together.
- **a different mix of CCOs** (including the above improvements). This would mean combining - or splitting - some of the current Trust Boards.

2/09/2019 11:15:00 AM

- **bringing the organisations in-house** and governing and running them as part of Council. This means they would work in a similar way to Council's libraries, community centres, or Conference and Function Centre.

As part of the review we got PricewaterhouseCoopers (PwC) to have an independent look at Te Manawa, the Regent, the Globe and Caccia Birch House. We also got feedback from the Boards on the PwC findings. All the Boards want to work with Council to discuss and address the issues raised in the PwC report.

Where are We Now?

Palmerston North has a thriving arts sector – but not to the level that the City could be called a national arts powerhouse.

For example, the 2019 Residents Survey found that about 70% of residents think that Palmerston North has a creative arts scene – which is positive, but significantly lower than the 85-90% of residents who think it is a good place for recreation and for being physically active. A 2017 Creative NZ Survey found that Palmerston North has average participation and attendance in arts activities.

Within this arts scene there are many passionate people who want to collaborate, but bringing people and organisations together takes time and can still be a struggle. The PwC review found that there is sometimes low collaboration between the Boards. The Boards and management are aware of this and are trying to work together more.

The business environment for the Trust Boards is much more complicated now than it was when they were set up. Meeting HR requirements, more public demand for accountability, and new technologies all pose governance challenges for voluntary Boards.

Despite all these challenges, the Boards are providing very valuable services that are appreciated by residents and visitors - and by the Council. For example, during 2017-18 Te Manawa developed and toured the hugely popular *The Topp Twins: an Exhibition for New Zealand*; the Regent celebrated its 20th birthday with events such as the Royal New Zealand Ballet and pianist Michael Houston; the Globe developed an outreach programme to involve groups that don't traditionally use the theatre, including the Chinese, Bhutanese and Congolese communities; and Caccia Birch House hosted fifteen free Sunday Open Afternoons that attracted 450 visitors keen to look around the house and gardens.

All this means that lots of very positive things happen through Te Manawa, the Regent, the Globe and Caccia Birch House and the wider arts and heritage sector. However, more needs to be done so that Palmerston North is seen by people right around the country as an arts powerhouse. And a lot of this will only happen if there is more collaboration between the arts, culture and heritage organisations.

What Do the Options Mean for Each Organisation?

Te Manawa:

Te Manawa is by far the biggest of the organisations in this review. Council gives the Te Manawa Museums Trust Board around \$3.2m per year (this is over 80% of the funding Council gives to the four Trusts) and spends about \$375,000 a year renewing and maintaining Te Manawa buildings (these building costs are annual averages from the last three years). It has a staff of 32 FTEs. It covers art, science and history, and consists of separate buildings for the Art Gallery, Science

2/09/2019 11:15:00 AM

Centre/Museum, historical school and Totaranui. (Some of the buildings are earthquake prone and, since they will remain Council-owned whichever option Council chooses, the Council will fix them.) And Te Manawa has more complex financial, corporate and compliance requirements than the other organisations.

It also has more complicated stakeholder relationships. The Manawatu Arts Society, the Manawatu Museum Society, the Science Centre Inc, and Rangitāne have special expectations. The Arts Society, Museum Society and Science Centre Inc are founding members of Te Manawa. They have arrangements with the Board that entrust their collections to Te Manawa for care and display. They offer their knowledge and expertise to Te Manawa. The Arts Society raised funds to build the Art Gallery, which is now part of Te Manawa. The Arts Society also continues to purchase works for the collections. Many of Rangitāne's taonga are cared for by Te Manawa, and Te Manawa's Trust Deed gives Rangitāne the right to appoint up to two Trustees to the Board.

All these organisations expect strong and close relationships with the governance of Te Manawa.

Around 160,000 people visit Te Manawa each year. It has nearly 50,000 items in its permanent collection.

Over the last three years the Trust Board raised an average of \$255,000 per year in grants, donations and sponsorship.

There is also the proposed redevelopment of Te Manawa. This is a project to give Te Manawa a much greater regional and national profile through enhanced visitor experiences, greater community connections, improved access to the collections and the use of more exciting technologies.

All this makes governing and running Te Manawa particularly complex, so it is very important that the Council makes a good decision about who should do this. And to make a good decision we need to know your views.

The PwC report suggested two main options: an enhanced status quo, or bringing Te Manawa in-house by making it part of Council. There is also a third option of a separate Trust Board for the Art Gallery.

Option: Enhanced status quo. Keep the Trust Board with improvements to the way it, its key stakeholders, and the Council work together. Advantages of this option include:

- having people on the Board with specific museum, arts and science expertise, intellectual independence, and passion
- having the Board solely focussed on Te Manawa, with the flexibility to respond to opportunities as they arise
- continuing the work on enhancing the relationships with the Arts Society, Museum Society and Science Centre Inc, and with Rangitāne (including keeping the two Board positions).

Examples of museums and art galleries run by Trust Boards are Nelson's Suter Art Gallery and the Auckland Art Gallery.

Option: In-house. This would mean Te Manawa would be operated by Council in a similar way to the library, Wildbase and Central Energy Trust Arena. Advantages of this include:

- Council having greater say over what Te Manawa does – and hence getting more leadership and alignment with our strategic direction

2/09/2019 11:15:00 AM

- direct public accountability for spending nearly \$3.6m (in grants and building costs) a year of ratepayer money
- improving synergies with other Council services, such as the library, and projects like the Civic and Cultural Precinct Masterplan
- Council has a track record of delivering major redevelopments. For example, The Regent, The Central Library, Central Energy Trust Wildbase Recovery Centre, City Heart and He Ara Kotahi.

We would get these advantages by bringing any of the four organisations in-house, but they are particularly relevant to Te Manawa because of its much larger size and greater strategic contribution to Palmerston North and the surrounding region.

Examples of museums and art galleries run in-house are Puke Ariki in New Plymouth and Whanganui's Sarjeant Art Gallery.

Option: Separate Trust Boards. There is a third option. Te Manawa is about art, science and history. Because the Art Gallery operates in a standalone building it could be governed and run by a separate Trust Board. The science and history parts of Te Manawa could be run by a new Trust Board(s) or by the Council. An online petition calling for a separate Art Gallery Trust Board has been signed by around 4000 people. (Some of these support the importance of the Art Gallery or of art in general, without stating a view on whether this means a separate Gallery. Nor is it clear how many of the petitioners are from Palmerston North.)

At this stage Council doubts that governing and running the arts, science and history parts of Te Manawa would bring the joined-up approach we need for Palmerston North to be an Arts Powerhouse.

However, the option is on the table and we will consider all ideas for and against all the options. So, please tell us your views - and maybe you have a fourth option.....

Proposed Te Manawa Redevelopment Considerations

The proposed Te Manawa redevelopment means it is very important for us to select the right option. The development is about making Te Manawa more people and future focussed, with more fit-for-purpose spaces. It will be a place that more people will want to visit more often. It was initiated by the Board.

It is a major transformation of what Te Manawa does, how it does it, and who it works with. The Council is currently undergoing similar transformation to build the leadership, culture, capability, capacity and relationships to deliver our Small city benefits, Big city ambition Vision. If Te Manawa came in-house it would be part of this.

The redeveloped Te Manawa will have a greater role in the community. We acknowledge that Te Manawa is doing great work with marginalised communities, but more needs to be done to connect with a wider range of people, including those who do not currently visit Te Manawa.

The project needs strong leadership to be successful. It will need to bring clarity about Te Manawa's purpose, bring a joined-up stakeholder approach, and be based on sound understanding of community needs and preferences. Council has a track record in these areas. For example, we worked with key partners like the Wildbase Recovery Community Trust, Massey University, the Department of Conservation, and Rangitāne to get Central Energy Trust Wildbase Recovery up and running. Before that we successfully transformed the library from a warehouse for books to the living room of the City where people go for information, learning and interaction.

2/09/2019 11:15:00 AM

The Rugby Museum is a major attraction at Te Manawa. It is run by a separate organisation and is based rent-free at Te Manawa. This will not change with any of the options being considered.

Te Manawa has a strong group of volunteers who help welcome and guide visitors around the exhibits and help deliver events. Council anticipates these volunteers will continue to support Te Manawa whatever option Council chooses.

Whatever option we chose, having strong positive stakeholder relationships, and protecting and promoting the collections and making them more accessible to the community will be priorities.

We have not done any detailed costings for the options, but we are not expecting any major cost differences between them.

What are your thoughts on the options for Te Manawa?

Enhanced Status Quo:

In-house:

Standalone Art Gallery Trust Board:

Do you have another option?

Caccia Birch House:

Caccia Birch House is a Historical Places Trust Category 1 listed property. The Government sold it to the Council for ten cents in 1983 so we could restore the building and use the property for civic purposes.

The main purpose of the Trust Board is to maintain, develop and promote the House in recognition of its heritage status and for community use and enjoyment.

The House is currently used for a range of events, including weddings, community and business meetings, and school functions. In 2017/18 nearly 12,000 people attended public events at the House or made casual visits there.

The Council gives the Board an annual grant of around \$100,000 and over the last three years we spent another \$100,000 each year renewing and maintaining the House.

In the past three years the Caccia Birch Trust Board has raised an annual average of \$5,000 in grants and donations.

The PwC review said that the Council needs to set clearer expectations about the main purpose of the House. Where is the right balance between maintaining the House as a community heritage building, making it available as a facility for wide community use, or using it as a venue for hire to generate revenue?

2/09/2019 11:15:00 AM

The Council acknowledges that the first step is to get more clarity on the purpose of Caccia Birch House. We are seeking your views on this. Once the purpose is clarified it will be easier to find the best structure for governing and running the House. However, we do have some preliminary options and we would like your feedback on them:

- **Option: Enhanced status quo.** Keep the Trust Board - with its specific focus and energy for Caccia Birch - and give it more clarity about Council's expectations. Council would also ask it to work more closely with other venues.
- **Option: In-house with Management Committee.** The House would be run by a volunteer Management Committee in accordance with a Management Agreement between Council and the Committee. This is much less formal than the Trust Board model, but has similar benefits. It is how we operate Square Edge, the Community Leisure Centre, and our community centres.
- **Option: In-house with 3rd party lease.** Leasing the House to someone on a commercial or semi-commercial basis, eg to run it as a heritage-themed café. This could attract visitors and generate extra revenue that could be used to maintain and enhance the heritage nature of the property. The House would need to retain some element of civic purpose to meet the original sale agreement, so the lease could contain some special conditions.
- **Option: Wider Trust Board.** A single Board that would run Caccia Birch House and the Regent and Globe Theatres (and possibly other Council venues). However, the clarified purpose for Caccia Birch House is likely to mean that the Theatres and the House would have quite different roles, meaning a single Board would have a very wide focus.

The in-house and wider Trust Board models could include an advisory board or friends group with specialist heritage skills or interests to help run Caccia Birch House.

Irrespective of which option Council chooses, we expect more co-operation between all arts, culture and heritage organisations.

Because the House is in a residential area there are restrictions on its hours of operation and noise. None of these options will change these restrictions.

What's your view on the purpose of Caccia Birch House? Where is the desired balance between heritage protection, community use, revenue generation, and cost to ratepayers? NB: the clarified purpose will still need to contribute to an overall "civic purpose" in accordance with the original 1983 sale to the Council.

What are your thoughts on the options for Caccia Birch House?

Enhanced Status Quo:

In-house with Management Committee:

In-house with 3rd party lease:

2/09/2019 11:15:00 AM

Wider Trust Board:

The Globe and Regent Theatres:

The Globe and Regent Theatres are currently governed and run by separate Trust Boards.

The Regent is a 1,400-seat theatre, so it can hold large shows. The Globe has two auditoria - one for 200 people, the other 100 - so is suited to smaller shows. Despite these different sizes and target audiences the PwC Review found there is sometimes competition instead of cooperation between the two theatres and that some shows at the Regent have been cancelled because of relatively low ticket sales instead of being transferred to the more suitable Globe.

Council's grant to the Regent Theatre Trust Board is \$230,000 per year, and theatre maintenance and renewal costs the Council another \$275,000. The Globe's annual grant is \$110,000 and maintenance and renewal is a further \$180,000. (Maintenance and renewal figures are annual averages of the last three years). That is a total of around \$800,000 per year.

Over the last three years the Regent Theatre Trust Board raised around \$75,000 per year in grants and donations, and the Globe Theatre Trust Board about \$33,000 per year.

The Regent held an average of 384 events annually in the last three years. These attracted an annual average attendance of nearly 94,000 people. In 2017/18 the Globe Theatre, with its two auditoria, had 514 usage nights and 175 performance nights (a performance night has an audience).

Option: Single Trust Board. PwC suggested an option of the Regent and Globe theatres being governed and run by a new single Trust Board. A new single Board could put more focus on joint marketing, shared expertise between the two theatres, and providing more choice for people putting on shows to use the most appropriate venue. This, in turn, could lead to Palmerston North having a higher profile as an exciting city with plenty to do at night. This is an important part of being an Arts Powerhouse.

Option: Enhanced status quo. The two Boards said there would be disadvantages in having a single Board. In particular:

- the two theatres have some distinct priorities (eg mainly commercial vs mainly community) and issues that are best addressed by separate Boards.
- a single Board could lose the skills, expertise and voluntary effort of Board members who are committed to the particular theatre with which they are associated.

Hence, they support an enhanced status quo option, where both Boards are retained, with more emphasis on working together.

There could be some small back-office efficiencies in running the two theatres more jointly – and most of these could be achieved through either option.

The Council is particularly seeking your feedback on the enhanced status quo and single Board options. There are several other options that we would also welcome your comments on:

- **Option: Wider Trust Board.** A wider CCO that also involves governs and runs other organisations, such as Caccia Birch House or Te Manawa. Council believes that there are real

2/09/2019 11:15:00 AM

similarities and synergies between the two theatres but adding further organisations into the mix would make the focus of a bigger Board too wide. Also, Te Manawa is focussed on protecting and displaying its collections, while the other organisations are venues-based.

- **Option: In-house.** An in-house model, where both theatres are run directly as part of Council. While this would help align the theatres more closely to Council's strategic direction and give more accountability, we believe these benefits are not as large as the benefit of bringing Te Manawa in-house.

Remember, the key questions is which of these four options would contribute most to Palmerston North being recognised as a creative and exciting city, where there is plenty to do at night and during the weekend?

One of the Regent's real strengths is the Friends of the Regent. This is a group of volunteers who provide ushering services in the theatre. Theatre hirers pay for these services and the Friends give that money to the theatre, along with the proceeds from any catering that the Friends also do. This raised an average of \$63,000 per year over the last three years (and over \$100,000 in 2017-18). The money is used to purchase theatre equipment such as video screens and lighting consoles. The Globe has an equally keen team of Front-of-House volunteers who help sell tickets and welcome guests.

The Council anticipates that these volunteers will continue to support their Theatre whatever option Council chooses.

And irrespective of whichever option we chose, Council wants more co-operation between all arts, culture and heritage organisations.

What are your thoughts on the options for the Regent and Globe Theatres?

Enhanced Status Quo:

Single Trust Board:

Wider Trust Board:

In-house:

2/09/2019 11:15:00 AM

Note: some details for this feedback form are yet to be finalised

Community Feedback on the Review of Governance for Te Manawa, the Regent Theatre, the Globe Theatre and Caccia Birch House

Your Contact Details:

Your name
Organisation (if applicable)
Postal Address
Phone (day)
Email

Please send your comments:

By mail: Arts and Culture Review, Governance and Support Team Leader update title,
Palmerston North City Council, Private Bag 11034, Palmerston North 4442

In person: Palmerston North City Council Customer Service Centre, 32 The Square,
Palmerston North

By email: submission@pncc.govt.nz (write Arts and Culture Review in the subject)

By phone: 06 356 8199

On-line: ***link***

Your Comments are due by ****

Your comments (including contact details provided on this form) will be made public as part of Council's decision-making process. You may request that your contact details (but not your name) be kept confidential. If you want us to withhold your contact details then please tick this box. ☐

Council will use the feedback it receives to make decisions on the best way to govern and run the arts and culture organisations. If Council decides to make substantial changes to the way any of them are governed and run, then it will hold more detailed discussions with them. If Council's decision is to bring any of the organisations in-house a further round of consultation and a 10 Year Plan amendment may be required under s97 of the LG Act.

Copy previous questions and give people space to respond.

2/09/2019 11:15:00 AM

MEMORANDUM

TO: Arts, Culture and Heritage Committee

MEETING DATE: 9 September 2019

TITLE: Potential Collaborative Opportunities with External Funding Providers to Increase the Level of Funding Available to the Arts Sector

PRESENTED BY: Joann Ransom - Community Development Manager

APPROVED BY: Debbie Duncan, General Manager - Community

RECOMMENDATION(S) TO ARTS, CULTURE AND HERITAGE COMMITTEE

1. That the memorandum titled “Potential Collaborative Opportunities with External Funding Providers to Increase the Level of Funding Available to the Arts Sector” be received for information.
-

1. ISSUE

This memorandum is in response to the resolution from the Arts, Culture and Heritage Committee on 18 November 2018:

“That the Chief Executive be instructed to explore potential collaborative opportunities with external funding providers to increase the level of funding available to the arts sector”.

2. BACKGROUND

A key concern raised by the CCNZ/Arts Committee meeting held on 20 September 2018 regarded the ongoing level of over-subscription for the Creative Communities Scheme.

This included requests for funding support for more significant arts activities i.e. CCNZ funding applications that fall in the \$10,000-\$20,000 range, and support for age-grade artistic competitions in the city, similar to the sports competitions supported by the Sports Events Partnership Fund.

Council approved, through the 2019/20 Annual Budget process, the addition of \$50,000 to be available as a contestable fund to support national and regional arts events and competitions hosted in Palmerston North.

Council officers have also been in contact with external funding providers to identify if there are other opportunities to collaborate to further increase the level of funding accessible to the arts sector.

3. EXTERNAL FUNDING PROVIDERS

3.1 OTHER TRUSTS

The advice of the funding providers spoken with is that they are unable to accept an application from Council to re-distribute their funds as they are themselves the “tail-end” funder and their trust deeds will not allow it.

Eastern and Central Community Trust (ECCT) manage funds sourced from investments from its time as a community savings bank. ECCT’s new funding strategy 2018-2023 seeks to help build stronger more sustainable communities. ECCT Manager Jonathan Bell advised that ECCT does not grant funds to any organisation to on-fund, or on-gift to another organisation:

“Our Grants Policy prohibits this from happening. Our grants are made to an organisation for them to spend on the purpose or project that they applied to ECCT for.”

Perpetual Guardian administer the Legacy Performing Arts Trust Palmerston North. This trust represents the Evelyn Rawlins Arts Trust, Mavis & Beatrix Francis Arts Trust and Molly Atkinson Arts Trust. Funding is directed to individuals, groups and events pertaining to the performing arts within the City of Palmerston North. They too have confirmed that they are prohibited from using third party funders to distribute money from the trust funds they administer.

Central Energy Trust (CET) provides community funding either for projects that are energy related, or for costs associated with hosting major events or activities within the Central Energy Trust area. CET confirm that they are the sole distributors of their funding and are unable to pass on funds to third party funders for re-distribution.

3.2 PRIVATE DONATIONS

An alternative source of funding for the arts are donations from private funders. Te Awa Community Foundation was established to harness the generosity of local private donors, sourcing funding from one-off, regular and legacy donations.

Launched in April 2019, Te Awa Community Foundation will cover the Horizons region and joins a national network of 17 community foundations linking local benefactors with community projects. The Foundation will provide an opportunity for the community to give where they live, building a local fund to benefit the local community. Fundraising and investment of funds is a priority and it will be several years before grants are available.

4. CURRENT COUNCIL SUPPORT FOR THE ARTS

Council has a primary role in informing the community of funding opportunities for the arts, and to support individual artists and art organisations to apply to access these funds. The funds include the Council grants (listed below) and other local and national funding bodies (see attachment 1 - Funding for the Arts – Palmerston North).

4.1 Funding

4.1.1 Arts Event Fund (new fund for 2019/20)

Officers are in the process of developing the administration of applications to the \$50,000 contestable fund to support arts competitions in the City, in accordance with the Community Funding Policy, and the Creative Communities Scheme.

4.1.2 Creative Communities Scheme (CCNZ)

The scheme encourages local communities (including individual artists and groups) to create and present opportunities to participate in arts activities. Approximately two-thirds of the total fund is granted by Creative New Zealand based on population count with \$68,220 available in the 2019/20 year (up from \$62,056 in 2018/19). This is 'topped-up' by Council with an additional \$32,228, giving a total fund of \$100,448 for 2019/20.

Creative New Zealand set three funding criteria. The Palmerston North Creative Communities Scheme Committee may specify up to three local funding priorities. None have been specified to date, although the new Committee will be discussing the use of the priorities listed under Goal 2: A creative and exciting city.

4.1.3 Strategic Priority Grants (SPG)

These multi-year grants activate the potential of the community sector (including arts groups) to deliver on Council's strategic direction by supporting projects, activities or services that contribute to Council priorities. For the three years beginning 1 July 2019, a total of \$252,958 per year will be invested in arts organisations through SPGs.

4.1.4 Community Development Small Grants

These grants provide funding for essential administration expenses to enable not-for-profit community groups to operate. Through the 2018 Community Funding Policy the eligibility criteria were expanded to include arts organisations, but a funding round following this is yet to be completed.

4.1.5 Training Fund

This fund exists to provide training for community groups (including arts groups) to build capacity and capability based on a need's analysis. This funding is administered by

Palmerston North Community Services Council and is open to any non-profit Palmerston North organisation.

4.1.6 Local Initiative Fund

This fund provides an opportunity for new unique and innovative initiatives to develop which address an issue of community concern in the city. Whilst the fund is open to the whole community the focus is on contributing to priorities outlined in the Connected Community Strategy. In 2018/19 year \$13,000 was invested in the art sector.

4.1.7 Major Events Fund

The Major Events Fund is aimed at attracting events that reinforce economic growth, including arts events. This fund is in transition from CEDA to Council. For the 2019/20 year \$15,000 has been granted to support the New Zealand Young Performer Awards.

4.1.8 Contestable Community Event Fund

The administration processes are currently being developed for applications to the \$26,000 contestable fund to support small community events that may arise through the year.

4.1.9 CCO funding

Council will be making grants of \$3,551,643 in 2019/2020 to the cultural CCOs supporting the cultural CCOs: The Globe, Caccia Birch The Regent and Te Manawa.

4.1.10 Palmerston North Performing Arts Trust

The Arts Heart scheme provides up to \$5,000 annually to support performing arts organisations to run educational development projects that foster talented young performers. The funding for these grants comes from a bequest, not Council funds, but applications are administered by Council.

4.2 Other Council support

Council officers work alongside art organisations and individual artists to advise them on applying to Council, local and national funders. For example, Palmerston North City Council has partnered with Strategic Grants to provide local community organisations with the knowledge and tools to secure grant funding. Strategic Grants aims to build the capacity of non-profit organisations to fundraise strategically.

Through this partnership community groups are provided with:

- A monthly emailed Grants Calendar, giving detailed information about upcoming grants.
- Training on how to use the Grants Calendar and tips for effective grant-seeking.
- A free one-year subscription to the GEM Local system (one registration per organisation).

GEM Local allows organisations to create a customised grants calendar, record their grants history, receive email alerts about upcoming grant and accountability deadlines, and find further tips on grant-seeking. This project is open to Palmerston North community organisations with an annual revenue under \$1.5m.

Council officers also offer individual one-on-one guidance on matching projects to the most appropriate grant fund, and training and assistance to use the PNCC SmartyGrants online application system.

Unsuccessful applicants to Council grant funds may also be directed to other community art funding sources. This option is discussed during the grant assessment process and there is follow up with the applicant. Feedback to applicants is essential to provide other options and support.

5. CONCLUSION

Council does make significant funds available to the arts sector through a variety of different funds in addition to the Creative Communities Scheme fund.

While it is not possible for other trusts to allow Council to re-distribute their trust funds to the arts sector, Council can lead the provision of information to the community of funding opportunities for the arts and support individual artists and art organisations to apply to access these funds.

6. COMPLIANCE AND ADMINISTRATION

| | |
|---|------------|
| Does the Committee have delegated authority to decide? | Yes |
| If Yes quote relevant clause(s) from Delegations Manual <Enter clause> | |
| Are the decisions significant? | No |
| If they are significant do they affect land or a body of water? | No |
| Can this decision only be made through a 10 Year Plan? | No |
| Does this decision require consultation through the Special Consultative procedure? | No |
| Is there funding in the current Annual Plan for these actions? | No |

PALMERSTON NORTH CITY COUNCIL

| | | |
|--|--|-----------|
| Are the recommendations inconsistent with any of Council's policies or plans? | | No |
| The recommendations contribute to Goal 2: A Creative and Exciting City | | |
| The recommendations contribute to the outcomes of the Creative and Liveable Strategy | | |
| The recommendations contribute to the achievement of action/actions in the Arts Plan | | |
| The action is: Administer arts funding for the sector. | | |
| Contribution to strategic direction | Strategic Partnerships – work with Creative NZ to help fund arts activities in the city and across the region. | |

ATTACHMENTS

1. Funding for the Arts - Palmerston North [!\[\]\(9bf097d682561b2ffd12d57a40ca73b1_img.jpg\)](#) 

Funding for the Arts – Palmerston North

Brooke Carter
Community Funding Coordinator, Palmerston North City Council communityfunding@pncc.govt.nz

This information changes rapidly. Talk directly to the funders to check the fund against your eligibility and funding needs.

