



PALMERSTON NORTH CITY COUNCIL

AGENDA
ARTS, CULTURE & HERITAGE
COMMITTEE

9AM, WEDNESDAY 11 NOVEMBER 2020

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



MEMBERSHIP

Rachel Bowen (Chairperson)
Brent Barrett (Deputy Chairperson)
Grant Smith (The Mayor)

Zulfiqar Butt
Renee Dingwall
Lorna Johnson

Karen Naylor
Bruno Petrenas
Aleisha Rutherford

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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ARTS, CULTURE & HERITAGE COMMITTEE MEETING

11 November 2020

ORDER OF BUSINESS

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 - Caccia Birch Trust Board Page 7

6. Presentation - Creative Sounds (The Stomach) Page 9

7. Confirmation of Minutes Page 11

“That the minutes of the Arts, Culture & Heritage Committee meeting of 12 August 2020 Part I Public be confirmed as a true and correct record.”

8. Section 17A Review of Caccia Birch House Page 17

Report, presented by Julie Macdonald, Strategy & Policy Manager.

9. Cultural Council Controlled Organisations' Annual Reports 2019-20 Page 41

Memorandum, presented by Julie Macdonald, Strategy & Policy Manager.

10. Te Manawa Museums Trust Quarterly Update (1 July 2020 to 30 September 2020) Page 291

Memorandum, presented by Andy Lowe, Chief Executive, Te Manawa.

11. Statement of Expectation for Cultural Council Controlled Organisations 2021-22 Page 299

Memorandum, presented by Julie Macdonald, Strategy & Policy Manager.

12. Status and activities of the Arts Powerhouse Group Page 331

Memorandum, presented by Joann Ransom, Community Development Manager.

13. Committee Work Schedule Page 337

14. 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.

[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 & Heritage Committee

MEETING DATE: 11 November 2020

TITLE: Presentation - Caccia Birch Trust Board

RECOMMENDATION(S) TO ARTS, CULTURE & HERITAGE COMMITTEE

- 1. That the Arts, Culture & Heritage Committee receive the presentation for information.**

SUMMARY

Mr Grant O'Donnell, Chairperson, Caccia Birch Trust Board will make a presentation regarding the Section 17A Review of Caccia Birch House.

ATTACHMENTS

Nil

PRESENTATION

TO: Arts, Culture & Heritage Committee

MEETING DATE: 11 November 2020

TITLE: Presentation - Creative Sounds (The Stomach)

RECOMMENDATION(S) TO ARTS, CULTURE & HERITAGE COMMITTEE

- 1. That the Arts, Culture & Heritage Committee receive the presentation for information.**

SUMMARY

Mr Harry Lilley will make a presentation regarding Creative Sounds, including its role as a connector in the community and any issues and/or opportunities seen within the sector.

ATTACHMENTS

Nil

PALMERSTON NORTH CITY COUNCIL

Minutes of the Arts, Culture & Heritage Committee Meeting Part I Public, held in the Elwood Room, Conference & Function Centre, 354 Main Street, Palmerston North on 12 August 2020, commencing at 9.00am

Members Present: Councillor Rachel Bowen (in the Chair), The Mayor (Grant Smith) and Councillors Brent Barrett, Zulfiqar Butt, Renee Dingwall, Lorna Johnson, Karen Naylor and Bruno Petrenas.

Non Members: Councillors Susan Baty, Vaughan Dennison, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan and Aleisha Rutherford.

Apologies: Councillors Susan Baty (early departure) and Lew Findlay.

Councillor Tangi Utikere was not present when the meeting commenced at 9.00am. He was not present for clause 14.

Councillor Billy Meehan was not present when the meeting resumed at 3.06pm. He was not present for clauses 21 and 22 inclusive.

14-20 Apologies

Moved Rachel Bowen, seconded Patrick Handcock ONZM.

The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

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

For:

The Mayor (Grant Smith) and Councillors Rachel Bowen, Brent Barrett, Susan Baty, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

The meeting adjourned at 9.01am.

The meeting resumed at 1.45pm.

Councillor Tangi Utikere was present when the meeting resumed.

15-20 Military Heritage Update 2019/20

Memorandum, presented by David Murphy, City Planning Manager.

Moved Rachel Bowen, seconded Brent Barrett.

The COMMITTEE RESOLVED

1. That the memorandum entitled 'Military Heritage Update 2019/20'

reported to the Arts, Culture & Heritage Committee on 12 August 2020, be received.

Clause 15-20 above was carried 14 votes to 1, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Rachel Bowen, Brent Barrett, Susan Baty, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

Against:

Councillor Lorna Johnson.

16-20

Presentation - Palmerston North Heritage Trust

Ms Margaret Tennant provided an update regarding the role of the Palmerston North Heritage Trust.

The Trust was established in 1997 by Sir Brian Elwood, the result of a small bequest, 'to encourage public awareness of the need to develop, maintain, preserve, store and exhibit archival material and other records of historical significance connected with or relating to the City of Palmerston North and the surrounding region'. It was administered by a committee of nine on behalf of Palmerston North City Council. Periodically the Trust received additional funds to carry out some of their work.

The Trust had a range of activities, mainly around promoting history and acknowledging the work of local historians. The Trust produced a historical calendar on a particular theme each year to show the community that photographs on Manawatu Heritage are historical sources of interest and that Manawatu Heritage is an important place for the city's history. More and more historians throughout New Zealand were now using Manawatu Heritage as a source of illustrations for broader history.

The Trust acknowledged the work of local historians through several awards including Local Historian of the Year, along with special recognitions for contribution to history in the local area.

The Trust made grants and other supports including organising and hosting an annual meeting of history groups, small grants to projects (eg. Savage Crescent signage, Garry O'Neill's books on Palmerston North suburbs), and in previous years a prize to secondary school student projects using local history resources, to ensure students are getting into local history. The Trust was currently working with Massey, Te Manawa and local history teachers to put together a package for teachers. Last year the Trust organised digitisation of Massey theses and research exercises on Manawatu, and the Trust applied for external grants for projects.

The Trust had sponsored a book entitled 'City at the Centre – A history of Palmerston North'; advance copies were expected soon.

The Trust was planning to organise a conference on local history next year as its contribution to sesquicentennial events.

Moved Rachel Bowen, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

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

Clause 16-20 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Rachel Bowen, Brent Barrett, Susan Baty, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

17-20

Presentation - Manawatu Theatre Society & Manawatu Youth Theatre

Mr Graham Johnston, Chair of Manawatu Theatre Society, provided an update regarding the programme of activity for Manawatu Theatre Society (MTS) and Manawatu Youth Theatre (MYTH).

MTS was formed in 1903 and presented musicals and plays. MTS was a constitutional member of the Globe Theatre and had been housed there since 1982. Current plans included an updated Pirates of Penzance show and supporting Globe events including providing front of house staff for shows, etc. Plans for 2021 included a play in April, One Act Play Festival in June and a Christmas musical in November. MTS had traditionally presented a children's musical also but these were now being produced by MYTH.

MYTH was founded by Graham in 2017 with its first production in 2018. Core values included being community focussed, accessible (cost free), safe and fun. Three shows had been produced to date: Seussical Jr., Alice in Wonderland Jr. and The Little Mermaid Jr. In addition to staging one major production per year, MYTH ran free audition workshops and provided community performance opportunities, including assisting community groups with equipment, etc. MYTH productions were staged by a Youth creative team, youth technical crew and a young costume designer, providing great opportunities for youth leadership. This year a group of students would be representing Manawatu at the New Zealand Junior Theatre Festival.

Plans for next year included renovations to the rehearsal room at the Globe to turn it into a teaching space, and recent engagement with local Pacific Island and Maori community leaders regarding producing Moana Jr. as a full Maori/Pacific Island production at the Regent in April 2021.

Moved Rachel Bowen, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

PALMERSTON NORTH CITY COUNCIL

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

Clause 17-20 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Rachel Bowen, Brent Barrett, Susan Baty, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

18-20

Confirmation of Minutes

Moved Rachel Bowen, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

1. That the minutes of the Arts, Culture & Heritage Committee meeting of 10 June 2020 Part I Public be confirmed as a true and correct record.

Clause 18-20 above was carried 13 votes to 0, with 2 abstentions, the voting being as follows:

For:

Councillors Rachel Bowen, Brent Barrett, Susan Baty, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

Abstained:

The Mayor (Grant Smith) and Councillor Leonie Hapeta.

19-20

Cultural CCOs Final Statements of Intent 2020-23

Memorandum, presented by Julie Macdonald, Strategy & Policy Manager.

During discussion Elected Members requested that the Statement of Intent for Te Manawa Museums Trust Board be considered separately.

Moved Rachel Bowen, seconded Brent Barrett.

The **COMMITTEE RECOMMENDS**

1. That the memorandum entitled 'Cultural CCOs Final Statements of Intent 2020-23' reported to the Arts, Culture & Heritage Committee on 12 August 2020, be received.

Clause 19.1 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Rachel Bowen, Brent Barrett, Susan Baty, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

Moved Rachel Bowen, seconded Brent Barrett.

2. That the final Statements of Intent 2020–23 submitted by the Regent Theatre Trust, Caccia Birch Trust Board, and Globe Theatre Trust (Attachments 2–4 of the memorandum entitled 'Cultural CCOs Final Statements of Intent 2020-23' presented to the Arts, Culture & Heritage

Committee on 12 August 2020), be approved.

Clause 19.2 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Rachel Bowen, Brent Barrett, Susan Baty, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

Moved Rachel Bowen, seconded Brent Barrett.

3. That the final Statement of Intent 2020–23 submitted by the Te Manawa Museums Trust Board (Attachment 1 of the memorandum entitled 'Cultural CCOs Final Statements of Intent 2020-23' presented to the Arts, Culture & Heritage Committee on 12 August 2020), be approved.

Clause 19.3 above was carried 10 votes to 5, the voting being as follows:

For:

Councillors Rachel Bowen, Brent Barrett, Zulfiqar Butt, Renee Dingwall, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

Against:

The Mayor (Grant Smith) and Councillors Susan Baty, Vaughan Dennison, Leonie Hapeta and Tangi Utikere.

20-20

Annual Report from the Palmerston North Public Sculpture Trust
Memorandum, presented by Sandra King, Executive Officer.

Moved Rachel Bowen, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

1. That the memorandum entitled 'Annual Report from the Palmerston North Public Sculpture Trust' presented to the Arts, Culture & Heritage Committee on 12 August 2020 be received for information.

Clause 20-20 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Rachel Bowen, Brent Barrett, Susan Baty, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

The meeting adjourned at 2.54pm.

The meeting resumed at 3.06pm.

Councillor Billy Meehan was not present when the meeting resumed.

21-20

2019/2020 Funding Summary for the Arts Event Fund and Creative Communities Scheme

Memorandum, presented by Joann Ransom, Community Development Manager.

Moved Rachel Bowen, seconded Vaughan Dennison.

The **COMMITTEE RESOLVED**

1. That the memorandum entitled '2019/2020 Funding Summary for the Arts Event Fund and Creative Communities Scheme' presented to the Arts, Culture & Heritage Committee on 12 August 2020, be received.

Clause 21-20 above was carried 14 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Rachel Bowen, Brent Barrett, Susan Baty, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

22-20

Committee Work Schedule

During discussion Elected Members requested that a report regarding the sesquicentennial work programme be added to the Work Schedule.

Moved Rachel Bowen, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

1. That the Arts, Culture & Heritage Committee receive its Work Schedule dated August 2020.
2. That a report on the Palmerston North sesquicentennial work programme be presented to Arts, Culture & Heritage Committee.

Clause 22-20 above was carried 14 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Rachel Bowen, Brent Barrett, Susan Baty, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

The meeting finished at 3.52pm

Confirmed 11 November 2020

Chairperson

REPORT

TO: Arts, Culture & Heritage Committee

MEETING DATE: 11 November 2020

TITLE: Section 17A Review of Caccia Birch House

PRESENTED BY: Julie Macdonald, Strategy & Policy Manager

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

RECOMMENDATIONS TO COUNCIL

1. That the report entitled 'Section 17A Review of Caccia Birch House', presented to the Arts, Culture & Heritage Committee on 11 November 2020, be received.
2. That Council endorse Option 2, Service delivery by the Council, of the report entitled 'Section 17A Review of Caccia Birch House', presented to the Arts, Culture & Heritage Committee on 11 November 2020, as the preferred option for the day-to-day management of Caccia Birch House, grounds and Coach House.
3. That Council instruct the Chief Executive to undertake public consultation on the preferred option and report back through the Arts, Culture and Heritage Committee.
4. That Attachment 2 (Confidential) be publicly released if Council decides not to pursue a commercial lease agreement for Caccia Birch House, with the information about the terms of Council's catering contract redacted.

SUMMARY OF OPTIONS ANALYSIS FOR SECTION 17A REVIEW OF CACCIA BIRCH HOUSE

Problem or Opportunity	To determine the most cost-effective way to deliver the day-to-day management of Caccia Birch House, grounds and Coach House.
OPTION 1:	Service delivery by a Council-Controlled Organisation (CCO) (status quo)
Community Views	Community views have not yet been gathered.
Benefits	Promotes community engagement through a volunteer trust board. Dedicated focus on preserving and maintaining the heritage of the property.
Risks	CCO compliance costs are disproportionate to a trust of its size. Opportunities to increase revenue are limited without more Council investment. The nature of the service provides limited opportunities to fully utilise the skills of a CCO board at a strategic level. Model

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	makes it difficult to address any performance issues that arise. This is the highest-cost option.
Financial	This option currently costs Council \$210,852 per year.
OPTION 2:	Service delivery by the Council
Community Views	Community views have not yet been gathered.
Benefits	Council can access operational efficiencies and economies of scale to increase financial sustainability. Council would have more influence over the service, including quickly adjusting the balance between commercial and community outcomes and addressing performance issues.
Risks	Loss of CCO Board's specialist skills and experience.
Financial	This option would cost Council \$187,098 per year, saving \$23,754.
OPTION 3:	Service delivery by a commercial person or agency
Community Views	Community views have not yet been gathered.
Benefits	A commercial incentive may increase the profile of the property. This is the lowest-cost option.
Risks	Profit maximisation could be prioritised over promoting community engagement with the property or the level of care exercised over the property. This option may not align with the spirit of the gift of the property to Council. Council has little control over service quality and the balance of community and commercial outcomes. The option is unlikely to be commercially viable considering the constraints imposed on the property without rental subsidies or other concessions offered by Council.
Financial	This option would provide Council with net revenue of \$26,572 per year, saving \$237,424.
OPTION 4:	Service delivery by a community agency
Community Views	Community views have not yet been gathered.
Benefits	Maintains community stewardship of the property. Provides an opportunity to reinvest proceeds in the local community.
Risks	Council has little control over service quality and the balance of community and commercial outcomes. Model relies on volunteer staffing which may not be feasible or sustainable.
Financial	This option would cost Council \$177,430 per year, saving \$33,422.

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

1.1 Council is undertaking a review of Caccia Birch House under section 17A of the Local Government Act 2002 (LGA). Section 17A reviews are to determine the most efficient, effective and appropriate means for delivering a Council service.

1.2 The service under review is defined as:

The day-to-day management of Caccia Birch House, grounds and Coach House as a venue for hire in a manner that preserves the property's heritage value, promotes public access, and is financially sustainable.

1.3 This review is only considering the best way to govern, fund and deliver this service. For the purposes of this review, it is assumed that all options will result in Caccia Birch House continuing to be a Council-owned venue available for public and private functions and casual access, and that the heritage of the property will be retained for future generations.

2. CACCIA BIRCH HOUSE

2.1 The property known as Caccia Birch House sits on the Hokowhitu Lagoon which was formed from a cut-off oxbow of the Manawatū River. Rangitāne o Manawatū settled the area 400 years ago, and the lagoon was once famous as a place to catch eels. The site has significant cultural value for Rangitāne.

2.2 The original homestead was completed in 1892 by architect Ludolph West, for Norwegian settlers Jacob and Anna Nannestad. In 1937 Maud Caccia Birch gifted the part of the Hokowhitu Lagoon included in the title to Palmerston North City Council, and the remainder of the property to the government in 1941. It was used for a variety of uses by the government until 1976. After several years of disuse, the property was declared surplus to government requirements in 1983.

2.3 In 1984 the Crown gifted Caccia Birch House to the Palmerston North City Council. A report to Council from that time stated that Council's objectives for the property were to preserve and restore the house and Coach House and to ensure that, whatever end use is proposed for the house, that the possibility of public access and use is maintained. The gifting of the property to Council was on the condition that the proceeds of the sale of surrounding land would be applied to fund the restoration of the property, and that Caccia Birch House was to be offered back to the Crown should it cease to be used for "civic purposes".

2.4 In 1989 the Caccia Birch Trust Board (CBTB) was formed to finish the redevelopment and administer the restored property. The home opened as a conference and function centre in 1992 as a means of generating revenue and ensuring its use. The

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property is available for conferences, weddings, private functions and events. There are restrictions on Caccia Birch House under the District Plan, designed to reduce the impact of noise on neighbouring properties.

- 2.5 CBTB is a Council-Controlled Organisation (CCO). Council appoints the members of CBTB and provides it with an annual operating grant. The first objective of CBTB is:

To develop, promote, enhance and maintain the land and buildings described in the schedule 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.

3. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

- 3.1 Under section 17A the Council is required to “review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions.” A review is required at least every six years.
- 3.2 Council undertook a review of Caccia Birch House, alongside its other arts and cultural facilities managed by CCOs, in 2019. The review was concluded in September 2019 with a Council resolution that the status quo remains for all facilities, and that staff work closely with each CCO on suggested improvements raised during the review.
- 3.3 During discussions on the Statement of Expectations 2020, Elected Members requested that another section 17A review be undertaken on Caccia Birch House. That request was formalised at the Council meeting on 26 August 2020.
- 3.4 A second review was requested because:
 - a) Examining Caccia Birch House separately, rather than alongside three other arts and cultural facilities, allows Council to focus on the matters unique to the facility.
 - b) CBTB has requested additional operational funding to run Caccia Birch House to its full potential. Information on service delivery options and costs is requested to inform a decision on whether the funding is provided through the upcoming 10 Year Plan.

4. GOVERNANCE AND FUNDING

- 4.1 A governance arrangement revolves around who has the right to make binding decisions about the overall objectives for the service and set the strategic framework in which the service operates. Currently this responsibility sits with Council, although

CBTB negotiates this through the Statement of Intent process. Council is the primary funder of Caccia Birch House.

4.2 Section 17A sets out two governance and funding options that must be considered:

- a) responsibility for governance and funding is exercised by the Council; or
- b) responsibility for governance and funding is delegated to a joint committee or other shared governance arrangement.

4.3 Typically, the arrangement described in b) is where responsibility for governance and funding is exercised by two or more neighbouring councils. An example of this is the current delivery of the Manawatū region's economic development activities, which are governed by the Joint Strategic Planning Committee (made up of representatives from both Palmerston North City Council and Manawatū District Council). However, other arrangements can also be considered, e.g. joint governance with non-neighbouring councils, or public bodies other than councils.

4.4 It is proposed that governing and funding Caccia Birch House through a joint committee or other shared governance arrangement is not a reasonably practicable option, because:

- A regional approach could increase the complexities of governing and funding Caccia Birch House without equally increasing the benefit to the city.
- Caccia Birch House is unlikely to hold strategic significance for organisations or residents outside of Palmerston North.
- There are no clear criteria for apportioning funding responsibilities between Council and other bodies.

4.5 Therefore, the options proposed in this document are formulated based on the assumption that responsibility for governance and funding of Caccia Birch House will continue to be exercised by the Council. The main question for this review is therefore: "What is the most cost-effective way to deliver the service?"

5. SERVICE DELIVERY

5.1 Section 17A sets out five service delivery options that must be considered. They are delivery exercised by:

- a) a unit of Council;
- b) a CCO owned by the Council;
- c) a jointly owned CCO;

- d) another council; or
- e) another person or agency.

5.2 Delivery by a jointly owned CCO or another council (options c and d) are not considered viable options, for the same reasons outlined in relation to joint governance and funding arrangements above. No other reasonably practicable options have been identified. Therefore, the four remaining delivery options are:

1. Service delivery is managed by a CCO owned by the Council (status quo).
2. Service delivery is managed by a unit of Council.
3. Service delivery is managed by a commercial person or agency.
4. Service delivery is managed by a community agency.

6. DESCRIPTION OF OPTIONS

6.1 The options are summarised in Table 1 below, and the responsibilities of each party under each option are outlined in more detail in Attachment 1. The detail underpinning the costing of each option is included as Attachment 2 (confidential due to commercial sensitivities). This information is commercially sensitive because:

- It gives information about the revenue Council receives under its current catering contract for its other venues.
- It sets out how much Council would expect to receive in rent for Caccia Birch House under a commercial lease agreement.

6.2 CBTB has requested additional funding which would increase the cost to Council by \$50,000 per year and enhance the level of service it provides. Staff considered including additional options to reflect this, i.e. “enhanced service delivery by a CCO” and “enhanced service delivery by Council”. However, these options have not been included because:

- a) as the enhanced level of service has not yet been implemented by CBTB, it would be difficult to determine with any certainty what the comparative cost would be for Council to deliver it; and
- b) Council has not decided that it wishes to increase the current level of service. That must be considered through the 10 Year Plan or Annual Budget rather than a section 17A review.