1. Helpful Sites

| Name | Website | Description |
|---------------------------------|---|--|
| Generosity New Zealand database | www.generosity.org.nz | Searchable database of funders (access it free through the library website or at your local library) |
| Creative NZ | www.creativenz.govt.nz | Lists arts funding available through Creative NZ and elsewhere |
| The Big Idea Te Aria Nui | www.thebigidea.co.nz | Provides resources for the whole creative sector |
| Fundraising Institute of NZ | www.finz.org.nz | Promoting best practice fundraising |
| Community Net Aotearoa | www.community.net.nz | Community resource hub |
| NZ Navigator - Assessment Tool | www.nznavigator.org.nz | A self-assessment to help identify your organisation's strengths and weaknesses |
| GEM Portal | https://gemportal.com.au/login | Searchable database of funders (available free to local organisations through PNCC) |
| Givealittle | www.givealittle.co.nz | Crowdfunding website subsidised by the Spark Foundation with no fees or minimum targets to meet |
| Boosted | www.boosted.org.nz | A dedicated crowdfunding platform for the arts (run by the Arts Foundation) |
| Pledge Me | www.pledgeme.co.nz | Equity crowdfunding website. People help fund projects in return for a creative reward |
| Res Artis | www.resartis.org/en | Information on over 400 international arts residencies |

2. List of Funders (Arts)

| Name | Website | Contact |
|---|--|--------------|
| Arts Foundation | www.thearts.co.nz | 04 382 9691 |
| Asia New Zealand Foundation | www.asianz.org.nz | 04 471 2320 |
| Blue Sky Community Trust | www.bluesky.org.nz | 09 522 9585 |
| Central Energy Trust | www.centralenergytrust.co.nz | 06 358 4163 |
| Creative New Zealand (a range of funding) | www.creativenz.govt.nz | 04 473 0880 |
| Dame Malvina Major Foundation | www.dmmfoundation.org.nz | 04 384 9745 |
| Department of Internal Affairs (a range of funding) | communitymatters.govt.nz | 0800 824 824 |
| Earle Creativity and Development Trust | www.earletrust.org.nz | |
| Eastern & Central Community Trust | www.ecct.org.nz | 0800 878 720 |
| Freemasons | www.freemasons.org.nz | 04 385 6622 |
| Harcourts Foundation | www.harcourtsfoundation.org/newzealand | 09 520 5569 |

Last updated: 11 July 2019

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|---|--|---|
| IHC Foundation | www.ihcfoundation.org.nz | |
| Infinity Foundation (no local venues currently) | www.infinityfoundation.co.nz | 06 873 5015 |
| InternetNZ | www.internetnz.nz/funding | 0800 101 151 |
| Jetstar Flying Start | www.jetstar.com/nz/en/flyingstart | 09 975 9426 |
| John Ilott Charitable Trust | www.rcw.org.nz/John+Ilott+Charitable+ Trust | |
| JR McKenzie Trust | www.jrmckenzie.org.nz | 04 472 8876 |
| Lilburn Trust | www.douglaslilburn.org | |
| Lion Foundation | www.lionfoundation.org.nz | 0800 802 908 |
| Lions Clubs | www.lionsclubs.org.nz | List of Lions Clubs, some of which provide funding |
| Mainland Foundation | www.mainlandfoundation.co.nz | 0800 624 652 |
| Manawatu District Council | www.mdc.govt.nz | 06 323 0000 |
| Ministry for Culture and Heritage | www.mch.govt.nz | 04 499 4229 |
| New Zealand Film Commission | www.nzfilm.co.nz | 0800 659 754 |
| New Zealand Music Foundation | www.nzmusicfoundation.org.nz | 09 623 4728 |
| NZ On Air | www.nzonair.govt.nz | 04 382 9524 |
| Palmerston North City Council | www.pncc.govt.nz | 06 351 4100 |
| Pelorus Trust | www.pelorustrust.net.nz | 04 589 0816 |
| Performance Palmerston North | www.performance.org.nz | 09 909 5219 |
| Performing Arts Network of New Zealand | www.pannz.org.nz | |
| Perpetual Guardian – administers a wide range of trusts | Full grant schedule at: https://www.perpetualguardian.co.nz/assets/resources/MASTER-Online-Granting-Schedule-2019-10-July-2019.pdf | 09 909 5219 |
| Pub Charity Ltd | www.pubcharitylimited.org.nz | 0800 42 64 64 |
| Public Trust – administers a wide range of trusts | www.publictrust.co.nz/grants | 0800 371 471 |
| Publishers' Association of New Zealand | www.publishers.org.nz | 09 280 3212 |
| Rotary Clubs | www.rotaryoceania.zone | List of Rotary Clubs, some of which provide funding |
| Sargood Bequest | www.sargoodbequest.org.nz | |
| Southern Trust | www.southerntrust.org.nz | 0800 42 42 74 |
| Te Māngai Pāho | www.tmp.govt.nz | 04 915 0700 |
| Te Puni Kōkiri | www.tpk.govt.nz | 06 354 1706 |
| Transpower Communitycare Fund | www.transpower.co.nz | 04 495 7000 |
| Trust House Charitable Trust (no local funds available currently) | www.trusthouse.co.nz | 06 370 0527 |
| Trustees Executors – administers a wide range of trusts | www.trustees.co.nz/Charities | 0800 809 962 |
| Vodafone New Zealand Foundation | foundation.vodafone.co.nz | |
| Wallace Foundation | www.wallaceartstrust.org.nz/wallacefoundation/ | 09 639 2010 |

Last updated: 11 July 2019

MEMORANDUM

TO: Arts, Culture and Heritage Committee

MEETING DATE: 9 September 2019

TITLE: Final Statement of Intents for Council CCOs: Caccia Birch, Globe Theatre, Regent Theatre and Te Manawa.

PRESENTED BY: Joann Ransom, Community Development Manager

APPROVED BY: Debbie Duncan, General Manager - Community

RECOMMENDATION(S) TO COUNCIL

1. That the report titled 'Final Statement of Intents for Council CCOs: Caccia Birch, Globe Theatre, Regent Theatre and Te Manawa' be accepted.
2. That the final Statement of Intent 2019-2022 submitted by Globe Theatre Trust Board be approved.
3. That the final Statement of Intent 2019-2022 submitted by Caccia Birch Trust Board be approved.
4. That the final Statement of Intent 2019-2022 submitted by Regent Theatre Trust Board be approved.
5. That the final Statement of Intent 2019-2022 submitted by Te Manawa Museums Trust Board be approved.

1. ISSUE

This report is to seek Council approval of the final 2019-2022 Statement of Intents of the cultural Council-Controlled organisations (CCO): Globe Theatre Trust, Caccia Birch Trust, Regent Theatre Trust and Te Manawa Museums Trust

2. BACKGROUND

- 2.1 A CCO is an organisation in which Council has the right to appoint at least fifty per cent of the trustees. Council has four cultural CCOs which were set up to independently manage Council-owned cultural facilities: Globe Theatre Trust Board, Te Manawa Museums Trust, Caccia Birch Trust Board and Regent Theatre Trust. These organisations are each managed by a Board of Trustees. All CCOs covered by the Local Government Act must have a statement of intent (SOI). The purpose of the

SOI is to publicly state the activities and intentions of a CCO for the year (and the objectives to which those activities will contribute); to provide an opportunity for Council to influence the direction of the CCO; and to provide a basis for accountability to the Council for the performance of the CCO.

The process for developing the SOI is:

- The Board of a CCO delivers a draft SOI to Council on or before 1 March each year.
- Council considers the draft SOI and provides comments back to the CCO by 1 May.
- The Board of a CCO must deliver their completed SOI by 30 June.
- The final SOI is approved by Council.

2.2 Draft Statements of Intent for 2019-2022 were reported to the Arts, Cultural and Heritage Committee on 15th April 2019, and resulted in the following recommendations:

1. *That Council receive the six-month reports to December 2018 submitted by Globe Theatre Trust Board, Te Manawa Museums Trust, Caccia Birch Trust Board and Regent Theatre Trust (the cultural CCOs).*
2. *That Council receive the draft Statements of Intent 2019–2022 submitted by the cultural CCOs subject to the below comments for consideration by the Boards.*
3. *The Globe to clarify strategic Priority 2 in the Statement of Intent to include 'represent the diversity of the Palmerston North Community' as referenced on page 6 of the Draft Statement of Intent.*
4. *The Regent to modify strategic objective 3 under Migrant and Cultural Communities to 'To assist with 2 additional culturally diverse events' and the word 'additional' to be added in each year.*
5. *That the Te Manawa Trust Board consider increasing the KPI for visitor numbers in the Statement of Intent.*
6. *That the CCOs consider their role in Eco-City Strategy Priority 2 (Work with the Community to Reduce Carbon Emissions) in their statements of intent.*
7. *That the Chief Executive be instructed to review the asset renewal process for the Regent Theatre Trust with particular reference to the Sound System and report back to the Arts, Culture and Heritage Committee in June 2019.*
8. *That the Chief Executive go back to Caccia Birch Trust Board to address the unsustainable financial issue as presented in their Statement of Intent.*

3. SUMMARY OF CHANGES FROM DRAFT TO FINAL STATEMENT OF INTENTS

3.1 Caccia Birch

The final SOI from Caccia Birch included a supplementary report from the Chair in response to the rejection of funding for additional staffing to meet future requirements of the operation of Caccia Birch.

In summary, the Chair explains that in developing the Draft SOI the Board had adopted an approach of being more proactive in achieving mutual goals arising from the new vision and strategic direction of Council. The Board now accepts that it appears Council's wish is for the Board to operate within the existing funding limits and levels of service. The Board's inability to fund an extra staff member will result in the Board restricting its operational capacity to existing levels and the budget has been adjusted to a basic manageable level accordingly.

| Changes required | Changes made in Final SOI |
|--|--|
| <i>That the CCOs consider their role in Eco-City Strategy Priority 2 (Work with the Community to Reduce Carbon Emissions) in their statements of intent.</i> | <ol style="list-style-type: none"> The SOI contains this clause describing how it contributes to Council's vision: <i>"The day to day operations consider the environment through recycling, green-waste, rubbish reduction, being smart about energy consumption with lighting upgrades, heating upgrades and investigating solar power options."</i> Performance Measures. The Board will: <i>"build a waste recycle and storage unit in 2019/2020."</i> |
| <i>That the Chief Executive go back to Caccia Birch Trust Board to address the unsustainable financial issue as presented in their Statement of Intent.</i> | <ol style="list-style-type: none"> Budget Assumptions. These have been adjusted to now include: <ol style="list-style-type: none"> <i>The budget does not include provision for additional operational staff.</i> <i>The proposed budget forecasts a small cash deficit in year one and two, covered by the reserves.</i> <i>The timing of Councils 10-year plan, the new City vision encouraging this CCO to grow its activities and the 17A findings has not helped the Trust plan a meaningful and successful course of action and budget for the future.</i> <i>Additional funding is required to support the growth of activities, especially those of a passive tourism activity that are unlikely to generate revenue, but which will contribute to the success of the City's vision.</i> Forecast Statement of Financial Performance. |

| | |
|--|--|
| | The budget has been adjusted from a forecast year end deficit for 2019/2020 of \$40,123 deficit to a deficit of \$18,749. This will be funded from accumulated surpluses which are forecasted to be \$103,111 by 30/06/2020. |
|--|--|

3.2 Globe Theatre Trust

| Changes required | Changes made in Final SOI |
|--|--|
| <i>That the CCOs consider their role in Eco-City Strategy Priority 2 (Work with the Community to Reduce Carbon Emissions) in their statements of intent.</i> | <p>Addition made to the Trust's strategic objective regarding facility development to include:</p> <p><i>"In addition, the Board will encourage and support Council, as asset manager, to ensure that these developments incorporate incremental sustainability and environmental improvements to contribute to the reduction in CO2 emissions."</i></p> |
| <i>The Globe to clarify strategic Priority 2 in the Statement of Intent to include 'represent the diversity of the Palmerston North Community' as referenced on page 6 of the Draft Statement of Intent.</i> | <p>Strategic Priority 2 reworded to:</p> <p><i>"Strategic Priority 2: Support the local performing arts community to showcase their diverse talents at the Globe, and working to ensure our users represent the diversity of the Palmerston North community."</i></p> |

3.3 Regent Theatre Trust Board

| Changes required | Changes made in Final SOI |
|--|---|
| <i>That the CCOs consider their role in Eco-City Strategy Priority 2 (Work with the Community to Reduce Carbon Emissions) in their statements of</i> | <p>One of the Regent's strategic objectives is to:</p> <p><i>"Support environmental sustainability. The Regent on Broadway is committed to the Palmerston North city's waste management and minimisation plan and will introduce strategy to reuse or reduce waste.</i></p> <ul style="list-style-type: none"> <i>Develop relationships with contractors and suppliers</i> |

| | |
|---|---|
| intent. | <p><i>that have strong environmental sustainability policies.</i></p> <ul style="list-style-type: none"> • <i>Introduce processes that support good environmental practice.</i> • <i>Introduce segregated waste collection so as to recycle and minimise the impact on landfill waste.</i> • <i>Introduce the use of reusable/recyclable serving (glassware) containers."</i> |
| <p><i>The Regent to modify strategic objective 3 under Migrant and Cultural Communities to 'To assist with 2 additional culturally diverse events' and the word 'additional' to be added in each year.</i></p> | <p>Council's recommendation was discussed by the Regent Board and it was noted that to modify this particular strategic objective as requested would be an unachievable objective as it would not be possible to assist 2 additional culturally diverse each year for the next 3 years.</p> <p>Therefore the Board submitted the following strategic objective which will achieve the intent of the objective over the next 3 years:</p> <ul style="list-style-type: none"> • <i>2019/2020: To maintain the number of culturally diverse events that were assisted in the previous year.</i> • <i>2020/2021: To maintain the number of culturally diverse events that were assisted in the previous year and to assist with 1 additional culturally diverse event.</i> • <i>2021/2022: To maintain the number of culturally diverse events that were assisted in the previous year and to assist with 1 additional culturally diverse event.</i> |
| <p><i>That the Chief Executive be instructed to review the asset renewal process for the Regent Theatre Trust with particular reference to the Sound System and report back to the Arts, Culture and Heritage Committee in June 2019.</i></p> | <p>This was addressed at a meeting of the Arts, Culture and Heritage Committee on 17 June 2019.</p> <p>The COMMITTEE RESOLVED</p> <ol style="list-style-type: none"> 1. <i>That the Arts, Culture and Heritage Committee receive the report titled 'Review of Asset Renewal Process for the Regent Theatre Trust' dated 16 May 2019.</i> 2. <i>That the Arts Culture and Heritage Committee confirm that the sound system in the Regent Theatre is a Tenant fit-out item and a non-Council-owned, non-fixed asset.</i> 3. <i>That the item be left to lie on the table until the Finance and Performance Committee meeting in August 2019.</i> |

3.4 Te Manawa

| Changes required | Changes made in Final SOI |
|--|--|
| <i>That the CCOs consider their role in Eco-City Strategy Priority 2 (Work with the Community to Reduce Carbon Emissions) in their statements of intent.</i> | Te Manawa Objective 4: <i>“Te Manawa is focussed on developing for the future”</i> has been increased from 5 to 6 bullet points with the addition of: <i>“Consider environmental impacts when planning.”</i> |
| <i>That the Te Manawa Trust Board consider increasing the KPI for visitor numbers in the Statement of Intent.</i> | KPI changes have been made as requested: <i>“A high number of visitors to Te Manawa experiences”</i> has been increased from 150k per annum to 170k. |

4. CONCLUSION

The four CCOs have all made the changes to their Draft SOIs as requested by Council.





Letters of Expectation will be sent to all CCOs in December / January. These will enable the boards to prepare draft Statement of Intent's that align with Council's wishes. It may be that Council has explicit requirements that should be included in the Letters of Expectations.

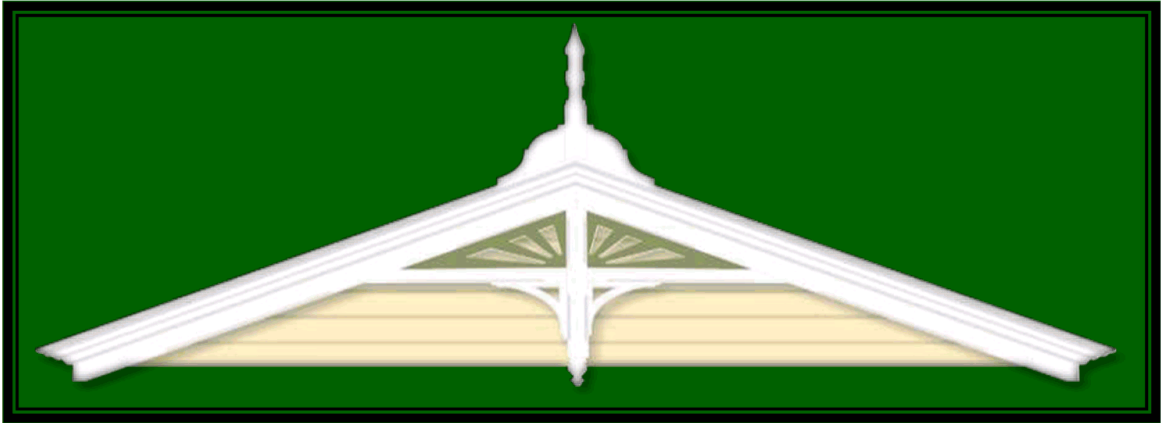
5. COMPLIANCE AND ADMINISTRATION

| | |
|---|------------|
| Are the decisions significant? | No |
| If they are significant do they affect land or a body of water? | No |
| Can this decision only be made through a 10 Year Plan? | No |
| Does this decision require consultation through the Special Consultative procedure? | No |
| Is there funding in the current Annual Plan for these actions? | Yes |
| Are the recommendations inconsistent with any of Council's policies or plans? | No |
| The recommendations contribute to Goal 2: A Creative and Exciting City | |

| | |
|---|--|
| The recommendations contribute to the outcomes of the Creative and Liveable Strategy | |
| The recommendations contribute to the achievement of action/actions in the Arts Plan | |
| The action is: d) Strategic partnerships: Work with Council Controlled Organisations to implement Council strategy. | |
| Contribution to strategic direction | <p>The Globe and The Regent have a critical role to play in contributing towards Palmerston North becoming an arts powerhouse with a national reputation for creativity and the arts. Both are venues for hire, rather than developing their own shows, and work with promoters to bring international and national shows to Palmerston North, to complement the many local shows developed by community organisations.</p> <p>Te Manawa is part of the arts precinct, the City's art, history and science museum, and its role is to contribute to the Arts Powerhouse ambition through the housing and display of arts, heritage, Toi Maori and treasures, and science public assets. The Council wants increasing visibility and rotation of the city's art collection.</p> <p>Caccia Birch is a listed Category 1 Heritage Status property. It contributes to Priority 2 of the Creative and Liveable Strategy: Celebrate the City's history and diversity, and build on the strength of being a city of many cultures and languages. Council invests in cultural heritage assets, including Caccia Birch and The Regent, to give the community the opportunity to use these buildings and appreciate their heritage values.</p> |

ATTACHMENTS

1. Caccia Birch Final SOI 2019 - 2022 [↓](#) 
2. The Globe Final SOI 2019 - 2022 [↓](#) 
3. The Regent Final SOI 2019 - 2022 [↓](#) 
4. Te Manawa Final SOI 2019 - 2022 [↓](#) 



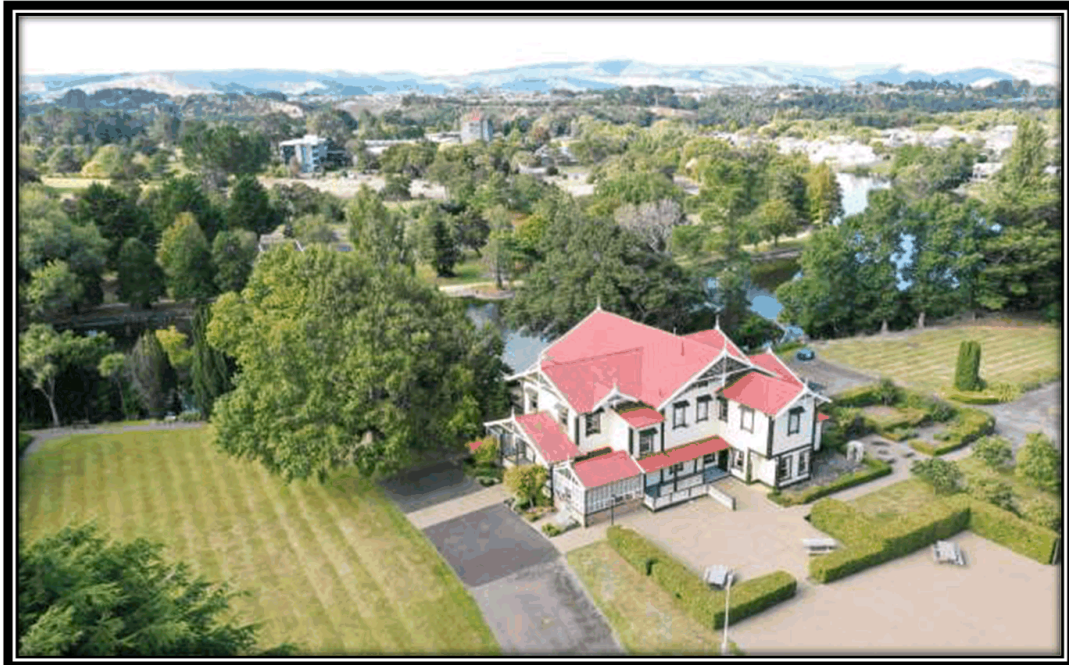
CACCIA BIRCH TRUST BOARD

STATEMENT OF INTENT

2019 – 2020

2020 – 2021

2021 - 2022



FINAL 24th May 2019

| 1. CONTENTS | PAGE |
|--|------------------|
| <i>Contact Details</i> | 2 |
| <i>Chairperson's Foreword</i> | 3 & 4 |
| <i>About Caccia Birch Trust and Vision and Mission</i> | 5 |
| <i>Background History</i> | 6 |
| <i>PNCC Vision and link to Caccia Birch House Vision.</i> | 7 |
| <i>Key Strategic Objectives</i> | 8 |
| <i>Key Issues</i> | 8 |
| <i>Key Performance indicators</i> | 9 - 12 |
| <i>Planned Activities and Governance Statements.</i> | 12 |
| <i>Financial Statements and Assumptions.</i> | 13 |
| <i>Budget Forecast for the Years Ended 30 June 2019, 2020 & 2021</i> | 14 |
| <i>Accounting Policy.</i> | 16 |
| <i>.Signature</i> | 18 |

| 2.CONTACT DETAILS | |
|--------------------------------------|---|
| <i>Registered Office:</i> | Caccia Birch House 130 Te Awe Awe St, Palmerston North 4410 |
| <i>Website & Email</i> | www.caccia-birch.co.nz manager@caccia-birch.co.nz |
| <i>Phone:</i> | 06 3575363 |
| <i>Email:</i> | manager@caccia-birch.co.nz |
| <i>Office Contact:</i> | Nicky Birch |
| <i>Role in CCO:</i> | Manager |
| <i>Address:</i> | As Above |
| <i>Chairperson:</i> | Grant O'Donnell |
| <i>Email:</i> | home@odonnell-law.co.nz |
| <i>Phone:</i> | 06 3567754 / 0274 424395 |
| <i>Trustees 2019 to 2020</i> | Grant O'Donnell, Patricia Keiller, Jireeth Soni, Cushla Scrivens and Roderick McKenzie. |
| <i>Legal Status:</i> | <i>Caccia Birch Trust Board is a Council-Controlled Organisation (CCO) for the purposes of the Local Government Act 2002 and operates as a Charitable Trust under the Charitable Trust Act 1957 and Charities Act 2005.</i> |
| <i>Charities Registration Number</i> | CC38431 |

3. FOREWORD

Chairperson's Introduction 2019

This Statement of Intent sets out, among other things, the Board's plans and projects to achieve the goals and aspirations contained in the Board's "Vision and Mission" statements.

While it may be thought that the principal goal of a heritage focussed entity is maintaining the status quo the second limb of the Board's Vision requires a creative and innovative approach to maximise the benefit of the asset to the community.

The Board is committed to ensuring that the management and operation of Caccia Birch House achieves a balance between status quo, Council's vision for the entity and the pragmatic day-to-day development, usage and enjoyment of the property.

This requires a constant juggling of fiscal, legal and resource "balls" in an evolving environment. There is a clear tension between maintaining the heritage 'characteristics' while developing the range and extent of activities in the House and Grounds.

The House and Grounds are in excellent condition and the business is operating as best it can be expected to in a competitive environment.

On most counts the Board, management and staff, in close co-operation with the Council, have successfully kept the balls aloft but to continue doing so without an increase in funding will mean, as shown in the budget, that the Board will be insolvent by 2021.

The Board struggles to service the increasing demand for free or discounted community access in our drive to contribute to Council's strategic direction as fully as we can.

An increase of \$30,000 a year would address the solvency issue and allow us to continue our work of managing and developing this listed Category 1 heritage building along with the gardens, grounds and embankment, growing the educational and tourism resource by further developing the archives with its local history 'story' of Caccia Birch House, and ensuring that access is available for all.

These additional funds will help pay for the increased costs associated with accounting and auditing fees as well as the wages of an extra person who will assist with the increasing public use of the building and grounds provide managerial support and ensure that a succession plan is in place.

The Board, management and staff are committed to meeting the challenges facing them.

Grant O'Donnell
Chairperson
26th March 2019

Supplementary Report of Caccia Birch Trust Chairperson

This is a supplementary report arising from Council's rejection of the Board's submission for funding for additional staffing to meet the future requirements of the operation of Caccia Birch House.

The flow on effect of the Board's inability to fund the extra staff member will result in the Board restricting its operational capacity to existing levels. The Board however is, and will continue, reviewing its operations with a view to optimising outcomes.

The Board, will keep in mind the desirability of effecting its role within the Council's Vision, but it is anticipated that achieving those goals will be challenging.

Time has not allowed the Board to carry out a wholesale review of this SOI in light of the failed submission, but clearly there will be adjustments to Key Performance indicators and other matters.

The budget has been adjusted back to a basic manageable level. It must be kept in mind that costs, particularly wages, will continue to increase and it is likely that simple CPI increases over the next two years will be insufficient.

*The Board adopted an approach based on the Council's new vision that Council would wish the Board to be more pro-active in achieving mutual goals.
The Board has previously sought clarification as to how Council wishes Caccia Birch House to be operated and developed.*

The Board now accepts that it appears to be Council's wish that the Board operate within the existing funding limits and existing levels of service.

Grant O'Donnell.

Caccia Birch Trust Chairperson

23rd May 2019

4. Purpose of this Statement of Intent

In accordance with the Local Government Act 2002, a Council-Controlled Organisation (CCO) is required to produce an annual Statement of Intent which publicly states its activities and intentions for the next three years, and the objectives to which those activities will contribute.

Caccia Birch Trust Board, while currently exempted as a CCO pursuant to s 7(3) of the Local Government Act 2002, (IMPLEMENTATION PENDING) is still required to produce a Statement of Intent (SOI) that complies with the requirements of section 64(1) of the Local Government Act 2002.

Through the SOI the Trust Board shows Council how it will apply the annual grant provided by Council in managing the maintenance, preservation and community usage of and access to Caccia Birch House and grounds.

5. About Caccia Birch Trust Board

Caccia Birch House is a listed Category 1 Heritage Status property under section 35(1)(b) of the Historic Places Act 1980 and is a Category 1 listed property under Cultural Heritage in the Palmerston North City Council District Plan.

The Caccia Birch Trust Board is made up of people from various backgrounds who have a passion to ensure this 'jewel' remains one of the city's most significant assets and well utilised and loved by the community.

The Board guides and monitors the affairs of Caccia Birch House, in accordance with the Trustee Act 1956, the Charities Act 2005, the Local Government Act 2002, the Board's Trust Deed and this Statement of Intent.

The first objective of the Trust, as described in the Trust Deed, is:

"To develop, promote, enhance and maintain the land and buildings described in the Schedule of property hereto known as Caccia Birch House, in recognition of the heritage status of the building, so that it may be utilised and enjoyed by the community" (p1).

The Trust Board's internal operational planning is guided by the following statement:

| VISION |
|---|
| <i>To provide our community with an outstanding historic property, available for everyone to use.</i> |
| MISSION |
| <i>To ensure the Caccia Birch property retains its historical, cultural and environmental significance through diligent maintenance, promotion and development.</i> |

The Board's approach to governance is to adopt good governance practices with respect to:

- ensuring a heritage preservation focus to the Board's activities;
- working with stakeholders and with interested community groups to meet objectives;
- maintaining a constructive and proactive relationship with Palmerston North City Council.

The Board employs a Manager who is responsible for the day-to-day operations of Caccia Birch, engaging with the community and clients, oversight of staff, contractors and day to day administration. The Manager reports to the Board on performance against Caccia Birch Trust Board objectives.

Caccia Birch House History Background.

Formerly called "Hokowhitu", the residence known as Caccia Birch House was built in 1895 for Norwegian sawmiller & businessman Jacob Nannestad, who was co-owner of the towns largest sawmill Richter, Nannestad, Jenssen & Co located on Broadway and Albert St (then called Scandia St).

In 1903 'Hokowhitu' was sold to English businessman John Strang who developed it to what we see today and renamed it "Woodhey".

During 1908 the Governor General Lord Plunket and his family resided at the property, vacating in 1910 when the Strang's returned from their trip to England.

William and Maud Caccia Birch (nee Keiller) purchased the property in 1921 and occupied the House until William's death in 1936.

The property was gifted to the Government in 1941 and was called Caccia Birch House in recognition of their donation.

Since its gifting in 1941, Caccia Birch House has fulfilled many roles:

- Army accommodation for Home Guard officers during World War II
- PN Hospital Board Convalescence home for war veteran nurses until the late 1950s.
- Victoria University annex 1961
- Massey University 1963
- PN Teachers College 1970

In 1975 Massey University found they could not develop the property and handed it back to the Government. By 1977 the building stood empty, vandalised and derelict.

Much debate about its future took place and former PNCC planner Ken Tremaine, Mayor Brian Elwood, Councillors Paul Rieger and Dr Bernard Forde felt it important to preserve local history and petitioned the government to gift the property to the city.

A Deed of Agreement with a purchase price of 10 cents gifted Caccia Birch House to PNCC and community. It took a further ten years to find a way to fund the expensive restoration project.

By 1989, PNCC created the Caccia Birch Trust Board to oversee the restoration and preservation. The Trust Deed was created to ensure that Caccia Birch House would be preserved by the city for future generations.

The restoration of the dilapidated buildings was largely funded from the sale of surrounding land and additional money from a large community house group, the Lottery funds and the PNCC.

Restoration of the ground floor was completed in 1992, upper floor in 1993 and the CoachHouse in 1994.

The Trust needed to find a sympathetic use for the property. It was agreed that making the house available to the community for meeting and function hire was seen as a compatible use for the grand old homestead and a manager was employed to administer this activity in 1993.

During the last twenty-six years additional financial assistance has been received from PNCC, Central Energy Trust, Eastern & Central Community Trust, The Lion Foundation, Pub Charities and Earle Trust enabling numerous projects to be completed on the property.

The house has been well-utilised for meetings, family functions, weddings, community events and promotion of local history to the visitor industry, contributing to the city's vibrant cultural facilities. Continuing with these activities will ensure future generations can continue to enjoy this iconic property.

6. THE VISION FOR PALMERSTON NORTH: "Small city benefits, big city ambition."

Palmerston North is the heart of the Manawātū region servicing the lower and central North Island of New Zealand.

Palmerston North is a small city that has a lot to offer its residents and visitors. We are ambitious about developing the city.

Council's Culture and Heritage Plan supports Priority 2 of the Creative and Liveable Strategy: "to celebrate the city's history and diversity, and build on the strength of being a city of many cultures and languages".

The Actions within the Culture and Heritage Plan that Caccia Birch Trust Board make a crucial contribution towards are:

A. "Facilitate and enable local history and

B. make use of, and invest in, Heritage Buildings to provide Council and community facilities".

Caccia Birch Trust Board plays a critical part in contributing to this vision by the following actions:

An innovative and growing city

The Board maintains and provides access to one of the few publicly accessible Category 1 heritage buildings in Palmerston North.

Additional opportunities to grow this activity for the local visitor and tourism industry, include the increasing ethnic and cultural diversity within the region.

A creative and exciting city

The Board's vision to be an attractive and entertaining place to visit or utilise when in Palmerston North requires smart signage, increased marketing and new technology to entice the younger generation.

The Board will promote the local history and further develop the CoachHouse archive as a permanent educational site, improve the gardens, accessibility to the grounds and add features. It will facilitate local and regional public events.

A connected and safe community:

The connections between the location of Caccia Birch House and its pre-European history embraces the Iwi heritage and involves a partnership of information sharing through the development of the CoachHouse archive.

Connecting with the City's past and celebrating its history and heritage through encouraging contributions from groups that have past connections with CBH, holding Open Days and other events facilitating free access to the venue.

An eco-city:

The day to day operations consider the environment through recycling, green-waste, rubbish reduction, being smart about energy consumption with lighting upgrades, heating upgrades and investigating solar power options.

A driven and enabling Council

The Caccia Birch Trust Board will work collaboratively with PNCC to ensure Caccia Birch House reflects and contributes to the City's future – focused plans.

7. Strategic objectives

HERITAGE RESPONSIBILITY:

| | |
|-----------|--|
| a. | Heritage Buildings |
| | Palmerston North's Category 1 listed heritage property of Caccia Birch House and CoachHouse are to be preserved and protected for future generations. These Heritage buildings will only be developed in keeping with the heritage status. |
| b. | Heritage – Natural |
| | The grounds and flora of Caccia Birch House are to be managed and preserved and only developed in-keeping with the heritage character. |
| c. | Heritage - Cultural |
| | The local history and heritage value of the Caccia Birch property will be preserved, presented and promoted in an educational and entertaining way. Property access and use of the buildings by the local community and visitors from elsewhere, will be developed in a variety of ways. |
| d. | Heritage – Governance |
| | The Board will manage the balance between maintenance of heritage integrity and the development of the property to meet evolving Council and community demands. |

8. What we will do:

A. Heritage Buildings

i) Work to keep this heritage property exceptionally well maintained and secure.

In the next three years we will:

- Oversee the 10-year exterior maintenance schedule that includes annual building wash and quarterly gutter clean. Exposed timber will be painted and any damaged areas noted and repaired.
- Ensure the buildings comply with Building Warrant of Fitness and Health and Safety requirements.

ii) Work to make Caccia Birch House environmentally responsible and eco-friendly.

In the next three years we will:

- Construct a new waste recycling area and waste storage space.
- Replace lights to LED fittings.
- Work to reduce carbon emissions by improving pedestrian access and bicycle parking facilities.
- Investigate other eco opportunities including the use solar energy.

iii) Develop the venue facilities.

In the next three years we will:

- Investigate provision of a covered pergola linking the carpark to the courtyard for an all-weather access towards the front of the house.
- Install an efficient central heating system and restoring the old fireplaces.

B. Heritage – Natural

- i) The listed notable trees are preserved and maintained.

In the next three years, we will:

- Oversee the maintenance of the listed Notable Trees and Manawatu Tree Trust Memorial trees with regular health checks and a schedule of maintenance.

- ii) Enhancement of the grounds.

In the next three years, we aim to:

- Review and update our map of the gardens and the plan for future development, including:
 - In conjunction with Council, clear and develop the Lagoon embankment to improve the visual link between Caccia Birch House, Hokowhitu Lagoon, the Manawatu River and restore the outlook towards Te Motu-O-Poutoa Pa.
 - Create various types of focal points in the grounds.
 - Improve the footpath network on the property.
 - Provide better signage in the grounds to enhance visitor experience.

C. Heritage – Cultural

- i. We will make the community more aware of the heritage value of Caccia Birch House.

In the next three years, we will:

- Promote the CoachHouse Archive and Gardens to the local visitor and tourism industry.
- Develop new history displays and use modern technology for information sharing to engage the younger community.
- Provide greater visitor engagement through well trained and knowledgeable staff.

ii. Utilising Caccia Birch House as an income earning venue underpins our ability to provide community access and contribute financially to the outcomes. Providing excellent guest services and knowledgeable staff will ensure the property remains a popular focal point for all types of events including conferences, family events, weddings and tours. Staffing and other resources are also required to cope with the increasing numbers of informal visitors and free public events.

In the next three years, we aim to:

- Ensure that the house is well utilised all year.
- Increase the number of people using and hiring the facility.
- Develop a program of 'shared-risk' events to engage with the community.
- Encourage more ethnic, multi-cultural and non-profit community groups to experience this heritage facility.
- Ensure that the operation is appropriately staffed to meet the changing outcomes.

D. Heritage – Governance

- i. The Board will manage the balance between maintenance of heritage integrity and the development of the property to meet evolving Council and community demands.
- The Trust will continue to review all of its Governance Policies.

9. Performance measures

| Objective | Performance Measure | Actual | Target | | |
|---|--|----------|--------------------------------------|---|--|
| | | 2018 /19 | 2019/20 | 2020/21 | 2021/22 |
| A) Palmerston North's Category 1 listed heritage property of Caccia Birch House and CoachHouse are to be preserved and protected for future generations. These Heritage buildings will only be developed in keeping with the heritage status. | i. The main house and CoachHouse buildings have scheduled exterior maintenance – completed annually. | | 100% | 100% | 100% |
| | ii. Scheduled internal maintenance – completed annually. | | 100% | 100% | 100% |
| | iii. Environmentally Eco friendly development. | | Build Waste recycle and storage unit | Install Central Heating. | Fireplace restoration. |
| B) The grounds are preserved and developed, enhancing Palmerston North's natural heritage. | i. Notable Heritage Trees receive maintenance. | | 2 trees | 4 trees | 2 trees |
| | ii. New features installed in grounds. | | Embankment footpath. | Signage for Notable and memorial trees. | Covered access and seating in grounds. |
| C) Palmerston North residents and visitors can access and appreciate the heritage value of Caccia Birch. Caccia Birch House is available for the residential and business community to utilise. | i. Free public open days for whole property. | | 14 | 15 | 16 |
| | ii. Number of visitors to Open days. | new | 560 | 750 | 960 |
| | iii. Accessible days for CoachHouse archive and grounds. | new | 120 | 140 | 160 |
| | iv. Number of casual visitors to CoachHouse & grounds. | new | 720 | 840 | 960 |
| | v. Number of Trust / Council and stakeholder operated publicly accessible events. | 3 | 4 | 5 | 6 |
| | vi. Percentage of respondents satisfied with visitor experience? | 100 % | 100% | 100% | 100% |
| | vii. Number of Conference / Meeting hires. | 360 | 370 | 380 | 390 |
| | viii. Number of Social Function Hires. | 52 | 53 | 54 | 55 |

| | | | | | |
|---|--|-----|-------------|-------------|--------------|
| | ix. <i>Percentage occupancy based on daily usage.</i> | 72% | 73% | 74% | 75% |
| | x. <i>Website / Social Media engagements. (annual).</i> | New | 5500 | 6000 | 6500 |
| D) The Board will manage the balance between maintenance of heritage integrity and the development of the property to meet evolving Council and community demands. | i. <i>Review Governance policies. (32 Policies at the time of writing)</i> | | 10 policies | 11 policies | 11 policies. |

10. How we operate

The Board:

- a) The Trust Board meets once a month and members are in regular email or phone contact. There are four working committees comprising Building and Grounds, Marketing, Governance, Finance, and meetings are scheduled regularly and discussion and planning.
- b) The Board reviews annually its own strategic work plan for all aspects of the facility for a 5- year period.
- c) The Board attempts to operate within the budget which is developed jointly by the council and the Board. The Board takes responsibility in its budget for the day to day property maintenance costs and ensures that all maintenance work is carried out in a timely and appropriate manner.
- d) The Board and Management manage the competing requirements of providing a freely accessible Heritage property for tourism, operating a "venue hire business" within the well-documented constraints of a residential neighbourhood. Increasing revenue while taking into account the heritage nature of the property also provides fiscal challenges.
- e) The Board works to fully embrace the visitor / tourism industry for the benefit of Palmerston North as the property and location are ideal for this activity. However, the potential of further increasing non-revenue generating activities may not be met within the current budget.

Operations:

- a) The Board is currently reviewing its business operation model and budget, as part of its Governance obligations and in part as a result of limitations of the resources needed to carry out the full potential of its activities.
- b) The Trust Board employs only one full time person - the Manager. This role currently includes; overseeing the day-to-day facility operation including the bookings and co-ordination of all events, taking tours, the coordination of maintenance work and planning of property development work, all business administration (invoicing, quotes, staff etc) and some governance-associated tasks. This is a demanding role for one sole charge person.
- c) The Board employs a part time gardener, mowing contractor, a secretarial contractor, a part time housekeeper and four part-time after-hours venue / function staff, working as required.
- d) There is a growing need to provide more staff to look after the non-income generating visitor related activities.
- e) A new person to assist with managerial and related activities is required. This, it is hoped, will also assist with meeting succession requirements.

11. Working together

Long Term Objectives :

Developing the grounds further:

- a. Creating a new footpath alongside the entrance driveway, to improve pedestrian safety by moving them away from the narrow and often busy driveway and also lowering carbon emissions.
- b. Creating more focal points in the gardens.

People:

- c. Improved visitor services such as covered courtyard seating to protect visitors from the sun and rain, amenities like a coffee / drink kiosk contractor located in or near (mobile) the CoachHouse Archive.
- d. Develop a program of 'shared-risk' events to assist in providing exciting public events with potentially water-based activities on the Lagoon, like a punt or rope tow across the lagoon.
- e. Publication of a Caccia Birch House history book (for sale).
- f. Further investment in facility infrastructure and complementary services for facility users.

Half-yearly report

By the end of February each year, Caccia Birch Trust Board will provide the Council with a half-yearly report complying with section 66 of the Local Government Act 2002. The report will include the following information:

- Manager/Chief Executive's commentary on operations for the relevant six-month period.
- Comparison of Caccia Birch Trust Board's performance to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Un-audited half-yearly financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity and statement of cashflows.

Annual report

By 30 September each year, Caccia Birch Trust Board will provide the Council with an annual report complying with sections 67–69 of the Local Government Act 2002.

Financial statements and audit clearance will be required in early August to ensure timely availability of PNCC's annual report.

The annual report will contain the information necessary to enable an informed assessment of the operations of Caccia Birch Trust Board and will include the following information:

- Commentary on operations for the year.
- Comparison of Caccia Birch Trust Board's performance to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity, statement of cashflows, statement of accounting policies and notes to the accounts.
- Auditor's report on the financial statements and the performance targets.
- Any other information that the trustees consider appropriate.

12. Forecast financial statements & Accounting Policy

Assumptions for SOI budget.

The budget has been prepared on the following basis:

- a) The Board plans to continue trading and pursuing growth where possible within heritage and other constraints and embracing the tourism industry to support the PNCC's vision of an exciting city.
- b) The general operating expenses are based on previous year's activities and occupancy and also take into consideration the current six-months expenditure to date. These figures include a CPI adjustment.
- c) The proposed wages and salaries budget for 2019 to 2020 and beyond are based on the number of hours worked by all staff in the preceding year. These staff are 'part time / as required' to service the needs of the venue / property.
- d) The need to attract and retain well-trained staff. This necessitates an increase in the current staff hourly pay rate to at the very least meet the living wage hourly rate. An annual CPI adjustment contributes to the increased expense over the 3-year forecast.
- e) The budget does not include provision for additional operational staff.
- f) The proposed budget forecasts a small cash deficit in year one and two, covered by the reserves.
- g) The timing of Councils 10-year plan, the new City vision encouraging this CCO to grow its activities and the 17A findings has not helped the Trust plan a meaningful and successful course of action and budget for the future.
- h) Additional funding is required to support the growth of activities, especially those of a passive tourism activity that are unlikely to generate revenue, but which will contribute to the success of the City's vision.

| Caccia Birch Trust Board | | | | 23.5.19 | | | | |
|--|--------|-----------------|--|------------------|--|------------------|--|------------------|
| Forecast Statement of Financial Performance | | | | | | | | |
| For Years Ended 30 June 2020, 2021 and 2022 | | | | | | | | |
| | | 2018-19 | | 2019-2020 | | 2020-2021 | | 2021-2022 |
| Revenue | | | | \$ | | \$ | | \$ |
| Catering Revenue | | 91,800 | | 93,636 | | 92,500 | | 93,000 |
| Event Revenue - Bridal Fair | | 6,150 | | 6,300 | | 6,400 | | 6,400 |
| Facilities Hireage | | 83,640 | | 88,000 | | 90,000 | | 92,000 |
| Interest Received | | 526 | | 546 | | 566 | | 566 |
| PNCC Operations and Audit Grant | | 98,775 | | 100,948 | | 103,168 | | 103,168 |
| PNCC Audit Grant | | 4,750 | | 4,875 | | 5,000 | | 5,000 |
| PNCC Meeting Grant - Trustees | | 6,120 | | 6,120 | | 6,120 | | 6,120 |
| Recoveries from Hireage | | 6,120 | | 6,250 | | 6,400 | | 6,400 |
| Total Revenue | | 297,881 | | 306,675 | | 310,154 | | 312,654 |
| Expenses | | | | | | | | |
| Accounting Technician | | 6,600 | | 7,200 | | 7,380 | | 7,380 |
| Accounting CA | | 1,560 | | 1,720 | | 1,763 | | 1,807 |
| Accounting Audit | | 9,500 | | 9,750 | | 9,994 | | 10,244 |
| Advertising / Marketing | | 5,600 | | 5,700 | | 5,843 | | 5,989 |
| Total Bank Charges | | 650 | | 680 | | 697 | | 714 |
| Catering Expense | | 87,210 | | 88,594 | | 90,809 | | 93,079 |
| Total Cleaning Costs | | 4,050 | | 4,150 | | 4,254 | | 4,360 |
| Governance Expense | | 1,050 | | 1,100 | | 1,150 | | 1,200 |
| Governance - Secretarial | | 0 | | 3,500 | | 3,600 | | 3,700 |
| Grounds - Lawn Mowing | | 8,000 | | 8,160 | | 8,364 | | 8,573 |
| Insurance | | 3,800 | | 3,900 | | 4,000 | | 4,100 |
| Kitchen Expenses | | 2,000 | | 2,150 | | 2,204 | | 2,259 |
| Light Power & Heating | | 10,000 | | 10,100 | | 10,353 | | 10,611 |
| Minor Asset Replacement | | 3,100 | | 2,700 | | 2,754 | | 2,809 |
| Payroll Administration Fees | | 600 | | 615 | | 630 | | 646 |
| Printing, Stamps & Stationery | | 4,100 | | 4,200 | | 4,305 | | 4,413 |
| Total Repairs and Maintenance | | 9,850 | | 9,300 | | 9,486 | | 9,676 |
| Security | | 6,000 | | 6,150 | | 6,200 | | 6,355 |
| Staff-Related Expenses | | 550 | | 600 | | 650 | | 666 |
| Telephone, Tolls & Internet | | 2,150 | | 2,200 | | 2,250 | | 2,306 |
| Trustee Remuneration | | 6,120 | | 6,120 | | 6,367 | | 6,526 |
| Wages and Salaries incl. kiwisaver, ACC | | 125,835 | | 129,015 | | 132,240 | | 135,546 |
| Xero Fees | | 600 | | 620 | | 636 | | 651 |
| Total Operating Expenses | | 298,925 | | 308,224 | | 315,927 | | 323,611 |
| Surplus (Deficit) Before Depreciation | | (1,044) | | (1,549) | | (5,773) | | (10,957) |
| Depreciation of Property, Plant, and Equipme | 19,100 | | | 17,200 | | 17,000 | | 17,000 |
| Total Expenses | | 318,025 | | 325,424 | | 332,927 | | 340,611 |
| Surplus (Deficit) | | (20,144) | | (18,749) | | (22,773) | | (27,957) |

| Caccia Birch Trust Board | | | | |
|--|--------------|----------------|----------------|-----------------|
| Forecast Statement of Cash Flows | | | | |
| For Years Ended 30 June 2020, 2021, and 2022 | | | | |
| | 2019 | 2020 | 2021 | 2022 |
| | \$ | \$ | \$ | \$ |
| Cash Flows from Operating Activities | | | | |
| Receipts from Council Operating Grants | 98,775 | 100,948 | 103,168 | 103,168 |
| Interest Receipts | 526 | 546 | 566 | 566 |
| Receipts from Other Revenue | 208,482 | 205,181 | 206,170 | 208,668 |
| Payments to Suppliers and Employees | (298,532) | (307,792) | (315,491) | (323,171) |
| GST(net) | 20 | 20 | 20 | 20 |
| <i>Net Cash Flow from Operating Activities</i> | 9,271 | (1,097) | (5,567) | (10,749) |
| Cash Flows from Investing and Financing Activities | | | | |
| Receipts from Sale of Investments | 13700 | 13,944 | 13,900 | 13,900 |
| Payments to Acquire Property, Plant & Equipment | | - | - | - |
| Payments to Acquire Investments | (12,000) | (13,900) | (13,900) | (13,900) |
| <i>Net Cash Flow from Investing and Financing Activities</i> | 1700 | 44 | - | - |
| Net Increase(Decrease) in Cash for the Year | 10,971 | (1,053) | (5,567) | (10,749) |
| Add Opening Bank Accounts and Cash | 20900 | 31,871 | 30,818 | 25,250 |
| Closing Bank Accounts and Cash | 31871 | 30,818 | 25,250 | 14,502 |
| | | - | - | - |
| Operating Surplus | -20144 | -18,749 | -22,773 | -27,957 |
| Depreciation | 19100 | 17,200 | 17,000 | 17,000 |
| Accounts Receivable Decrease/(Increase) | 0 | 0 | -250 | -253 |
| Accounts Payable Increase/(Decrease) | 393 | 432 | 436 | 440 |
| Net GST Increase/(Decrease) | 20 | 20 | 20 | 20 |
| Total | 8461 | -1,097 | -5,567 | -10,749 |
| Total per above | 8461 | (1,097) | (5,567) | (10,749) |
| Difference | 0 | (0) | 0 | 0 |

| Caccia Birch Trust Board | | | | |
|---|----------------|----------------|----------------|---------------|
| Forecast Statement of Financial Position | | | | |
| As At 30 June 2020, 2021 & 2022. | | | | |
| | 2,019 | 2020 | 2021 | 2022 |
| | | \$ | \$ | \$ |
| Assets | | | | |
| Current Assets | | | | |
| Bank Accounts and Cash | 31,061 | 30,818 | 25,250 | 14,502 |
| Debtors and Prepayments | 15,098 | 25,000 | 25,250 | 25,503 |
| Investments | 12,000 | 13,900 | 13,900 | 13,900 |
| Total Current Assets | 58,159 | 69,718 | 64,400 | 53,904 |
| Non-Current Assets | | | | |
| Property, Plant & Equipment | 102,647 | 70,980 | 53,980 | 36,980 |
| Total Assets | 148,078 | 148,727 | 126,409 | 98,913 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Creditors | 13,130 | 13,130 | 13,261 | 13,394 |
| Accrued Expenses | 11,110 | 13,888 | 14,026 | 14,167 |
| ANZ Credit Card | 222 | 202 | 204 | 206 |
| Secure Venue Fee | 2,222 | 2,222 | 2,244 | 2,267 |
| GST | 2,020 | 2,020 | 2,040 | 2,061 |
| Accrued Salaries and Wages | 2,767 | 3,953 | 3,993 | 4,033 |
| Accrued Leave | 10,201 | 10,201 | 10,303 | 10,406 |
| Total Current Liabilities | 41,673 | 45,616 | 46,072 | 46,533 |
| Total Liabilities | 41,673 | 45,616 | 46,072 | 46,533 |
| Total Assets Less Total Liabilities | 106,405 | 103,111 | 80,338 | 52,381 |
| Trust Equity | | | | |
| Accumulated Surpluses | 106,405 | 103,111 | 80,338 | 52,381 |
| Total Trust Equity | 106,405 | 103,111 | 80,338 | 52,381 |

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The Board has elected to apply PBE SFR-A Public Sector Entity Simple Format Reporting - Accrual on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

Changes in Accounting Policies: There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

(a) Tier 2 PBE Accounting Standards Applied

The Trust has not applied any Tier 2 Accounting Standards in preparing its financial statements.