6.3 Therefore, all options are costed on the assumption that the current level of service continues to be provided, and the property will be managed as a venue for hire in a

manner that preserves the property's heritage value, promotes public access, and is financially sustainable.

Table 1: Summary of options

Option	Description	Cost to Council
1. Service delivery by a CCO (status quo)	This is the current delivery model. CBTB manages the property at an arm's length from Council and employs venue staff. Nairn Street Cottage is another example of this model; the CCO Experience Wellington manages multiple art, culture and science experiences alongside the cottage.	This option currently costs Council \$210,852 per year. This figure includes CBTB grants and property maintenance costs.
2. Service delivery by the Council	Caccia Birch House would be a heritage venue for hire managed by a unit of Council. Broadgreen Historic House and Isel House, both in Nelson, are examples of this model.	This option would cost Council \$187,098 per year, a saving of \$23,754 when compared with the status quo. This figure includes depreciation, staff, operating costs and increased maintenance costs, offset by venue hire and catering income.
3. Service delivery by a commercial person or agency	Council would lease the property to a commercial operator who would seek to make a profit from the property, while preserving public access. Café Esplanade in Palmerston North and Gear Homestead in Porirua are examples of this model. A subset of this option is for Council to pay a management fee to the tenant to manage the venue. This is the arrangement in place for Council's aquatic facilities. Without a formal request for proposal process, staff cannot determine what a fair facilities management contract fee would be. Further work would be required if Council wishes to explore this 'subset' option further.	This option would provide Council with net revenue of \$26,572 per year, saving \$237,424 when compared with the status quo. This figure includes the current property maintenance costs, offset by rent income.
4. Service	Council would lease the property to a	This option would cost Council

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Option	Description	Cost to Council
delivery by a community agency	<p>community agency, such as a charitable trust or social enterprise. The venue would be staffed and run by volunteers, and any proceeds would be reinvested in the property and community.</p> <p>Examples of this model include Council's community centres, Melrose House & Gardens in Nelson, Duart House in Havelock North and Thompson House in Levin.</p> <p>A subset of this option is for Council to pay a management fee to the leaseholder to manage the venue. This is the arrangement in place for Hancock Community House. Without a formal request for proposal process, staff cannot determine what a fair facilities management contract fee would be.</p> <p>Further work would be required if Council wishes to explore this 'subset' option further.</p>	<p>\$177,430 per year, a saving of \$33,422 when compared with the status quo.</p> <p>This figure includes the current and increased maintenance costs, offset by peppercorn rent income.</p>

7. ANALYSIS OF OPTIONS

7.1 A section 17A review requires an analysis of the cost-effectiveness of the various delivery options. Cost-effectiveness is not the same as "least cost". Council must also consider the efficiency, effectiveness and appropriateness of the options in achieving its objectives for the service.

7.2 In order to assess the options, evaluation criteria were developed from a literature review of the advantages and disadvantages of the various service delivery options. These were tested with Elected Members, CBTB and Council staff. The criteria are:

- Financial sustainability
- Community and civic engagement
- Commercial vs community outcomes
- Skills and expertise
- Service quality
- Partnership with mana whenua
- Heritage value
- Decision-making and stewardship
- Transparency and accountability

- Strategic alignment
- Feasibility

7.3 Attachment 3 contains the full analysis of options against these criteria. No single criterion is definitive, and any means of service delivery will require trade-offs. However, based on this analysis staff consider that Option 2 will maximise the benefit of this community asset. The most compelling factors are:

- The compliance costs required to be met by a CCO are disproportionate to the scale of the service in question.
- The potential for Council to access operational efficiencies and economies of scale to increase financial sustainability of the service.
- The probability that a commercial provider would be incentivised to maximise profit over public access unless Council concessions are provided.
- The uncertainty involved in the feasibility of both the commercial and community provider models.
- The ability for the specialist heritage expertise of a CCO to be maintained through a “Friends of Caccia Birch” group.

8. CONCLUSION

- 8.1 Managing Caccia Birch House as part of Council could result in savings coupled with increased efficiency and greater control over the outcomes of the service.
- 8.2 Therefore, it is recommended that Council endorse this as the preferred option for public consultation. Consultation is recommended as Caccia Birch is a strategic asset and there may be public interest in any change to service delivery.

9. NEXT ACTIONS

- 9.1 If the preferred option is endorsed, consultation will be carried out in November and December 2020. If any submitters wish to speak to the Committee then hearings will be arranged at the earliest opportunity in 2021.
- 9.2 A report will be brought to the first Arts, Culture and Heritage Committee of 2021 to recommend next steps. If the preferred option is still supported following consultation, there will be matters to work through including changes to the draft 10 Year Plan 2021–2031.

10. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

- 10.1 CBTB members generously dedicated time to this review and their comments on the advantages and disadvantages of various options, provided in a workshop with Elected Members, have been included in the analysis. They have also been provided with an initial draft of this report.

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- 10.2 Initial views were sought from Rangitāne o Manawatū at the August bimonthly meeting, at which time they indicated a preference for Option 2. Further engagement with Rangitāne will be undertaken during consultation.
- 10.3 Upcoming public consultation will focus on engaging directly with interested or affected groups, including Heritage New Zealand Pouhere Taonga, CEDA, residents living in the vicinity of Caccia Birch House, and any additional stakeholders identified by CBTB.

COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual	No
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 5: A Driven and Enabling Council	
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy	
The recommendations contribute to the achievement of action/actions in a plan under the Driven and Enabling Council Strategy	
The action is: Not Applicable.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	A review of Caccia Birch House under section 17A of the Local Government Act 2002 will ensure the city is getting the maximum benefit from this community asset.

ATTACHMENTS

- Description of options  

2. Costing of options for Caccia Birch House - **Confidential**
3. Analysis of options [↓](#) 

DESCRIPTION OF OPTIONS

Responsibilities of each party

Activity	Option 1 – CCO		Option 2 – Council	Option 3 – Commercial provider		Option 4 – Community provider	
	Council	CCO	Council	Council	Tenant	Council	Tenant
Appoint members of CCO Board	✓		N/A	N/A	N/A	N/A	N/A
Communicate Council expectations to the Board via Statement of Expectation	✓		N/A	N/A	N/A		N/A
Monitor the CCO Board by reviewing annual Statements of Intent and six-monthly reports	✓		N/A	N/A	N/A		N/A
Provide operational funding to the CCO	✓		N/A	N/A	N/A		N/A
Maintain a relationship with the CCO Board at an operational and governance level	✓		N/A	N/A	N/A		N/A
Set and achieve the objectives of the CCO Board's trust deed and Statement of Intent		✓	N/A	N/A	N/A		N/A
Prepare and present annual Statements of Intent and six-monthly reports to Council		✓	N/A	N/A	N/A		N/A

Activity	Option 1 – CCO		Option 2 – Council	Option 3 – Commercial provider		Option 4 – Community provider	
	Council	CCO	Council	Council	Tenant	Council	Tenant
Maintain the property's fixed assets and those that are part of the building fabric ¹	✓		✓	✓ ²		✓	
Carry out the balance of property maintenance ³		✓	✓		✓	✓ ⁴	
Ensure maintenance of Caccia Birch House meets or exceeds current standards	✓		✓	✓		✓	
Manage the day-to-day business of the property as a heritage venue for hire including bookings, invoicing, events, promotion, catering contracts, security and administration		✓	✓		✓		✓
Meet the operational compliance requirements of a venue for hire		✓	✓		✓		✓

¹ Including external cladding and roof work; structural issues; toilets and bathrooms; carpet replacement; all painting – internal and external; air-conditioning replacement; servicing and maintenance; major reconfigurations of layout; compliance matters; lighting and electrical wiring; and footpaths, carparks and driveways.

² Council obligations reduced as tenant would be expected to take on carpet replacement, internal painting, air-conditioning replacement, servicing and maintenance; lighting and electrical wiring.

³ Including curtains and blinds; furniture; security systems; sound and audio-visual systems; cosmetic non-fixed items; signage; exterior sculptures and feature items; gardens and grounds maintenance; and operational items.

⁴ Council's current practice is to take on additional maintenance and operational costs for community centres when compared with CCOs or commercially leased properties, as outlined in the budget. The community tenant would carry out light maintenance only.

Activity	Option 1 – CCO		Option 2 – Council		Option 3 – Commercial provider		Option 4 – Community provider	
	Council	CCO	Council		Council	Tenant	Council	Tenant
Make the property available for the public to access		✓	✓			✓		✓
Ensure the public can access information about the history of the property		✓	✓			✓		✓
Carry out asset management planning for the property	✓		✓		✓		✓	
Ensure Council's asset management programme and any improvements to the property enhance and preserve the heritage value		✓	✓		✓		✓	
Build and maintain relationships with Council, other commercial and cultural venues, customers and the wider public		✓	✓			✓		✓
Obtain and care for heritage items to furnish the property and maintain the archives		✓	✓			✓		✓
Apply for grants to enhance the property or support operations		✓	✓		✓			✓
Establish lease and management agreements with an appropriate person or agency	N/A		N/A		✓		✓	

Activity	Option 1 – CCO		Option 2 – Council	Option 3 – Commercial provider		Option 4 – Community provider	
	Council	CCO		Council	Tenant	Council	Tenant
Formulate lease and management agreements to ensure the property is still held for a “civic purpose” ⁵		N/A	N/A	✓		✓	
Maintain a relationship with the tenant and monitor contract obligations, including payment and regular reviews		N/A	N/A	✓		✓	
Pay a fee to Council for the lease		N/A	N/A		✓		✓
Report to Council on the lease and management agreements		N/A	N/A		✓		✓
Provide the tenant with a rental subsidy (reflected through peppercorn rent)		N/A	N/A	N/A		✓	
Pay a peppercorn rental fee to Council, and in return reinvest rental income in the property or local community		N/A	N/A	N/A			✓

⁵ The agreement between the Crown and Council requires Caccia Birch House to be offered back to the Crown should it cease to be used for “civic purposes”. This is discussed in Attachment 2 under the evaluation criterion “Decision-making and stewardship”.

ATTACHMENT 3: ANALYSIS OF OPTIONS

Criterion	1. CCO	2. Council	3. Commercial provider	4. Community provider
Financial sustainability <i>How financially sustainable is the option into the future? Will the option provide opportunities to gain funding from non-Council sources? Are there opportunities for operational efficiencies or economies of scale?</i>	<p>CBTB runs as efficiently as possible but is limited in its profit-making capability by factors including the noise restrictions on the property and the desire to preserve affordable public access. These restrictions will apply to all options. Recent statements of intent have anticipated deficits without additional Council funding, which over time will result in an inability to replace or renew assets.</p> <p>As a charitable trust CBTB can access external funding opportunities such as grants. However, they have had limited success with grants applications. About 62% of CBTB's income is generated from the venue hire business. Council grants make up a further 36% of revenue with the 2% balance attributed to grants, interest and donations. As at 30 June 2019 CBTB had \$130,000 in equity.</p> <p>The compliance demands of a CCO, as set by the LGA, are disproportionate to the scale of CBTB. For example, it must pay</p>	<p>Council's size means it can manage activities like marketing, centralised bookings, community engagement and finance services within existing overheads. Costs involved in supporting the Council's governance structure are more proportionate than in a small CCO. Council delivery of Caccia Birch House provides opportunities to reduce duplication, as Council already manages two venues.</p> <p>Council can also access more favourable service arrangements (such as catering contracts). Additional revenue generation opportunities would be immediately available to Council due to the existing stock of function equipment available for hire across its venues.</p> <p>Council could adjust individual levels of service within wider budgets, for example by deploying additional resources to the property for a short period to take advantage of an opportunity.</p>	<p>Under this option financial sustainability of the service would be the responsibility of the provider, and the service may benefit from general commercial enterprise efficiencies and the incentive to innovate. However, it may be challenging to make the property profitable while ensuring affordable public access, preserving the property's heritage value, and complying with the District Plan.</p> <p>It is unclear if a provider could pay a rental fee to Council, considering the current model breaks even only with the assistance of a Council operating grant. Therefore, rental subsidies or other compensation may be required.</p> <p>To ensure public access was maintained, Council would need to specify these requirements in a facilities management</p>	<p>The financial sustainability of this model hinges on the availability of volunteers to manage the venue. This is sustainable for community centres but, as a heritage property, Caccia Birch has additional complexities.</p> <p>This model would allow there to be a community-based management committee without the compliance costs of a CCO.</p> <p>Council would be responsible for more maintenance under a community centre model to assist in maintaining the standard of the property.</p> <p>Unlike for Options 1 and 2, the contractor would be non-profit but would not receive operational funding from Council, which would affect sustainability.</p>

Criterion	1. CCO	2. Council	3. Commercial provider	4. Community provider
	<p>upwards of \$15,000 per year for financial services, as it requires a full audit due to its status as a CCO. There are also costs involved with reporting to Council and supporting the governance board.</p> <p>CBTB sets the hire rates for the property and can cover its ongoing operational costs within current budgets. Capacity of current staff is constrained and lack of certainty of venue hiring volume makes this hard to increase. The current 'break even' budget does not leave much opportunity for innovation and growth.</p> <p>A CCO model differs from Options 3 and 4 in that the services certainty of funding via an operational grant from Council. However, CBTB has indicated that increases to funding will be required to ensure its financial stability into the future. Funding a CCO adequately to deliver this service is ultimately the responsibility of Council.</p>	<p>The loss of grant funding opportunities is unlikely to have an effect, as this is a small proportion of CBTB's current budget.</p>	<p>contract, and it may be that Council would need to subsidise admissions. This would increase the estimated costs of this option to Council.</p> <p>Council may also face costs associated with ending a contract that was not meeting expectations.</p> <p>CBTB's experience shows it would be difficult to make the property fully self-funding without changing its current use, which is outside the scope of this review.</p>	

Criterion	1. CCO	2. Council	3. Commercial provider	4. Community provider
Community and civic engagement <i>Does the option allow for volunteer input? Does the option encourage the community to access and engage with the property? Does it have a profile in the community?</i>	<p>A CCO model promotes community engagement, primarily by empowering a charitable trust board to manage the property. CBTB advocates for the property and develops resources like the Coach House Archives. It uses its expertise to guide Council investment in the property.</p> <p>CBTB has proposed the establishment of a "Friends of Caccia Birch" to provide trained volunteers able to support visitors to the property and increase its profile. However, it does not have capacity within the current model to coordinate volunteers.</p>	<p>There is potential for greater community engagement with the property. Under this option the property would benefit from the communication channels already in place which could raise its profile as a public asset. Council has staff that currently support voluntary groups who use Council venues and public space for events and activities.</p> <p>Without a CCO the property may lose the passion and expertise exhibited by CBTB, and volunteers may be less comfortable engaging directly with Council. However, a "Friends of Caccia Birch" could be established to continue advising Council investment and ensure the property continues to receive focussed care and support. The "Friends of" model works well for the Regent on Broadway.</p>	<p>The focus of a commercial provider will inevitably be to maximise its profit, which could limit the public accessibility of the property.</p> <p>Council could set maximum hire rates for the property in the facility management contract. It is likely that Council would need to subsidise admissions in this scenario.</p> <p>The profile of the property may increase with a commercial marketing machine behind it.</p>	<p>This option would also promote community engagement and ownership of the property by empowering volunteers to manage every aspect of the property.</p> <p>Like community centres, proceeds of the venue hire activities would be expected to be invested back into the local community. This would raise the profile of the property and community connection with it.</p> <p>If the property was not required to be commercially viable then hire rates could stay low, encouraging community groups to enjoy a heritage facility.</p> <p>A potential risk is that the property is captured by interest groups that may not want to share the property with wider community.</p>

Criterion	1. CCO	2. Council	3. Commercial provider	4. Community provider
Commercial vs community outcomes <i>Will the option support a balance between commercial and community interests? Is it desirable to require payment to access the service? Does the option ensure the property is being used for a civic purpose, as required by the deed of gift?</i>	<p>A condition of the Crown's gift of the property to Council was that it was used for a "civic purpose". This has been interpreted to require community utilisation of the property, as is enshrined in CBTB's trust deed. However, public access often comes at the expense of revenue generation if that access is to be engaging and affordable.</p> <p>CBTB encourages free public access through its regular open days and Coach House Archives. Events, tours and open days make up an average of 5% of the property's formal hireage, and the public also accesses the grounds on a casual basis.</p> <p>The Board has a strong incentive to manage its costs in line with revenue, and so has necessarily focussed resource on activities with an immediate financial return. CBTB could increase public engagement with additional Council funding.</p> <p>Generally, a CCO model supports commercially driven arrangements due to the extra degree of separation from Council. Under this option Council is expected to empower the</p>	<p>Under this option Council would have the ability to manage this tension as it sees fit, for example by setting the desired proportion of the funding of the property from fees and charges via its Revenue and Financing Policy.</p> <p>Finding a balance between revenue-generating activities and provision of public engagement will be a challenge under each option. This option provides the best opportunity for Council to direct that balance as appropriate.</p>	<p>A main incentive for a commercial provider would be profit maximisation, which is detrimental to affordable public engagement. Access would need to be specifically required in the facility management contract. This would come at an increased cost to Council.</p> <p>The lease would need to be carefully worded to ensure it meets the requirement of the property being used for a civic purpose. A wholly commercial model would go against the spirit of the original gift of the property.</p> <p>Council would have less immediate control over the balance of commercial and community outcomes under this model, as this would be set through the contract.</p>	<p>Council would have less immediate control over the balance of commercial and community outcomes under this model, as this would be set through the contract. While Option 3 may reduce community engagement, this option would likely increase it as the pressure to earn revenue would lessen with lower operating costs. There's a risk that the revenue would still not cover costs or provide the profit necessary to return funds to the community.</p>

Criterion	1. CCO	2. Council	3. Commercial provider	4. Community provider
<p>Skills and expertise</p> <p><i>Will the option enable the right skills to place to deliver the service, including specialist, commercial or technical expertise where required?</i></p>	<p>CCO to set the balance of activities as it sees fit.</p> <p>The CCO model allows new skills and perspectives to be accessed through board members. CBTB has a range of skills and expertise, however it has limited opportunity to fully utilise these skills, considering it has experienced staff managing an existing facility. While it is a unique property, specialist skills are less important than when the Trust was established to guide the original restoration.</p> <p>It is often difficult to attract trustees to small CCOs. However, Council could do more to attract appropriate and sustainable appointments.</p>	<p>CBTB have acted as important stewards of the property's condition and history for close to three decades. This would be hard for Council to replicate, and as such continuing community input, such as through a "Friends of Caccia Birch" group, would be important.</p> <p>An organisation the size of Council also has access to a range of specialist staff to advise decision-makers.</p>	<p>The skills of a commercial provider would depend entirely on the specificity and success of the request for proposal process.</p>	<p>A community provider may struggle to retain skilled board members and operational staff on a volunteer basis.</p>
<p>Service quality</p> <p><i>Does the option provide benefits or disadvantages for the service experienced by customers? Are there ways of ensuring the quality of the service is appropriate and any challenges</i></p>	<p>Under this model service quality is overseen by the Board and reported to Council based on performance measures agreed through the Statement of Intent. It is difficult to quantify customer experience through existing measures.</p> <p>There are limited levers available to Council to improve CCO performance if reporting identifies issues. Many of these are formal, blunt and time-consuming (e.g.</p>	<p>Quality of Council services is overseen by Elected Members and reported quarterly based on performance measures in the 10 Year Plan and performance expectations of the CE.</p> <p>Integration of Caccia Birch into Council would allow customers to access three unique venues, and associated support services, from one provider.</p>	<p>Council's ability to rectify service delivery issues would be limited by the effectiveness of the agreements in place and the monitoring undertaken. It is often impractical to terminate a contract, and this limits potential action to rectify failures.</p>	<p>Council's ability to rectify service delivery issues would be limited by the effectiveness of the agreements in place and the monitoring undertaken. This model would not reduce fragmentation of services.</p>

Criterion	1. CCO	2. Council	3. Commercial provider	4. Community provider
can be overcome?	<p>Statements of Expectation, modification of the Statement of Intent, alternations to grant levels).</p> <p>There is fragmentation for customers wishing to book Council-owned venues, as they need to contact Council and Caccia Birch staff separately.</p> <p>A benefit of the status quo for customers is they get a service from experienced staff that know the history of the property.</p>	<p>Council is better placed to manage short- and medium-term fluctuations in resource requirements (e.g. large events or staff leave) by reallocating staff internally.</p>	<p>This model would not reduce fragmentation of services.</p>	
Partnership with mana whenua Does the option ensure the cultural significance of the site to Rangitāne o Manawātū is acknowledged and protected?	<p>Rangitāne o Manawātū currently has little direct input into the service. A CCO model can include a direct connection with mana whenua, for example by having an iwi representative on the Board, but this is not currently in place. CBTB has acknowledged the cultural history of the area in the Coach House Archives.</p>	<p>Council has established communication channels with Rangitāne o Manawātū which help guide the delivery of many Council services.</p>	<p>Rangitāne o Manawātū would have no direct input into the service unless special arrangements were put in place.</p>	<p>Rangitāne o Manawātū would have no direct input into the service unless special arrangements were put in place.</p>
Heritage value Will the option allow the heritage value of the property to be preserved, enhanced and celebrated?	<p>Caccia Birch House currently has dedicated, passionate and knowledgeable trustees and staff who ensure the property is maintained and preserved. CBTB undertakes repairs and maintenance and advises the Council on asset management and planning for the property.</p>	<p>There would be a loss of a dedicated Board with its core focus being the protection of the property, and the stories they hold could be lost. Council would need to ensure there was recourse to specialist heritage expertise when required, for</p>	<p>Under a traditional commercial arrangement, the tenant would be responsible for more maintenance than under the other options. However, this would likely put the preservation of the property at risk as there will</p>	<p>Council would need to ensure the right providers were in place with a structure that enabled the necessary level of care and ensured the heritage of the property was shared and celebrated.</p>