(b) Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars (\$), and all financial information presented has been rounded to the nearest dollar.

(c) *Property, Plant & Equipment*

Property, plant and equipment are recorded at cost, less accumulated depreciation and impairment costs.

Donated assets are recognised on 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.

Donated Artwork had not been recognised because the values of the artwork are not readily available. For an asset to be sold, the asset is impaired if the market price of an equivalent asset falls below the carrying amount.

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:

| | |
|------------------------|-------------------|
| Plant & Equipment | 10 years (10%) |
| Leasehold Improvements | 10 years (10%) |

(d) *Goods & Services Tax*

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST.

(e) *Income Tax*

The Trust is exempt from taxation due to the charitable nature of its activities via the operation of Section CW 35 of the Income Tax Act 2004.

(f) *Revenue*

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 Deed. The Trust also receives other government assistance for specific purposes, and these grants usually contain restrictions on their use.

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sale of Goods and Services

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

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.

Donated Goods or Services Not Recognised

The Trust receives volunteer services at no charge.

Interest Revenue

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

(g) *Employee Related Costs*

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries, & leave entitlements.

Performance payments are recorded when the employee is notified that the payment has been granted. Superannuation contributions are recorded as an expense as staff provide services.

(h) *Advertising, Marketing, Administration, and Fundraising Cost*

These are expensed when the related service has been received. This does not include staff time spend on marketing activities.

(i) *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.

(j) *Investments*

Investments comprise investments in term deposits with banks.

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.

(k) *Lease Expenses*

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

(l) *Debtors & Prepayments*

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

(m) *Creditors & Accrued Expenses*

Accounts payable and accrued expenses are measured at the amount owed.

(n) *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.

(o) *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.

CACCIA BIRCH TRUST BOARD

CHAIRPERSON

GRANT O'DONNELL_____

DATE: 24th May 2019





Globe Theatre Trust Board
Statement of Intent
For 2019/20, 2020/21, 2021/22

Presented to
Palmerston North City Council
24 May 2019

Contents

| | |
|--|----|
| Contact details..... | 2 |
| Introduction..... | 3 |
| Background Information | 4 |
| Performance Measures..... | 9 |
| <ul style="list-style-type: none"> • Strategic Priority 1: Ensure that there are more, and more visible, arts and activities at the Globe that contribute to the Council's aspirations as an arts powerhouse. • Strategic Priority 2: Support the local performing arts community to showcase their diverse talents at the Globe • Strategic Priority 3: Maintain and develop facilities that enable our communities to produce and enjoy the very best performing arts that can be offered, ensuring that the Globe remains a cutting edge, visible and resilient cultural institution/facility. | |
| Forecast financial statements..... | 14 |
| <ul style="list-style-type: none"> • Statement of financial performance for the years ended 30 June 2020, 2021, 2022 • Statement of financial position for the years ended 30 June 2020, 2021, 2022 • Statement of changes in accumulated funds • Statement of cashflow for the years ended 30 June 2020, 2021, 2022 | |
| Summary of significant accounting policies..... | 17 |

Contact details

| | | | |
|--------------------|--|-----------------|--|
| Registered Office: | PO Box 132 | Legal Status: | The Globe Theatre Trust is a Council Controlled Organisation for the purposes of the Local Government Act 2002 and operates as a Charitable Trust under the Charitable Trusts Act 1957 and Charities Act 2005. |
| | Cnr Pitt St and Main St | | |
| | Palmerston North | | |
| Website: | www.globetheatre.co.nz | | |
| Phone: | 06 351-4409 | | |
| Email: | info@globetheatre.co.nz | | |
| Main Contact: | Maxine Dale | Second Contact: | Denise Servante |
| Role in CCO: | Chairperson | Role in CCO: | Manager |
| Email: | maxine@rcm.org.nz | Email: | denise@globetheatre.co.nz |

2

Introduction

The Globe Theatre Trust Board is pleased to present its draft Statement of Intent for the three-year period from July 2019. The Board continues to be driven by its vision of the Globe Theatre as a thriving hub for community performing arts in the cultural heart of the City. The Board has identified three strategic priorities to help it achieve this.

As primarily a venue for hire, the first strategic priority is, unsurprisingly, to increase the number of times that the venues are hired. Since the redevelopment in 2014, use of the complex has continued to grow. The Board is hopeful that this will continue but is mindful that this growth is unlikely to remain on its current steep trajectory. It therefore welcomes the opportunity to broaden its aspirations beyond maximising useage.

The provision of a first-rate community theatre in Palmerston North contributes significantly to Council's vision of a small city with big ambition, particularly through the goal of a creative and exciting city. The Board's second and third strategic priorities relate particularly to maintaining this "first-rate community theatre".

The second strategic priority relates to the "community" aspect. The Board aims to continue to build the relationship between the theatres and the many communities that call Palmerston North home. The focus remains on performing arts and the Board will work to ensure that, with the diversity of the Palmerston North communities, all are equally able to access the theatres for their cultural and celebratory events.

The third strategic priority relates to the "theatre" aspect. The Board has developed a robust capital and renewal programme and is working to ensure that this is fully funded and implemented. The programme takes a proactive approach to developing the equipment and technologies that are available to our hirers, whilst recognising that there is still a need to ensure that existing equipment is well-maintained and functional.

The Board remains grateful that the Council Asset Managers have worked closely with us to ensure a complete understanding of where each organisation's responsibilities in asset management start and finish and where we may each add value in the areas that overlap. We look forward to ongoing progress with the Globe 1 refurbishment in the next year or so.

The Council's leadership in identifying the encompassing vision of "small city benefits with big city ambition" is to be commended. We expect that leadership to continue to support the close and co-operative partnership that has developed between Council (elected members and staff), the Theatre Management (Board and staff) and other cultural organisations in the City.

Globe Theatre Trust Board,
May 2019

Background Information

Purpose of the Statement of Intent

This Statement of Intent is presented by The Globe Theatre Trust in accordance with the requirements of s 64(1) of the Local Government Act 2002.

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intention of The Globe Theatre Trust for the next three years, and the objectives to which those activities will contribute.

This SOI takes shareholder comments into consideration and includes performance measures and targets as the basis of organisational accountability.

Governance Statements

The Globe Theatre Trust is established and governed by the Globe Theatre Trust Deed, available on request from the contact officer.

Objectives of Globe Theatre Trust Deed

The objectives of the Trust Deed provide the framework for the Trust to control, develop, promote, enhance and maintain the Globe Theatre so that it may be used and enjoyed by the inhabitants of the Manawatu area including:

- Securing the future of the Globe Theatre.
- Preparing, in consultation with the Council, a Strategic Plan and an Annual Plan for attaining these objectives.
- Acknowledging the Globe Theatre as the home of the Manawatu Theatre Society.
- Ensuring the Globe Theatre remains accessible to the community (both physically and financially).
- Fostering a sense of community by encouraging youth, assisting amateurs, and promoting participation.

The primary objective of the Trust is to promote the performing 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 and governance

The Board of up to seven Trustees (5 appointed by Palmerston North City Council and up to 2 co-opted Trustees) is responsible for the strategic direction and control of The Globe Theatre Trust's activities. The Board guides and monitors the business and affairs of the Trust, in accordance with the Trustee Act 1956, the Local Government Act 2002, the Trust Deed and this Statement of Intent. The Board's approach to governance is to adopt "good practice" with respect to:

- the operation and performance of the Board, including being a good employer
- managing the relationship with the Theatre Manager
- being accountable to the community and reporting to the Palmerston North City Council

The Theatre Manager is responsible for the day-to-day operations of the Globe Theatre, engaging and oversight of staff/volunteers and reporting to the Trustees on performance against The Trust's objectives.

Extract from the Globe Theatre Trust Board strategic plan

CORE PURPOSE

- That the Globe Theatre is "home" to the local performing arts community within a City-wide cultural precinct.

VISION

- A dynamic, bustling, vibrant centre for the performing arts community in Palmerston North.

MISSION

- To be recognised as the most collaborative and co-operative organisation amongst the city's cultural organisations.

VALUES

- Customer Focus – we listen and understand the interests and important concerns of our internal and external stakeholders and business partners (patrons, hirers, suppliers).
- Teamwork – we work cooperatively with others to produce innovative solutions that meet the needs of all.
- Respect for others – we listen and respond constructively and promptly, we try to understand alternative points of view and accommodate these into our core business.
- Accountability – we focus on making things happen fast - solving problems and getting work done, we identify what needs to be done and take action before being asked or the situation requires it.
- Honesty and integrity - we will be straightforward in conducting ourselves and our business, we will be trustworthy, loyal, fair and sincere.

Contribution to small city benefits, big city ambition

Palmerston North is the heart of the Manawātū region within central New Zealand - a small city with a lot to offer, and ambitious about where it's going. The City Council vision is Palmerston North: Small city benefits, big city ambition.

Council has identified five strategic goals for achieving this vision and the Globe Theatre Trust contributes primarily to Goal 2: A creative and exciting city. Council has developed strategies to support achievement of its goals, and the Globe Theatre Trust contributes primarily to the Creative and Liveable Strategy. Within this Strategy, Council has identified priorities and the Globe Theatre Trust contributes primarily to Priority 3, to develop the city into an arts powerhouse with a national reputation for creativity and the arts, and to a lesser but still significant extent, Priority 4, to develop a national and international reputation as an exciting city with plenty to do at night and on weekends.

The Globe Theatre Trust also has a part to play in Goal 4: An eco-city, particularly in Priority 2 to work with Council to reduce carbon emissions.

The Globe Theatre Trust believes that its contribution to the Council's vision, strategic goals and underpinning strategies can be realized as it works towards its vision to deliver a dynamic, bustling, vibrant centre for the performing arts community in Palmerston North. It has in turn developed strategic objectives and strategies to support it to achieve this within the framework of its Trust Deed.

The Globe Theatre Trust's Strategic Objectives

The Trust Board has identified three strategic objectives which describe the change that it will endeavour to bring about to support the Council to develop the City into an arts powerhouse with a national reputation for creativity and the arts.

Firstly, it will ensure that there are more, and more visible, arts and activities at the Globe that contribute to the Council's aspirations as an arts powerhouse.

Secondly, it will support the local performing arts community to showcase their diverse talents at the Globe.

Thirdly, it will maintain and develop facilities that enable our communities to produce and enjoy the very best performing arts that can be offered, ensuring that the Globe remains a cutting edge, visible and resilient cultural institution/facility. In addition, the Board will encourage and support Council, as asset manager, to ensure that these developments incorporate incremental sustainability and environmental improvements to contribute to the reduction in CO2 emissions.

Nature and scope of activities of the Trust Board – what we do

To achieve its objectives, the Trust Board aims to:

1. Increase the number of events that take place at the Globe Theatre and the number of people who are involved in these events (actively organising or participating in a performance or performing art).

This will entail:

- Providing a seamless, customer-focused hire service that is responsive to the needs of hirers and is enabling and supportive.
- Ensuring that there are friendly, helpful and knowledgeable staff/volunteers who can support our hirers in delivering a successful event, whether it is negotiating an appropriate contract, advising on promotion, securing front of house/ushering volunteers or providing technical support.
- Encouraging national and international visiting productions and artists to perform at the venue.

2. Maximize the use of the venues by local community performing arts groups and events and to represent the diversity of the Palmerston North community.

This will entail:

- Undertaking community outreach and collaborating with other agencies and organisations to demonstrate how the Globe may contribute to their aspirations to showcase and develop their cultural heritage.
- Working particularly with community hirers to support them to showcase their cultural and performing arts heritage, ensuring that the venues are available and accessible for them and encouraging them to become regular users of the theatres.

3. Maintain the fixtures, fittings and theatre equipment to ensure it continues to offer a professional experience to all its clients/customers/users.

This will entail:

- Working with the local performing arts community to identify future needs and advancing technologies to support developing performing arts practice.
- Working closely with PNCC as the building owner, local suppliers with theatre specialisms and local philanthropic organisations which contribute necessary funding.
- Encouraging and supporting PNCC as the building owner, working closely with local suppliers with theatre specialisms and local philanthropic organisations, to incorporate low carbon choices.

How we operate

The team at the Globe Theatre are a passionate group of people driven to grow and develop the performing arts in the City and wider region. We recognise, and take responsibility for, our role in contributing to the common vision to develop the City into an arts powerhouse with a national reputation for arts and creativity. We will work to:

- Increase the culture of supporting performing arts events from the local community (residents and businesses) to grow the sector.
- Collaborate with all cultural organisations to support each other's contribution towards the common vision.
- Liaise effectively with a city council committed to and contributing to the common vision.
- Participate in decision-making – governance and operational – that is co-creational building trust and capacity within and between each collaboration partner.

In keeping with best management practice, The Globe Theatre Trust aims to operate efficiently and effectively, reducing any adverse impacts on the natural and built environment. The Theatre management will work towards zero waste in its operations and in developing technologies and processes which reduce the carbon footprint of the theatre's day-to-day operations.

As a future-focused organisation, we aim to promote the social and cultural well-being of our communities through participation in the arts. The Trust regularly reviews its internal processes, seeking continuous improvement in order to deliver value for money to the shareholders and the rate payer. As a Council Controlled Organisation (CCO), the Trust is also aware that much of its funding is derived from public monies and therefore all expenditure should be subject to a standard of probity and financial prudence that is to be expected of a CCO and be able to withstand public scrutiny. The Trust recognises the principles of the Treaty of Waitangi and acknowledges the importance of partnering with local Iwi and recognition of Tangata Whenua in the region.

The Trust is committed to the health and safety of all workers, volunteers, visitors and the public across its premises by undertaking all measures reasonably practicable to provide a safe working environment. The Trust believes that creating and maintaining a healthy work environment is a shared, co-operative venture, where employees, volunteers and employers have roles and responsibilities, including the maintenance of a balance between work and non-work activities. As such, the Trust will ensure it meets its obligations with respect to New Zealand laws and regulations and will undertake annual reviews based on established best practice guidelines.

Working together

HALF-YEARLY REPORT

By the end of February each year, The Globe Theatre Trust will provide the Council with a half-yearly report complying with s 66 of the Local Government Act 2002. The report will include the following information:

- Theatre Manager's commentary on operations for the relevant six-month period.
- Comparison of The Globe Theatre Trust's performance to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Un-audited half-yearly financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity and statement of cashflows.

ANNUAL REPORT

By 30 September each year, The Globe Theatre Trust will provide the Council with an annual report complying with ss 67–69 of the Local Government Act 2002. Financial statements and audit clearance will be provided in early August to ensure timely availability of PNCC's annual report.

The annual report will contain the information necessary to enable an informed assessment of the operations of The Globe Theatre Trust, and will include the following information:

- Commentary on operations for the year.
- Comparison of The Globe Theatre Trust's performance to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity, statement of cashflows, statement of accounting policies and notes to the accounts.
- Auditor's report on the financial statements and the performance targets.
- Any other information that the Trustees consider appropriate.

This Statement of Intent was approved by the Globe Theatre Trust Board on 20 May 2019.

Signed:



Maxine Dale,
Chairperson,
Globe Theatre Trust Board

Performance Measures

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

PERFORMANCE BASED USAGE:

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 USAGE:

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!

HOURS OF USE BY HIRERS

Approximate length of each usage from pack in to pack out (does not include box office or café opening hours)

NO. OF DISCREET PARTICIPANTS

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”

NO. OF VISITORS/AUDIENCE MEMBERS

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.

Strategic Priority 1: Ensure that there are more, and more visible, arts and activities at the Globe that contribute to the Council's aspirations as an arts powerhouse.

| Performance measure | Actual | | Target | | |
|----------------------------------|--|--------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 2017/18 | at 31 Dec 18 | 2019/20 | 2020/21 | 2021/22 |
| Number of usages | Result as at 31 Dec 2017 = 190 Result as at 30 June 2018 = 514 | 326 | 550 Commentary on issues | 600 Commentary on issues | 650 Commentary on issues |
| Number of performances | Result as at 31 Dec 2017 = 78 (41% of total usage) Result as at 30 June 2018 = 175 (34% of total usage) | 123 (38% of total usage) | 185 Commentary on issues | 200 Commentary on issues | 220 Commentary on issues |
| Hours of Use by Hirers | New measure Benchmarks to be established in 2018/19 | 1,268 | 2,200 Commentary on issues | 2,400 Commentary on issues | 2,600 Commentary on issues |
| No. of discreet participants | New measure Benchmarks to be established in 2018/19 | 878 | 1,400 Commentary on issues | 1,600 Commentary on issues | 1,750 Commentary on issues |
| No. of visitors/audience members | New measure Benchmarks to be established in 2018/19 | 10,860 | 22,000 Commentary on issues | 24,000 Commentary on issues | 26,000 Commentary on issues |

Strategic Priority 1 continued.

| Performance measure | Actual | | Target | | |
|--|---|--|--|--|--|
| | 2017/18 | at 31 Dec 2018 | 2019/20 | 2020/21 | 2021/22 |
| Maintain or improve satisfaction ratings of hirers | Result as at 30 June 2018 = 91% (n=35) | 81% (n=22) record an excellent rating, 15% good and 4% fair. | 2019/20 result maintained or improved – commentary on issues | 2020/21 result maintained or improved – commentary on issues | 2021/22 result maintained or improved – commentary on issues |
| Maintain or improve satisfaction ratings of visitors (audiences) Benchmark established for visitors up to July 2017 = 78% | Result as at 30 June 2018 = 79% (n=255) | 85% (n=62). | Provide annual result and commentary on any issues | Provide annual result and commentary on any issues | Provide annual result and commentary on any issues |
| Number of national and international visiting productions performing at the Globe | New measure | 11 | 10 | 12 | 15 |

Strategic Priority 2: Support the local performing arts community to showcase their diverse talents at the Globe, and working to ensure our users represent the diversity of the Palmerston North community.

| Performance measure | Actual | | Target | | |
|---|--|----------------|--|--|--|
| | 2017/18 | at 31 Dec 2018 | 2019/20 | 2020/21 | 2021/22 |
| Proportion of use driven through MOU arrangements. | New measure: Result at 31 May 2018 (11 months) = 51% | 47% | 65% | 70% | 70% |
| Proportion of MOU-driven use that is performance-based | 92% | 96% | 95% | 95% | 95% |
| Proportion of overall usage from established community users (Note 1) | New measure: Result at 31 May 2018 (11 months) = 31% | 33% | 2019/20 result maintained or improved – commentary on issues | 2020/21 result maintained or improved – commentary on issues | 2021/22 result maintained or improved – commentary on issues |
| Proportion of overall usage from new community groups (Note 2) | New measure: Result at 31 May 2018 (11 months) = 3.5% | 7.5% | 2019/20 result maintained or improved – commentary on issues | 2020/21 result maintained or improved – commentary on issues | 2021/22 result maintained or improved – commentary on issues |

Note 1: The target will be to reduce this proportion, aiming to convert regular community users to MOU arrangements

Note 2: Note will be made of the ethnic and cultural origin of users to monitor success in outreach programmes

Strategic Priority 3: Maintain and develop facilities that enable our communities to produce and enjoy the very best performing arts that can be offered, ensuring that the Globe remains a cutting edge, visible and resilient cultural institution/facility.

| Performance measure | Actual | | Target | | |
|--|---|---|--|--|--|
| | 2017/18 | at 31 Dec 2018 | 2019/20 | 2020/21 | 2021/22 |
| Carry out capital development programme | Fixed projector facilities in both theatres | Globe 1: New rig installation imminent | Globe 1: Digital lighting system. | Globe 1: New Roller door/backstage storage | Investigate digital signage options |
| Funding capital renewal programme from depreciation fund | New measure | New measure: Reforecast budget indicates 73% depreciation costs available for capital renewal | 67% depreciation costs available for capital renewal | 68% depreciation costs available for capital renewal | 60% depreciation costs available for capital renewal |

Forecast financial statements

Statement of financial performance for the years ended 30 June 2020, 2021, 2022

| | Actual 2018 | Reforecast 2019 | Indicative 2020 | Indicative 2021 | Indicative 2022 |
|---|----------------|--------------------|----------------------------|----------------------------|----------------------------|
| | | | 2% inflation adjustment | 2% inflation adjustment | 2% inflation adjustment |
| Revenue | | | | | |
| Donations, fundraising and other similar income | 40,540 | 80,996 | 97,601 | 20,000 | 16,500 |
| Council funding | 76,582 | 113,368 | 115,635 | 117,948 | 120,307 |
| Investment income | 105 | 297 | 300 | 350 | 400 |
| Sales of Goods and Services | 64,401 | 69,617 | 71,342 | 72,889 | 74,413 |
| Total Revenue | 181,628 | 264,278 | 284,878 | 211,187 | 211,620 |
| Expenditure | | | | | |
| Costs related to providing goods and services | 17,720 | 15,793 | 16,600 | 16,970 | 17,346 |
| Administration and Overhead Costs | 34,524 | 44,786 | 44,814 | 45,710 | 46,624 |
| Employee, Trustee and Contractor Costs | 93,880 | 88,336 | 98,250 | 100,215 | 102,219 |
| Other Expenses | 25,388 | 18,662 | 19,602 | 19,995 | 20,394 |
| Asset Write offs | 182 | 0 | 0 | 0 | 0 |
| Depreciation | 37,905 | 50,535 | 58,722 | 68,501 | 71,332 |
| Total Expenditure | 209,599 | 218,113 | 237,988 | 251,390 | 257,917 |
| Net surplus/(Deficit) Note 1 | -27,971 | 46,165 | 46,890 | -40,203 | -46,297 |

Note 1: Funding for capital additions and renewals is recorded as income whilst the corresponding expenditure is recorded as an increase in assets. Large capital programmes in 2019 and 2020 are reflected in the Net surplus in those years and consequently (through increased depreciation) in the Net deficit in the 2021 and 2022 financial years. The Globe Theatre Trust has traditionally not funded depreciation but is moving towards partially funding depreciation through this SOI period.

Statement of financial position for the years ended 30 June 2020, 2021, 2022

| | Actual 2018 | Forecast 2019 | Indicative 2020 | Indicative 2021 | Indicative 2022 |
|---|----------------|------------------|--------------------|--------------------|--------------------|
| Assets | | | | | |
| Bank | | | | | |
| Cash and Cash Equivalents | 32,908 | 14,005 | 15,443 | 15,421 | 19,446 |
| Total Bank | 32,908 | 14,005 | 15,443 | 15,421 | 19,446 |
| Current Assets | | | | | |
| Accounts Receivable | 9,882 | 16,699 | 17,000 | 17,000 | 17,000 |
| Provision for impairment | 0 | | | | |
| Accrued Revenue | 0 | 0 | 0 | 0 | 0 |
| GST Receivable | 0 | 0 | 0 | 0 | 0 |
| Prepayments | 0 | 1,108 | 1,200 | 1,200 | 1,200 |
| Sundry debtor accruals | 0 | 0 | 0 | 0 | 0 |
| Total Current Assets | 42,790 | 31,813 | 33,643 | 33,621 | 37,646 |
| Fixed Assets | | | | | |
| Property, Plant and Equipment | | | | | |
| Value of equipment purchased | 501,854 | 501,854 | 584,330 | 688,505 | 716,824 |
| Less accumulated depreciation | -273,805 | -324,340 | -383,063 | -451,563 | -522,896 |
| New Capital purchase | | 70,928 | 84,601 | 5,000 | 1,500 |
| Renewals | | 11,547 | 19,574 | 23,319 | 19,510 |
| Total Property Plant and Equipment | 228,049 | 259,989 | 305,442 | 265,261 | 214,938 |
| Total Fixed Assets | 228,049 | 259,989 | 305,442 | 265,261 | 214,938 |
| Total Assets | 270,839 | 291,802 | 339,085 | 298,882 | 252,584 |
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| Creditors and Other Payables | | | | | |
| Accounts payable | 12,935 | 16,699 | 17,000 | 17,000 | 17,000 |
| Income in advance | 0 | 0 | 0 | 0 | 0 |
| Grants in advance | 500 | 0 | 0 | 0 | 0 |
| Accrued Expenses | 11,686 | 0 | 0 | 0 | 0 |
| PAYE Payable | 1,451 | 1,107 | 1,199 | 1,199 | 1,199 |
| GST | 287 | 0 | 0 | 0 | 0 |
| Total Creditors & Other Payables | 26,859 | 17,806 | 18,199 | 18,199 | 18,199 |
| Employee Costs Payable | | | | | |
| Holiday pay liability | 3,200 | 0 | 0 | 0 | 0 |
| Wages accrual | 12,950 | 0 | 0 | 0 | 0 |
| Total Employee Costs Payable | 16,150 | 0 | 0 | 0 | 0 |
| Total Current Liabilities | 43,008 | 17,806 | 18,199 | 18,199 | 18,199 |
| Total Liabilities | 43,008 | 17,806 | 18,199 | 18,199 | 18,199 |
| Net Assets | 227,831 | 273,996 | 320,886 | 280,683 | 234,385 |

Statement of Changes in Accumulated funds for the years ended 30 June 2020, 2021, 2022

| | Actual 2018 | Forecast 2019 | Indicative 2020 | Indicative 2021 | Indicative 2022 |
|------------------------------|----------------|------------------|--------------------|--------------------|--------------------|
| Opening balance as at 1 July | 255,802 | 227,831 | 273,996 | 320,886 | 280,683 |
| Comprehensive Income | | | | | |
| Surplus/(Deficit) | -27,971 | 46,165 | 46,890 | -40,203 | -46,297 |
| Balance at 30 June | 227,831 | 273,996 | 320,886 | 280,683 | 234,385 |

Statement of cashflow for the years ended 30 June 2020, 2021, 2022

| | Actual 2018 | Forecast 2019 | Indicative 2020 | Indicative 2021 | Indicative 2022 |
|---|----------------|------------------|--------------------|--------------------|--------------------|
| Cash Flows from Operating Activities | | | | | |
| Donations and Fundraising | 34,516 | 80,996 | 97,601 | 20,000 | 16,500 |
| Receipts from Council grants | 76,582 | 113,368 | 115,635 | 117,948 | 120,307 |
| Receipts from sale of goods and services | 69,769 | 79,499 | 71,342 | 72,889 | 74,413 |
| Interest Received | 105 | 297 | 300 | 350 | 400 |
| Payments to Suppliers & staff | -157,266 | -210,587 | -179,266 | -182,890 | -186,584 |
| Goods and Services Tax (net) | 223 | | | | |
| Net Cash Flows from Operating Activities | 23,929 | 63,573 | 105,612 | 28,297 | 25,035 |
| Cash Flows from Investing Activities | | | | | |
| Purchase of Fixed Assets | -23,011 | -70,928 | -84,601 | -5,000 | -1,500 |
| Renewals | 0 | -11,547 | -19,574 | -23,319 | -19,510 |
| Sales of Fixed Assets | 0 | 0 | 0 | 0 | 0 |
| Net Cash Flow from Investing Activities | -23,011 | -82,476 | -104,175 | -28,319 | -21,010 |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 918 | -18,903 | 1,437 | -22 | 4,025 |
| Cash and Cash Equivalents at the start of the Year | 31,990 | 32,908 | 14,005 | 15,443 | 15,421 |
| Cash and Cash Equivalents at the End of the Year | 32,908 | 14,005 | 15,443 | 15,421 | 19,446 |

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.

Summary of significant accounting policies continued

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.

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.

STATEMENT OF INTENT

2019 - 2022

THE REGENT THEATRE TRUST

Prepared by: Charles Forbes, General Manager

Version 0.1



CONTENTS

Page

| | |
|---|---------|
| Directory | 2 |
| Chairpersons Commentary | 3 |
| Purpose of the Statement of Intent | |
| Our Mission Statement | 3 |
| Governance | 4 |
| Strategic Goals | 4 |
| Our Contribution | |
| Our Vision | 5 |
| City Vision | 5 |
| Our Strategic Objectives | 6 – 16 |
| Monitoring Indicators | 17 |
| How We Operate | 18 |
| Working Together | 19 |
| Financial Performance | |
| Statement of Revenue and Expenses | 20 |
| Statement of Financial Position | 21 |
| Statement of Cash Flow | 22 |
| Statement of Accounting Policies | 23 - 25 |



Our Directory

| | | |
|--|--|---|
| Come and see us at: | 53 Broadway Palmerston North New Zealand | |
| Mail, Phone or Fax us at: | PO Box 1723 Palmerston North Phone (06) 3502100 Fax (06) 3502108 | |
| Email and web addresses are: | manager@regent.co.nz www.regent.co.nz | |
| Registered office of the Trust: | c/- Palmerston North City Council Civic Administration Building The Square PO Box 11-034 Palmerston North | |
| Accountants | BDO Central (NI) Limited | |
| Legal Advisers | Fitzherbert Rowe Lawyers | |
| Bankers | ANZ Bank New Zealand Limited | |
| Auditors | Audit New Zealand on behalf of the office of the Auditor General | |
| General Manager | Charles Forbes | |
| Trust Board | David Lea (Chairperson) Susan McConachy (Deputy Chairperson) Rachel Corser (Secretary) Kane Parsons | Mark Mabbett Pat Snoxell Martin Carr Tania Kopytko Maurice Rowe |

Legal Status

The Regent Theatre Trust is a Council Controlled Organisation (CCO) for the purpose of the Local Government Act 2002 and operates as a Charitable Trust under the Charitable Trust Act 1957, Reg No CC41202. The theatre trades as the "Regent on Broadway" and is a not-for-profit CCO.

Chairperson's Commentary

Since reopening in May 1998 the Regent on Broadway has established itself as a leading live theatre venue in New Zealand. It is one of the most active, provincial live theatres in New Zealand and the focus of this Statement of Intent will be to continue to maintain and enhance this position. The plan for the three years ending June 2022 is to build on this success and to continue to maintain and, where possible, endeavour to increase the use of the venue to help make the city's vision a reality.

Purpose Statement

The Regent Theatre Trust is governed by its Trust Deed, which describes the purpose of the Trust as follows: *"To control, develop, promote, enhance and maintain the Regent Theatre so that it may be utilised and enjoyed by the inhabitants of the Manawatu area"*.

This Statement of Intent is presented by Regent Theatre Trust in accordance with the requirements of Section 64(1) of the Local Government Act 2002 (LGA 2002).

In accordance with the Local Government Act 2002, this annual Statement of Intent publicly states the activities and intentions of Regent Theatre Trust for the three year period ending June 2022, and the objectives to which those activities will contribute.

This Statement of Intent takes the Palmerston North City Council Vision Statement into consideration and includes performance measures and targets as the basis of organisational accountability.

Mission Statement:

The Regent on Broadway will be maintained and preserved as a valuable historic venue. The Regent on Broadway will be the preferred local venue of choice for international, national and local performing arts experiences that cater to diverse people of all ages.

Values:

- **Stewardship** - a commitment to quality care and oversight of the historic venue and its contents, heritage value and uniqueness and significance to the region.
- **Accountability** - through transparency, effective legal and financial management.
- **Integrity** - in maintaining high standards in a consistent way in accordance with ethically sound principles and actions.
- **Innovation** - continuous improvement through responding to change in an agile and responsive manner, such as advances in technology and changes in audience expectations.
- **Customer focused service** - ensuring that our contact with clients and patrons is always welcoming and hospitable, signifying a genuine commitment to providing them with a quality experience.
- Provide a good staff working environment.

Governance:

The Regent on Broadway is governed by the Regent Theatre Trust Incorporated. The trust is governed by a Board of Trustees. The Board of up to nine (currently eight) trustees is responsible for the strategic direction and control of Regent Theatre Trust activities. The Board guides and monitors the business and affairs of Regent Theatre Trust in accordance with the Regent Theatre Trust Deed and this Statement of Intent.

The Board's approach to governance is to adopt "best practice" with respect to:

- The operation and performance of Trustees.
- Providing ongoing support for the General Manager.
- Being accountable to all stakeholders and reporting to the Palmerston North City Council

The General Manager is responsible for managing the Regent Theatre Trust as well as the day-to-day operations of the Regent on Broadway.

Strategic Goals:

The Theatre's six strategic goals have been developed to provide a sound operational platform, thereby ensuring the theatre is in a strong financial and well-resourced position so as to enable the Regent on Broadway to fulfil its intended objectives.

Goal 1. To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawatu region.

Goal 2. To engage in effective collaboration with our stakeholders and clients, that enables the best customer experience.

Goal 3. To maintain and build organisational capability.

Goal 4. To develop a marketing and promotion strategy that maintains and builds audiences.

Goal 5. To secure continuity in the professional operations and financial sustainability of the Regent on Broadway.

Goal 6. To have an effective and pro-active governance team.



Our Contribution

Our Vision Statement:

To provide the most vibrant theatre going experience in an unforgettable venue of classical grandeur.

City Vision Statement:

Palmerston North is the heart of the Manawatu region within central New Zealand. We are a small city with a lot to offer, and we're ambitious about where we're going. The city's vision is Palmerston North: Small city benefits, big city ambition.

Palmerston North City Council has identified five strategic goals for achieving this vision:

Goal 1: An innovative and growing city

Goal 2: A creative and exciting city

Goal 3: A connected and safe community

Goal 4: An eco-city

Goal 5: A driven and enabling Council

The Regent on Broadway plays a critical part in delivering this vision. The activities of the Regent help to build Palmerston North's national and international reputation as a creative and exciting place to live, work and study. The Regent on Broadway and the Palmerston North City Council work collaboratively to ensure decisions and activities reflect the ambitions of the city and its residents.

We do this by supporting: vibrant and healthy communities; the development of local sustainable practice; the development of connected and safe communities; environmental sustainability; and securing the future of the venue.

1. We support a vibrant, creative and exciting city by programming and presenting the best live performances from all over the region, the nation and the world.
2. We support an innovative and growing city by working to secure the future one of New Zealand's most valued historic regional venues.
3. We support the development of connected and safe communities by fostering local sustainable practice within the performing arts sector; aiding the production of excellent theatre and the work of local performers; and through our community engagement activities and local events.
4. We support environmental sustainability through venue wide green initiatives.

Our Strategic Objectives

1) Support a vibrant, creative and exciting city

OBJECTIVE

By programming and presenting the best possible live performances from all over the region, the nation and the world.

The Regent on Broadway works to provide a mix of diverse performance, talent and entertainment. This builds on the reputation that Palmerston North is a vibrant, creative and exciting city and aligns with the theatre's operational strategy to explore new ways of attracting high quality performances and increasing diverse community use.

| Support a vibrant, creative and exciting city | | | | |
|--|---|--|---|---|
| Objective | Performance Measure | Actual | Target | |
| | | 2018/19 | 2019/20 | 2020/21 |
| By programming and presenting the best live performances from all over the region, the nation and the world. | To establish and nurture strong relationships with all local and regional theatre, dance and entertainment groups in the view to supporting productions of significance and to maintaining and operating an entrepreneurial fund to procure these and other events (by production participation) that would not otherwise come to the Regent on Broadway. | Work alongside existing arts/community partner organisations to bring to the theatre key productions that would otherwise not be performed in at the Regent on Broadway. Strategically source events that balance the existing programming. Investigate/assist with acquiring 1 significant new event. | That at least 1 major music/theatre production is presented by a local theatre group, and at least 2 smaller national/international events. | That at least 2 major music/theatre production is presented by a local theatre group, and at least 2 smaller national/international events. |

| Support a vibrant, creative and exciting city. | | | | |
|--|---|---|--|--|
| Objective | Performance Measure | Actual | Target | |
| | | | 2019/20 | 2020/21 |
| By programming and presenting the best live performances from all over the region, the nation and the world. | To maintain and nurture relationships with New Zealand's key national cultural icons (such as the Royal New Zealand Ballet, the New Zealand Symphony Orchestra and Creative New Zealand) so that the Regent on Broadway is a principal venue of choice when considering their programming each year. To communicate and liaise on a regular basis, with all national and international, commercial /professional event providers who have the potential to bring events to the Regent on Broadway. | To maintain existing relationships with key national and international performing arts organisations with the objective to improve the number of events performed. That not less than 55% of the Regent's auditorium hireage revenue is generated from commercial (non-community) use for this year. | That there are at least 3 seasons of a major ballet production and at least 1 major classical music concert by a full symphonic orchestra. | That there are at least 4 seasons of a major ballet production and at least 2 major classical music concert by a full symphonic orchestra. |
| | | | That not less than 58% of the Regent's auditorium hireage revenue is generated from commercial (non-community) use for this year. | That not less than 60% of the Regent's auditorium hireage revenue is generated from commercial (non-community) use for this year. |
| | | | That the total number of live nights is not less than 180. | That the total number of live nights is not less than 200. |
| | | That total attendances to all events held are not less than 92,800. | That total attendances to all events held are not less than 98,600. | That total attendances to all events held are not less than 102,500. |

| Support a vibrant, creative and exciting city. | | | | |
|--|---|---------|--|--|
| Objective | Performance Measure | Actual | Target | |
| | | 2018/19 | 2019/20 | 2020/21 |
| By programming and presenting the best live performances from all over the region, the nation and the world. | To source and develop relationships with national and international promoters and producers who may be or are in the process of producing or mounting a quality production or event and to encourage that producer or promoter to bring that production or event to the Regent on Broadway. | | That there are at least 40 live nights for this year in respect of the theatre's main auditorium at the theatre's full commercial (non-community) hireage rate. That a minimum of 32% of the total attendance numbers for all events at the Regent is in respect of commercial (non-community) events held in the theatre's auditorium. | That there are at least 43 live nights for this year in respect of the theatre's main auditorium at the theatre's full commercial (non-community) hireage rate. That a minimum of 32% of the total attendance numbers for all events at the Regent is in respect of commercial (non-community) events held in the theatre's auditorium. |
| | | | That there are at least 40 live nights for this year in respect of the theatre's main auditorium at the theatre's full commercial (non-community) hireage rate. That a minimum of 32% of the total attendance numbers for all events at the Regent is in respect of commercial (non-community) events held in the theatre's auditorium. | That there are at least 45 live nights for this year in respect of the theatre's main auditorium at the theatre's full commercial (non-community) hireage rate. That a minimum of 35% of the total attendance numbers for all events at the Regent is in respect of commercial (non-community) events held in the theatre's auditorium. |

2) Support an innovative and growing city

OBJECTIVE

Secure the future of New Zealand's most valued historic regional venue.

A city with a unique, well-designed and well-resourced venue such as the Regent on Broadway is a city that will achieve significant growth in the areas of performing arts and entertainment and thereby support an innovative and growing city. A venue of the splendour and calibre that is the Regent on Broadway can be the ultimate performance highlight for many young and new performers. It is also a desire of many professional entertainers to perform in venues of the grandeur and quality of the Regent on Broadway. The maintenance and conservation of the Regent on Broadway is therefore imperative so that the venue is sustained now and well into the future.

| Support an innovative and growing city. | | | | |
|---|---|--|--|---|
| Objective | Performance Measure | Actual | Target | |
| | | 2018/19 | 2019/20 | 2020/21 |
| Secure the future of New Zealand's most valued historic regional venue. | To provide a well-resourced and well-equipped amenity so as to attract a wide range of performances and events to the city. | Source the funding required to replace the current failing theatre sound system. Priority identified as the most significant upgrade since the total refurbishment of the theatre in the late 1900's. Funding of \$420,000 is required for this project and which requires funding through external sources. | Continuation of the sound system upgrade project. Source the funding required to replace the current failing theatre sound system (if the funding has not already been secured). | Continuation of the sound system upgrade project. Source the funding required to replace the current failing theatre sound system (if the funding has not already been secured). Review the theatre's equipment resource and to prioritise future projects of significance. Potential funding required \$100,000. |

| Support an innovative and growing city. | | | | |
|---|---|--|--|--|
| Objective | Performance Measure | Actual | Target | |
| | | | 2019/20 | 2020/21 |
| Secure the future of New Zealand's most valued historic regional venue. | <p>Working with and nurturing the relationship with the Friends of the Regent who are the principal funding providers that augment/update the regent's equipment so as to maintain a quality of service to all hirers, principally the theatres community users.</p> <p>Develop and promote events that reflect the architectural and/or historical significance of the venue and its significant point of difference as a venue.</p> | <p>Continue to develop and strengthen the relationship with the Friends of the Regent so as to maintain the funding of much needed equipment.</p> <p>That at least \$40,000 of capex funding is sourced/obtained for this year from sources such as the Friends of the Regent and other external providers of charity funding.</p> <p>Continue to source key events that are significant to the theatre's first opening or coincide with the Restoration and Refurbishment in the late 1900's.</p> <p>Support theatre tours in conjunction with the PNCC History week and re-evaluate for the future.</p> <p>Initiate 1 event to celebrate the theatre's historical significance..</p> | <p>Continue to develop and strengthen the relationship with the Friends of the Regent so as to maintain the augmenting and funding of much needed equipment.</p> | <p>Continue to develop and strengthen the relationship with the Friends of the Regent so as to maintain the augmenting and funding of much needed equipment.</p> <p>That at least \$40,000 of capex funding is sourced/obtained for this year from sources such as the Friends of the Regent and other external providers of charity funding.</p> <p>Continue to source key events that are significant to the theatre's first opening or coincide with the Restoration and Refurbishment in the late 1900's.</p> <p>Support theatre tours in conjunction with the PNCC History week and re-evaluate for the future.</p> <p>Initiate 1 event to celebrate the theatre's historical significance.</p> |
| | | | <p>Continue to develop and strengthen the relationship with the Friends of the Regent so as to maintain the augmenting and funding of much needed equipment.</p> <p>That at least \$40,000 of capex funding is sourced/obtained for this year from sources such as the Friends of the Regent and other external providers of charity funding.</p> <p>Continue to source key events that are significant to the theatre's first opening or coincide with the Restoration and Refurbishment in the late 1900's.</p> <p>Support theatre tours in conjunction with the PNCC History week and re-evaluate for the future.</p> <p>Initiate 1 event to celebrate the theatre's historical significance.</p> | <p>Continue to develop and strengthen the relationship with the Friends of the Regent so as to maintain the augmenting and funding of much needed equipment.</p> <p>That at least \$40,000 of capex funding is sourced/obtained for this year from sources such as the Friends of the Regent and other external providers of charity funding.</p> <p>Continue to source key events that are significant to the theatre's first opening or coincide with the Restoration and Refurbishment in the late 1900's.</p> <p>Support theatre tours in conjunction with the PNCC History week and re-evaluate for the future.</p> <p>Initiate 1 event to celebrate the theatre's historical significance.</p> |
| | | | <p>Continue to develop and strengthen the relationship with the Friends of the Regent so as to maintain the augmenting and funding of much needed equipment.</p> <p>That at least \$40,000 of capex funding is sourced/obtained for this year from sources such as the Friends of the Regent and other external providers of charity funding.</p> <p>Continue to source key events that are significant to the theatre's first opening or coincide with the Restoration and Refurbishment in the late 1900's.</p> <p>Support theatre tours in conjunction with the PNCC History week and re-evaluate for the future.</p> <p>Initiate 1 event to celebrate the theatre's historical significance.</p> | <p>Continue to develop and strengthen the relationship with the Friends of the Regent so as to maintain the augmenting and funding of much needed equipment.</p> <p>That at least \$40,000 of capex funding is sourced/obtained for this year from sources such as the Friends of the Regent and other external providers of charity funding.</p> <p>Continue to source key events that are significant to the theatre's first opening or coincide with the Restoration and Refurbishment in the late 1900's.</p> <p>Support theatre tours in conjunction with the PNCC History week and re-evaluate for the future.</p> <p>Initiate 1 event to celebrate the theatre's historical significance.</p> |

| Support an innovative and growing city. | | | | |
|---|--|---|---|---|
| Objective | Performance Measure | Actual | Target | |
| | | | 2019/20 | 2020/21 |
| Secure the future of New Zealand's most valued historic regional venue. | Working with Palmerston North City Council and all other stakeholders dedicated to continuing the appreciation of the heritage aspects of the Regent and overseeing the maintenance and preservation of such aspects to prevent degradation. Maintaining the category 1 Heritage New Zealand designation. | To meet general maintenance obligations that are required by the Trust Deed. In accordance with the asset management plan, implement the necessary maintenance and upgrading tasks identified for 2018/19, with skilled workers and consultants. Priority identified – repainting the Regency Room. | To meet general maintenance obligations that are required by the Trust Deed. In accordance with the management plan, implement the necessary maintenance and upgrading tasks identified for 2019/20, with skilled workers and consultants. Priority identified – Foyer and Auditorium carpet replacement Estimated replacement cost \$300,000. | To meet general maintenance obligations that are required by the Trust Deed. In accordance with the maintenance plan, implement the necessary maintenance and upgrading tasks identified for 2020/21, with skilled workers and consultants. Priority identified – Foyer and Auditorium carpet replacement Estimated replacement cost \$300,000 (if not undertaken in the previous year). |
| | | | To meet general maintenance obligations that are required by the Trust Deed. In accordance with the maintenance plan, implement the necessary maintenance and upgrading tasks identified for 2021/22, with skilled workers and consultants. Implement priorities identified. | |



3) Support the development of connected and safe communities

OBJECTIVE

Fostering local sustainable practice within the performing arts sector; aiding the production of excellent theatre and the work of local performers; and through our community engagement activities and local events.

Live performances provide wonderful entertainment. It can also be a means of investigating humanity, sharing stories, and examining our role in the local, political, and global community.