Criterion	1. CCO	2. Council	3. Commercial provider	4. Community provider
	<p>Some plans to enhance the property have been carried out, but they are constrained by what CBTB can fund with business revenue, donations or grants.</p> <p>CBTB has sourced donations or loans of heritage items which the original owners may not allow to stay if the property is no longer managed by the Board.</p> <p>CBTB celebrates the heritage of the property through open days, tours by appointment and the Coach House Archives.</p>	<p>example through a "Friends of Caccia Birch" group.</p> <p>Council would also need to ensure any property maintenance issues are noticed and acted upon quickly.</p> <p>Funding enhancements to the property would meet the same financial constraints under this option, but Council has the depth of resources to spread the cost of projects out.</p>	<p>be incentives to the tenant to adopt a least-cost model. Therefore, this option includes the provision of the same level of building maintenance as is currently funded under the status quo.</p> <p>Council would have less direct control over the level of care exercised over the property on a day-to-day basis but could mitigate this via a detailed facility management agreement.</p> <p>There could potentially be a loss of opportunities to celebrate the property's heritage.</p>	<p>Council would undertake the bulk of property maintenance to ensure the property is preserved.</p>
<p>Decision-making and stewardship</p> <p><i>Will the option allow Council to exercise its desired level of control for the outcomes and delivery of the service?</i></p>	<p>Council has some control in a CCO model. The Trust Deed and Statement of Intent set the broad parameters in which a CCO is empowered to operate, and Council appoints the members of the trust. The quality of this process and the relationship with the CCO is critical to the success of this model.</p> <p>Generally, a CCO model is useful when a service would benefit from a degree of independence from political direction. This is</p>	<p>This model gives Council the greatest level of control over decision-making. It allows Council to directly alter policy and levels of service as needed.</p> <p>If both Council governance and management understand the separation between governance decisions and operational ones, then there should be no more likelihood of political influence than would exist under the CCO model.</p>	<p>This model would reduce Council's direct control and influence over the service. It would limit the opportunity for legitimate change in policy and levels of service to be made, as any changes would be negotiated as a variation to the facilities management contract. There would be no input into the skills of the governing group.</p>	<p>This model would reduce Council's control and influence for the same reasons as Option 3.</p>

Criterion	1. CCO	2. Council	3. Commercial provider	4. Community provider
	<p>usually because the service requires fast decision-making, innovative thinking and the application of relevant commercial disciplines.</p> <p>CBTB's role in managing an existing venue means there is limited ability to benefit from being nimble and agile at a strategic level. The Board has no financial scope to undertake significant new business, and most day-to-day decisions can be made by staff.</p>			
<p>Transparency and accountability</p> <p><i>Will the option allow communities to have the right amount of input into how the service is provided? Does the option allow for clear measurement of achievement against Council's goals for the service?</i></p>	<p>As the service is bulk funded through an operating grant, communities do not have the opportunity to give direct input into the level of service.</p> <p>Clear measurement is achieved through performance measures for the service, which are agreed through the Statement of Intent. These are also included in Council's annual reports.</p> <p>CBTB is a charitable trust and its annual accounts are reported annually in more detail than that for other Council venues.</p>	<p>While communities are consulted about the level of service of Council's other venues, these conversations are not normally the focus of wider 10 Year Plan and Annual Plan discussions.</p> <p>There is less oversight under this option as running costs are not reported in the same amount of detail as if the service was run by a CCO.</p> <p>Council could manage this by setting clear and measurable performance standards for the service and requiring regular reporting against these, as appropriate for the scale of the operation.</p>	<p>Communities would have little opportunity to give input into the way the service is delivered.</p> <p>Contract deliverables, performance standards and reporting requirements would be monitored by Council staff.</p> <p>If the contractor was a charity, financial and performance information would be available publicly through the Charities Services website.</p>	

Criterion	1. CCO	2. Council	3. Commercial provider	4. Community provider
Strategic alignment Will the option support the delivery of Council's vision and goals? Does the option allow for the objectives of the service to be specified or quantified?	The Statement of Intent process and CCO reporting allow for the objectives of the service to be specified and measured.	The objectives of Council venues are not usually specified in the same amount of detail as they are currently under the CCO model. However, the scale of the service suggests that this level of oversight is unnecessary to ensure strategic alignment. This option could allow the service to integrate any Council strategy or policy changes more quickly.	Objectives of the service can be only specified or quantified through the facilities management contract, which would be monitored by Council staff. The quality of the specification of services would be critical.	This option also relies on the objectives of the service to be specified or quantified through the facilities management contract.
Feasibility How easy is it to implement the option? Is the option feasible under the law? Is the option feasible considering the constraints on the use of the property? Are there any potential providers for the option?	No change required. If the status quo was retained, consideration for additional funding for the CBTB would need to be made through the upcoming 10 Year Plan process.	The primary steps required to implement this option would be to terminate the current lease with CBTB (which can be done with three months' notice) and determine the new funding allocation in the 10 Year Plan. These actions are feasible if done before the next 10 Year Plan is adopted in June 2021. Some additional resource may be required to address an identified backlog in grounds work. Following this process there would be a negotiated process between CBTB and Council to deal with matters like property, employment and the trust deed.	This option would rely on finding a willing and suitable contractor and could be a lengthy process. Without running a request for proposal process it's uncertain whether there is a fit-for-purpose business. To ensure Council objectives for the service were achieved then rental subsidies or other concessions would probably be required. There is also a risk that the change would trigger a requirement to offer the property back to the Crown, as it is no longer used for a civic purpose.	This option would also rely on finding the right contractor, and it is not considered an attractive option for a community group. A formal request for proposal process would be required to determine the level of interest in the property.

MEMORANDUM

TO: Arts, Culture & Heritage Committee

MEETING DATE: 11 November 2020

TITLE: Cultural Council Controlled Organisations' Annual Reports 2019-20

PRESENTED BY: Julie Macdonald, Strategy & Policy Manager

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

RECOMMENDATIONS TO COUNCIL

1. That the memorandum entitled 'Cultural Council Controlled Organisations' Annual Reports 2019-20' presented to the Arts, Culture & Heritage Committee on 11 November 2020, be received.
2. That Council receive the annual reports for 2019-20 submitted by Caccia Birch Trust Board, Regent Theatre Trust, Globe Theatre Trust and Te Manawa Museums Trust (Attachments 2, 4, 6 and 8 of the memorandum entitled 'Cultural Council Controlled Organisations' Annual Reports 2019-20', presented to the Arts, Culture & Heritage Committee on 11 November 2020).
3. That Council thanks the board members, staff and volunteers of Caccia Birch Trust Board, Regent Theatre Trust, Globe Theatre Trust and Te Manawa Museums Trust for their contributions and commitment during the 2019-20 year.

1. ISSUE

Caccia Birch Trust Board, Regent Theatre Trust, Globe Theatre Trust and Te Manawa Museums Trust (the cultural Council Controlled Organisations) have submitted their annual reports. Attachments 2, 4, 6 and 8 are the full reports for 2019-20. Attachments 1, 3, 5 and 7 are the Statements of Intent that provide the basis for these reports.

This memorandum provides the opportunity for Elected Members to review the progress the CCOs have made against their Statements of Intent during the period 1 July 2019 to 30 June 2020.

2. BACKGROUND

A Council-Controlled Organisation (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: The Globe Theatre,

Te Manawa Museum, Caccia Birch House and the Regent on Broadway. These facilities are each managed by a Board of Trustees made up of committed volunteers.

CCOs are required to meet specific reporting requirements under the Local Government Act 2002. Statements of Intent are produced annually and must be agreed to by Council. Six-monthly and annual reports allow Council to track each CCO's progress against their individual Statement of Intent and the Council's objectives for the CCO. Caccia Birch Trust Board, while currently exempted as a CCO pursuant to s 7(3) of the Local Government Act 2002, is still required to report to Council in the same way as a CCO.

The COVID-19 pandemic has impacted the capacity of Audit New Zealand to undertake the audit of the cultural CCOs within the usual timeframe. Therefore, the attached annual reports are still in draft form. Updated reports will be brought to the Committee in the event there are any material changes following audit.

Staff are also mindful that these reports include a period in which New Zealand was under various restrictions due to the pandemic. Closure of CCO facilities has affected the CCOs' ability to meet the aspirations outlined in their Statements of Intent.

3. NEXT STEPS

Staff will communicate any Council comments on the annual reports to the cultural CCOs.

At the end of February 2021, the CCOs will submit:

- their draft Statements of Intent for 2021–24; and
- six-month reports on the current Statements of Intent 2020–23.









These will be brought to the Committee in due course.

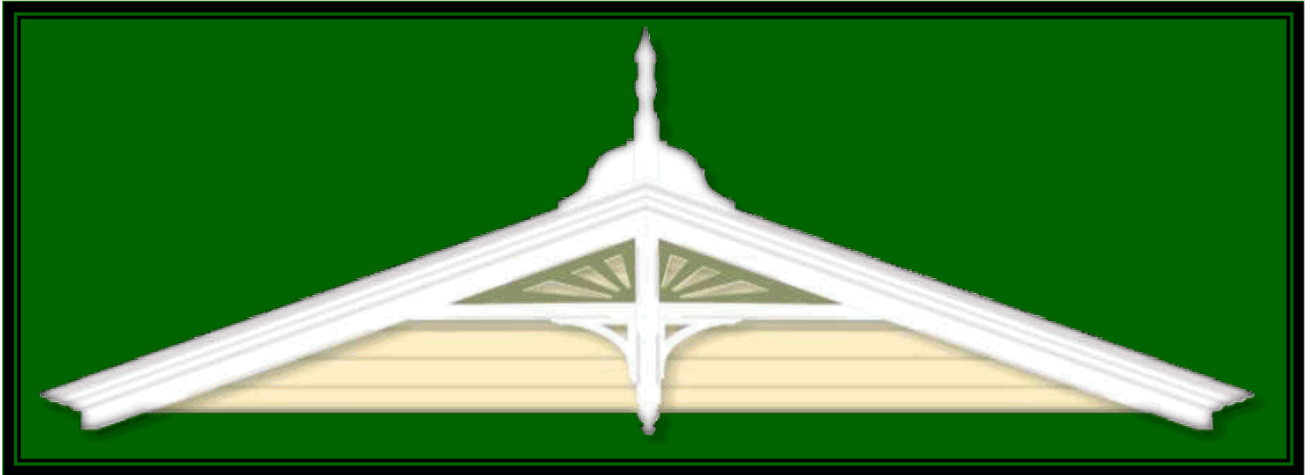
4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
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: Work with Council controlled organisations (CCOs) to implement the Council's strategy.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	A strong working relationship with the cultural CCOs is essential in meeting a range of strategic outcomes sought by the Council. The delivery of actions in the Arts Plan and Culture and Heritage Plan requires close collaboration with CCOs who are well-positioned in the community to deliver relevant services.

ATTACHMENTS

1. Caccia Birch Trust Board - Statement of Intent 2019-22 [↓](#) 
2. Caccia Birch Trust Board - Draft Annual Report 2019-20 [↓](#) 
3. Regent Theatre Trust - Statement of Intent 2019-22 [↓](#) 
4. Regent Theatre Trust - Draft Annual Report 2019-20 [↓](#) 
5. Globe Theatre Trust - Statement of Intent 2019-22 [↓](#) 
6. Globe Theatre Trust - Draft Annual Report 2019-20 [↓](#) 
7. Te Manawa Museums Trust - Statement of Intent 2019-22 [↓](#) 
8. Te Manawa Museums Trust - Draft Annual Report 2019-20 [↓](#) 

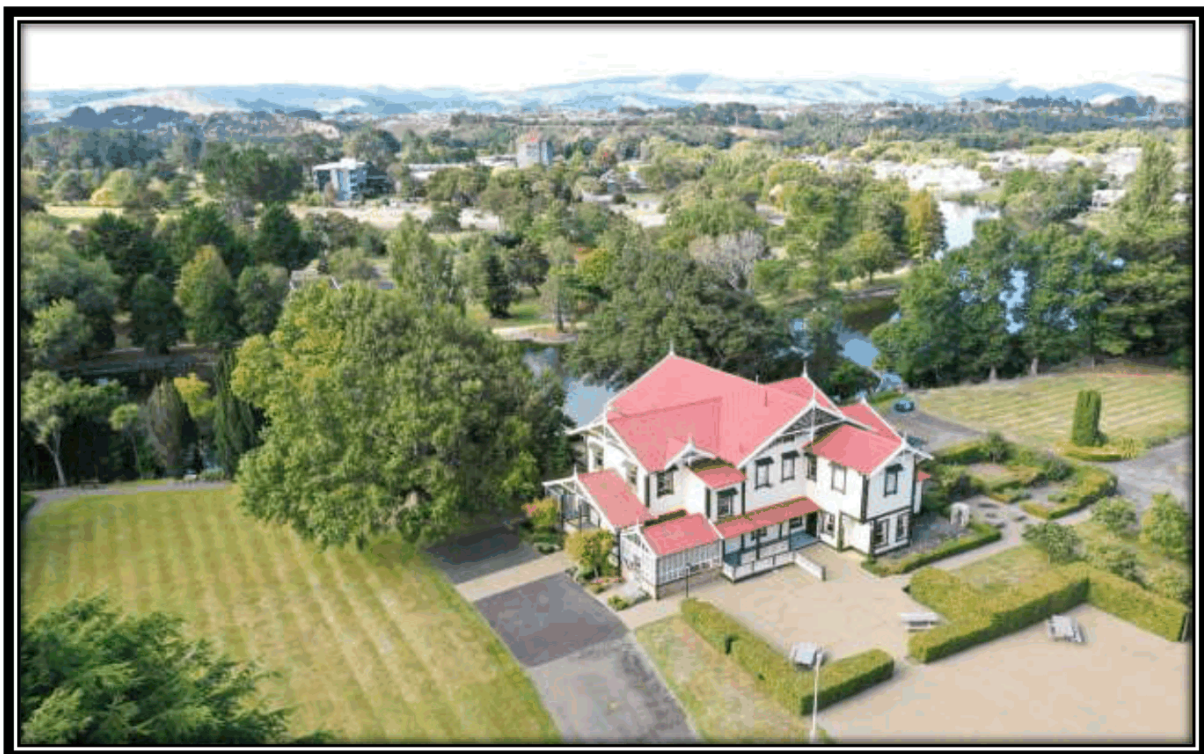


CACCIA BIRCH TRUST BOARD STATEMENT OF INTENT

2019 – 2020

2020 – 2021

2021 - 2022



FINAL 24th May 2019

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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

To provide our community with an outstanding historic property, available for everyone to use.

MISSION

To ensure the Caccia Birch property retains its historical, cultural and environmental significance through diligent maintenance, promotion and development.

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

- a) ensuring a heritage preservation focus to the Board's activities;
- b) working with stakeholders and with interested community groups to meet objectives;
- c) 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 town's 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 Manawatū 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 2018 /19	Target		
			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>i. The main house and CoachHouse buildings have scheduled exterior maintenance – completed annually.</i>		100%	100%	100%
	<i>ii. Scheduled internal maintenance – completed annually.</i>		100%	100%	100%
	<i>iii. Environmentally Eco friendly development.</i>		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>i. Notable Heritage Trees receive maintenance.</i>		2 trees	4 trees	2 trees
	<i>ii. New features installed in grounds.</i>		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>i. Free public open days for whole property.</i>		14	15	16
	<i>ii. Number of visitors to Open days.</i>	new	560	750	960
	<i>iii. Accessible days for CoachHouse archive and grounds.</i>	new	120	140	160
	<i>iv. Number of casual visitors to CoachHouse & grounds.</i>	new	720	840	960
	<i>v. Number of Trust / Council and stakeholder operated publicly accessible events.</i>	3	4	5	6
	<i>vi. Percentage of respondents satisfied with visitor experience?</i>	100 %	100%	100%	100%
	<i>vii. Number of Conference / Meeting hires.</i>	360	370	380	390
	<i>viii. Number of Social Function Hires.</i>	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

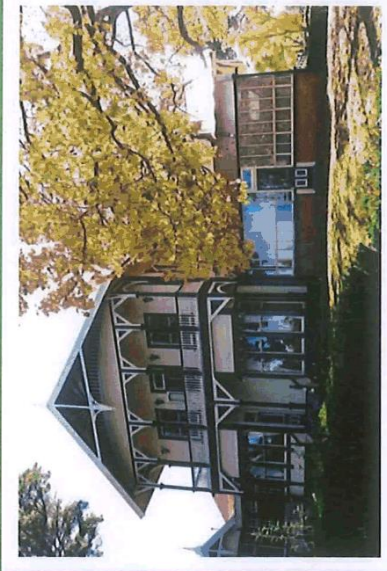
The budget figures are derived from the statement of intent as approved by the board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the board in preparing these financial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

CACCIA BIRCH TRUST BOARD**CHAIRPERSON**

GRANT O'DONNELL_____

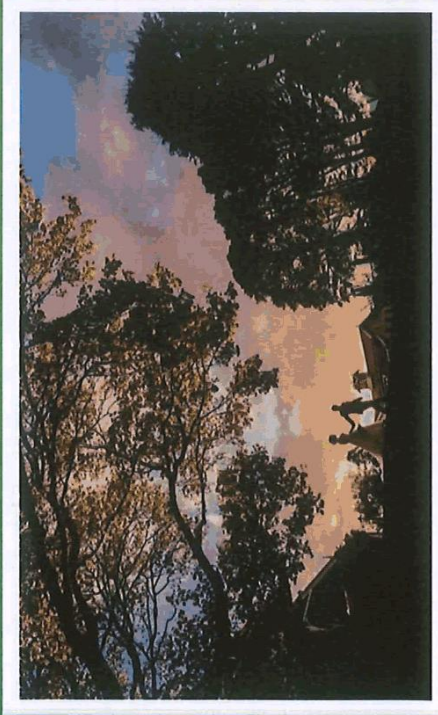
DATE: 24th May 2019





CACCIA BIRCH TRUST BOARD STATEMENT OF SERVICE PERFORMANCE

JULY 2019 to JUNE 2020



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Purpose of this Service Performance Report.	2
Key Strategic Objectives	4
What we have Achieved.	5 - 7
How We Performed	8-9
Signature	10
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2. CONTACT DETAILS	
Registered Office:	Caccia Birch House, 130 Te Awe Awe St, Palmerston North.
Website & Email	www.caccia-birch.co.nz / manager@caccia-birch.co.nz
Phone:	06 3575363
Email:	manager@caccia-birch.co.nz
Office Contact:	Nicky Birch
Role in CCO:	Manager
Address:	As Above
Chairperson:	Grant O'Donnell
Email:	home@odonnell-law.co.nz
Phone:	06 3567754
Trustees 2019 to 2020	Grant O'Donnell, Patricia Keiller, Cushla Scrivens, David Campbell, David Chapple.
Legal Status:	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.
Charities Registration Number	CC38431

3. Purpose of this Service Performance Report

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 the objectives it will contribute to the City Vision.

Through this report the Trust Board shows the Council how it has applied the annual grant provided by Council towards achieving the goals set out in the Statement of Intent (SOI) by managing the maintenance and preservation of Caccia Birch House and grounds and encouraging and facilitating the use of the house for community enjoyment and commercial contribution to Council's resources.

4. 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 property was gifted to the Crown which in turn gifted it to 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, Caccia Birch Trust Deed, the PNCC Statement of Expectation and the SOI.

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." (pg1)

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

VISION

To provide our community with an outstanding historic property, available for everyone to use.

MISSION

To ensure the Caccia Birch property retains its historical, cultural and environmental significance through diligent maintenance, promotion and development.

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

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

5. Strategic objectives

HERITAGE RESPONSIBILITY:

a.	Heritage Buildings Palmerston North's Category 1 listed heritage property of Caccia Birch House and CoachHouse is 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 and use of the property to meet evolving Council and community demands.