The Regent on Broadway supports the development of connected and safe communities by fostering local sustainable practice within the performing arts sector; aiding the production of excellent theatre locally and supporting the work of local performers; and through our community engagement activities and local events.

| Development of connected and safe communities | | | | |
|---|---|--|---|---|
| Objective | Performance Measure | Actual | Target | |
| | | 2017/18 | 2019/20 | 2020/21 |
| Fostering local sustainable practice within the performing arts sector. | To encourage local primary, intermediate and secondary schools, dance schools, also theatre educators and theatrical groups to take advantage of the theatre's significant capabilities and resources as a performance and learning space in respect to all aspects of the performing arts. | Work alongside existing arts/community partner organisations to maintain and develop the use of the theatre. Review current relationships and scope new relationships. To assist/support 10 school or educator programme productions. | Work alongside existing arts/community partner organisations to maintain and develop the use of the theatre and to encourage the use of the Regent on Broadway to all educators and educationalist programmes To assist/support 11 school or educator programme productions. | Continue to work alongside existing arts/community partner organisations to maintain and develop the use of the theatre and to encourage the use of the Regent on Broadway to all educators and educationalist programmes To assist/support 12 school or educator programme productions. |

| Development of connected and safe communities | | | | |
|--|---|--|--|--|
| Objective | Performance Measure | Actual | Target | |
| | | 2017/18 | 2019/20 | 2020/21 |
| Community Engagement. Migrant and Cultural Communities. | Investigate the recruiting of a full-time Community Engagement Officer to provide support and guidance to all current and potential community users so as to enable the full potential of the theatre that is available to community groups and organisations. To recognise the increase in the city's migrant community and to embrace the cultural diversity of this migrant community and also the increase in cultural performance of Maoritanga and Pacifica. | To communicate and engage with existing and any potential community users so as to improve community use of the theatre and to balance this with the existing programming. To assist with 2 iconic community events. | To communicate and engage with existing and any potential community users so as to improve community use of the theatre and to balance this with the existing programming. To assist with 2 iconic community events. | To communicate and engage with existing and any potential community users so as to improve community use of the theatre and to balance this with the existing programming. To assist with 3 iconic community events. |
| | | To scope new relationships and partnerships or collaborations with groups representing cultural diversity and to support and assist these groups with the presentation of their events. Taking into consideration culturally diverse events the theatre already assist, it is intended to assist with 2 additional culturally diverse events. | To scope new relationships and partnerships or collaborations with groups representing cultural diversity and to support and assist these groups with the presentation of their events. To maintain the number of culturally diverse events that were assisted in the previous year and to assist with 1 additional culturally diverse event. | To scope new relationships and partnerships or collaborations with groups representing cultural diversity and to support and assist these groups with the presentation of their events. To maintain the number of culturally diverse events that were assisted in the previous year and to assist with 1 additional culturally diverse event. |

| Development of connected and safe communities. | | | | | |
|--|--|--|--|--|--|
| Objective | Performance Measure | Actual | Target | | |
| | | | 2019/20 | 2020/21 | 2021/22 |
| Be recognised as the premier entertainment centre for the Manawatu region. | Support all events held and be well recognised throughout the region by having an excellent web based profile and up to the moment social media activities; Support and advise hirers with the venue's promotional opportunities and use the venues local advertisers and promotions resource portfolio to assist all events where able. | <p>Web site and social media profiles and activities to be consistently improved and updated.</p> <p>Improve existing and develop new relationships with all promotions and advertising agencies so as to provide up to the moment promotion and advertising services and advice to all hirers.</p> <p>Work with the regional support agencies to raise the profile of "What's On" in our region.</p> <p>95% visitor satisfaction rating obtained from the communitrak survey.</p> | <p>Web site and social media profiles and activities to be consistently improved and updated.</p> <p>Improve existing and develop new relationships with all promotions and advertising agencies so as to provide up to the moment promotion and advertising services and advice to all hirers.</p> <p>Work with the regional support agencies to raise the profile of "What's On" in our region.</p> <p>10% increase in social media engagement.</p> <p>95% visitor satisfaction rating obtained from the communitrak survey.</p> | <p>Web site and social media profiles and activities to be consistently improved and updated.</p> <p>Improve existing and develop new relationships with all promotions and advertising agencies so as to provide up to the moment promotion and advertising services and advice to all hirers.</p> <p>Work with the regional support agencies to raise the profile of "What's On" in our region.</p> <p>10% increase in social media engagement.</p> <p>95% visitor satisfaction rating obtained from the communitrak survey.</p> | <p>Web site and social media profiles and activities to be consistently improved and updated.</p> <p>Improve existing and develop new relationships with all promotions and advertising agencies so as to provide up to the moment promotion and advertising services and advice to all hirers.</p> <p>Work with the regional support agencies to raise the profile of "What's On" in our region.</p> <p>10% increase in social media engagement.</p> <p>95% visitor satisfaction rating obtained from the communitrak survey.</p> |

| Development of connected and safe communities. | | | | | |
|---|---|---|--|--|--|
| Objective | Performance Measure | Actual | Target | | |
| | | | 2017/18 | 2019/20 | 2020/21 |
| Supporting the production of excellent theatre locally and supporting the work of local performers. | Maintain and operate an entrepreneurial fund to enable financial assistance to be provided where considered appropriate to support major music/theatre productions from local theatre groups which will be performed at the Regent on Broadway. | Work alongside existing arts/community partner organisations to bring to the theatre key productions that would otherwise not be performed at the Regent on Broadway. Strategically source events that balance existing programming. Investigate/assist with acquiring 1 significant community event. | Work alongside existing arts/community partner organisations to bring to the theatre key productions that would otherwise not be performed in Palmerston North. Continue to strategically source events that balance existing programming. Investigate/assist with acquiring 2 significant community events. | Work alongside existing arts/community partner organisations to bring to the theatre key productions that would otherwise not be performed in Palmerston North. Continue to strategically source events that balance existing programming. Investigate/assist with acquiring 3 significant community events. | Work alongside existing arts/community partner organisations to bring to the theatre key productions that would otherwise not be performed in Palmerston North. Continue to strategically source events that balance existing programming. Investigate/assist with acquiring 3 significant community events. |



4) An Eco City

OBJECTIVE

Support environmental sustainability.

The Regent on Broadway is committed to the Palmerston North city's waste management and minimisation plan and will introduce strategy to reuse or reduce waste.

| Support environmental sustainability through venue-wide green initiatives. | | | | |
|--|--|---|--|--|
| Objective | Performance Measure | Actual | Target | |
| | | 2017/18 | 2019/20 | 2020/21 |
| Venue wide Green initiative | Develop relationships with contractors and suppliers that have strong environmental sustainability policies. Introduce processes that support good environmental practice. Introduce segregated waste collection so as to recycle and minimise the impact on landfill waste. Introduce the use of reusable/recyclable serving (glassware) containers. | To initiate a venue wide environmental sustainability policy that is in line with the city's environmental sustainability policy. | To investigate suppliers of services and products that are able to support the Regent on Broadway's environmental sustainability policy. Work with the venue volunteers and Friends of the Regent so as to achieve support and to put into practice the Regent on Broadway's environmental sustainability policy. | To manage and review the Regent on Broadway environmental sustainability policy. To further manage and review the Regent on Broadway environmental sustainability policy. |

MONITORING INDICATORS FOR 2019/20, 2020/21 AND 2021/22

| | Actual 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|--|-------------------|----------|---------------|---------------|
| By programming and presenting the best possible live performances from all over the region, the nation and the world. | | | | |
| The least number of major musical/theatrical productions performed by a community/local group. | 1 | 1 | 2 | 2 |
| The least number of smaller national/international musical /theatrical productions performed. | | 2 | 3 | 3 |
| Major ballet productions performed. | | 3 | 4 | 4 |
| Major classical music concert presented. | | 1 | 2 | 2 |
| Hireage revenue from commercial events in respect to total hireage revenue: Not less than. | 55% | 58% | 60% | 60% |
| Total number of live nights: Not less than. | 160 | 180 | 200 | 200 |
| Total attendances to all events held: Not less than. | 92,800 | 98,600 | 102,500 | 102,500 |
| Total live nights in the main auditorium at full commercial rates: Not less than. | | 40 | 43 | 45 |
| The percentage of total attendances to commercial (non-community) events held in the main auditorium: Not less than. | | 32% | 32% | 35% |
| Secure the future of New Zealand's most valued historic regional theatre | | | | |
| Secure funding for the theatre's main sound system upgrade. | \$420,000 | | | |
| Capital expenditure funding from the Friends of the Regent or other external funding providers: Not less than. | \$40,000 | \$40,000 | \$40,000 | \$40,000 |
| The number of events held to celebrate the theatre's historical significance. | 1 | 1 | 1 | 1 |
| Support the development of connected and safe communities by fostering local sustainable practice within the performing arts sector; aiding the production of excellent theatre and the work of local performers; and through our community engagement activities and local events. | | | | |
| The number of school or educator programmes assisted. | 10 | 11 | 11 | 12 |
| Iconic community events assisted: Not less than. | 2 | 2 | 2 | 3 |
| Culturally diverse events held: Not less than. | 2 | 2 | 3 | 4 |
| A significant community event assisted via funding from Regent on Broadway Promotions. | 1 | 2 | 2 | 3 |
| The percentage by which the theatre's social media engagement will increase by each year. | | 10% | 10% | 10% |
| Visitor satisfaction rating from the communitrak survey. | Not available | 95% | Not available | Not available |

How we operate

To be professionally operated and financially secure

The Regent Theatre Trust is committed to ensuring sound Governance and guidance in financial, legal, compliance, operational, management, and most of all, Health and Safety systems, and to ensure procedures are in place and reported against on a regular basis. To ensure the review of key policies and documentation occurs in accordance with the Trust's annual schedule such as the review of:

- Insurance policies
- Contracts
- Memorandums of understanding
- Operational Policies
- Health and Safety Policies, procedures and documentation
- Staff reviews

The review of personnel resourcing is also undertaken so as to ensure the Regent on Broadway is meeting the needs of new marketing initiatives and progressive methodology in theatre operations.

Staff training occurs in all areas of theatre operations and is reviewed on a regular basis.

- ETNZ guidelines in theatre technical operations and safe working practices.
- Marketing with a specific focus to supporting Social Media requirements.
- Health and Safety in all areas of theatre operations.

The Regent Theatre Trust also undertakes the review and implementation of the 3 year Strategic Plan, and to provide guidelines for a strategic marketing programme that is focused to supporting the Regent on Broadway's Social Media requirements.

Recognising volunteer input and support.

Liaising with the Friends of the Regent and encouraging the Friends in their activities of theatre assistance, event hosting, ushering and fund-raising and to support and nurture the input by the Friends and all volunteers and to recognise the value of the contribution to venue operational requirements.

Maintain the excellent communications and the goodwill that has been establish with the elected volunteer supervisory/management team that works alongside venue operations with the objective of continuing to maintain and improve venue hospitality, ushering and catering.

Attracting and nurturing volunteers that possess the knowledge and skills required to deliver the high level of experienced guidance needed for good and successful governance.

Working together

The preparation and approval of annual budgets so as to observe clear financial objectives and to prepare 3 year income and expenditure forecasts so as to meet statutory obligations and thereby informing our stakeholders of potential future financial outcomes.

Half-yearly report

By the end of February each year the Regent Theatre Trust will provide the Council with a half-yearly report complying with s 66 of the Local Government Act 2002. The report will include the following information:

- Manager's commentary on operations for the relevant six-month period.
- Comparison of the Regent on Broadway's performance to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Un-audited half-yearly financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity and statement of cashflows.

Annual report

By 30th September each year the Regent Theatre Trust will provide the Council with an annual report complying with ss 67–69 of the Local Government Act 2002. Financial statements and audit clearance will be undertaken in early August to ensure timely availability of PNCC's annual report.

The annual report will contain the information necessary to enable an informed assessment of the operations of the Regent on Broadway and will include the following information:

- Commentary on operations for the year.
- Comparison of the Regent on Broadway's performance to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity, statement of cashflows, statement of accounting policies and notes to the accounts.
- Auditor's report on the financial statements and the performance targets.

The Regent Theatre Trust

The Regent Theatre Trust is established and governed by The Regent Theatre Trust Deed; available on request from the Secretary to the Board c/o Palmerston North City Council.

SIGNATURES

This Statement of Intent was approved by The Regent Theatre Trust on:

Date:

Signed:

David Lea, Chairman, The Regent Theatre Trust



Regent Theatre Trust Board
Statement of Financial Performance
For the year ended 30 June 2019 - 30 June 2022

| | <u>2018-19</u> | <u>2019-20</u> | <u>2020-21</u> | <u>2020-22</u> |
|--|------------------|-----------------|------------------|------------------|
| TRADING ACCOUNT | | | | |
| Theatre Operations | 480,800 | 463,800 | 481,300 | 481,300 |
| Regent on Broadway Promotions | 80,000 | 80,000 | 80,000 | 80,000 |
| Event Ticketing Centre | 125,000 | 126,000 | 126,000 | 128,000 |
| Palmerston North City Council Funding | 231,039 | 234,188 | 237,381 | 240,618 |
| Grants received for capital expenditure | 420,000 | 0 | 85,000 | |
| Donations from Friends of the Regent | 63,000 | 63,000 | 63,000 | 63,000 |
| Total Trading Income | 1,399,839 | 966,988 | 1,072,681 | 992,918 |
| Gross Income | 1,399,839 | 966,988 | 1,072,681 | 992,918 |
| Add Other Income | | | | |
| Interest Received | 8,000 | 8,000 | 10,000 | 10,000 |
| Total Other Income | 8,000 | 8,000 | 10,000 | 10,000 |
| | 1,407,839 | 974,988 | 1,082,681 | 1,002,918 |
| LESS EXPENSES | | | | |
| Theatre Operations | 270,800 | 250,300 | 253,700 | 253,700 |
| Employee related expenses | 533,177 | 542,078 | 553,816 | 558,614 |
| Regent on Broadway promotions | 75,000 | 75,000 | 75,000 | 75,000 |
| Event Ticketing Centre | 32,800 | 28,800 | 27,700 | 27,700 |
| | 911,777 | 896,178 | 910,216 | 915,014 |
| Surplus/(deficit) before depreciation | 496,062 | 78,810 | 172,465 | 87,904 |
| Less Depreciation | 88,050 | 128,300 | 128,300 | 128,300 |
| Less Provision for Bad Debts | 0 | 0 | 0 | 0 |
| Surplus/(deficit) from trading | 408,012 | (49,490) | 44,165 | (40,396) |
| | ===== | ===== | ===== | ===== |

ACCOUNTANTS REPORT

This Statement has been prepared by us for the above client from records, information and instructions furnished by our client.
 As our instructions did not include an Audit, we have not audited the statement and therefore neither we nor any of our employees accept any responsibility for the accuracy of the material supplied from which the accounts have been prepared.
 Further, the Statement has been prepared at the request of and for the purpose of our client and neither we nor any of our employees accept any responsibility on any ground whatever to any other person.



Regent Theatre Trust Board
Statement of Forecast Cashflows
For the year ended 30 June 2019 - 30 June 2022

| | <u>2018-19</u> | <u>2019-20</u> | <u>2020-21</u> | <u>2020-22</u> |
|---------------------------------------|------------------|------------------|------------------|------------------|
| <u>OPERATING CASHFLOWS</u> | | | | |
| <u>CASH INFLOWS</u> | | | | |
| Income Banked | 1,644,561 | 1,138,869 | 1,233,583 | 1,141,856 |
| Interest Received | 8,000 | 8,000 | 10,000 | 10,000 |
| Total Cashflow Inflows | 1,652,561 | 1,146,869 | 1,243,583 | 1,151,856 |
| <u>CASH OUTFLOWS</u> | | | | |
| Theatre Operations | 311,420 | 287,845 | 291,755 | 291,755 |
| Employee related expenses | 533,177 | 542,078 | 553,816 | 558,614 |
| Regent on Broadway promotions | 86,250 | 86,250 | 86,250 | 86,250 |
| Event Ticketing Centre | 37,720 | 33,120 | 31,855 | 31,855 |
| Total Cash Outflows | 968,567 | 949,293 | 963,676 | 968,474 |
| Total Operating Cashflows | 683,994 | 197,576 | 279,907 | 183,382 |
| <u>NON OPERATING CASHFLOW</u> | | | | |
| Asset Purchases | (555,450) | (72,450) | (170,200) | (72,450) |
| GST Paid IRD | (73,718) | (82,192) | (81,629) | (82,399) |
| Total Non Operating Cashflows | (629,168) | (154,642) | (251,829) | (154,849) |
| <u>CHEQUE BANK ACCOUNT</u> | | | | |
| Opening Balance | 115,349 | 170,175 | 213,109 | 241,187 |
| Add Operating surplus / (deficit) | 683,994 | 197,576 | 279,907 | 183,382 |
| Add Non-operating surplus / (deficit) | (629,168) | (154,642) | (251,829) | (154,849) |
| Closing Balance | 170,175 | 213,109 | 241,187 | 269,720 |

ACCOUNTANTS REPORT

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Regent Theatre Trust Board
Statement of Financial Position
For the year ended 30 June 2019 - 30 June 2022

| | <u>2018-19</u> | <u>2019-20</u> | <u>2020-21</u> | <u>2020-22</u> |
|-----------------------------------|------------------|------------------|------------------|------------------|
| CURRENT ASSETS | | | | |
| Bank accounts and cash | 170,175 | 213,109 | 241,187 | 269,720 |
| Prepaid insurance | 7,859 | 7,859 | 7,859 | 7,859 |
| Debtors and production receivable | 82,409 | 55,576 | 55,576 | 55,576 |
| Prepayments | 11,500 | 11,500 | 11,500 | 11,500 |
| | 271,943 | 288,044 | 316,122 | 344,655 |
| INVESTMENTS | 238,405 | 238,405 | 238,405 | 238,405 |
| FIXED ASSETS | 709,706 | 644,406 | 664,106 | 598,806 |
| TOTAL ASSETS | <u>1,220,054</u> | <u>1,170,855</u> | <u>1,218,633</u> | <u>1,181,866</u> |
| CURRENT LIABILITIES | | | | |
| GST balance | 13,456 | 13,747 | 17,360 | 20,989 |
| Creditors and accrued expenses | 130,616 | 130,616 | 130,616 | 130,616 |
| Deposits in advance | 13,989 | 13,989 | 13,989 | 13,989 |
| Employee costs payable | 53,242 | 53,242 | 53,242 | 53,242 |
| | 211,303 | 211,594 | 215,207 | 218,836 |
| TOTAL LIABILITIES | <u>211,303</u> | <u>211,594</u> | <u>215,207</u> | <u>218,836</u> |
| NET ASSETS | <u>1,008,751</u> | <u>959,261</u> | <u>1,003,426</u> | <u>963,030</u> |
| EQUITY | | | | |
| Opening balance | 600,739 | 1,008,751 | 959,261 | 1,003,426 |
| Income for the year | 408,012 | (49,490) | 44,165 | (40,396) |
| Closing balance | <u>1,008,751</u> | <u>959,261</u> | <u>1,003,426</u> | <u>963,030</u> |
| TOTAL EQUITY | <u>1,008,751</u> | <u>959,261</u> | <u>1,003,426</u> | <u>963,030</u> |

ACCOUNTANTS REPORT

This Statement has been prepared by us for the above client from records, information and instructions furnished by our client.

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Further, the Statement has been prepared at the request of and for the purpose of our client and neither we nor any of our employees accept any responsibility on any ground whatever to any other person.

Regent Theatre Trust Inc. Statement of accounting policies For the year ended 30 June 2022

Accounting Policies Applied

Basis of preparation

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

Goods and Services Tax

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

Significant Accounting Policies

Revenue

Grants

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met (“use or return condition”). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sale of goods

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

Sale of services

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

Donated assets

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

Interest

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

Recoveries and commissions

Amounts disclosed in the Statement of Financial Performance consist of monies recovered from the theatre hirer for direct costs incurred during the hire period. These include labour, electricity and gas and staging expenses.

Employee Related Costs

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries, leave entitlements and lieu hours.

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

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

Advertising, marketing, administration, overhead, and fundraising costs These are expensed when the related service has been received.

Bank accounts and cash

Bank accounts, 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

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

Investments

Investments comprise investments in terms deposits with banks.

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 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:

| | | |
|------------------------|--------|---------------|
| Plant & equipment | 10-25% | Straight-line |
| Furniture & fittings | 20% | Straight-line |
| Piano | 5% | Straight-line |
| Leasehold improvements | 8.4% | Straight-line |

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

Employee costs payable

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date, lieu hours and annual leave earned but not yet taken at balance date.

Provisions

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation as a result 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 Regent Theatre Trust Inc. has been granted charitable status by the Inland Revenue Department, and therefore is exempt from income tax.

Tier 2 PBE Accounting Standards applied

The Trust has not applied any Tier 2 Accounting Standards in the preparing its financial statements.



Te Manawa

art science history PALMERSTON NORTH

STATEMENT OF INTENT

for

**TE MANAWA MUSEUMS
TRUST**

2019/20 – 2021/22

| CONTENTS | Page |
|---|------|
| ▶ Contact Details | 3 |
| ▶ Introduction..... | 4 |
| ▶ Our Vision, Mission and Values | 5 |
| ▶ Trust Objectives..... | 6 |
| ▶ Key Strategic Objectives | 8 |
| ▶ Key Priorities | 8 |
| ▶ Key Performance Indicators and planned activities | 9 |
| ▶ Governance Statements..... | 11 |
| ▶ Signatures..... | 11 |
| ▶ Budget: for the years ended 30 June 2020, 2021, 2022..... | 12 |

CONTACT DETAILS

| | | | |
|----------------------|--|---------------------------------------|--|
| Address | Te Manawa Museums Trust | Legal Status | Te Manawa Museums Trust is a Council-Controlled Organisation (CCO) for the purposes of the Local Government Act 2002 and operates as a charitable trust under the Charitable Trust Act 1957. |
| | Private Bag 11055 | | |
| | Palmerston North | | |
| Website: | www.temanawa.co.nz | | It is a not-for-profit CCO. |
| Phone: | (06) 355-5000 | | |
| Email: | enquiries@temanawa.co.nz | | |
| Main Contact: | Andy Lowe | Charities Registration number: | CC38836 |
| Role in CCO: | Chief Executive | List of trustees | John Fowke - Chair Geoffrey Jameson Nuwyne Te Awe Awe Mohi Sheridan Hickey Tyson Schmidt Paul McElroy Manu Kawana Sarah Bell |
| Phone: | 06 351-4492 | | |
| Email: | andy.lowe@temanawa.co.nz | | |

INTRODUCTION

Te Manawa is going through a period of consolidation where we are balancing our need to keep business as usual satisfying our core audiences with the need to keep an eye on the future. As we move forward we are always conscious that the PNCC objective to be 'a creative and exciting city' lies at the heart of our mandate. To deliver on this we return to our key focus areas, art, science and heritage. Combining these wider briefs with our close relationship with Rangitāne helps us to improve and innovate in ways and with relevance that single institutions are not able to do.

Museums worldwide are grappling with their collective futures and particularly in remaining vital and valuable to their communities. The public want deeper and more energetic access to their museums. They want to see and hear their stories told, in their own voices. They are right to demand inclusion, representation and participation. These make for personal experiences that touch them emotionally, inspire them creatively and give life and mana to their collective heritage and make for creative and exciting places to live.

For us, it is all about connection. People should feel passionate and excited about, and attached to Te Manawa, the collections we care for, and the experiences we shape with them.

We have started on this work and were recently fortunate to be selected by a leader in inclusive practice, the Museum of Art and History in Santa Cruz California, to join the OF/BY/FOR/ All programme to build on what we are doing now and in to the future. Our team are now assessing and evaluating the ways that their learnings from this programme can add to the value we deliver to our stakeholders and communities.

Te Manawa and PNCC are on a journey together that we have titled TM2025 – it is early days yet but significant progress has been made building towards the development of the concept for the future. This has the potential to shine a light on the path for museums in New Zealand and worldwide and we look forward to the continuation of this process.



John Fowke
Chair, Te Manawa Museums Trust

28 February 2019

Purpose of the Statement of Intent

This Statement of Intent is presented by Te Manawa Museums Trust in accordance with the requirements of Section 64(1) of the Local Government Act 2002.

In accordance with the Local Government Act 2002, this annual Statement of Intent publicly states the activities and intention of Te Manawa Museums Trust for the next three years, and the objectives to which those activities will contribute.

The final Statement of Intent will take shareholder comments into consideration and include performance measures and targets as the basis of organisational accountability.

About Te Manawa Museums Trust

PURPOSE

Amplifying possibilities

OUR VISION

A museum without boundaries

Museum without boundaries – is about busting through and reinventing the concept of a museum. It is where extremes and differences rub up against each other; where we are propelled into new dimensions, a place that provokes thinking. A place that can laugh out loud, do the unexpected, a place full of heart, a catalyst for collaboration.

MISSION

We will partner with communities, thought leaders, change makers and supporters, to inspire, broker and deepen connections among them, and with our worlds' tangible and intangible treasures, so that we can create and deliver relevant, engaging programmes and experiences with and for our communities.

Te Manawa will make a difference by:

- ▶ Connecting people with each other and unlocking the riches of our treasures and stories;
- ▶ Incubating ideas through collaboration and experimentation;
- ▶ Amplifying possibilities and potential, with and for our communities;
- ▶ Challenging boundaries, and responding proactively to change.

OUR VALUES

In order to be able to co-create an energetic, surprising museum with multiple communities we need to embody the following values:

Kaitiakitanga

We are passionate about the treasures we care for on behalf of the community, and their power to inform and transform us, now and into the future.

Courageous and experimental

We are committed to making a real and positive difference, thinking clearly and openly about how Te Manawa can best evolve to achieve this – and when and how we need to think outside the box, and be brave, daring and fearless in our thinking and actions.

Open and inclusive

The concept of *TĀTOU / WE* together is central to everything we do – acknowledging the mana of each person and the collective mana of all.

Open communication – the ability to listen actively, with respect, and to frame relevant questions that will unlock meaning, insights and value – underpins our culture.

Smart and strategic

Our responsibility to our communities means we are strategic about where we are going, and smart, rigorous and pragmatic about how we will get there.

Our decisions are based on prioritising and growing our resources and monitoring outcomes, with a focus on building our ability to impact and achieve sustainable success.

Generous and entrepreneurial

We believe our communities are part of a world full of the possibilities, talent, solutions and insight our future relies on. To realise this potential we are generous in our approach - our ability to have fun, enjoy life and value each other underpins the spirit of entrepreneurship that drives us forward.

OBJECTIVES OF THE TE MANAWA MUSEUMS TRUST DEED

Te Manawa Museums Trust Board is established and governed in accordance with the Te Manawa Trust Deed; available on request from the Executive Assistant of Te Manawa.

Established 30 August 1999

- To provide governance of an organisation which is a regional museum complex, advancing interest in art, heritage and science (including interactive science)
- To provide study, educational and enjoyment opportunities through acquiring, conserving, researching, communicating and exhibiting material evidence of people and their environment

- ▶ To develop, promote, enhance and maintain collections to make them relevant to the peoples of the Manawatu and New Zealand
- ▶ To recognise and act in accordance with the principles of the Treaty of Waitangi and to involve and give special attention to the history of the Tangata Whenua in the Region
- ▶ To ensure that the facility functions as a valued professional education resource and community asset for the citizens of Palmerston North and the Manawatu Region
- ▶ To encourage and support the kindred Societies in accordance with the objects of this Trust Deed
- ▶ To recognise the organisation's location in the Manawatu and to be aware of the Regional focus

STATEMENT OF THE BOARD'S APPROACH TO GOVERNANCE

The Board of up to seven independent directors is responsible for the strategic direction and control of Te Manawa's activities.