6. What we have achieved this year:

A. Heritage Buildings

i	Work to keep this heritage property exceptionally well maintained and secure.
	The Building are kept and presented in an excellent condition. This standard of care draws appreciative comments from our visitors. Covid 19 restrictions have meant larger building projects including construction of the replacement carport and new recycling storage area, the roof condition assessment, and various internal refurbishment plans have been put on hold.
	Using external contractors the Board arranged for Biannual Sprinkler survey to be undertaken, the 4-yearly sprinkler valve overhaul to be completed and regular safety and security checks and maintenance works to be carried out. The property is compliant with Building Warrant of Fitness and Health and Safety requirements.

ii	<p>Work to make Caccia Birch House environmentally responsible and eco-friendly.</p> <p>The plans to rebuild the carport roof and incorporate a waste recycling and storage space area are complete. The consent process, tendering and building have been delayed by covid 19 lockdown and it is expected that it will be completed in the next financial year. The covered area required rebuilding or replacement and lack of secure storage for recycling required the addition of a new building. This project will essentially integrate the two requirements and provide safe, secure facilities whilst containing noise effects.</p> <p>We continue to investigate suitable LED light fittings for the existing chandeliers and other lights, to be more eco-friendly. A generous donation from Central Energy Trust enabled the installation of new LED light tracks in the CoachHouse archive. The goal of reducing energy use is also being contributed to through the installation of new window blinds.</p> <p>Visitors and clients alike often cycle to the property and secure bicycle parking facilities especially with a greater use of e-cycles, is required. Designs for a covered option are being investigated and have been included in the Board's 10-year plan.</p> <p>Visitors access the gardens daily and the footpaths form a walking circuit, especially as the pedestrian gates are open 24/7. We have identified that to encourage greater pedestrian access, the construction of a safe and inviting footpath access which separates vehicle and pedestrian thoroughfare on the main driveway is required. This work has been scheduled in the Board's 10 – year plan.</p>
iii	<p>Develop the venue facilities.</p> <p>The Board undertook work on its Strategic and 10-year plan to provide an ambitious proposal which aims to enhance not only the property and its services but the revenue generating opportunities.</p> <p>Additions and improvements have been made to the conference presentation equipment, including the purchase of three drop down screens, Smart TV monitor, in-house electronic directional signage, and various other items of technical equipment.</p> <p>Further purchases of heritage furniture were completed.</p>
B. Heritage – Natural	
i	<p>The listed notable trees are preserved and maintained.</p> <p>A limited amount of minor tree maintenance was undertaken at the end of 2019. The kind summer / autumn meant little or no storm damage to repair and lockdown prevented non-essential maintenance being undertaken.</p> <p>General tree maintenance is on-going. The Board plans to incorporate signage and information about the notable tree varieties on the property.</p>

ii.	Enhancement of the grounds.
	New hedges have been planted, along with native and flowering shrubs to enhance areas in the gardens that are undergoing renewal. This work is ongoing.
	A new design to enhance the Lagoon embankment and improve the visual link between Caccia Birch House, Hokowhitu Lagoon, the Manawatu River and restore the outlook towards Te Motu-O-Poutoa Pa is nearing completion with PNCC and Local Design Company. An option to carve the large macrocarpa tree stump has been considered. A design concept has been requested from a carver, Mr Kawana. It is anticipated this work will commence in the summer of 2020.
	The Board continue to work on a map / plan that will incorporate new focal points, flora / fauna signage and extend the footpath network to enhance the visitor experience. The 10 – year plan includes larger structures that will provide shade, seating and entertainment value. New hedges were planted and other amenity shrubs.

C. Heritage – Cultural

i	<p>We will make the community more aware of the heritage value of Caccia Birch House.</p> <p>We continue to improve our visibility through social media and direct contact with bus tour companies. Covid has slowed the production of formal tour offerings and becoming a Qualmark rated experience for the Tourism industry.</p> <p>The CoachHouse Archive and Gardens continue to be promoted to the local visitor and local tourism industry via our website and social media platforms, along with direct contact to bus tour companies.</p> <p>The CoachHouse archive is accessible each weekday during normal business hours and by appointment outside of these times. Visitors could access the gardens at least 315 days last year. The public have been excluded for private weddings or functions and lockdown as a result of Covid 19.</p> <p>The CB CoachHouse Archive is open each weekday, therefore accessible at least 220 days last year. (lower due to lockdown)</p> <p>Currently the visitors undertake self-guided tours and if available we assist. Most visitors will sign in and leave a positive comment.</p> <p>The new section of archive panels was completed in March and the designs for the replacement old history panels have been completed and are ready for installation. They are larger, brighter and the new lighting installed this year makes for a very welcoming and interesting experience. More displays are already being planned for 2021 / 22 and the intention is to better utilise modern technology for information sharing to engage the younger community members.</p> <p>The Board has been limited in enhancing visitor numbers and engagement through lack of resources to hire well trained and knowledgeable staff and volunteers. The Board has made representations to Council for additional resources to assist in this regard. The discussion is ongoing.</p> <p>A highlight of the year was helping to host the Fight the Fire Fundraiser. Although put together at short notice, the event saw around 300 people listen to a wonderful line up of entertainers on a lovely summer afternoon and money raised for our Australian neighbours.</p>
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D. Heritage – Cultural & Business.

During the first six months of the financial year we experienced a 72 % occupancy, a good number of hire bookings and increase in visitor numbers with lots of Open Afternoons being held.

Lock down and subsequent restrictions meant few clients, visitors or revenue generating activities. The occupancy for the overall year plummeted to 52 %.

The Board held 18 Free Open Afternoons or Open Days (January) to encourage more visitors to learn about local history and utilise the grounds. The average attendance on each day was 28 people, many were families bringing children or their out of town visitors. Invited local artists exhibited during two of the open afternoons.

We held several large conferences and continue to have a loyal client base holding their training and educational sessions. There were fewer weddings this year, however several significant birthday events including a 100th celebration!

Early summer saw two bus tour groups visit and unfortunately those booked for March / April were cancelled.

Monthly Occupancy Rates & Use of Caccia Birch House July 2019 to June 2020									
Month	% Use Per month	Total Days USED	People Number	Corporate Meetings	Private Functions	Community Discounted	Public Events		
July	67.74	21	609	29	4	5	1		
August	87.09	27	758	32	4	3	4		
September	60.00	18	830	29	7	1			
October	80.64	25	941	29	3	4	4		
November	83.80	26	1291	33	9	4	4		
December	51.61	16	742	18	6	2			
January	61.29	19	786	8	4	0	6		
February	72.41	21	542	24	4	3			
March	51.61	16	435	16	4	3	0		
April	0.00	0	0	0	0	0	0		
May	7.75	4	50	4	0	3	0		
June	50.00	15	301	28	2	4	0		
Totals	623.94	193	6984	222	45	28	19		
Average/12 mth	51.99	16.08	582	18.5	3.75	2.33	1.66		

	<p>It was a great start to the financial year on every level, however the impact of Covid 19, saw no income for two and a half months and then very small meeting groups started to return mid to late June. Visitors were also scarce.</p>																																							
	<table><tr><th colspan="8">Occupancy Comparison 2019 to 2020</th></tr><tr><th rowspan="2">Month</th><th>% Use</th><th>Total Days</th><th>People</th><th>Corporate</th><th>Private</th><th>Community</th><th>Public Events</th></tr><tr><th>Per month</th><th>USED</th><th>Number</th><th>Meetings</th><th>Functions</th><th>Discounted</th><th></th></tr><tr><td>July 18 to June 19</td><td>66.81</td><td>246</td><td>9701</td><td>284</td><td>48</td><td>37</td><td>30</td></tr><tr><td>July 19 to June 20</td><td>51.99</td><td>193</td><td>6984</td><td>222</td><td>45</td><td>28</td><td>20</td></tr></table>	Occupancy Comparison 2019 to 2020								Month	% Use	Total Days	People	Corporate	Private	Community	Public Events	Per month	USED	Number	Meetings	Functions	Discounted		July 18 to June 19	66.81	246	9701	284	48	37	30	July 19 to June 20	51.99	193	6984	222	45	28	20
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July 18 to June 19	66.81	246	9701	284	48	37	30																																	
July 19 to June 20	51.99	193	6984	222	45	28	20																																	
	<p>Public Events: The Trust engaged with 2 external event organisers to host large publicly accessible musical events. These are deferred until summer 2021 or beyond.</p>																																							
	<p>This financial year visitors and hirers included ethnic and multi-cultural people from around the world, including China, Korea, India, Germany and Canada. Visitors love the house and appreciate the opportunity to visit or utilise the venue, providing us with a 98% satisfaction from respondents.</p> <p>A couple of people would have preferred a personally guided tour which we could not provide at short notice.</p> <p>Our venue hire fees are too costly for many non-profit community groups even with the discount offered, however we have three regular non-profit hirers and our free events and open house days provide an opportunity for everyone to experience this heritage facility.</p>																																							
	<p>The drop in revenue due to covid placed challenges on staff recruitment and although we were fortunate in securing the wage subsidy which was well used in keeping the property in pristine condition and ready for resumption of business. Ensuring that the operation is appropriately staffed to meet the changing outcomes remains challenging in the shorter term.</p>																																							

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.
	Investigation and discussions on alternative income sources is on-going. EG. Linking in with organised tours to the city.

7. How We Performed.

Objective	Performance Measure	Actual		Target	
		July to Dec 2019	2019/20 FORECAST	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.	Completed 100%	100%	100%	100%
	ii. Scheduled internal maintenance – completed annually.	Completed	100%	100%	100%
	iii. Environmentally Eco friendly development.	In progress	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.	Completed	2 trees	4 trees	2 trees
	ii. New features installed in grounds.	Not Completed	Embankment footpath.	Signage for Notable and memorial trees and new footpath.	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.	18	15	16	17
	ii. Number of visitors to Open days.	504	560	750	960
	iii. Accessible days for CoachHouse archive and grounds.	220	120	140	160
	iv. Number of casual visitors to CoachHouse & grounds.	660	720	840	960
	v. Number of Trust / Council and stakeholder operated publicly accessible events.	1	4	5	6
	vi. Percentage of respondents satisfied with visitor experience.	98%	100%	100%	100%

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.	vii. Number of Conference / Meeting hires.	222	370	380	390
	viii. Number of Social Function Hires.	45	53	54	55
	ix. Percentage occupancy based on daily usage.	52%	73%	74%	75%
	x. Website / Social Media engagements. (annual).	7600	5500	6000	6500
	i. Review Governance policies. (32 Policies at the time of writing)	Completed	10 policies	11 policies	11 policies.

8. How we operated during the year.

The Board:

- a) Meets at least once a month either in person or 'virtually' and members are in regular email or phone contact. There are three working committees comprising Building and Grounds, Governance, Finance.
- b) Completed its annual review of the strategic work plan in December 2019 and used this as a guide to creating the Statement of Intent and 10 – year plan for PNCC.
- c) Has operated within the budget, meeting, and exceeding targets for the first six months of this financial year. The loss of revenue during lockdown and covid 19 restrictions reduced the income, however the wage subsidy and no non-essential spending has assisted in keeping the Trust in the black. The Board takes responsibility in its budget for the day-to-day ground's maintenance and minor development costs, at a minimum of \$27,000 annually from the operational grant.
- d) Provided free access to the Heritage property for local tourism and visitors whilst operating a "venue hire business" that endeavours to be competitive within the well-documented curfew and noise constraints.
- d) Works to fully embrace the visitor / tourism industry for the benefit of Palmerston North, and currently working to contribute by providing tours and visitor experiences to promote the regions rich history.

Operations:

- a) The Board plans to enhance its business operation model with the aim of increasing the full potential of its activities and revenue once operating at level 1 consistently.
- 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 booking and coordination of all events, taking tours, marketing, the coordination of maintenance work and planning of property development work, the business administration and some governance-associated tasks.
- 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 to keep costs to a minimum.
- d) For the growth of new activities and visitor experiences and property enhancements to succeed, investment in more staff may be required. The Board are looking at developing a volunteer group to assist with the non-income generating visitor related activities.

Six Month Financial Statements 1st July to 30th June 2020

- Attached are the un-audited annual financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity and statement of cashflows.

CACCIA BIRCH TRUST BOARD

CHAIRPERSON

GRANT O'DONNELL

Caccia Birch Trust Board**Financial Statements****30 June 2020**

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30-Aug-20

**Caccia Birch Trust Board
Entity Information
for the Year Ended 30 June 2020**

Legal Name

Caccia Birch Trust Board (the Trust)

Type of Entity and Legal Basis

Caccia Birch Trust Board is a Charitable Trust incorporated in New Zealand under the Charitable Trusts Act 1957.

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 the Board of Trustees.

The Trust's Purpose or Mission

The primary objective of the Trust is to develop, enhance and maintain the land & buildings described in the schedule of property hereto known as Caccia Birch House so that it may be utilised and enjoyed by the community.

**Structure of the Trust's Operations,
including Governance Arrangements**

The Trust comprises a Board of 5 Trustees who oversee the governance of the Trust. The Trustees comprised of 5 ordinary Trustees who were appointed by the Palmerston North City Council.

The Trustees include a Chairperson who oversees the day-to-day operations of the Trust.

Main Sources of the Trust's Cash and Resources

The primary source of revenue is from Sales of Goods and Services. Grants received from the Palmerston North City Council are also a main source of funding to the Trust.

The property maintained by the Trust (Caccia Birch House) is owned by Palmerston North City Council and leased to the Trust with no rent payable.

Caccia Birch Trust Board
Statement of Financial Performance
for the Year Ended 30 June 2020

	Note	2020 \$	Budget \$	2019 \$
REVENUE				
Council Funding	3	109,086	111,943	114,318
Other Sales of Goods & Services	4	132,505	194,186	177,216
Interest Received		459	546	509
Tagged Projects Grants		<u>8,287</u>		<u>8,036</u>
		250337	306675	300,078
OTHER INCOME				
Covid 19 Wages Subsidy	4.1	<u>26,836</u>		
		277173	306675	300078
Less EXPENSES				
Employee Related Costs	5	130,848	134,931	137,980
Costs Related to Providing Goods & Services	6	112,795	151,904	130,309
Other Expenses	7	19,857	21,389	19,019
Depreciation		<u>21,782</u>	<u>17,200</u>	<u>21,444</u>
TOTAL EXPENSES		<u>285,282</u>	<u>325,424</u>	<u>308,751</u>
OPERATING SURPLUS/(DEFICIT)		<u>-8109</u>	<u>-18,749</u>	<u>-8,673</u>

Explanations of major variances against budget are provided in note 19.

Value of Coach House Projects is met by Project funds shown on page 12

NOTE: This Statement is to be read in conjunction with notes to the financial statements

Caccia Birch Trust Board
Statement of Financial Position
As At 30 June 2020

	Note	2020 \$	Budget \$	2019 \$
ASSETS				
Current Assets				
Bank Accounts & Cash		54,314	30,818	41,692
Debtors & Prepayments	8	21,281	25,000	22,136
Investments	9	14,777	13,900	14,355
		<u>90,373</u>	<u>69,718</u>	<u>78,182</u>
Non-Current Assets				
Property, Plant & Equipment	10	<u>95,603</u>	<u>70,980</u>	<u>98,416</u>
TOTAL ASSETS		<u>185,976</u>	<u>140,698</u>	<u>176,598</u>
Less LIABILITIES				
Current Liabilities				
Creditors & Accrued Expenses	11	25,783	31,462	34,665
Employee Costs Payable	12	14,265	14,154	11,965
MSD Covid 19 Wage Subsidy	12.1	17,994		
Grants and Funding Subject to Conditions		<u>6,074</u>	<u>0</u>	<u>0</u>
Total LIABILITIES		<u>64,116</u>	<u>45,616</u>	<u>46,630</u>
NET ASSETS/(LIABILITIES)		<u>121,860</u>	<u>95,082</u>	<u>129,968</u>

Represented by:

Trust Equity

Accumulated Surpluses	13	<u>121,860</u>	<u>95,082</u>	<u>129,969</u>
Total Trust Equity		<u>121,860</u>	<u>95,082</u>	<u>129,969</u>

For and behalf of the Trustees on this day,

Chairman _____

Manager _____

NOTE: This Statement is to be read in conjunction with notes to the financial statements

Caccia Birch Trust Board
Statement of Cash Flow
for the Year Ended 30 June 2020

	Note	2020 \$	Budget \$	2019 \$
Cash flows from operating activities				
<u>Cash was received from:</u>				
Receipts from Council Funding		109,086	111,943	114,138
Receipts of Other Sales of Goods & Services		184,248	194,186	181,185
Receipts of Other Grants and Donations Received		2,822		436
Receipts of MSD Covid 19 Wage Subsidy		44,830	--	
Interest Received		485	546	509
GST (net)		423	20	380
		<u>341,893</u>	<u>306,695</u>	<u>296,648</u>
<u>Cash was paid to:</u>				
Payments to Suppliers and Employees		<u>315,268</u>	<u>307,792</u>	<u>284,384</u>
		<u>315,268</u>	<u>307,792</u>	<u>284,384</u>
Net cash inflow (outflow) from operating activities		<u>26,625</u>	<u>-1,097</u>	<u>12,264</u>
Cash flows from investing activities				
<u>Cash was received from:</u>				
		<u>14,355</u>	<u>13,944</u>	<u>13,898</u>
Receipts from Sale of Investments		<u>14,355</u>	<u>13,944</u>	<u>13,898</u>
<u>Cash was paid to:</u>				
Payments to Purchase Fixed Assets		13,580	0	12,065
Payments to Purchase Investments		<u>14,777</u>	<u>13,900</u>	<u>14,355</u>
		<u>28,357</u>	<u>13,900</u>	<u>26,419</u>
Net cash inflow (outflow) from investing activities		<u>-14,002</u>	<u>44</u>	<u>-12,521</u>
NET INCREASE (DECREASE) IN CASH HELD		<u>12,623</u>	<u>-1,053</u>	<u>-258</u>
Bank Accounts and Cash as at 1 July 2019		<u>41,692</u>	<u>31,871</u>	<u>41,950</u>
Bank Accounts and Cash as at 30 June 2020		<u><u>54,315</u></u>	<u><u>30,818</u></u>	<u><u>41,692</u></u>

The GST (net) Component of Cash Flows from Operating Activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been Presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation of the other primary financial statements.

NOTE: This Statement is to be read in conjunction with notes to the financial statements

Caccia Birch Trust Board
Notes to the Financial Statements
for the Year Ended 30 June 2020

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 has been no changes in accounting policies, with the exception of depreciation on electrical equipment which is based on useful years as per IRD depreciation rates from 19/20 year. All other 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 its 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%)

From the 2019-2020 year Computer Equipment and Electrical Equipment are depreciated over their useful lives as per the IRD Depreciation Rates .

Caccia Birch Trust Board
Notes to the Financial Statements
for the Year Ended 30 June 2020

(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, and leave entitlements. Performance payments are recorded when the employee is notified that the payment has been granted.

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

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

These are expensed when the related service has been received. This does include staff time spent on Social Media marketing activities.

Caccia Birch Trust Board
Notes to the Financial Statements
for the Year Ended 30 June 2020

(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) **MSD Covid 19 Wage Subsidy**

For employers adversely affected by Covid-19, are eligible to apply for the Government Covid 19, 12 week Wage Subsidy for businesses that experience a minimum 30% decline in actual or predicted revenue over the period of a month when compared with the same month last year, and that decline is related to Covid-19.

Applicable from from 27 March 2020.

(p) **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
Notes to the Financial Statements
for the Year Ended 30 June 2020

3. Council Funding

	2020	2019
	\$	\$
Sales of Goods and Services to Council		
Catering Revenue	1,347	321
Facilities Hireage	502	1,038
Recoveries From Hireage	169	10
Functioning Servicing	0	0
PNCC - Operations, Audit, Meeting Grant	107,068	109,326
Reimbursement - Property Expense	0	3,623
Total Council Funding	109,086	114,318

4 (a) Other Sales of Goods & Services

	2020	2019
	\$	\$
Event Income	200	6,468
Function Serving	324	988
Catering Revenue	60,189	76,990
Facilities Hireage	66,460	85,366
Recoveries from Hireage	5,331	6,910
Fastpay Surcharge Fee	0	95
Miscellaneous Income	0	400
Total Other Sales of Goods & Services	132,505	177,216

4.1 Covid 19 Wages Subsidy

	2020	2019
	\$	
Reimbursement - Covid 19 Wage Subsidy	26,836	-
	26,836	0

5. Employee Related Costs

	2020	2019
	\$	\$
Salaries & Wages	130,237	137,178
Employer Superannuation Contributions	611	801
Other Employee Related Costs	0	0
Total Employee Related Costs	130,848	137,980

Caccia Birch Trust Board
Notes to the Financial Statements
for the Year Ended 30 June 2020

6. Costs Related to Providing Goods & Services

	2020	2019
	\$	\$
Advertising	1,795	3,847
Buildings - Electrical	0	0
Buildings - Other R & M	1,598	1,844
Catering Expense	58,459	73,402
Cleaning & Laundry - Consumables	1,721	1,943
Cleaning & Laundry - Waste Removal	1,289	1,525
Coach House Project	0	185
Computer Expenses	830	2,715
Conference Expenses	554	538
Equipment under \$500	1,698	200
Event Expenses	1,832	4,021
Grounds - Lawn Mowing	7,805	7,805
Governance Expenses	683	735
Trustee Remuneration	5,100	4,080
Insurance	3,693	3,226
Kitchen Expense	430	1,215
Light, Power & Heating	7,877	8,476
Office Expenses	0	0
Printing, Postage & Stationery	2,816	3,071
Rental Plants	527	644
Rent - Plant & Equipment	0	0
Repairs & Maintenance - Equipment	464	179
Repairs & Maintenance - Grounds	1,909	3,097
Repairs & Maintenance - Furniture	1,415	995
Secretarial	2,230	0
Security	5,355	4,232
Subscriptions	103	60
Telephone, Tolls & Internet	2,611	2,276
Total Costs Related to Providing Goods & Services	112,795	130,309

Caccia Birch Trust Board
Notes to the Financial Statements
for the Year Ended 30 June 2020

7. Other Expenses	2020	2019
	\$	\$
ACC Levies	666	613
Accountancy Fee	1,700	1,500
Book Keeping Fee	7,040	6,750
Smart Payroll Administration Fee	801	648
Audit Fees - Financial Statements	8,649	8,124
Bank Charges & Fees	335	657
Bad Debts	81	0
Credit Card Commissions	0	138
Licences & Registrations	44	44
Xero Fees	540	544
Total Other Expenses	19,857	19,019
8. Debtors & Prepayments	2020	2019
	\$	\$
Debtors	20,405	21,213
Prepayments	876	923
	21,281	22,136
9. Investments	2020	2019
	\$	\$
Term Deposits	14,777	14,355

Caccia Birch Trust Board
Notes to the Financial Statements
for the Year Ended 30 June 2020

10. PROPERTY, PLANT & EQUIPMENT	2020	2019
	\$	\$
Plant & Equipment		
Carrying Amount at 1 July	32,297	41,745
Additions	4,369	0
Disposals (Net of Accumulated Depreciation)	0	0
Depreciation Expense	9,746	9,448
Carrying Amount at 30 June	26,920	32,297
Awhina Project		
Carrying Amount at 1 July	33,801	40,027
Additions	0	0
Disposals (Net of Accumulated Depreciation)	0	0
Depreciation Expense	6,227	6,227
Carrying Amount at 30 June	27,574	33,800
Coach House		
Carrying Amount at 1 July	17,394	7,696
Additions	14,599	12,681
Disposals (Net of Accumulated Depreciation)	0	0
Depreciation Expense	3,023	2,983
Carrying Amount at 30 June	28,970	17,394
Fire Safety Upgrade		
Carrying Amount at 1 July	14,925	17,711
Additions	0	0
Disposals (Net of Accumulated Depreciation)	0	0
Depreciation Expense	2,786	2,786
Carrying Amount at 30 June	12,139	14,925
Total Carrying Amount at 30 June	95,603	98,416

Caccia Birch Trust Board
Notes to the Financial Statements
for the Year Ended 30 June 2020

11. Creditors & Accrued Expenses	2020	2019
	\$	\$
Creditors	15,828	21,190
Accrued Expenses	11,027	10,763
Secure Venue Expense	22	1,146
ANZ Credit Card		
GST	-1,094	1,566
	<u>25,783</u>	<u>34,665</u>
12. Employee Costs & Payable	2020	2019
	\$	\$
Accrued Wages & Salaries	4,365	2,425
Annual Leave	9,900	9,540
	<u>14,265</u>	<u>11,965</u>
12.1 MSD Covid 19 Wage Subsidy Received	2020	2019
	\$	\$
Covid 19 Wage Subsidy Received - balance	17,994	-
	<u>17,994</u>	<u>-</u>
13. Equity	2020	2019
	\$	\$
Accumulated Surpluses		
Accumulated Surpluses at 1 July	129,969	138,642
Surplus/(Deficit) for the Year	-8,109	-8,673
Balance at 30 June	<u>121,860</u>	<u>129,969</u>
14. Coach House Grant Summary	2020	2019
	\$	\$
Opening	5094	17,960
PNCC	3300	0
Central Energy Trust	8239	0
Expenses	-8,239	-12,866
Total Remaining	<u>8,394</u>	<u>5,094</u>

The purpose of this note is to provide transparency over the balance received and information for the entities providing the funding. The grants require the Trust to spend the funds on the Coach House Project. Although the grants are for this specific purpose, there is no obligation to return unspent funds, so no liability has been recorded for the unspent amount.

Caccia Birch Trust Board
Notes to the Financial Statements
for the Year Ended 30 June 2020

15. **CONTINGENCIES**

Contingent Liabilities

At balance date there are no known contingent liabilities (2019:\$nil) Caccia Birch Trust Board has not granted any securities in respect of liabilities payable by any other party whatsoever.

Contingent Assets

At balance date there are no known contingent assets (2019:\$nil).

16. **RELATED PARTIES**

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

Palmerston North City Council (PNCC)

The Trust was settled by Palmerston North City Council and received a significant amount of operating grants from the Council to deliver its objectives as specified in the Trust Deed. The Palmerston North City Council is the ultimate controlling party of the Trust.

During the year Caccia Birch Trust Board entered into transactions with the Palmerston North City Council. In addition to the transactions shown, the Trust leases its premises from Palmerston North City Council. These premises are effectively provided as an additional grant with no rent payable. The market rent is \$128,000.

Caccia Birch Trust Board Paid to
Palmerston North City Council

	2020	2019
	\$	\$
Catering and Venue Hireage Services	0	0

Caccia Birch Trust Board Received
from Palmerston North City Council

	2020	2019
	\$	\$
PNCC - Operations/Meeting/Audit Grant	107,068	109,326
Sales of Goods and Services to Council	2,018	1,369
Council Reimbursed R & M Expenditure	0	3,623
Grant - Coach House Archive	3,300	0
PNCC Owes Caccia Birch	0	0
Caccia Birch Owes PNCC	0	155

Caccia Birch Trust Board
Notes to the Financial Statements
for the Year Ended 30 June 2020

N & C Enterprises

Caccia Birch Trust Board have a separate contract with N&C Enterprises Ltd of which Nicky Birch (Manager of Caccia Birch) is the sole director and shareholder. This Catering company is the only business currently contracted to the Trust Board. (Any catering company may use the facility).

Caccia Birch Trust Board Paid to N & C Enterprises

	2020	2019
	\$	\$
Catering Expense	58,459	73,402

Caccia Birch Trust Board Received from N & C Enterprises

	2020	2019
	\$	\$
Catering Revenue	60,189	76,990

At balance date there was \$3495.32 owing to N & C Enterprises (2019 :\$11934.38), and N & C Enterprises owed \$nil to Caccia Birch Trust Board (2019:\$nil).

17. EXPENDITURE COMMITMENTS

(a) Operating Commitments

At balance date there is no known commitment to lease or rent assets (2019:Nil).

(b) Capital Commitments

At balance date there are capital expenditure commitments of \$7315.15. (2019: \$503.05). Further there are no commitments to provide loans or grants to any other party. (Signmakers: Historic Information Panels Coach House \$7315.15)

18. EVENTS AFTER THE BALANCE DATE

There was no significant events after the balance date.

The impact of the Covid -19 pandemic is expected to impact on the next financial year as the fear off uncertain times continues. Budgeting has allowed for a 30% drop in revenue and expenditure as a result.

Caccia Birch Trust Board
Notes to the Financial Statements
for the Year Ended 30 June 2020

19. EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variance from the Trust's budgeted figures in the 30th June 2020 financial year.

Statement of intent are as follows:

Statement of Financial Performance

Sales of Goods and Services were down on budget as the Covid-19 pandemic impacted on the business from late March onwards.

At Level Four - Lockdown required as not an essential business.

At Level Three - Restricted - cannot physically interact with customers. and no gatherings over 10 allowed.

At Level Two - gatherings up to 100 allowed. Physical distancing required between groups

At Level One - from 9 June , no restrictions on gatherings, contact tracing records maintained.

The Board has been able to continue employing staff and continue with administration, property maintenance and upkeep, and had no staff losses due to the pandemic

The 12 Week Government Covid-19 Wage Subsidy was applied for from the end of March for:

1 full time staff member \$585.80 per week	\$7,029.60
8 Casual staff, working less than 20 hours per week at \$350 per week	\$33,600
1 Permanent Part-time staff working less than 20 hours per week at \$350 Per week	\$ 4,200.00
	<u>\$44,829.60</u>

Average hours were calculated for all staff working less than 20 hours per week.

As per Government guidelines Where the employees usual wages were less than the subsidy, their usual wages were paid and the difference used for the wages of other affected staff - one full time staff member.

As at 30 June \$26,835.54 of the Wage Subsidy had been used for wages.

The impact of the Covid pandemic on bookings started in March, and continued through the next two months, with June slowly picking up. The ongoing fear of uncertain times and the planning and time required to organise an event has seen clients continue to postpone their booking requirements, although on a more positive note we have tentative bookings for August and September starting to be made.

Cancelled Bookings due to Covid-19 from 20th March - 30 June:

	Conference	Social Function	Event	
March	17	1		
April	23		3	
May	33	1	1	
June	15			
	88	2	4	Total = 94

Total In- house catering booking cancellations for these bookings = 67

The estimated loss on room hireage is \$14,000 over this period. Plus with hireage of incidentals and catering estimated revenue loss is in the vicinity of \$25,000 - \$30,000.

The Annual Bridal Fair was postponed from April to August 2020.

Pre Covid-19 Catering revenue was down on budget as clients spent less on catering and used alternative caterers or self catered.

This also impacted on the catering expenses being below budget as a result.

Trustee remuneration was below budget due to members being unable to attend all meetings.

PNCC Audit Grant budgeted was not received.

Expenses have been controlled and were below budget of \$308,224 excluding depreciation.

Employee related costs were lower due the impact of Covid-19 and reduced hours worked from late March 2020. Employee time spent on bridal Fair and Social Media has been reallocated to event expenses and marketing.

This was due to lower breakages and less overall repairs required.

Electricity & Gas usage is down due to cancelled bookings due to the pandemic.

Marketing Costs were also down on budget. A portion of the staff time is spent on marketing including social media - this time has been recognised and allocated to marketing.

One outstanding Account Receivable was written off as a bad debt: \$81.30

Net Profit before depreciation was ahead of budget \$5386 profit v (\$1549 budgeted loss).

This excludes Tagged Projects Grants.

The operating loss for the year after depreciation of \$8287 is well below in comparison to the anticipated budgeted loss of \$18,749. Coach House expenditure of \$14,560 has been capitalised -

Statement of Financial Position

Debtors are lower than expected due to cancelled bookings and less future bookings.

Creditors are lower than budgeted due to less spending as a result of the pandemic, reduced catering expenses, cancelled rental plants and maintenance work completed by in-house staff

Statement of Cash Flows

The cash flow is also above budget in both the receipt and payment of cash and a net increase in cash held of \$12623 resulted compared to a budgeted decrease of \$10,971. Cash received includes Covid 19 Wage Subsidy of \$44830

STATEMENT OF INTENT

2019 - 2022

THE REGENT THEATRE TRUST

Prepared by: Charles Forbes, General Manager
Version 0.1



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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 2018/19	Target	
			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.	2018/19	2021/22
			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	
			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.		2021/22	
			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.

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	
		2018/19	2019/20	2020/21
Secure the future of New Zealand's most valued historic regional venue.	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. Develop and promote events that reflect the architectural and/or historical significance of the venue and its significant point of difference as a venue.	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.	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.	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.
		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.	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.	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.
		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.	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.	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.
		Support theatre tours in conjunction with the PNCC History week and re-evaluate for the future.	Support theatre tours in conjunction with the PNCC History week and re-evaluate for the future.	Support theatre tours in conjunction with the PNCC History week and re-evaluate for the future.
		Initiate 1 event to celebrate the theatre's historical significance..	Initiate 1 event to celebrate the theatre's historical significance.	Initiate 1 event to celebrate the theatre's historical significance.

Support an innovative and growing city.					
Objective	Performance Measure	Actual	Target		
			2019/20	2020/21	2021/22
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.	<p>To meet general maintenance obligations that are required by the Trust Deed.</p> <p>In accordance with the asset management plan, implement the necessary maintenance and upgrading tasks identified for 2018/19, with skilled workers and consultants.</p> <p>Priority identified – repainting the Regency Room.</p>	<p>To meet general maintenance obligations that are required by the Trust Deed.</p> <p>In accordance with the management plan, implement the necessary maintenance and upgrading tasks identified for 2019/20, with skilled workers and consultants.</p> <p>Priority identified – Foyer and Auditorium carpet replacement Estimated replacement cost \$300,000.</p>	<p>To meet general maintenance obligations that are required by the Trust Deed.</p> <p>In accordance with the maintenance plan, implement the necessary maintenance and upgrading tasks identified for 2020/21, with skilled workers and consultants.</p> <p>Priority identified – Foyer and Auditorium carpet replacement Estimated replacement cost \$300,000 (if not undertaken in the previous year).</p>	<p>To meet general maintenance obligations that are required by the Trust Deed.</p> <p>In accordance with the maintenance plan, implement the necessary maintenance and upgrading tasks identified for 2021/22, with skilled workers and consultants.</p> <p>Implement priorities identified.</p>



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 programs 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 programs To assist/support 12 school or educator programme productions.

Development of connected and safe communities				
Objective	Performance Measure	Actual	Target	
			2019/20	2020/21
Community Engagement.	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.	<p>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.</p> <p>To assist with 2 iconic community events.</p>	2017/18	2021/22
			<p>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.</p> <p>To assist with 2 iconic community events.</p>	<p>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.</p> <p>To assist with 3 iconic community events.</p>
Migrant and Cultural Communities.	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.	<p>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.</p> <p>Taking into consideration culturally diverse events the theatre already assist, it is intended to assist with 2 additional culturally diverse events.</p>	2019/20	2020/21
			<p>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.</p> <p>To maintain the number of culturally diverse events that were assisted in the previous year.</p>	<p>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.</p> <p>To maintain the number of culturally diverse events that were assisted in the previous year and to assist with 1 additional culturally diverse event.</p>

Development of connected and safe communities.				
Objective	Performance Measure	Actual	Target	
		2017/18	2019/20	2020/21
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.	Web site and social media profiles and activities to be consistently improved and updated.	Web site and social media profiles and activities to be consistently improved and updated.	2021/22
		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.	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.	Web site and social media profiles and activities to be consistently improved and updated.
		Work with the regional support agencies to raise the profile of "What's On" in our region.	Work with the regional support agencies to raise the profile of "What's On" in our region.	Work with the regional support agencies to raise the profile of "What's On" in our region.
		95% visitor satisfaction rating obtained from the communitrak survey.	95% visitor satisfaction rating obtained from the communitrak survey.	95% visitor satisfaction rating obtained from the communitrak survey.

Development of connected and safe communities.					
Objective	Performance Measure	Actual	Target		
			2019/20	2020/21	2021/22
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.	<p>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.</p> <p>Strategically source events that balance existing programming.</p> <p>Investigate/assist with acquiring 1 significant community event.</p>	<p>Work alongside existing arts/community partner organisations to bring to the theatre key productions that would otherwise not be performed in Palmerston North.</p> <p>Continue to strategically source events that balance existing programming.</p> <p>Investigate/assist with acquiring 2 significant community events.</p>	<p>Work alongside existing arts/community partner organisations to bring to the theatre key productions that would otherwise not be performed in Palmerston North.</p> <p>Continue to strategically source events that balance existing programming.</p> <p>Investigate/assist with acquiring 3 significant community events.</p>	<p>Work alongside existing arts/community partner organisations to bring to the theatre key productions that would otherwise not be performed in Palmerston North.</p> <p>Continue to strategically source events that balance existing programming.</p> <p>Investigate/assist with acquiring 3 significant community events.</p>



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	<p>Develop relationships with contractors and suppliers that have strong environmental sustainability policies.</p> <p>Introduce processes that support good environmental practice.</p> <p>Introduce segregated waste collection so as to recycle and minimise the impact on landfill waste.</p> <p>Introduce the use of reusable/recyclable serving (glassware) containers.</p>	<p>To initiate a venue wide environmental sustainability policy that is in line with the city's environmental sustainability policy.</p>	<p>To investigate suppliers of services and products that are able to support the Regent on Broadway's environmental sustainability policy.</p> <p>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.</p>	<p>To manage and review the Regent on Broadway environmental sustainability policy.</p>
				2021/22
				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 /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>
<u>TRADING ACCOUNT</u>				
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
<u>Add Other Income</u>				
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
<u>LESS EXPENSES</u>				
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

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 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.

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 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.



ITEM 9 - ATTACHMENT 4



REGENT THEATRE TRUST BOARD

Annual Report 2019-20

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Chairman David Lea



OUR DIRECTORY

Come and see us at:	53 Broadway Palmerston North New Zealand
Mail, Phone us at:	PO Box 1723 Palmerston North Phone (06) 3502100
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
Trust Board	David Lea (Chairperson) Susan McConachy (Deputy Chair) Martin Carr Tania Kopytko Phil Payton Mark Mabbett Natalie Rowney Kane Parsons Maurice Rowe (July-Sept) Pat Snoxell (July-Sept) Julie Walker (Secretary Part year) Penny Odell (Secretary Part year)

The Trust Board originated from the group of people who fought to save the Theatre in the early 1990s. The Board completed its job of saving and re-establishing the Theatre and in 2001 was restructured from a representative based group to a smaller skill based group. The Trust exists to further the interests of the Regent on Broadway and leases the Theatre from the Palmerston North City Council.

Staff

David Walsh (Acting General Manager May-Jun)
 Charles Forbes (General Manager Jul-May)
 Shamus Jackson (Technical Manager)
 Cheenu Natarajan (Theatre Technician)
 Julie Walker (Financial Controller)
 Anoushka Treur (Promotions and Marketing Coordinator)
 Karen Hambling (Ticketing)
 Taylor Ellis (Ticketing)
 Janice Jones (FOH Manager)
 David Walsh (FOH Manager Jul-May)
 Chris Laing (FOH Manager)
 Jenina Mangoma (Operations Assistant)

All employees are accountable to the Trust Board through the General Manager.

FRIENDS OF THE REGENT**Office Holders**

Peter Doherty (President)
 Adam Robertson (Vice President)
 Christine Earle (Treasurer)
 Lesley Findlay (Secretary)

Friends of the Regent Patrons

Anna Leese
 Pat Snoxell

The Friends is an incorporated society whose members voluntarily give their time to the Regent on Broadway. The Friends contract to provide ushering and Catering (Refreshments and Bar Services) to the Theatre patrons and hirers. This help to provide the Theatre with equipment purchases from the funds received for these efforts.

PALMERSTON NORTH CITY COUNCIL

Palmerston North City Council is the building owner and has provided the majority of the funding required to restore the Regent on Broadway in 1998. The Council provides an annual operational grant to the Regent on Broadway.



25TH ANNUAL CHAIRMAN'S REPORT

2019-20 Year Ended 30th June 2020

Her Majesty Queen Elizabeth 11 once famously said her year had been an "Annus Horribilis". I now know how she felt! I also wonder whether our past Board members Maurice Rowe and Pat Snoxell knew something when they decided to retire from the board last year!

What a year it has been. But let's start at the beginning as our year began on a real high with the hosting of Abbey Musical Theatre's production of Les Miserables. Another successful Abbey show and one that everyone should feel justifiably proud of. Our thanks to the team that made it possible.

Our usual programme continued and our calendar was full of local, national and international bookings. We were on track to achieve all our KPI's and our budget was looking healthy.

Our year continued as planned. We successfully completed our 20th birthday celebrations; we continued planning to complete our new sound system; we continued to work on our policy documents, to rewrite our Long Term Plan, to develop our Statement of Intent and half yearly reports to Council. Life was good and the future appeared bright.

Then Covid-19 struck and the whole world changed. We were locked down and nothing could or did happen for the rest of the year ending 30th June 2020. The Government wage subsidy enabled us to keep all staff but it has been a difficult time for them, especially dealing with all the cancellations and ticket issues that have arisen and complaints that have ensued.

I don't want to remind us all of the devastation this event brought on us, nor do I want to repeat everything we all know. I just want to say we are back in business (for now anyway) albeit in a limited capacity. We have our new Sound system up and running and we want to look forward to many exciting things to come - one of which is the 90th birthday of our building!

Last financial year not only gave us Covid but it also brought about the resignation of our longstanding General Manager Charles Forbes and the demise of our ticketing agent Ticket Rocket.

We have held a formal farewell for Charles befitting his long service where tributes were made by the

mayor, me, several long-standing promoters and many colleagues and friends. I cannot let this occasion pass without recording the Board's and, in fact, the whole city's thanks and gratitude for the role that Charles has played in the life of the Regent on Broadway from the very first days of our existence.

THE BOARD.

Our board consists of a well talented group of people with different skills and capabilities. Their names are recorded in the directory at the beginning of this report. The retirement of Maurice and Pat has meant we had some holes to fill and I am thrilled to introduce Phil Payton as our newest board member. Phil is a solicitor with a local law firm and has ably filled the gap left by Maurice, especially when a legal perspective is required around the board table at monthly meetings.