The Board guides and monitors the business and affairs of Te Manawa, in accordance with the Companies Act 1993, the Local Government Act 2002, the Company's Constitution and this Statement of Intent.

The Board's approach to governance is to adopt "good practice" with respect to:

- the operation and performance of the Board
- managing the relationship with the Chief Executive
- being accountable to shareholders and reporting to the Arts, Culture and Heritage Committee of Palmerston North City Council.

The Chief Executive is responsible for the day-to-day operations of Te Manawa, engaging and oversight of staff and reporting to the directors on performance against Te Manawa's performance objectives.

CONTRIBUTION TO SMALL CITY BENEFITS, BIG CITY AMBITION

Te Manawa received a letter of Expectation stating that council's objectives relating to Te Manawa are outlined in the Te Manawa Museums Trust Deed, and the Councils Arts and Culture and Heritage plans. The Culture and Heritage plan supports priority 2 of the Creative and Liveable Strategy which is to "celebrate the city's history and diversity and build on the strength of being a city with many cultures and languages," whilst the Arts Plan supports priority 3 of the Creative and Liveable Strategy which is to "develop the city into an arts powerhouse with a national reputation for creativity and the arts."

The Council wants:

- *There to be cutting edge, visible and resilient cultural institutions in the city*
- *Diversity of arts and cultural traditions of local communities to be supported and celebrated through a variety of arts seen in the city*
- *Expressions of cultural heritage to be more visible in the cityscape*
- *Opportunities to collaborate with and support the heritage sector to be realised*

STRATEGIC OBJECTIVES

FOR 2019/20, 2020/21 and 2021/22

The difference the Trust wants to make:

- *Te Manawa's reputation as a creative and vibrant organisation drives visitation to Palmerston North*
- *Te Manawa is future-proofed to allow the community to connect and co-create*
- *Te Manawa is a special place for Tangata Whenua*
- *Te Manawa celebrates diversity*
- *Te Manawa enhances the creativity of the community*
- *Te Manawa assists the art, heritage and science communities*

WHAT WE DO

Objective 1: Te Manawa's profile as a place with which to engage is maintained and enhanced

- *Develop experiences that attract over 100,000 physical visitors to Te Manawa*
- *Develop experiences and products that increase the Te Manawa profile*
- *Develop on-line experiences that attract increasing interest*

Objective 2 Te Manawa's relationship with Rangitāne is a priority

- *Implement Te Ahi Kaea*
- *Evolve relationship with Rangitāne in line with their post settlement aspirations*

Objective 3: Third party revenue generation and excellent visitor feedback statistics are a priority:

- *Short and long term fundraising strategies are developed and implemented*
- *High visitor satisfaction is maintained*
- *New ways of counting visitors are implemented and maintained*

Objective 4: Te Manawa is focussed on developing for the future.

- *Extend the reach of digital engagement*
- *Future museum principles established*
- *Creative and science communities engaged.*
- *Mature relationships with the societies*
- *Consider environmental impacts when planning*
- *Test ideas for future experimentation*

Objective 5: Prioritise staff development

- *Provide contemporary museum training*
- *Carry out staff engagement survey*

PERFORMANCE MEASURES

Te Manawa intends to increase emphasis on digital engagement. Numbers of physical visitors to Te Manawa will be lowered over the coming years in favour of higher numbers of on-line engagement. Digital engagement is far wider reaching and has the potential for engagement at a national and international scale.

KEY PERFORMANCE INDICATORS FOR 2019/20, 2020/21 and 2021/22

| 1 Te Manawa's profile as a place to visit is maintained | | | |
|--|---------|---------|---------|
| Performance Measures | Target | | |
| | 2019/20 | 2020/21 | 2021/22 |
| A high number of visitors to Te Manawa experiences | 170k | 170k | 170k |
| Exhibitions and products increase Te Manawa's profile across New Zealand and the world | 50k | 50k | 100k |
| On-line presence attracts increasing interest | 400k | 450k | 500k |
| TOTAL VISITS | 620k | 670k | 770k |

| 2 Te Manawa's relationship with Rangitāne is a priority | | | |
|--|--|--|---|
| Performance Measures | Target | | |
| | 2019/20 | 2020/21 | 2021/22 |
| Partner with Rangitāne to create more opportunities for Rangitāne with Te Manawa Develop Te Ahi Kaea (a Māori tourist attraction based on stories of Rangitāne told and performed at Te Manawa and marae) | 2,000 visitors to Te Ahi Kaea activities | 5,000 visitors to Te Ahi Kaea activities | 10,000 visitors to Te Ahi Kaea activities |

| 3 Third party revenue and visitor satisfaction ratings underpin Te Manawa's reputation and activities | | | |
|---|----------------|----------------|----------------|
| Performance Measures | Target | | |
| | 2019/20 | 2020/21 | 2021/22 |
| Develop and implement a strategy to increase third party revenue | \$651k | \$656k | \$656k |
| Maintain high levels of visitor satisfaction | 96%> satisfied | 96%> satisfied | 96%> satisfied |

| 4 The long term vision and service levels are supported by future-focussed public engagement and project implementation practices | | | |
|--|---|---|--|
| Performance Measures | Target | | |
| | 2019/20 | 2020/21 | 2021/22 |
| Develop foundational principles and establish a programme of projects that demonstrate community participation and experimentation | <p>Develop and deliver two examples that explore and test 'out-of-the-box' thinking, and new approaches</p> <p>Debrief and document learnings</p> | <p>Develop and deliver a further three examples to use and test concepts</p> <p>Debrief and document learnings</p> <p>Refine foundational principles to drive experimentation and inclusive practice</p> <p>Commence establishment of the Implementation Plan</p> | <p>Develop and deliver a further three examples to use and test concepts</p> <p>Debrief and document learnings</p> <p>Refine foundational principles to drive experimentation and inclusive practice</p> <p>Finalise the Implementation Plan</p> |

| 5 Staff development is a priority | | | |
|--|---|---|---|
| Performance Measures | Target | | |
| | 2019/20 | 2020/21 | 2021/22 |
| Develop and manage Human Resource systems aligning with and supporting the Te Manawa model and culture | All appropriate staff have annual Performance Reviews and agreed Development Plans for 2020/21 in place | All appropriate staff have annual Performance Reviews and agreed Development Plans for 2021/22 in place | All appropriate staff have annual Performance Reviews and agreed Development Plans for 2022/23 in place |
| Provide Te Reo Māori training | Provide Te Reo Maori training | Provide Te Reo Maori training | Provide Te Reo Maori training |
| Provide contemporary museum training | Provide contemporary museum training | Provide contemporary museum training | Provide contemporary museum training |
| Strengthen Staff engagement | Staff engagement survey carried out | Staff engagement survey carried out | Staff engagement survey carried out |

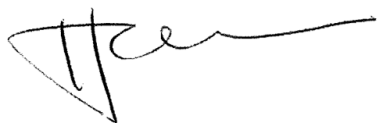
GOVERNANCE STATEMENTS

Te Manawa Museums Trust Board is established and governed by the Te Manawa Trust Deed; available on request from the Executive Assistant of Te Manawa.

SIGNATURES

This Statement of Intent was approved by the Te Manawa Museums Trust Board on:

Date: 28 February 2019

A handwritten signature in black ink, appearing to be 'J Fowke', written over a horizontal line.

John Fowke, Chair, Te Manawa Museums Trust Board



Te Manawa Museums Trust

**Statement of Intent (Financials)
For the years ended 30 June 2020, 2021 & 2022**

Contents

| | Page Number |
|---|-------------|
| Budget Assumptions and Comments | 15-16 |
| Operating Expenses by Function | 17 |
| Prospective Statement of Cash Balances and Reserves | 19 |
| Prospective Statement of Comprehensive Revenue and Expenses | 20 |
| Prospective Statement of Financial Position | 21 |
| Prospective Statement of Cash Flows | 22 |
| Statement of Accounting Policies | 23-35 |

Budget Assumptions and Comments:**Revenue****1. Palmerston North City Council (PNCC) Funding:**

2019/20: \$3,193,647 (2018/2019 plus 2.0%)

2020/21: \$3,257,520 (2019/2020 plus 2.0%)

2021/22: \$3,322,671 (2021/2022 plus 2.0 %)

As advised by PNCC.

2. Interest Revenue

Interest Income has been based on average bank balances of between the previous year and the current year. The interest rate used is a conservative 2.75%

3. Fundraising, Donation and Sponsorship Revenue & Expenditure

Revenue from Fundraising, Donations and Sponsorship is forecast to increase from the 2018/19 forecast. Te Manawa plans to develop a fundraising strategy and engage a Fundraiser to build the uncommitted reserves balance, 33% of the Net (i.e. after costs) will be retained.

4. Other Operating Revenue

Other Operating Revenue is forecast to decrease from the 2018/2019 budget, Projects and Events not captured in the budget as revenue or expenditure will be added to the forecast when a business case for each project/event is presented to the Leadership team and approved.

5. Net Collection Movements

The level of donated collection assets is maintained at prior years' level (\$25,000).

The prospective financial statements do not provide for a forecast net movement in the market value of the collection, due to data not being readily available for assumptions regarding the future market value of collections assets. Revaluation of collection assets is a non-cash item. The next revaluation of the Art Collection will take place during 2020/21 financial year and the Heritage Collection revaluation is planned to take place in 2019/20 financial year.

Expenditure**6. Payroll:**

The Payroll budget for 2019/20 incorporates requirements of the remuneration system adopted by Te Manawa.

7. **Museum Activities:**
Operating costs have been budgeted for the next three years based on current contractual commitments. Projects and Events not captured in the budget will be added to the forecast when a business case for each project/event is presented to the Leadership team and approved.

Museum Activities portion of operating expenditure is down against last year actual & budget, because spending is based on income that is reasonably certain. Further spending will be reliant upon fundraising, grants or sponsorship being obtained. The forecast shows the spending from the funds raised, under Sponsorship & Fundraising Expenses
8. **Occupancy Costs:**

Te Manawa has received notice of some suppliers' intention to increase costs. An inflation adjustment of 2.0% has been applied consistently.

General insurance costs (i.e. other than collection insurance) have been forecast based on actual quotes adjusted for inflation. The forecast energy is based on actual consumption trend adjusted for inflation.
9. **PNCC Leases and Service Level Agreements:**

It has been assumed that there will be no increase in charges from PNCC in relation to service level agreements – IT, vehicles and phones.
10. **Depreciation:**

The forecast depreciation for the next three financial years is based on the planned plant and equipment additions. (Refer to Note 13 for more information on planned capital expenditure).

Depreciation expense is forecast to decrease slightly in year 2019/20 from 2018/19 as a result of the semi-permanent exhibitions upgraded back in 2011 being fully depreciated by the end of the 2017/18 financial year.
11. **Operating Surplus/(Deficit) before Collection Movements:**

Operating net surplus has been budgeted for in 2019/20 \$84k: 2020/21 131k: & 21/22 \$165k. A valuation for the Heritage collection is due 2019/20 \$14k and for the Art Collection in 2021/22 \$3.4k

The table below provides an analysis of operating expenses by function:

| Operating Expenditure | Notes | Budget 2018/19 \$ | Forecast 2018/19 \$ <i>as at 31 Dec 2018</i> | Budget 2019/20 \$ | Budget 2020/21 \$ | Budget 2021/22 \$ |
|------------------------------------|-------|-------------------------|---|-------------------------|-------------------------|-------------------------|
| Other Operating Expenditure | | | | | | |
| Assets and Systems | 8,9 | | | | | |
| Facilities | | 281,266 | 271,770 | 277,846 | 283,179 | 288,619 |
| Corporate Services | | 158,313 | 175,428 | 157,682 | 159,301 | 160,952 |
| | | 439,579 | 447,198 | 435,528 | 442,480 | 449,571 |
| People & Partnerships | 7 | | | | | |
| Education | | 21,998 | 17,235 | 28,113 | 28,675 | 29,248 |
| Public Programmes and Events | | 36,009 | 34,233 | 36,735 | 37,470 | 38,219 |
| Communications | | 67,260 | 76,485 | 81,850 | 83,487 | 85,157 |
| Visitors' Host | | 42,020 | 42,684 | 41,476 | 29,824 | 32,268 |
| Volunteers | | 1,150 | 1,417 | 1,150 | 1,173 | 1,196 |
| | | 168,437 | 172,055 | 189,324 | 180,628 | 186,089 |
| Concepts & Engagement | 7 | | | | | |
| Collection | | 102,258 | 103,922 | 117,660 | 105,227 | 110,825 |
| Other operating expenditure | | 525,803 | 368,829 | 135,798 | 123,167 | 125,630 |
| | | 628,061 | 472,751 | 253,458 | 228,394 | 236,455 |
| Executive | | | | | | |
| Fundraising Expenditure | 3 | 10,897 | 10,013 | 300,000 | 300,000 | 309,333 |
| Kaihautu | | 11,200 | 8,487 | 10,000 | 10,200 | 10,404 |
| Other operating expenditure | | 241,155 | 311,911 | 71,755 | 73,150 | 74,573 |
| | | 263,252 | 330,411 | 381,755 | 383,350 | 394,311 |
| Payroll | 6 | 2,243,546 | 2,068,105 | 2,237,181 | 2,284,210 | 2,309,814 |
| Depreciation/Amortisation | 10 | 235,362 | 269,227 | 269,952 | 270,291 | 243,336 |
| Assets Written Off | | - | - | - | - | - |
| Total Operating Expenditure | | 3,978,237 | 3,759,747 | 3,767,198 | 3,789,354 | 3,819,575 |

STATEMENT OF FINANCIAL POSITION

12 Cash & Short Term deposits:

Cash & Cash Equivalents (including term deposits with a maturity of up to 3 months) are budgeted to increase by the amount of interest earned as reported in the Prospective Cash flow Statement.

A short term deposit with maturity of up to 6 months has been budgeted for during next year, in line with current forecast, to benefit from higher interest rate levels.

13. Planned Capital Expenditure:

A summary of the budgeted capital acquisitions by type of assets including Collections Assets Owned is presented below:

| Planned Capital Expenditure Summary | Budget 2018/19 \$ | Forecast 2018/19 \$ | Budget 2019/20 \$ | Budget 2020/21 \$ | Budget 2021/22 \$ |
|-------------------------------------|----------------------|------------------------|----------------------|----------------------|----------------------|
| Software | 20,000 | 5,000 | 16,000 | 24,000 | - |
| Leasehold Improvements | - | 11,443 | - | 16,000 | - |
| Information Technology | 28,000 | 33,688 | 56,770 | 25,600 | 27,000 |
| Exhibitions | 136,141 | 43,215 | 9,000 | 91,800 | 20,950 |
| Furniture & Fittings | 2,000 | 14,180 | 23,014 | 35,558 | 30,000 |
| Plant & Equipment | 108,932 | 117,028 | 93,978 | 30,000 | 5,000 |
| Collection Assets (Owned) | 25,000 | 25,000 | 25,000 | 25,000 | 50,000 |
| Total assets additions | 320,073 | 249,553 | 223,762 | 247,958 | 132,950 |

14. STATEMENT OF CASHFLOWS:

Forecast net cash flows from operating activities are sufficient to cover the planned capital expenditure for the planned 2019/20 financial year. The cash flow statement shows an increase in the cash held. The plan is to provide for an increase in uncommitted reserves.

Te Manawa has also planned for significant refurbishments of the semi-permanent exhibitions that will make the long term galleries more vibrant and engage more visitors. This, however, relies significantly on third party revenue and, thus, third party revenue will remain a focus.

15. STATEMENT OF CASH BALANCES & RESERVES:

| Endowment Fund | Balance 1/7/18 | Forecast at 30/06/19 | Budget transfers in/(out) | 2019/20 Budget | Budget transfers in/(out) | 2020/21 Budget | Budget transfers in/(out) | 2021/22 Budget |
|-----------------------|----------------|----------------------|---------------------------|----------------|---------------------------|----------------|---------------------------|----------------|
| Clevely Fund | 10,874 | 10,874 | - | 10,874 | - | 10,874 | - | 10,874 |
| Total Endowment Funds | 10,874 | 10,874 | - | 10,874 | - | 10,874 | - | 10,874 |

| Specific Reserves | Balance 1/7/18 | Forecast at 30/06/19 | Budget transfers in/(out) | 2019/20 Budget | Budget transfers in/(out) | 2020/21 Budget | Budget transfers in/(out) | 2021/22 Budget |
|---|----------------|----------------------|---------------------------|----------------|---------------------------|----------------|---------------------------|----------------|
| Collection Development | 25,247 | 25,247 | - | 25,247 | - | 25,247 | - | 25,247 |
| Historical Building Maintenance | 19,081 | 19,081 | - | 19,081 | - | 19,081 | - | 19,081 |
| Semi-Permanent Exhibition Development Reserve | 168,969 | 168,969 | - | 168,969 | - | 168,969 | - | 168,969 |
| Total Specific Reserves | 213,297 | 213,297 | - | 213,297 | - | 213,297 | - | 213,297 |

The budget does not include any reduction of the Reserves.

Te Manawa Museums Trust
Prospective Statement of Cash Balances and Reserves
For the Three Years Ended 30 June 2020, 2021 & 2022

| | Note | Budget 2018/19 \$ | Forecast 2018/19 \$ | Budget 2019/20 \$ | Budget 2020/21 \$ | Budget 2021/22 \$ |
|---|------|-------------------------|---------------------------|-------------------------|-------------------------|-------------------------|
| as at 31 Dec 2018 | | | | | | |
| Cash was provided from: | | | | | | |
| PNCC Grants | | 3,131,026 | 3,131,027 | 3,193,647 | 3,257,520 | 3,322,671 |
| MDC Grant | | 20,360 | 20,360 | 20,307 | 20,713 | 21,127 |
| Interest Received | | 10,000 | 12,498 | 6,236 | 10,532 | 13,282 |
| Fundraising & Sponsorship | | 303,000 | 150,667 | 355,000 | 355,000 | 365,000 |
| Other Revenue | | 476,739 | 305,487 | 269,890 | 270,087 | 256,998 |
| | | 3,941,125 | 3,620,039 | 3,845,080 | 3,913,852 | 3,979,078 |
| Cash was applied to: | | | | | | |
| Payroll | | 2,243,546 | 2,067,693 | 2,269,227 | 2,301,550 | 2,327,501 |
| Suppliers | | 1,423,004 | 1,221,727 | 1,211,334 | 1,211,334 | 1,242,677 |
| Purchase of Assets (Non Exhibition) | | 183,932 | 236,338 | 214,762 | 156,158 | 102,950 |
| Exhibitions - Semi Permanent / Outward Touring | | 136,141 | 43,215 | 9,000 | 91,800 | 30,000 |
| | | 3,986,623 | 3,568,973 | 3,704,323 | 3,760,843 | 3,703,128 |
| Net Cash Inflow/(Outflow) | | (45,498) | 51,066 | 140,756 | 153,010 | 275,950 |
| Opening Bank Balance | | 670,959 | 670,959 | 564,775 | 695,139 | 848,149 |
| Closing Bank Balance | | 625,461 | 722,025 | 705,532 | 848,149 | 1,124,099 |
| Represented By: | | | | | | |
| Cash Commitments: | | | | | | |
| Suppliers and Sundry Payables | | 205,834 | 190,000 | 190,000 | 190,000 | 190,000 |
| Capital Creditors | | - | - | - | - | - |
| Employee Entitlements | | 195,619 | 195,619 | 195,619 | 195,619 | 195,619 |
| GST Payable | | 55,000 | 55,000 | 55,000 | 55,000 | 55,000 |
| Finance Leases | | - | - | - | - | - |
| | | 456,453 | 440,619 | 440,619 | 440,619 | 440,619 |
| Less Operating Cash Receivable: | | | | | | |
| Customers and Sundry Receivables | | 107,000 | 107,000 | 107,000 | 107,000 | 107,000 |
| GST Receivable | | - | - | - | - | - |
| Interest Receivable | | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 |
| | | 108,600 | 108,600 | 108,600 | 108,600 | 108,600 |
| Endowment Funds | | | | | | |
| Clevely Fund | | 10,874 | 10,874 | 10,874 | 10,874 | 10,874 |
| | | 10,874 | 10,874 | 10,874 | 10,874 | 10,874 |
| Specific Reserves | | | | | | |
| Collection Development Fund | | 25,247 | 25,247 | 25,247 | 25,247 | 25,247 |
| Historical Building Maintenance Reserve | | 19,081 | 19,081 | 19,081 | 19,081 | 19,081 |
| Semi Permanent Exhibitions Dev & Revitalisation | | 168,969 | 168,969 | 168,969 | 168,969 | 168,969 |
| | | 213,297 | 213,297 | 213,297 | 213,297 | 213,297 |
| Working Capital Provision | 15 | 250,000 | 250,000 | 250,000 | 250,000 | 200,000 |
| Tagged Reserves & Commitments | | 822,024 | 806,190 | 806,190 | 806,190 | 756,190 |
| Untagged Reserves | | (196,562) | (84,165) | (100,658) | 41,959 | 367,909 |
| Total | | 625,461 | 722,025 | 705,532 | 848,149 | 1,124,099 |

Te Manawa Museums Trust
Prospective Statement of Comprehensive Revenue and Expenses
For Three Years ended 30 June 2020, 2021 & 2022

| | Notes | Actual 2017/18 \$ | Budget 2018/19 \$ | Forecast 2018/19 \$ <small>as at 31 Dec 2018</small> | Budget 2019/20 \$ | Budget 2020/21 \$ | Budget 2021/22 \$ |
|---|-------|-------------------------|-------------------------|---|-------------------------|-------------------------|-------------------------|
| Revenue | | | | | | | |
| PNCC Operational Grant | 1 | 3,063,626 | 3,131,026 | 3,131,027 | 3,199,909 | 3,263,907 | 3,329,185 |
| MDC Grant | | 20,000 | 20,360 | 20,360 | 20,307 | 20,713 | 21,127 |
| Interest Received | 2 | 20,505 | 10,000 | 12,498 | 6,236 | 10,532 | 13,282 |
| Fundraising & Sponsorship | 3 | 231,402 | 303,000 | 150,667 | 355,000 | 355,000 | 365,000 |
| Other Revenue | 4 | 387,380 | 476,739 | 310,487 | 269,890 | 270,087 | 256,998 |
| Total Revenue | | 3,722,914 | 3,941,125 | 3,625,039 | 3,851,341 | 3,920,239 | 3,985,593 |
| Expenditure | | | | | | | |
| Personnel Costs | 6 | 2,300,925 | 2,243,546 | 2,068,105 | 2,237,181 | 2,284,210 | 2,309,814 |
| Museum Activities | 7 | 892,273 | 1,125,428 | 1,058,894 | 600,481 | 569,935 | 586,736 |
| Occupancy Costs | 8 | 256,573 | 281,266 | 271,770 | 277,846 | 283,179 | 288,619 |
| PNCC Leases & SLA's | 9 | 81,738 | 81,738 | 81,738 | 81,738 | 81,738 | 81,738 |
| Spending from Fundraising | 3 | 12,000 | 10,897 | 10,013 | 300,000 | 300,000 | 309,333 |
| Depreciation/Amortisation | 10 | 386,794 | 235,362 | 269,227 | 269,952 | 270,291 | 243,336 |
| Assets Written Off | | - | - | - | - | - | - |
| Total Operating Expenditure | | 3,930,303 | 3,978,237 | 3,759,747 | 3,767,198 | 3,789,354 | 3,819,575 |
| Operating Surplus/(Deficit) Before Collection Movements | 11 | (207,389) | (37,112) | (134,708) | 84,143 | 130,886 | 166,017 |
| Collection Movement Income | | | | | | | |
| Custodial Assets | | 15,070 | 5,000 | 69,750 | 5,000 | 5,000 | 5,000 |
| Donated Assets | | 40,255 | 20,000 | 9,498 | 20,000 | 20,000 | 20,000 |
| Collection Movement Expense | | | | | | | |
| Custodial Assets Returned | | 3,776 | - | - | - | - | - |
| Collection Assets Deaccessioned | 1 | - | - | - | - | - | - |
| Net Collection Movements | 5 | 51,548 | 25,000 | 79,248 | 25,000 | 25,000 | 25,000 |
| Net Surplus/(Deficit) | | (155,840) | (12,112) | (55,460) | 109,143 | 155,886 | 191,017 |
| Other Comprehensive Revenue and Expenses | | - | - | - | - | - | - |
| Total Comprehensive Revenue and Expense | | (155,840) | (12,112) | (55,460) | 109,143 | 155,886 | 191,017 |
| Third Party Revenue Before Collection Income | | 659,288 | 810,099 | 494,012 | 651,432 | 656,332 | 656,407 |
| Third Party Revenue as % of total Income before Collections Income | | 18% | 21% | 14% | 17% | 17% | 16% |
| Third Party Revenue Including Collection Income | | 714,612 | 835,099 | 573,260 | 676,432 | 681,332 | 681,407 |
| Third Party Revenue as % of total Income. | | 19% | 21% | 15% | 17% | 17% | 17% |

Te Manawa Museums Trust

Prospective Statement of Financial Position

As at 30 June 2020, 2021 & 2022

| Notes | Actual 2017/18 \$ | Budget 2018/19 \$ | Forecast 2018/19 \$ <small>as at Dec 2018</small> | Budget 2019/20 \$ | Budget 2020/21 \$ | Budget 2021/22 \$ |
|--|-------------------------|-------------------------|--|-------------------------|-------------------------|-------------------------|
| Assets | | | | | | |
| <i>Current Assets</i> | | | | | | |
| Cash & Cash Equivalents 12 | 353,684 | 272,122 | 387,023 | 411,151 | 353,629 | 616,297 |
| Short Term Deposits | 317,275 | 326,000 | 176,752 | 282,988 | 493,520 | 506,802 |
| Stock of Merchandise | 52,526 | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 |
| Receivables | 37,093 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Interest Receivable | 4,125 | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 |
| Prepayments | 184,666 | 57,000 | 57,000 | 57,000 | 57,000 | 57,000 |
| Total Current Assets | 949,369 | 751,722 | 717,375 | 847,739 | 1,000,749 | 1,276,699 |
| <i>Fixed Assets</i> | | | | | | |
| Information Technology | 19,457 | 31,128 | 37,911 | 75,021 | 80,124 | 86,332 |
| Property Plant & Equipment | | | | | | - |
| Exhibitions | 445,458 | 481,564 | 384,485 | 305,151 | 308,290 | 247,486 |
| Furniture & Fittings | 96,126 | 72,987 | 82,242 | 78,750 | 85,219 | 90,687 |
| Leasehold Improvements | 99,281 | 77,088 | 88,942 | 67,136 | 60,371 | 45,276 |
| Plant & Equipment | 313,848 | 361,177 | 375,480 | 364,421 | 293,894 | 206,049 |
| Collection Assets (Owned) | 8,171,147 | 8,216,147 | 8,278,404 | 8,323,404 | 8,368,404 | 8,438,404 |
| Collection Assets (Custodial) | 8,265,211 | 8,270,213 | 8,270,211 | 8,275,211 | 8,285,211 | 8,290,211 |
| Work in Progress (Te Rangi Whenua) | 37,000 | 37,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Total Fixed Assets | 17,447,528 | 17,547,304 | 17,547,674 | 17,519,093 | 17,511,513 | 17,434,444 |
| <i>Other Non-Current Assets</i> | | | | | | |
| Intangible Assets - Software | 22,923 | 32,860 | 20,361 | 27,752 | 42,998 | 34,681 |
| Total Non-Current Assets 13 | 17,470,451 | 17,580,164 | 17,568,035 | 17,546,844 | 17,554,511 | 17,469,125 |
| Total Assets | 18,419,820 | 18,331,886 | 18,285,410 | 18,394,584 | 18,555,260 | 18,745,825 |
| <i>Current Liabilities</i> | | | | | | |
| Payables Under Exchange Transactions | 235,880 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 |
| Income Received in Advance) | 45,710 | 45,834 | 30,000 | 30,000 | 30,000 | 30,000 |
| Provisions | - | - | - | - | - | - |
| Employee Benefits | 195,619 | 195,619 | 195,619 | 195,619 | 195,619 | 195,619 |
| Interest Payable | - | - | - | - | - | - |
| GST Payable (Receivable) | 44,193 | 55,000 | 55,000 | 55,000 | 55,000 | 55,000 |
| Current Portion of Term Liabilities | - | - | - | - | - | - |
| Total Current Liabilities | 521,402 | 456,453 | 440,619 | 440,619 | 440,619 | 440,619 |
| <i>Non-Current Liabilities</i> | | | | | | |
| Employee Benefits | 3,266 | 3,366 | 3,266 | 3,266 | 3,266 | 3,266 |
| Total Non-Current Liabilities | 3,266 | 3,366 | 3,266 | 3,266 | 3,266 | 3,266 |
| Total Liabilities | 524,668 | 459,819 | 443,885 | 443,885 | 443,885 | 443,885 |
| <i>Equity</i> | | | | | | |
| Trust Equity | 10,753,635 | 10,597,692 | 10,597,792 | 10,544,165 | 10,658,338 | 10,814,015 |
| Retained Surplus Current Year | (155,841) | (12,112) | (53,627) | 109,173 | 155,677 | 190,564 |
| Asset Revaluation Reserve | 7,073,192 | 7,073,191 | 7,073,191 | 7,073,191 | 7,073,191 | 7,073,191 |
| Specific Reserves 15 | 213,293 | 213,296 | 213,296 | 213,296 | 213,296 | 213,296 |
| Endowment Funds 15 | 10,873 | | 10,874 | 10,874 | 10,874 | 10,874 |
| Total Trust Funds | 17,895,152 | 17,872,067 | 17,841,525 | 17,950,699 | 18,111,375 | 18,301,940 |
| Total Liabilities and Trust Funds | 18,419,820 | 18,331,886 | 18,285,410 | 18,394,584 | 18,555,260 | 18,745,825 |

e Manawa Museums Trust
Prospective Statement of Cash Flows
For the Three Years Ended 30 June 2020, 2021 & 2022

| Notes | Actual | Budget | Forecast | Budget | Budget | Budget |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2018/19 | 2018/19 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| | | | as Dec 2018 | | | |
| Cash Flows from Operating Activities | | | | | | |
| Cash was provided from: | | | | | | |
| PNCC Grants | 3,063,626 | 3,131,026 | 3,131,027 | 3,193,647 | 3,257,520 | 3,322,671 |
| Fundraising Activities | 231,402 | 303,000 | 150,667 | 355,000 | 355,000 | 365,000 |
| Other Revenue | 453,080 | 486,225 | 304,756 | 290,197 | 290,800 | 278,125 |
| Interest | 18,009 | 10,000 | 15,023 | 6,236 | 10,532 | 13,282 |
| | 3,766,117 | 3,930,251 | 3,601,473 | 3,845,080 | 3,913,852 | 3,979,078 |
| Cash was disbursed to: | | | | | | |
| Payroll | 2,246,472 | 2,235,019 | 2,067,693 | 2,269,227 | 2,301,550 | 2,327,501 |
| Suppliers | 1,347,743 | 1,507,856 | 1,372,218 | 1,221,727 | 1,211,334 | 1,242,677 |
| Interest | - | - | - | - | - | - |
| GST | -7,651 | - | (10,807) | - | - | - |
| Net Change in working Capital | - | (96,860) | - | - | - | - |
| | 3,586,564 | 3,646,015 | 3,429,103 | 3,490,954 | 3,512,885 | 3,570,178 |
| Net Cash Flows from Operating Activities* | 179,553 | 284,236 | 172,370 | 354,126 | 400,968 | 408,900 |
| Cash Flows from Investing Activities | | | | | | |
| Cash was provided from: | | | | | | |
| Sale of Assets | - | - | - | - | - | - |
| Reduction in reserves | - | - | 3 | - | - | - |
| Cash was disbursed to | | | | | | |
| Change in short Term Investments | 12,039 | 8,725 | (140,523) | 106,236 | 210,532 | 13,282 |
| Purchase of Intangible Assets - Software | 1,771 | 20,000 | 5,000 | 16,000 | 24,000 | - |
| Purchase of Leasehold Improvements | | | 11,443 | - | 16,000 | - |
| Purchase of Information Technology | 347,723 | 28,000 | 33,688 | 56,770 | 25,600 | 27,000 |
| Purchase of Exhibitions | | 136,141 | 43,215 | 9,000 | 91,800 | 30,000 |
| Purchase of Furniture & Fittings | | 2,000 | 14,180 | 23,014 | 35,558 | 20,950 |
| Purchase of Plant & Equipment | | 108,932 | 117,028 | 93,978 | 30,000 | 5,000 |
| Purchase of Collection Assets | 55,683 | 25,000 | 25,000 | 25,000 | 25,000 | 50,000 |
| Work in Progress | | - | 30,000 | | - | - |
| | 417,216 | 328,798 | 139,030 | 329,998 | 458,490 | 146,232 |
| Net Cash Flows from Investing Activities | (417,216) | (328,798) | (139,030) | (329,998) | (458,490) | (146,232) |
| Net Increase/(Decrease) in Cash Held | 14 | (237,663) | 33,339 | 24,128 | (57,522) | 262,668 |
| Opening Cash Balances | 591,347 | 316,684 | 353,684 | 387,023 | 411,151 | 353,629 |
| Closing Total Cash Balances | 353,684 | 272,122 | 387,023 | 411,151 | 353,629 | 616,297 |

* In accordance with generally accepted accounting practice, the cash inflow from grants to fund capital expenditure is disclosed under Cash Flows from Operating Activities, whilst the application of cash to fund capital expenditure is disclosed under Cash Flows from Investing Activities.

The accompanying notes and accounting policies form part of the prospective financial statements.

Notes to the Financial Statements

1 Statement of Accounting Policies

REPORTING ENTITY

Te Manawa Museums Trust (the Trust) is a charitable 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 and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint more than 50% of the Board of Trustees.

The Trust was incorporated on 20 August 1999, from that date, the Trust assumed responsibility for art works and heritage assets transferred to its care but held on behalf of others. From 1 July 2000 the Trust commenced leasing the premises and managing the institution under agreements entered into with the Palmerston North City Council. The principal place of business is 326-336 Main Street, Palmerston North.

The primary objective of the Trust is to provide interactive experience in art, science and history through acquiring, conserving, researching, developing, communicating and exhibiting material evidence of people and their environment, rather than making a commercial return. Accordingly, the Trust has designated itself as a public sector public benefit entity for the purposes of Public Benefit Entity Accounting Standards (PBE Standards).

BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

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 New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The financial statements comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards, as appropriate for Tier 2 public sector public benefit entities, for which all reduced disclosure regime exemptions, have been adopted.

The Trust qualifies as a Tier 2 Public Sector PBE reporting entity as it is not publicly accountable and not large, as for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure.

Measurement Base

The measurement basis applied is historical cost, modified by the revaluation of collection assets as identified in this summary of significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted.

There are no standards, amendments, and interpretations issued that are not yet effective and have not been early adopted, and which are relevant to the trust.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Revenue is measured at fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Revenue from Non-exchange transactions

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. In non-exchange transactions, the Trust either receives value from or gives value to another party without directly giving or receiving approximately equal value in exchange.

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller. Many of the services that the Trust provides for a fee are charged at below market value as they are subsidised by Palmerston North City Council operational grant, sponsorship, government/non-government grants. Other services operate on a cost recovery or breakeven basis and are not considered to reflect a market return. Most of the Trust's revenue is therefore categorised as non-exchange.

This includes PNCC grants, transfers from government/non-government entities, donations, donated/vested and custodial collection items, sponsorship, in kind sponsorship, revenue from services supplied at subsidised price.

Specific accounting policies for major categories of revenue from non-exchange transactions are outlined below:

Grants

Grants received from PNCC 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.

Revenues from non-exchange transactions with Council/other government/non-government entities are measured at fair value and recognised when the event occurs and the asset recognition criteria are met, if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Trust and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount if conditions of the grant are not met, deferred income is recognised instead of revenue, and recognised as revenue when conditions of the grant are satisfied.

Rendering of services

Revenue from the rendering of services is recognised when the transaction occurs to the extent that a liability is not also recognised. For these transactions the revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

All revenues from rendering of services are non-exchange, with the exception of revenue from Venue Hire which is classified as exchange transaction.

Vested or donated physical assets

Where a physical asset is gifted to or vested in the Trust for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Such income is recognised when control over the asset is obtained, unless there is a use or return condition attached to the asset.

The fair value of vested or donated physical assets is determined by reference to the market value of comparable assets available.

'In Kind' Sponsorship

The Trust receives sponsorship 'in kind' by way of goods and services provided at discounted or nil charge. Where the fair value of these goods and services can be reliably measured, the income (and expense) is recognised as 'sponsorship - in kind' in the period in which the goods or services are received or there is a binding arrangement to receive the goods.

Volunteer Services

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.

Revenue from Exchange transactions***Sales of goods***

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Trust.

Interest Income

Interest income is recognised using the effective interest method.

Advertising Costs

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

Borrowing Costs

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

Depreciation and amortisation

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

Leases

Finance Leases

a finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Trust will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit over the lease term as an integral part of the total lease expense.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are presented within borrowings as a current liability in the statement of financial position.

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of a receivable is established when there is objective evidence that the Trust will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the receivable is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of an impaired receivable is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Financial Assets

Financial assets are categorised into the following four categories: financial assets at fair value through surplus or deficit; held-to-maturity investments; loans and receivables; and financial assets at fair value through other comprehensive revenue and expense. The classification depends on the purpose for which each investment was acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

The fair value of financial instruments traded in active markets is based upon the quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows are used to determine fair value for the remaining financial instruments.

i. Financial Assets at Fair Value through Surplus or Deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading. After initial recognition they are measured at their fair values. Gains or losses due to change in fair value are recognised in the surplus or deficit.

Currently, the Trust does not hold any financial assets in this category.

ii. Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

iii. Held to Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets. After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Currently, the Trust does not hold any financial assets in this category.

iv. d) Financial Assets at Fair Value through Other Comprehensive Revenue and Expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into this category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Currently, the Trust does not hold any financial assets in this category.

Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and receivables, and held-to-maturity investments

Impairment is established when there is evidence that the Trust will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable, for any loss of service potential.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

Property, Plant and Equipment

Items of property, plant and equipment are stated at historical or deemed cost, less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that 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 initially recognised at its cost. Where 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 disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are presented net in the surplus or deficit.

Work in Progress

All assets constructed by Trust are initially recorded as work in progress. Work in progress is recognised at cost less impairment and it is not depreciated. Upon completion, these assets are transferred to their relevant asset class and depreciation commences.

Subsequent costs

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

The costs of day-to-day servicing of property, plant, and equipment are recognised as an expense as they are incurred.

(a) Furniture, Equipment and Exhibits

Furniture, equipment and exhibits (excluding art and heritage collections) are valued at cost less accumulated depreciation and impairment losses.

Depreciation

Assets are depreciated on a straight-line basis at rates that will write off their cost less any estimated residual value over the expected useful life of the asset. The useful lives of major classes of assets have been estimated as follows:

| | |
|------------------------|---------------|
| Computer Hardware | 1 to 5 years |
| Exhibitions | 2 to 10 years |
| Furniture & Fittings | 4 to 10 years |
| Leasehold Improvements | 4 to 10 years |
| Office Equipment | 4 to 10 years |
| Plant and Equipment | 4 to 20 years |

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

(b) Collection Assets

As the Heritage Collection and Art Collection assets are intended to have an indefinite life, they are held in trust in perpetuity for the benefit of the public.

The Heritage Collection and Art Collection have not been depreciated, as it is the Trust's policy to maintain the collections in their current state, in accordance with the Trust's Collection Policies.

All additions to the Heritage and Art Collection are recorded at cost. These additions will be revalued in accordance with the Trust's Valuation Policy. Donated objects are recorded at fair value, or depreciated replacement cost, or nil value if considered unrealisable or irreplaceable.

Custodial Collection Assets are objects within the Heritage and Art Collections not formally owned by the Trust, where the Trust has assumed all the rights and obligations of ownership. Within the Heritage Collection this is limited to items on loan for an indefinite period, excluding works on loan from other Museums and Cultural organisations. In relation to the Art Collection, the nature of artworks and anecdotal evidence suggests that there is a high likelihood of request for return of loaned assets, irrespective of the loan period, therefore only items on loan from the Te Manawa Art Society Inc. are recognised as custodial assets. These assets are held and maintained by the Trust by agreement with the owners.

Revaluation

The Art Collection assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by *Art + Object* Auckland as at January 2018. The Trust's policy is to revalue the Art Collection assets every three years.

The Heritage Collections assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by *Webb's* Auckland as at 30 June 2015. The Trust's policy is to revalue the Heritage Collection assets every five years to ensure that their carrying amount does not differ materially from fair value.

All other asset classes are carried at depreciated historical cost.

Accounting for Revaluations

The results of revaluing are credited or debited to an asset revaluation reserve. Where this results in a debit balance in the asset revaluation reserve, this balance is charged to the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in a previous year surplus or deficit, will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve.

Intangible Assets*Recognition and measurement*

Intangible assets are initially measured at cost, except for Intangible assets acquired through non-exchange transactions (measured at fair value).

All of the Trust's intangible assets are subsequently measured in accordance with the cost model, being cost (or fair value for items acquired through non-exchange transactions) less accumulated amortisation and impairment, except for the items which are not amortised and instead tested for impairment such as Intangible assets with indefinite useful lives, or not yet available for use. The Trust has no intangible assets with indefinite useful lives.

Software acquisition and development

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

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

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

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

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in surplus or deficit as incurred.

Amortisation

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each amortisable intangible asset. Amortisation begins when the asset is available for use and ceases at the date that the asset is disposed of.

The estimated useful lives are as follows:

| | |
|----------|--------------|
| Software | 1 to 7 years |
| Website | 3 to 5 years |

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment of property, plant and equipment and intangible assets

For the purpose of impairment of Property, plant and equipment and intangible assets, which are carried at cost less accumulated depreciation and impairment losses, the Trust classifies its items of property plant and equipment and intangibles as non-cash generating assets, as these are not held with the primary objective of generating a commercial return, but rather for service delivery purposes and to deliver to Trust's public benefit objectives. Property, plant, equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use for non-cash-generating assets

For Trust's non-cash generating assets, value in use is determined based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows. The Trust does not currently hold property plant and equipment and intangible assets in this category.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Creditors and Other Payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at their fair value plus transaction costs, if any. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are not expected to be settled within 12 months of balance date.

Employee Entitlements*Short-term employee entitlements*

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken at balance date. Sick leave has not been included, as the amount of accumulated sick leave that is anticipated to be taken in future periods is not considered to be material.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in 'finance costs'.

Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of 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.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

The Trust is exempt from Income Tax by virtue of its charitable status.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Trust's contributed capital;
- Retained earnings;
- Restricted reserves;
- Collections revaluation reserve;

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Trust. Restricted reserves include those subject to specific conditions accepted as binding by the Trust and which may not be revised by the Trust without reference to the Courts or a third party (i.e. endowment funds). Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Trust's decision. The Trust may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Trust.

Critical Accounting Estimates and Assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Property, Plant and Equipment Useful Lives and Residual Values

The Trust reviews the useful lives and residual values of its property, plant and equipment annually. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Trust to consider a number of factors including the physical condition of the asset, expected period of use of the asset by the Trust, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the surplus or deficit and the carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programmes;
- review of second hand market prices for similar assets; and
- analysis of prior asset sales.

The Trust has not made significant changes to past assumptions concerning useful lives and residual values.

Critical Judgements in applying the Trust's accounting policies

There have been no specific areas requiring management or Trustees to exercise critical judgement in applying the Trust's accounting policies for the period ended 30 June 2017.

PUBLIC BENEFIT ENTITY PROSPECTIVE FINANCIAL STATEMENTS (PBE FRS 42)

The Trust has complied with PBE FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

(i) Description of the nature of the entity's current operation and its principal activities

The Trust is a Council Controlled Organisation, as defined in the Local Government Act 2001. The Trust's principal activities are outlined within this Statement of Intent.

(ii) Purpose for which the prospective financial statements are prepared

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span over 3 years and include them within the Statement of Intent. The purpose of the Statement of Intent is to state publicly the activities and intentions of Te Manawa for the year and the objectives to which these activities will contribute. Prospective financial statements are revised annually to reflect updated assumptions and costs.

(iii) Bases for assumptions, risks and uncertainties

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Trust expects to take place. The Trust has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Statement of Intent.

(iv) Cautionary Note

The financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

(v) Other Disclosures

The **draft** prospective financial statements have been authorised by the Board for delivery to the Palmerston North City Council on 28 February 2019. The Trust is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The Statement of Intent is prospective and as such contains no actual operating results.

COMMITTEE WORK SCHEDULE

TO: Arts, Culture and Heritage Committee

MEETING DATE: 9 September 2019

TITLE: Committee Work Schedule

RECOMMENDATION(S) TO ARTS, CULTURE AND HERITAGE COMMITTEE

1. That the Arts, Culture and Heritage Committee receive its Work Schedule dated September 2019.

ATTACHMENTS

1. Work Schedule [↓](#) 

ARTS, CULTURE AND HERITAGE COMMITTEE

COMMITTEE WORK SCHEDULE – SEPTEMBER 2019

| Item No. | Estimated Report Date | Subject | Officer Responsible | Current Position | Date of Instruction/ Point of Origin |
|----------|----------------------------|---|--|---|---|
| 1 | June 2019 | Annual progress report on the development of a Military Heritage Theme across Council Programmes | General Manager, Strategy and Planning | On track | 25 June 2018 clause 20.2 |
| 2 | June 2019 | Annual Report on maintenance and renewal plans and budgets for cultural facilities | Chief Infrastructure Officer | | 25 June 2018 Clause 19.2 |
| 3 | February 2020 June 2019 | Report back on S17A review and outcomes | General Manager, Strategy and Planning | Workshop planned April 2019 | |
| 4 | June 2019 | Review of asset renewal process for the Regent Theatre Trust | Chief Financial Officer | | 15 April 2019 clause 40.7 |
| 5 | September 2019 | Final Statements of Intent for CCO's | General Manager – Community | | |
| 6 | September 2019 | Schedule of post WW100 Commemorative Events for 2019-2021 be added to the Arts Culture and Heritage work schedule | General Manager – Marketing and Communications | Recommend upcoming events be added to Council's What's On | 15 April 2019 clause 13.2 |
| 7 | TBA June September 2019 | Potential collaborative opportunities with external funding providers to increase the level of funding available to the arts sector | General Manager – Community | | 12 November 2018 clause 38.3 |
| 8 | November 2019 | Annual Report for CCO's | General Manager – Community | Annual report | |
| 9 | TBA | Issues and options report on the audit issues facing Council Controlled Organisations | Chief Financial Officer | Once outcome of S17A reviews are determined | 10 September 2018 clause 27.6 |
| 10 | TBA November/December 2019 | Status of the relationship between PNCC and NZ Rugby Museum | General Manager – Community | | Committee of Council 20 May 2019 clause 8.6 |
| 11 | TBA September 2019 | Revised consultation document for s17A review | General Manager – Strategy & Planning | | 17 June 2019 clause 24.1 |

With the conclusion of the WW100 Commemorative Events, the following events have been scheduled within the Events & Partnerships, and Library & Heritage workplans from July 2019-November 2020, under Programme 1157, Military Heritage Commemorations: *Please note that these may be subject to change*

- Armistice Day 11/11/2019
 - Traditional commemorative Armistice Day service at the Cenotaph, observing 2 minutes silence
 - Final Poppy Places commemoration for Palmerston North
 - Possible launch of Linton Poppy Places.
 - John Crawford Armistice Day Evening Lecture
- Evening Public Lecture Presentations (3-4 per year)
 - Partnership with Palmerston North Defence Heritage Advisory Group, Massey University (WW1 Centenary History Project and War History Heritage Art & Memory Network)
 - Aaron Fox August 27, 2019
 - Monty Soutar October, 2019 -TBC
- Poppy Places 2019
 - Final two designations assigned
 - Recognition of Palmerston North being the first city/town in New Zealand to complete the project.
- Local History Week November 2019 and November 2020
 - Programmes to be determined.
- Support the RSA and Manawatu History Teacher's Group youth speech/essay competition for Armistice and Anzac Day commemorations.
- Monthly midday military history presentation series (10 per year)
 - Partnership with Engineer Corps Memorial Centre.
- New Zealand Tattoo 04/04/2020
 - Main event at Arena
 - Battle of the Bridges 01/04/2020
 - Sounds and Salutes 03/04/2020

- 3 -

- The Library will be offering a programme of non-military activities that add to the Tattoo experience for residents and visitors.
- Anzac Day 25/04/2020
 - Dawn and Civic service at the Cenotaph.
 - *As per the recommendations accepted at April's Arts, Culture and Heritage committee meeting, event organisers sought feedback on the annual Dawn and Civic services to determine if an appetite exists for a combined service or to keep the status quo. Overwhelmingly feedback wanted to retain the two services.*
- Heritage Passport to Play 2020
- 75 Anniversary of VE Day 08/05/2020y.
- 75 anniversary of the bombing of Hiroshima 05/08/2020 (09/08/2020 Nagasaki).
 - Currently reaching out to the Japanese community to see if and how they want to acknowledge these anniversaries.
- Armistice Day 11/11/2020
 - Traditional commemorative Armistice Day service at the Cenotaph, observing 2 minutes silence
 - Armistice Day Evening Lecture

Going forward, the suggested framework for commemorations is prioritised as follows:

- Commemorate only significant anniversaries: 25, 50, 75, 100, 150, etc.
- For some anniversaries 80th will be considered as it is the last opportunity to commemorate with the people who were present for those events.
- Priorities determined by local, national or international significance.
 - Commemorations of national or international significance will follow the national or international lead.
 - Linton beginning their Poppy Places work – yet to decide how, when or where this will be commemorated.