It is with a great deal of sadness we farewell board member Martin Carr who is retiring, effective this Annual meeting. Martin has been on the board for around 18 years and has a wealth of knowledge of all things theatre. This knowledge will be sadly missed (so will Martin!) but we know he is not moving far and we will be able to chase him down if there is something we know he knows and we want to know! A sincere thanks for all of your efforts, Martin and good luck for your future endeavours, especially with your involvement with Centrepont. The City Council are currently calling for expressions of interest from the public to fill the vacancy Martin will leave. We look forward to their determinations.

ACHIEVEMENTS IN THE PAST 12 MONTHS.

Of course Covid has reduced our actual operating period down to around just 9 months so we can only really look at what we have achieved in that same light.

Our numbers all point to what would have been a great year. We are thrilled with our community engagement and look forward to working with all local groups, schools, ethnicities and cultural groups. The continuation of our commitment to Palmerston North Operatic Society has been evidenced by our involvement with Sister Act The Musical this year. We all know that Covid beat us in the beginning but as of the past few weeks, we have beaten Covid. Our winning of the battle is, of course, happening in the next

reporting year so I will not dwell on it here suffice to say thank you to all who have made what we are doing, happen. We are the talk of the whole industry. Apart from operational matters, our exciting news is our sound system. We are grateful to our supporters and to those that have made it happen. This has been a project in the planning for several years and finally we are now experiencing a sound quality second to none.

The other major non-operational event of course was the resignation of Charles. This happened just after Covid struck and was received with a very heavy heart by the board. Appropriate thanks have been given and now we move into a new period of history for the Regent.

By the time this report is presented it will have been just announced that the board are thrilled to reveal that after a long and exhaustive search, we have appointed Kathiy Watson as our new General Manager. Kathiy comes with a wealth of theatre management experience, people management skills and event management experience. Her last role was Theatre Manager of the Hannah Playhouse in Wellington. Kathiy begins her position in October.

SOME THANK YOUS

As always, a massive thanks to the Friends of the Regent for their efforts in ensuring our vision of making our patrons' theatre-going experience the best it can possibly be. Our relationship and partnership is unique and is one of the reasons for our success. Their financial support to the Regent ensures the enhancement of our facility and is the envy of every other theatre in New Zealand.

We look forward to continuing to build our relationship and enhancing the benefits to our patrons. My thanks to my Board. You have helped steer us through some pretty rough waters this year. We have all learnt to "zoom" and to make major decisions for the long term benefit of our patrons. I have always said 'I am just the conductor, it is you that make the music'. I look forward to celebrating our achievements with full houses in the near future and to continuing to work with you all.

There is one person that deserves the biggest thanks possible - David Walsh, our Acting General Manager. When Charles resigned I wondered what on earth we would do. We were in the middle of Covid and in the middle of a ticketing company collapse/disaster. Someone mentioned David's name as a possible back-stop (one who collects the ball as it flies past the batter). I phoned David and he immediately said "I'm happy to help you out in any way" and from that moment a dark cloud was lifted and an Acting

Manager was appointed. That was about 4 months ago, 4 months of possibly one of the most difficult times in our history. David has been outstanding in pulling the team together, ensuring the shows must go on (eventually!) and in handling all the promoters first cancelling then rebooking then cancelling again, and all of this during the disaster of the demise of our ticketing agent and setting up a new arrangement with Ticketek. David, the Board owe you a huge thank you. The patrons and citizens, along with the City Council, owe you a huge thank you. I owe you a huge thank you. You have made my life as Chairman of the Board so much easier. There is no one who we could have had who could have pulled off what you have done as well as you have.

To all our staff, Julie, Karen, Anoushka, Shamus, Cheenu and Taylor, thank you for sticking with us, thank you for going the extra mile, thank you for supporting David during this difficult time. The board and I look forward to welcoming our new manager Kathiy and to moving our theatre onward and upwards.

And finally, a big thank you to Mayor Grant Smith, Heather Shotter and all the City Council. You have supported us over this period and offered help when requested. We appreciate your commitment to our theatre remaining the Jewel in the Crown for our City.



David Lea
Chairman Regent Theatre Trust Board
September 2020.

GENERAL MANAGER'S ANNUAL REPORT

For the 2019–20 Year Ended 30 June 2020

Well what a year it has been. We started with the successful local production of Les Miserable and ended with the theatre being in lockdown due to Covid-19. So this year's results were not what we expected and we failed to meet some of our targets. The shows that did occur were successful and this was highlighted by events such as the 10 performances of the Abbey Theatre's production of Les Miserable with over 6,000 attendances.

International touring productions of The Frontm3n, Kris Kristofferson, Stan Walker, A Taste of Ireland, and Royal NZ Ballet all attracted good audience numbers. National events such as PACANZ, Nano Girl, 7 Days, Tangata Rau Kapa Haka all helped with the variety of events held at the Theatre. These events attracted both local and national audiences/competitors. We are continuing to be used for school productions, local Dance Competitions and end of year award ceremonies. During the year we hosted a variety of shows catering for all tastes.

From the first reported overseas outbreak of Covid-19 in January we noticed that our audiences were apprehensive to attend events, and the admissions were starting to be affected from this point. Our staff were immediately trained to ensure that all patrons felt safe and secure while attending events with new hygiene regulations being instigated. The availability of hand sanitisers and extra cleaning of surfaces such as doors handles, bannisters etc were carried out before, during, and after each event.

Then came 25th March and with a total lockdown of the country our business ceased overnight. During this lockdown period our General Manager (Charles Forbes) of 20 years resigned and the Operations Assistant (Jenina) also left during this period.

So the year that started so promising came to a sudden halt with 3 months out of our year with our doors closed and no events.

Covid-19 resulted in approximately 24 major events that had been booked into the Regent on Broadway being either cancelled or re-scheduled to later in the year or to following years.

Our total attendances for the year were 68,855 which was understandably below our projected annual target due to the 14 weeks of the theatre being closed. We were at that stage on track to achieving

our target, comparing it to the same period last year. The closure not only affected the number of events held at the Regent but also contributed to the economic downturn in the city when events such as our Massey Graduation ceremonies and National touring productions had to be cancelled.

Covid-19 has had a dramatic effect on our business and the future is still unknown as to how the general public will react into coming back to theatre when we finally fully open our doors in July 2020.

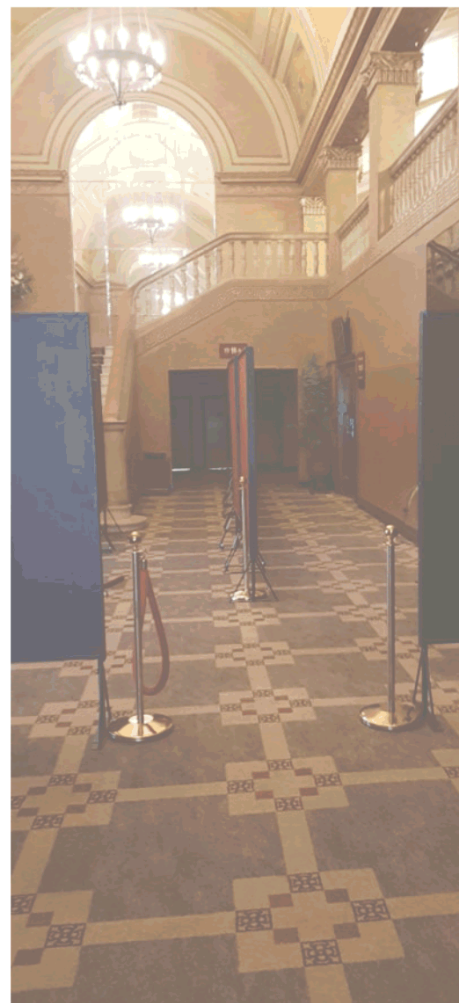
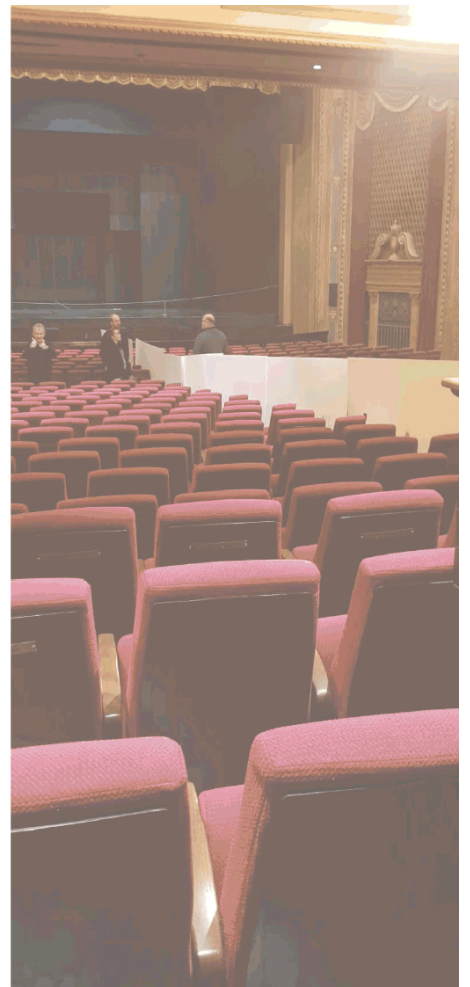
After 22 years since the Regent's refurbishment, the building is starting to show wear and tear in some areas and the building maintenance programme is a continuous undertaking.

The advance bookings for 2020/21, although encouraging, is being viewed with some trepidation, as with borders closed and no signs of international acts returning in the near future our business will be relying solely on Local and National productions.

On a positive note, the theatre had installed during the months of May & June our new state of the art sound system, with thanks to the Contributions from the Friends of the Regent, Palmerston North City Council and the New Zealand Lottery Grants Board.



David Walsh
Acting General Manager



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	2019/20	Actual	Comments
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	That at least 1 major music/theatre production is presented by a local theatre group, and at least 2 smaller national/international events.	Not Achieved	One event only was staged at the theatre with the assistance and support of Regent on Broadway Promotions, that being Les Miserable during August 2019. Our other event which we had agreement to assist with was Sister Act during April 2020 which was postponed due to Covid-19

Support a vibrant, creative and exciting city				
Objective	Performance Measure	2019/20	Actual	Comments
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.	That there are at least 3 seasons of a major ballet production and at least one major classical music concert by a full symphonic orchestra.	Achieved	Three major Ballet productions "Bold Moves" and "Hansel & Gretel" RNZB and the Russian production of "Swan Lake." One NZSO Concert performed over two days in February
		That not less than 58% of the Regent's auditorium hireage revenue is generated from commercial (non-community) use for this year.	Not Achieved	Total revenue generated from Commercial shows was 45.3%. Due to Covid-19, 17 Commercial shows were cancelled during the period March – June.
	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	That the total number of live nights is not less than 180.	Not Achieved	133 Live nights. The impact of Covid-19 prohibited us from reaching this target.
		That total attendances to all events held are not less than 98,600.	Not Achieved	We were on track prior to Covid-19. With our business closing in March, our attendance figure of 68,855 was comparable for the same period last year
	To source and develop relationships with national & international promoters & 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.	Not Achieved	Due to Covid only 17 full commercial hires achieved (24 major event cancelled)
		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.	Not Achieved	Only 17.28% of total attendances in respect of Commercial events held. The result was affected by covid-19 with 17 events either cancelled or postponed.

OUR STRATEGIC OBJECTIVES

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	2019/20	Actual	Comments
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	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).	Achieved	New Sound System installed May 2020. Funding PNCC 28.8% Lotto 57.6%, Friends of Regent 13.6%.
	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.	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.	Achieved	A total of \$66,811 received from Friends of Regent. PNCC \$134,300. NZ Lottery Grants Board \$268,508.
	Develop and promote events that reflect the architectural and/or historical significance of the venue and its significant point of difference as a venue.	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.	Achieved	Continuing relationship with both Professional and Community Groups in sourcing Key event e.g. Last night at the Proms, Post Modern Juke-box

Support an innovative and growing city				
Objective	Performance Measure	2019/20	Actual	Comments
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.	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.	Achieved	Continuing relationship with both Professional and Community Groups in sourcing Key event e.g. Last night at the Proms, Post Modern Juke-box
		Support theatre tours in conjunction with the PNCC History week and re-evaluate for the future.	Achieved	Next theatre tours scheduled in conjunction with PNCC History week November 2020
		Initiate one event to celebrate the theatre's historical significance.	Not Achieved	This outcome was not achieved due to being overtaken by other significant events e.g. Covid-19
		To meet general maintenance obligations that are required by the Trust Deed.	Achieved	Close working relationship with PNCC
		In accordance with the asset management plan, implement the necessary maintenance and upgrading tasks identified for 2019/20, with skilled workers and consultants.	Achieved	In conjunction with the PNCC all work scheduled carried out by approved contractors from PNCC eg painting of Regency Room, Building Maintenance, plumbing etc
		Priority identified – Foyer and Auditorium carpet replacement Estimated replacement cost \$300,000.	Not Achieved	Carpets Professionally cleaned with minor repairs undertaken. Professional advice received that the carpet is in good condition and to review again in 5 years (2025/26)

OUR STRATEGIC OBJECTIVES

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.

Support the development of connected and safe communities				
Objective	Performance Measure	2019/20	Actual	Comments
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 and to encourage the use of the Regent on Broadway to all educators and educationalist programs	Achieved	Community attendance figure, (76.8%) although greater than last year, is misleading as it does not represent a full year's result.
		To assist/support 11 school or educator programme productions.	Achieved	Continuing to work with Schools, and Dance Groups to ensure that use of the theatre is a valuable and educational experience. Assisted with 10 schools awards and 8 school productions
Community Engagement.	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 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.	Achieved	A wide variety of events held throughout the year. Investigation into recruiting a full-time Community Engagement Officer is still work in progress
		To assist with 2 iconic community events.	Achieved	Les Miserable, (August), Last night of the Proms (September)

Support the development of connected and safe communities				
Objective	Performance Measure	2019/20	Actual	Comments
Migrant and Cultural Communities	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 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.	Achieved	See below
		To assist with two culturally diverse	Achieved	A number of culturally diverse events held throughout the year. Kapa Haka, Chinese New Year, Bhutanese Festival, Manukorero Speech competitions, Mid-Winter Hafila.
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.	Web site and social media profiles and activities to be consistently improved and updated.	Achieved	Continuing to keep the web site and social media up to date. A review and upgrading of the website has been delayed due to Covid-19
		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.	Achieved	Good relations with local media agencies and promotional kits continue to be sent to all hirers to assist them in promoting their events at the Regent
		Work with the regional support agencies to raise the profile of "What's On" in our region.	Achieved	Have a good relationship with all regional agencies. Current Member of Chamber of Commerce
		10% increase in social media engagement.	Achieved	2019/20 we changed to a new reporting system allowing for more accurate data. Cannot compare with previous year's results. Social Media increase of approximately 531 followers on previous year and 499 new Likes
		95% visitor satisfaction rating obtained from the communitrak survey.	Not Achieved	Due for review in 2020/21

OBJECTIVE 3.

Support the development of connected and safe communities				
Objective	Performance Measure	2019/20	Actual	Comments
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 in Palmerston North.	Achieved	Successful discussions held with Dance Group (Footnote) who performed The Clearing in October.
		Continue to strategically source events that balance existing programming.	Achieved	A wide variety of events held throughout the year from Kapa Haka, School Productions, Children's shows, Comedy, & Musical Productions ensured the community had the opportunity to attend a variety of events
		Investigate/assist with acquiring two significant community events.	Achieved	Chinese New Year Concert, Bhutanese Festival, Choral Society's Messiah, Abbey Theatre's production Les Miserable



OUR STRATEGIC OBJECTIVES

4. An Eco City

OBJECTIVE

Support environmental sustainability through venue-wide green initiatives.

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

Support environmental sustainability through venue-wide green initiatives.				
Objective	Performance Measure	2019/20	Actual	Comments
Venue wide Green initiative	Develop relationships with contractors and suppliers that have strong environmental sustainability policies.	To investigate suppliers of services and products that are able to support the Regent on Broadway's environmental sustainability policy.	Achieved	New waste recycling programme instigated. Continuing work in progress
	Introduce processes that support good environmental practice.	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.	Not Achieved	Investigation still underway regarding the use of sustainable glasses.
	Introduce segregated waste collection so as to recycle and minimize the impact on landfill waste.			
	Introduce the use of reusable/recyclable serving (glassware) containers.			

REVIEW OF YEAR

The 2019/2020 year started well for the Regent on Broadway with 10 performances during August of the highly successful production of Les Miserable, which was attended by 6,256 patrons. The year continued as normal with school productions, international touring acts such as Kris Kristofferson, The Frontm3n, the Royal NZ Ballet, plus School Prizegiving's, and local dance productions.

The theatre also hosted throughout the year events reflecting the diversity of our multi-cultural city with capacity audiences attending both Manukorero Speech competitions and Tangata Rau Kapa Haka together with the successful Bhutanese concert and Chinese New Year Celebration concert.

This all came to a sudden halt during March when Covid-19 forced the country into total lockdown which resulted in approximately 24 major events that had been booked into the Regent, being either cancelled or re- scheduled to the following year.

Our total attendances for the year was 68,855 patrons which understandably was below our projected annual target due to the 14 weeks of the theatre being closed. However we were currently at that stage on track to achieving our target, compared to the same period last year. The closure not only effected the

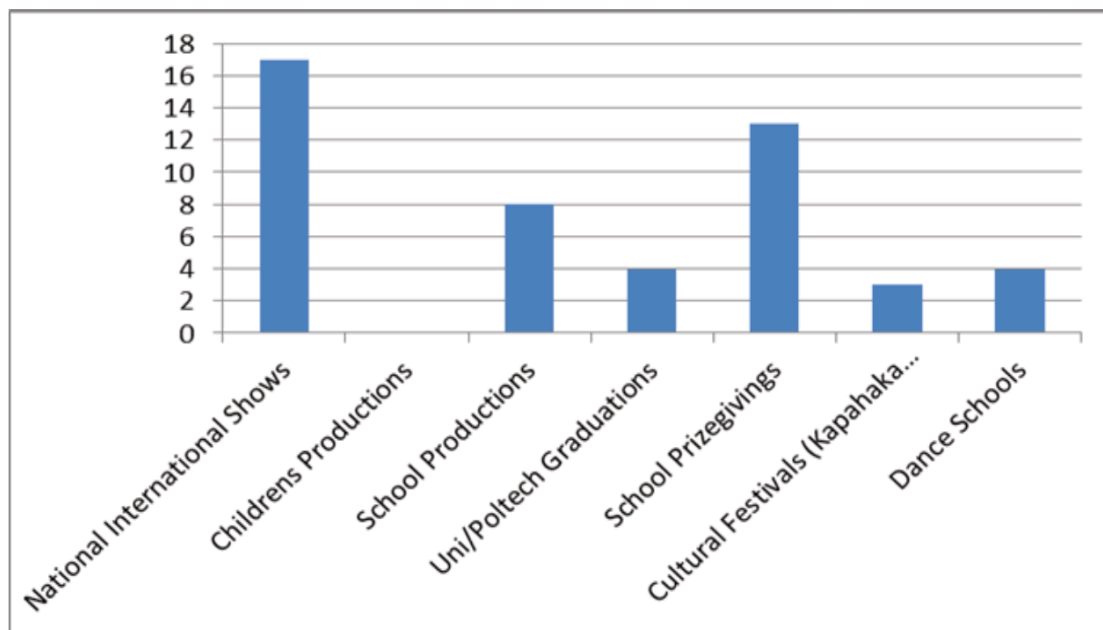
number of events held at the Regent but also contributed to the economic downturn in the city when events such as our Massey Graduation ceremonies and National touring productions had to be cancelled. The effect that Covid-19 had at the Regent resulted in only 17 commercial bookings being held for the year. This represented only 5.7% of our total bookings, compared with last year's 37 bookings or 24.1% of total bookings.

The Revenue received from the previous year's commercial bookings (2018-19) accounted for 53.2% of our total venue hire compared with 45.3% this year.

The number of Community hires was 116 which generated 54.6% of our revenue.

This year's results must be taken into context when comparing with previous years due to 14 weeks of being closed due to Covid-19. We are hopeful that the new "normal" for next year's events do not have such a dramatic effect on our business as this year has.

The graph below highlights some of the variety of events that we held during this past year.

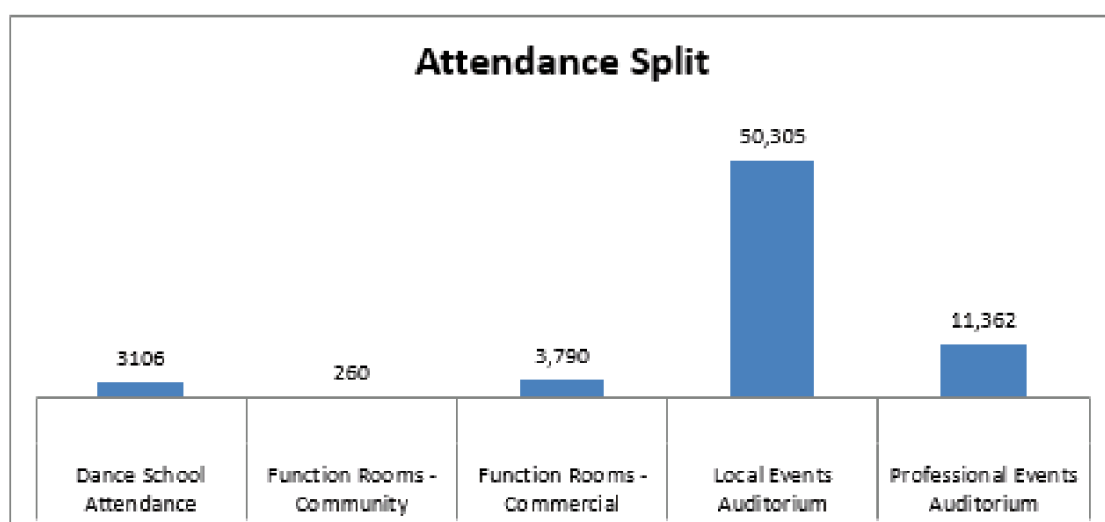
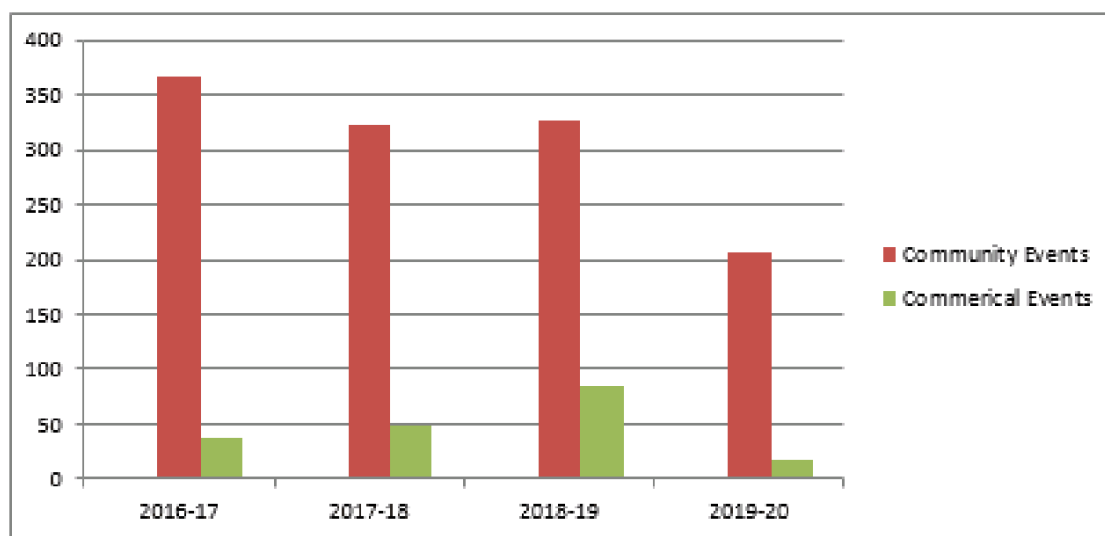


There was a total of 207 Community events held throughout the year compared with 326 Community events held the previous year.

17 events were held during the past 12 months compared with 37 last year.

An increase in the number of Commercial events had trended upwards over the previous 3 years. However, the result for this year was heavily impacted by Covid-19.

AUDITORIUM EVENTS



SIGNIFICANT PRODUCTIONS IN THIS YEAR

- **Gang Show**
Performed: 3rd July - 6th July.
Attendance: 1784
- **Les Miserable**
Producers: Abbey Theatre & Regent on Broadway Promotions
Performed: 9th August - 24th August.
Attendance: 6256.
One of the biggest Musicals still playing in the West end in London still attracting audiences world wide who wish to see this event for the first or tenth time!
- **Nanogirl Live**
Producers: Nanogirl Labs Ltd
Performed: 18th November.
Attendance: 476
Nanogirl explains the science behind each experiment in a way that's fun and easy to understand. The show starts with a small experiment to explain each idea, and then with the help of a volunteer from the audience, takes the same principle and turns it into a BIG BANG!
- **Kris Kristofferson**
Performed: 12th October.
Attendance: 1385.
- **PACANZ NZ Young entertainer of the Year**
Performed: 17th Oct – 20th October.
Attendance: 7360.
- **The Frontsm3n**
Producers: Stetson Productions
Performed: 16th November.
Attendance: 406
- **7 Days Live**
Performed: 24th November.
Attendance: 1050.
- Royal New Zealand Ballet productions: **Bold Moves**
Performed: 30th August
Attendance: 690.
- Royal New Zealand Ballet productions: **Hansel & Gretel**
Performed: 13th November
Attendance: 1317.
- Imperial Russian Ballet Production: **Swan Lake**
Performed: 9th November
Attendance: 816
- New Zealand Symphony Orchestra: **Goldberg Variations & Realising Beethoven**
Performed: 6th - 7th March
On Wednesday 6th March two day sessions including a schools performance and one evening session attracted a total of 1039 patrons.
Performance on 7th March attendance was 641.

The above shows have been highlighted for the year although there were a variety of other productions held:- BeeGees Tribute Show, Messiah, Anomaly Dance, Post Modern Jukebox, A Taste of Ireland, just to name a few.

Growth within the Cultural Concerts and festivals sector of our operations continues to be positive. Major events in this period have been the Tangata Rau Kapa Haka competitions, the "Chinese New Year" concert and the Bhutanese Festival.



FUTURE GROWTH

As stated in last year's report, to sustain momentum in growth and market share is continuing to be more challenging as not only does technology drill into the entertainment quota of the discretionary household budget but we now have the challenge of the Covid pandemic. The theatre's 10 year Strategic Plan was completed during latter part of this financial year with new goals being set. The Regent Trust Board will continually monitor this document to ensure that we achieve all of the outcomes

contained therein. The theatre is relooking carefully at all of its resourcing so that it is prepared to meet all of the new challenges that is now affecting this industry. With the appointment of a new General Manger during the next year this will help lead us in the new direction as set by the Board.

THEATRE ASSETS

Theatre maintenance and asset management is managed in 3 categories:

HERITAGE INFRASTRUCTURE AND ASSETS

Any theatre that hosts up to 100,000 people throughout a year inevitably receives wear and tear, especially during youth festivals where high energy is a factor and large competitive teams are involved. Inevitably damage occurs and usually it is to areas that have heritage significance. In respect to any part of the theatre's heritage infrastructure or assets, it is important these are maintained by well trained and highly skilled technicians. Constant focus and inspections are made in regards to all heritage areas and assets. Carefully selected skilled tradespersons and technicians are engaged to undertake any work, alterations or repairs which are done in consultation with PNCC Property Management. The asset management plan in respect to heritage has signalled the theatre carpets are listed for replacement. On inspection there is now at least 5 years before this becomes necessary.

GENERAL ASSET AND BUILDING MAINTENANCE

It is important to note that two thirds of the theatre is 80 years old with all the issues relative to a building of that age and era. Constant and routine external maintenance is carried out during each year to mitigate any issues that are usual and predictable for an 80 year old building. This is managed by PNCC Property Management in consultation with Regent

Theatre Trust Management. Internal assets that are the responsibility of the building owner are managed and maintained by PNCC Property Management in consultation with Regent Theatre Trust Management.

REGENT THEATRE TRUST ASSET MANAGEMENT

The Regent Theatre Trust assets are predominantly furniture and appliances to support the theatre's ability to deliver its hospitality responsibilities, plus administration support equipment such as office furniture and computers. Also included is a large resource of equipment to support the stage events such as specialised microphones and specialised lighting and projection equipment. These assets have realised a significant amount over the years totalling over \$1.75 million (\$314,756 after depreciation). The theatre has a comprehensive asset management plan. However, funding of equipment replacement through theatre operations and normal depreciation is assisted with the help of the generous financial support from the Friends of the Regent.

CURRENT POSITION

The Board employs a team of full-time, part-time and casual staff reporting to a full-time manager. Staffing costs are about \$500,000 per annum. There is also a team of volunteers, "The Friends of the Regent", who provide front-of-house services to hirers. The income from this service (\$70,000 in 2019/20) is donated back to the Regent Theatre as a contribution towards depreciation/capital items as required by the Board.

Council provides an operating grant of \$240,000. Council also maintains the fabric of the theatre building through its asset management program. The Board also has the ability to source funding and grants from external agencies e.g. Central Energy Trust, New Zealand Lottery Grants Board etc.

The Board maintains an asset register valued in

2019/20 at just under \$700,000. This includes fixtures and fittings, mainly comprising theatre equipment. Depreciation of \$140,000 per annum is part-funded and there is currently a depreciation fund/reserve working capital accrued of some \$250,000. Assets are replaced at the end of their useful life from a mixture of operating surpluses and philanthropic funds.

CAPITAL IMPROVEMENTS PROGRAMME

Capital programme	Now	Soon	Later
Goal 1. To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawatu region.			
New Sound Console	\$60 - \$80k		
New Sound shell		\$30 - \$40k	
Additional Staging		\$25 - \$35k	
Replace Theatre Lighting with LEDS		\$20 - \$35k	
Replace Carpet Dressing Rooms		\$15 - \$25k	
Update Regency Room		\$20k	
Air Conditioning Dressing Room			\$12 - \$20k
Goal 2. To engage in effective collaboration with our stakeholders and clients, that enables the best customer experience.			
Signage to reflect Bi- Cultural nature of theatre		\$5 - \$10k	
External Lighting		\$7 - \$10k	
CCTV Upgrade			
Goal 3 To engage with diverse audiences via a marketing and promotion strategy that is continuing developing and responding to regional demographics and artistic/cultural trends			
New Website	\$30 - \$50k		
Electronic Billboards			\$40 - \$60k

REGENT ON BROADWAY PROMOTIONS

Regent on Broadway Promotions funding was also a key to the support behind the theatre's birthday celebrations. One production supported by Regent on Broadway Promotions in this reporting year was the Abbey Theatre production of Les Miserables.

THE FRIENDS OF THE REGENT

The Regent Theatre Trust Board continues to be extremely grateful to the Friends of the Regent for the overwhelming support provided for the provision of the professional front of house ushering and catering services.

The services for ushering and front of house catering provided by the Friends of the Regent are on-charged to each event. Proceeds from these services are then given back to the theatre by way of support to the theatre's infrastructure and assists with the purchase of new equipment.

Friends Assets Purchased 2019/20

2x Radio comms units and 4x headsets	\$716.00
Numark CD player	\$694.58
Seaward Electronics PAT Tester with printer and labels	\$277.13
Regent Theatre sound system	\$63,223.93
Total	\$66,811.64

Financial support is not the total contribution made by the Friends of the Regent as they play an integral part in theatre operations. The Friends are responsible for the ushering and catering duties on event day. The training undertaken by this group of volunteers is to a very high level which gives assurance to the Regent Theatre Trust and Management that we

have a safe and efficient working venue. The dedication and commitment by the Friends is outstanding, especially when it is being provided by a group who receive no personal reward except the satisfaction they are supporting their city's Auditorium, and one of New Zealand's iconic performing arts facilities.

THEATRE OPERATIONS TEAM

The small dedicated team are:

Julie Walker, Anoushka Treur, Karen Hambling, Taylor Ellis and Jenina Mangoma, this team looks after the theatre's administration and ticketing while Shamus Jackson and Cheenu Natarajan are responsible for all things technical. Chris Laing, Janice Jones are

the Front of House Management team who look after theatre operations and our patrons on show day.

I wish to thank this skilled and talented team for their hard work and dedication in bringing the Regent on Broadway through this very difficult year and supporting me in my Acting General Manager's role.

NEXT YEAR AND BEYOND

The Board aims to meet its key objectives by ensuring that the theatre is equipped and available for hire by national, international, and local, community and professional performing arts events and celebrations. It aims to balance availability for national and international touring events with the needs of many, local groups for a grand venue for their events and celebrations. The latter includes graduation ceremonies and end-of-year school ceremonies as well as opportunities for local amateur dramatic and Operatic Societies to stage magnificent productions in a historic proscenium theatre.

Although the future is uncertain during these times we will continue to progress the theatre in whichever way that the country allows. We have continued to maintain close working relationships with a number of our hirers including Performing Arts Competitions New Zealand (PACANZ) who has confirmed Palmerston North as the permanent home for future competition festivals, and which is based principally at the Regent on Broadway. The PACANZ festival is the pinnacle of award festivals in respect to the performing arts and attracts contestants from all over New Zealand. Almost all top New Zealand performers have launched their professional careers by achieving honours at the PACANZ festival. The PACANZ festival utilises all key central city performing arts venues.

Act Three productions (formerly Abbey Theatre) has also confirmed their commitment with the booking of dates out until 2022. Traditionally this society has booked the Regent on Broadway for one major musical theatre production per year. We will continue to

work closely to increase this to two major musical theatre productions in each year.

Forward bookings from our local community groups are still strong. Local schools and cultural groups are utilising the venue more. Considerable effort is made to attract schools and other education providers to use the theatre. It is principally through the types of events that involve our youth where we see growth in the performing arts by creating the performers and audiences of tomorrow.

Commitment and networking to our commercial hirers continues so that the Regent on Broadway remains a strategic venue for all appropriate professional and commercial performers and events.

APPRECIATION

The Management and team at the Regent on Broadway would like to thank the Palmerston North City Council for its continued support and Council staff who have provided their advice, expertise and services during the year.

I would again like to express my gratitude to the Operational team and Friends of the Regent plus thank members of the Regent Theatre Trust Board for their professional governance in assisting me during this time of transition and guiding the theatre through a difficult year.

STATISTICS FOR THE YEAR ENDED 30TH JUNE 2020

MEASURES OF LEVEL OF ACTIVITY GENERATED BY THE THEATRE

	2016/17	2017/18	2018/19	2019/20
Number of events held at the Regent on Broadway	420	365	385	296
Auditorium days usage	204	158	181	133
Auditorium live nights. Commercial (actual shows)	55	36	37	17
Auditorium live nights. Community (actual shows)	99	103	116	
Total number of days open for business	308	308	308	308

MEASURES OF THE OVERALL SUCCESS OF THE EVENTS HELD AT THE THEATRE

Total attendances for each year	100,576	91,065	98,781	65,456
Our total attendances were sourced from: National / International Theatre	31,075	23,175	24,884	11,362
Conferences and other commercial activities	8,293	6,285	7,396	
Local Theatre	38,474	38,450	40,089	33,282
Schools, Massey, IPC and UCOL	19,903	22,493	21,740	14,880
Other local events	2,830	662	4,672	5,932
Total attendances since we re-opened in May 1998:	2,012,811	2,103,876	2,202,657	2,268,113

MEASURES OF THE FINANCIAL PERFORMANCE OF THE THEATRE OPERATIONS

Total theatre revenue – hire and cost recoveries	\$477,228	\$416,263	\$499,192	\$304,059
Operational Grant from PN City Council	\$215,761	\$220,077	\$231,038	\$235,986
Expenses (less depreciation)	(\$643,744)	(\$648,977)	(\$713,399)	(648,486)
Depreciation (Principally donated assets)	(\$88,331)	(\$90,801)	(\$71,878)	(\$83,246)
Operating surplus (deficit) after all costs	(\$39,086)	(\$103,438)	(\$55,047)	(\$191,687)

MEASURES OF THE ACTIVITIES OF REGENT ON BROADWAY PROMOTIONS

Surplus (Deficit) from Regent on Broadway Promotions	(\$23,048)	\$17,938	(\$1,886)	(\$8,911)
Number of shows undertaken	4	7	4	1

MEASURES OF ACTIVITIES OF THE EVENTTICKETINGCENTRE

Surplus (Deficit) from the EventTicketingCentre	\$32,751	\$25,376	\$33,070	(\$8,624)
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MEASURES OF ACTIVITIES OF THE REGENT SOCIAL MEDIA

Regent on Broadway Facebook activity	2018	2019	2020
Total Reach	2843	2843	N/a
Total Followers	3825	4629	4991
Total Likes	3979	5420	4996

COMMUNITRAK SURVEY VISITOR SATISFACTION RATING

2014	2015	2016	2017	2018	2019	2020
98%	N/a	N/a	97%	N/a	N/a	N/a



FRIENDS OF THE REGENT PRESIDENT'S REPORT

For the 2019-20 year ended 30 June 2020

If we had 2020 vision at the end of 2019 we would have gone directly to 2021 and avoided 2020 completely. Unprecedented is a word used to describe year 2020 and is applicable in many areas of our lives from employment, business, family, tourism and of course our area of interest events and entertainment.

Through all of this The Friends have been well served by conscientious committee members and I would particularly like to acknowledge Christine Earle for her work as treasurer, Leslie Findlay for her role as secretary which she unfortunately had to relinquish due to ill health. It is wonderful to see the recovery she has made and look forward to her future contribution. I must also recognise the work done by Jann Minalda as Catering Manager and Lillian Rowe as Roster Manager. Both of these jobs require a great deal of time, a degree of organisation and at times a crystal ball. I have also appreciated the efforts of Adam Robertson and Merrilyn McGregor as stand in secretaries. Merrilyn McGregor and team also conducted our annual refresher training, new recruit training and extra volunteer training for Act Three assistants. I thank Janice Jones and Christine Earle for the informative newsletter produced each month to keep members informed.

Alistair Lewis was co-opted onto the Friends Committee and I thank him along with all the other members for their contribution.

Covid 19 and the subsequent lockdown has had a serious effect on the event and entertainment industry and while the tourism sector is getting a lot of attention theatre and entertainment (much of which has an imported content) has gone largely unnoticed. The Level 4 lockdown killed many productions locally that were preparing for opening night or had just commenced their season. This has greatly affected revenue and income for many people and organisations and The Friends are no different.

Fortunately through prudent budgeting we were in a position to still honour our pledge to The Regent to contribute to the sound system upgrade. We were in fact in a position to increase our contribution to \$63,000.00. The increase being necessary to upspec the system from that which was originally quoted. The Friends have also purchased a portable Wet and Dry Vacuum cleaner to assist with spills/accidents during/after performances. This is not available to contract cleaning staff. A second EFTPOS terminal has been purchased and payWave and credit card facility added. This is at an obvious cost to The Friends but Theatre management and the Board deemed it necessary for patrons convenience.

The resignation of Charles Forbes the theatre General Manager resulted in some projects being put on hold as it was acknowledged the incoming General Manager should have the opportunity to have input into these. Projects included the replacement of chairs for the Regency Room, investigating reusable/recyclable glasses for the bar, framed historical picture for The Friends Place.

Merrilyn McGregor and I have been meeting with Theatre Management and Board members to create a Memorandum Of Understanding. The Board/City Council have deemed this necessary to formalise the relationship and channels of communication between The Board, Theatre Management and The Friends. This document will of course have to be signed off by both The Board and The Friends Committee. After a shakey start where we did not quite know what was expected I believe we are drawing close to consensus. On a historical note this process was started in 2001 by Neil McGregor.

I have met regularly with Theatre management (initially Charles Forbes and latterly with David Walsh) to discuss areas of concern, future planning and direction of The Friends activity. These have always been convivial and beneficial and I look forward to the opportunity to continue this tradition with the newly appointed General Manager.

The Board Appreciation night is another casualty of Covid 19 and is not a reflection of dissatisfaction with The Friends but a result of the disruptive nature of the lockdowns.

I must congratulate The Board, Management and Act 3 for the initiative and work undertaken to get "Sister Act" back on stage. This is thinking outside the square and has proven to be workable with the goodwill of the patrons, Act 3 volunteers and cooperation of The Friends ushers. Very few negative comments have been received and the patrons have been very understanding, appreciative of the effort involved and very cooperative.

Finally I wish to thank all The Friends volunteers for their conscientious work. They hold a unique place in New Zealand being the only volunteer organisation servicing a live theatre and are recognised as being a valuable asset to the theatre.

I move that The Presidents Report for 2019/2020 be received.

Peter Doherty
President
Friends Of The Regent

REGENT THEATRE TRUST BOARD.

Entity Information for the year ended 30 June 2020

Legal name

Regent Theatre Trust Inc. (the Trust).

Type of entity and legal basis

The Trust is incorporated in New Zealand under the Charitable Trusts Act 1957. The Trust is controlled by The Palmerston North City Council and is a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

The Trust's purpose or mission

The primary objective of the Trust is to maximise use of the theatre by being pro-active in encouraging professional and amateur theatre, conference organisers, community groups, schools and the general public to make full use of the facilities and make a very major contribution to the Palmerston North City Council city vision.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of five Trustees who oversee the governance of the Trust, a General Manager who is responsible for the day to day operations and management and reporting to the Trustees, plus eight other full-time staff who support the General Manager. The Trustees are appointed by the Palmerston North City Council.

Main sources of the Trust's cash and resources

Operating grants received from the Palmerston North City Council plus other income as received by way of Theatre hire and event ticketing centre income are the primary sources of funding to the Trust.



THEATRE OPERATIONS

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
REVENUE			
Theatre hire		142,442	242,292
Recoveries and commissions		161,617	248,474
Council Funding – PNCC		235,986	231,038
Interest revenue		6,630	8,426
Total Income		546,675	636,340
EXPENSES			
Operating costs	2	183,380	219,725
Administration costs	2	67,756	76,133
Employee related costs		398,350	417,541
Total		648,486	713,399
Net operating surplus / (deficit)		(101,811)	16,831

These statements are to be read in conjunction with the notes and accounting policies on pages 37-38

REGENT ON BROADWAY PROMOTIONS

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
REVENUE			
Manawatu's got talent		-	174
20th Birthday		-	22,002
Les Miserables		337,686	-
Sister Act		-	-
Total Income		337,686	22,176
EXPENSES			
Manawatu's got talent		-	732
Jekyll & Hyde		-	3,051
20th Birthday		-	20,279
Les Miserables		331,468	-
Sister Act		15,129	-
Total		346,597	24,062
Net operating surplus / (deficit)		(8,911)	(1,886)

These statements are to be read in conjunction with the notes and accounting policies on pages 37-38

PIANO CAMPAIGN

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
REVENUE			
Interest revenue		-	-
Total Income		-	-
EXPENSES			
Piano maintenance		-	-
Total		-	-
Net operating surplus / (deficit)		-	-

These statements are to be read in conjunction with the notes and accounting policies on pages 37-38

EVENT TICKETING CENTRE

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
REVENUE			
Ticketing fees		73,544	114,628
Interest revenue		-	-
Recoveries		-	-
Total Income		73,544	114,628
EXPENSES			
Cost of sales		8,004	8,224
Eftpos terminals / computers		1,414	1,687
Electricity		3,207	2,975
Freight		-	270
Employee related costs		61,819	60,401
Security		1,828	-
Stationery		1,176	1,433
Telephone		1,959	3,748
Training		-	-
Marketing and promotion		2,761	2,820
Total		82,168	81,558
Net operating surplus / (deficit)		(8,624)	33,070

These statements are to be read in conjunction with the notes and accounting policies on pages 37-38

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2020

REVENUE	Note	2020 \$	2020 Budget \$	2019 \$
Theatre Operations	1	304,059	487,420	490,766
Regent on Broadway Promotions		337,686	-	22,176
Event Ticketing Centre		73,544	125,000	114,628
Council Funding – PNCC		235,986	235,986	231,038
Interest revenue		6,630	8,000	8,426
Community Grants	22	402,808	-	-
Donations from Friends of Regent	20	66,812	-	13,001
Covid-19 Wage Subsidy Received		65,805		
Total Income		1,493,330	848,488	880,035
EXPENSES				
Theatre Operations	2	250,136	278,261	295,858
Employee related expenses	3	460,169	539,967	477,942
Regent on Broadway Promotions		346,597	-	24,062
Piano Campaign		-	-	-
Event Ticketing Centre		20,349	32,800	21,157
Depreciation		83,246	80,000	71,878
Total expenses		1,160,497	931,028	890,897
Net surplus / (deficit) for the year		332,833	(82,540)	(10,862)

Explanations of major variances against budget are provided in note 23.

These statements are to be read in conjunction with the notes and accounting policies on pages 37-38

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Total Equity \$
Balance as at 1 July 2018	600,739
Net surplus / (deficit) for the year	(10,862)
Balance as at 30 June 2019	589,877
Balance as at 1 July 2019	589,877
Net surplus / (deficit) for the year	332,833
Balance as at 30 June 2020	922,710

These statements are to be read in conjunction with the notes and accounting policies on pages 37-38

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2020

	Note	2020 \$	2020 Budget \$	2019 \$
CURRENT ASSETS				
Bank accounts and cash	4	171,154	150,000	180,029
Prepaid Insurance		6,836	-	7,180
Prepayments		-	7,500	11,500
Production receivable	13	-	30,000	26,833
Debtors	5	4,418	36,100	28,088
Investments	6	181,136	180,000	245,801
Accrued Revenue		-	-	6,712
Goods & services tax		42,354	-	-
		405,898	403,600	506,143
NON-CURRENT ASSETS				
Property, plant & equipment	7	654,842	323,366	266,878
		654,842	323,366	266,878
Total Assets		1,060,170	726,966	773,021
LESS LIABILITIES:				
CURRENT LIABILITIES				
Creditors and accrued expenses	8	57,035	62,823	91,096
Deposits in advance	9	18,450	12,000	9,741
Employee costs payable	10	36,110	54,423	66,444
Goods & services tax		-	(6,000)	15,863
Covid -19 Wage Subsidy received		26,435	-	-
Total liabilities		138,030	123,246	183,144
Assets less liabilities		922,710	603,721	589,877

Continued page 35

These statements are to be read in conjunction with the notes and accounting policies on pages 37-38

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STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2020

CONTINUED

EQUITY				
Steinway Piano Campaign Fund	16	41,449	43,000	41,449
Theatre Operations	17	636,149	310,721	294,405
Regent on Broadway Promotions	18	95,112	100,000	104,023
Maintenance Reserve	19	150,000	150,000	150,000
Total Equity		922,710	603,721	589,877

Authorised for issue on behalf of the Board:

Trustee:

Trustee:

Date:

Date:

These statements are to be read in conjunction with the notes and accounting policies on pages 37-38

STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2020 \$	2019 \$
Cash was provided from:			
Receipts of council funding		376,980	231,038
Interest receipts		7,267	7,587
Donations and Grants		335,320	13,001
Receipts from operations		812,836	681,457
<i>Cash was applied to:</i>			
Payments to suppliers and employees		1,077,153	853,563
GST (net)		58,217	(16,606)
		1,135,370	836,957
Net cash flows from operating activities		397,032	96,126
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES			
Cash was provided from:			
Receipts from sale of investments		245,801	238,405
Repayment of seeding capital		-	-
		245,801	238,405
<i>Cash was applied to:</i>			
Payments to acquire investments		181,136	245,801
Payments to acquire property, plant and equipment		270,573	24,049
Lending of seeding capital/production receivable		-	-
		651,709	269,850
Net cash flows from investing and financing activities		(405,908)	(31,446)
Net increase (decrease) in cash for the year		(8,876)	64,680
Add opening bank accounts and cash		180,029	115,349
Closing bank accounts and cash	4	171,154	180,029

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

These statements are to be read in conjunction with the notes and accounting policies on pages 37-38

STATEMENT OF ACCOUNTING POLICIES

For the 2019-20 year ended 30 June 2020

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.

Lease expense

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

Bank accounts and cash

Bank accounts and cash 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.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year (last year – nil).



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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

1. THEATRE OPERATIONS REVENUE	2020 \$	2019 \$
Theatre hire	142,442	242,292
Recoveries and commissions	161,617	248,474
Total Theatre Operations Revenue	304,059	490,766
2. THEATRE OPERATIONS EXPENDITURE	2020 \$	2019 \$
<i>Operating costs</i>		
Advertising & promotion	47,345	32,434
Advertising recoverable	4,023	4,990
Cleaning	23,046	29,799
Electricity & gas	47,793	56,727
Freight & cartage	-	-
Water	1,335	1,228
Recoveries	6,459	8,399
Repairs & maintenance	9,876	16,580
Retail lease & rates	-	-
Sanitation	12,280	16,443
Technical supplies	1,535	1,248
Ushering staff	29,688	51,877
	183,380	219,725
Administration costs		
Audit fees (Audit New Zealand)	26,846	20,990
Bad debts	169	-
Bank fees	220	59
Computer expenses	845	757
Entertainment	2,525	6,408

Financial services	8,713	12,441
Insurance	10,528	11,120
Miscellaneous	3,311	1,975
Petty cash	217	217
Postage	107	20
Secretarial services	3,400	4,000
Security	721	3,311
Stationery	952	1,183
Subscriptions & licenses	5,402	6,613
Telephone	2,800	6,500
	67,756	76,133
Total Theatre Operations Expenditure	250,136	295,858
3. EMPLOYEE RELATED COSTS	2020 \$	2019 \$
Salaries and wages	460,169	464,740
Other employee related cost	-	13,202
Total employee benefit costs	460,169	477,942
4. BANK ACCOUNTS AND CASH	2020 \$	2019 \$
<i>Analysis of total cash book balances and deposit accounts as at 30 June:</i>		
Theatre administration account	154,618	124,371
Ticketek account	1,201	559
Call Account	15,336	55,099
	171,154	180,029
5. DEBTORS	2020 \$	2019 \$
Trade receivables	2,445	25,478
Less provision for impairment	-	-
Total trade receivables	2,445	25,478
Accrued interest	1,973	2,610
Total trade and other receivables	4,418	28,088

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

For the year ended 30 June 2020

6. INVESTMENTS					
<i>Current investments</i>					
				2020	2019
				\$	\$
ANZ Bank term deposits				181,136	245,508
Total investments				181,136	245,801
7. PROPERTY, PLANT AND EQUIPMENT					
COST	Plant and Equipment	Furniture and Fittings	Piano	Lease Hold Improvements	Total
Balance at 1 July 2018	1,085,375	200,598	186,554	269,430	1,756,315
Additions	22,573		-	1,426	23,999
Disposals	-	-	-	-	-
Balance at 30 June 2019	1,107,948	200,598	186,554	285,214	1,780,314
Balance at 1 July 2019	1,107,948	200,598	186,554	283,214	1,780,314
Additions	470,488	-	-	723	471,211
Disposals	-	-	-	-	-
Balance at 30 June 2020	1,578,436	200,598	186,554	285,937	2,251,525
Accumulated depreciation					
Balance at 1 July 2018	966,795	188,966	164,615	121,183	1,441,559
Depreciation expense	34,648	5,045	9,327	22,858	71,878
Disposals	-	-	-	-	-
Balance at 30 June 2019	1,001,443	194,011	173,942	144,041	1,513,437
Balance at 1 July 2019	1,001,443	194,001	173,942	144,041	1,513,437
Depreciation expense	59,006	3,796	4,364	16,080	83,246
Disposals	-	-	-	-	-
Balance at 30 June 2020	1,060,449	197,807	178,306	160,121	1,596,683
Carrying amounts					
At 30 June 2019	106,505	6,587	12,612	141,172	266,878
At 30 June 2020	517,987	2,791	8,248	125,816	654,842

Leasehold improvements includes \$Nil of work in progress (2019: \$Nil). This relates to a new bar at the Theatre which was completed during the year. Depreciation is now being calculated.

8. CREDITORS AND ACCRUED EXPENSES	2020 \$	2019 \$
Creditors	25,520	74,267
Accrued expenses	31,515	16,829
Total creditors and accrued expenses	57,035	91,096
<i>Comprising:</i>		
Current	57,035	91,096
Total creditors and accrued expenses	57,035	91,096

9. DEPOSITS IN ADVANCE

Deposits in advance of \$18,450 (2019: \$9,741) are funds received by the theatre for shows and events yet to come.

10. EMPLOYEE COSTS PAYABLE	2020 \$	2019 \$
Annual leave	23,545	42,972
Wages owing	12,408	18,495
Lieu hours owing	157	4,977
Total employee costs payable	36,110	66,444
<i>Comprising:</i>		
Current	36,110	66,444
Total employee costs payable	36,110	66,444

11. RELATED PARTY TRANSACTIONS

Palmerston North City Council

The total amount of operating grants received from the Council is disclosed in the statement of financial performance. There were no outstanding balances owed by the council at balance date (2019: Nil). Grant funding totalling \$134,300 was received from the Council towards the Sound System (2019: Nil).

In terms of the Management Agreement between the Palmerston North City Council and the Trust, the Council's charges for rent, rates and insurance attributable to the Theatre are covered by the Council's internal accounting processes and do not require an actual payment to be made by the trustees.

Other goods and services were purchased totalling \$15,530 (2019: \$5,368) and received reimbursement for miscellaneous repairs totalling \$Nil (2019: \$10,823). A total of \$Nil was payable to the council at balance date (2019: \$Nil). A total of \$907 was receivable from the council at balance date (2019: Nil).

No Payments were made to The Globe Theatre which is also a Council Controlled Organisation of PNCC in 2020 financial year (2019: \$Nil).

Key management personnel

The Trustees received payment of \$6,290 for attending meetings in the 2020 financial year (2019: \$5,440).

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

For the year ended 30 June 2020

12. OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	2020 \$	2019 \$
Not later than one year	-	1,186
Later than one year and not later than five years	-	-
Later than five years	-	-
Total non-cancellable operating leases	-	1,186

The Trust leases ETFPOS machines from EFTPOS Central for a period of 36 months. This agreement was re-signed during 2017 and ends in 2020.

13. SEEDING CAPITAL/PRODUCTION RECEIVABLE

	2020 \$	2019 \$
Current production receivable: Les Miserables (2019)	-	26,833

The Trust entered into a Production Agreement with the Palmerston North Operatic Society for Les Miserables in 2019 that took place in August. Profit from the show was split between the Board and the Operatic Society at 30% and 70% respectively. Net surplus for the production was \$20,729.

Therefore, no commitment for this production as at 30 June 2020.

14. CONTINGENT ASSETS AND LIABILITIES

The Trust has no contingent assets or liabilities as at 30 June 2020 (2019: Nil).

15. EVENTS SUBSEQUENT TO BALANCE DATE

There have been no significant events subsequent to balance date (2019: Nil)

16. STEINWAY PIANO CAMPAIGN FUND

		2020 \$	2019 \$
Balance at beginning of year	Net surplus	41,449	41,449
Balance at end of year		41,449	41,449

The Trust Board had undertaken a fund raising campaign for the specific purpose of purchasing a new grand piano. In December 2001 this grand piano was purchased with any remaining funds to be used on maintenance, upkeep and tuning.

17. THEATRE OPERATIONS	2020 \$	2019 \$
Balance at beginning of year	249,405	303,381
Donated Assets/In kind	68,812	13,001
Community Grants	402,808	-
Net surplus / (deficit) for year*	(44,630)	49,901
Depreciation	(83,246)	(71,878)
Balance at end of year	636,149	294,405

*Includes net surplus / (deficit) for both Theatre Operations and Event Ticketing Centre.

18. REGENT ON BROADWAY PROMOTIONS	2020 \$	2019 \$
Balance at beginning of year	104,023	105,909
Net surplus / (deficit) for year	(8,911)	(1,886)
Balance at end of year	95,112	104,023

19. MAINTENANCE RESERVE	2020 \$	2019 \$
Balance at beginning of year	150,000	150,000
Balance at end of year	150,000	150,000

The maintenance reserve fund of \$150,000 was set up principally to support the Regent Theatre Trust's maintenance obligations in respect to theatre equipment and other tangible assets of the trust.

20. DONATIONS FROM FRIENDS OF REGENT FOR ASSETS AND TIME.

Donations from Friends of The Regent this year total \$68,812 (2019: \$13,001). Amounts donated to 30 June 2020 total \$853,128 (2019: \$840,127).

21. DONATIONS FROM OTHER SOURCES.

No Donations were received during the year (2019: \$Nil)

22. COMMUNITY GRANTS.

Donation received of \$268,508 from Lottery Grants Trust towards the Sound System (2019: Nil). Palmerston North City Council donation of \$134,300 as disclosed in note 11.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

For the year ended 30 June 2020

23. EXPLANATION OF SIGNIFICANT VARIANCES AGAINST BUDGET.

Explanations for significant variations from the budgeted figures in the Statement of Performance are as follows:

Revenue

Theatre Hire. Budget \$205,000 versus actual \$142,443.

Recoveries and Commissions. Budget \$276,000 versus actual \$161,617.

Donations from Friends of Regent. Income from the Friends of Regent is not included in the budget due to the nature of the revenue type, being variable and unpredictable. During this financial year \$66,812 was received from the Friends of Regent for asset purchases.

Expenses

Employee related expenses. Budget \$539,967 versus actual \$460,169. Some staff are on salaries and a number of other staff are paid on an hourly basis which varies based on the number of shows performed in the Theatre each year.

24. COVID-19 IMPACT

On March 11, 2020, the World Health Organisation declared the outbreak of Covid-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March 2020, New Zealand increased its Covid -19 alert level to level 4 and a nationwide lockdown commenced. During the 4 four-week lockdown, non-essential business and organisations were not allowed to operate and individuals (other than essential workers or those undertaking essential business) were required to stay at home.

As a result of the lockdown, approximately 24 major events that were booked into the Regent, were either cancelled or rescheduled to the following year. The closure not only affected the number of events held at the Regent but also contributed to the economic downturn in the city where major productions had to be cancelled. However, the Regent are currently at this stage, on track to achieving their target, comparing it to the same period last year.

At this time, the full financial impact is not able to be determined.

Regent on Broadway
53 Broadway Avenue
Palmerston North



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

Presented to
Palmerston North City Council
24 May 2019

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Contact details

Registered Office:	PO Box 132 Cnr Pitt St and Main St Palmerston North	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.
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

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 Manawatū 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.

Annual Report to Palmerston North City Council

THE GLOBE THEATRE TRUST BOARD
JULY 2020



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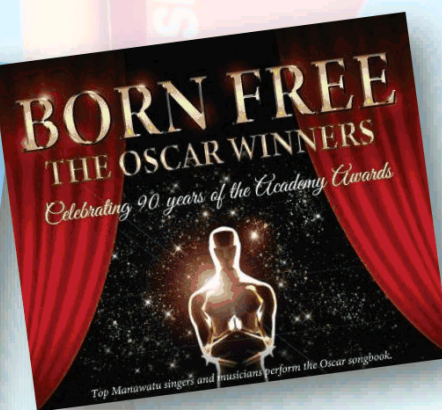
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Palmerston North
website: www.globetheatre.co.nz
email: info@globetheatre.co.nz
phone: 06 351 4409

Trust Details as at 30 June 2020	
Nature of Business	Theatre
Establishment Date	15 April 2002
Trustees	J Adams M Dale (Chairperson) R Harris G Hudson M May P Monk (to 31 December 2019)
Treasurer	G Hudson
Secretary	M May
Address	312 Main Street PO Box 132 Palmerston North
	Telephone: (06) 351 4409
Bankers	Bank of New Zealand
Solicitors	Cooper Rapley
Registered Office	C/ Palmerston North City Council Civic Administration Building The Square Palmerston North
Incorporation Number	1206039
Inland Revenue Number	43-006-495



CHAIRPERSONS REPORT

The Globe Theatre Trust Board is pleased to present this annual report to the Council. Without dwelling on the fact that the COVID-19 pandemic played a large part in curtailing our business for the year July 2019 – June 2020, it would be remiss not to mention it as the theatre closed for three months which had a major influence on business.

That being said, it was very promising that our staff continued to work during the closure with our hirers and audience members, reorganising shows and refunds. Thankfully, a number of our “bigger” shows were able to be rescheduled and a vast majority of the audience were happy to move to the new show dates which greatly reduced the number of refunds.

When we presented our 6 Month Report for July 2019 – December 2019, we were very pleased to announce that we were on track to hit our Output Targets from the 2019-2020 Statement of Intent. We acknowledge council’s understanding of the impact the COVID-19 pandemic had on those targets and thank council and the council officers who have worked with us over the past few months with our 2020-2021 Statement of Intent and 2019-2020 Annual Report.

The year continued to show the Globe Theatre as being a “Community Theatre”. Productions from the Manawatu Theatre Society, the Manawatu Youth Theatre, Jennifer Moss Music, Sunday Matinee Series, the Rose Academy of Dance & Performance Arts and the Comedy Hub are just some examples of local community groups & organisations using our theatre. We are also very proud of the fact that a large number of professional organisations see the Globe Theatre as a very viable venue when they come to Palmerston North. Plus 1 (Auckland) brought James Reid and Lloyd Cole to town. Second Hand News (Auckland) played a part in our second Summer Sounds Festival with three out of eleven acts coming through them and of course we continue to welcome back Rodger Fox, Ian Harman, Chamber Music New Zealand and the Aroha String Quartet.

We had a change in management at the end of 2019 with Denise Servante moving on and Gerry Keating (Manager) and Jaye Lincoln (Assistant Manager) coming on board. The Trust Board recognised the increased workload on the management team and the need to have an assistant manager. Gerry & Jaye have settled in very well and the Trust Board takes pride in recognising the complementary skills of Gerry & Jaye. And we haven’t lost Denise as she has taken on the role of Front of House Manager and is currently working with a number of our Front of House team in gaining their New Zealand Certificate in Entertainment and Event Operations (Level 3). Our Front of House team are a very valuable asset to our theatre and we are delighted that we can assist in their ongoing knowledge training.

This year saw our Globe 1 theatre get a new LED lighting rig. Funding from the Central Energy Trust, Mainland Foundation and the Eastern & Central Community Trust allowed us to work with local company MDR Lighting and the lights arrived just before lockdown. Once we moved to Level 2, we were able to get in to the theatre and have them installed.

We continued throughout the year with co-promoting a number of events. This initiative (developed in 2018) allowed us to share the burden of putting on shows, especially with musical groups as they tend to be from outside Palmerston North and may not have a big following in the region. The Globe Theatre wants to be seen as the theatre that will work with all groups to enable them to put on their shows and we are finding that offering a co-promotion arrangement has enabled shows that may have bypassed Palmerston North, to take place.

Closing for three months in what was going to be a very busy time for us, did, as mentioned above, have an impact on our business. However, we were very pleased to open again to a number of sold out shows. Initially we thought it may have been a lockdown issue with people just wanting to get out of the house but we actually believe people are ready to go to events again and we have been very pleasantly surprised by the large number of people that have been gracing our theatres since we reopened.

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

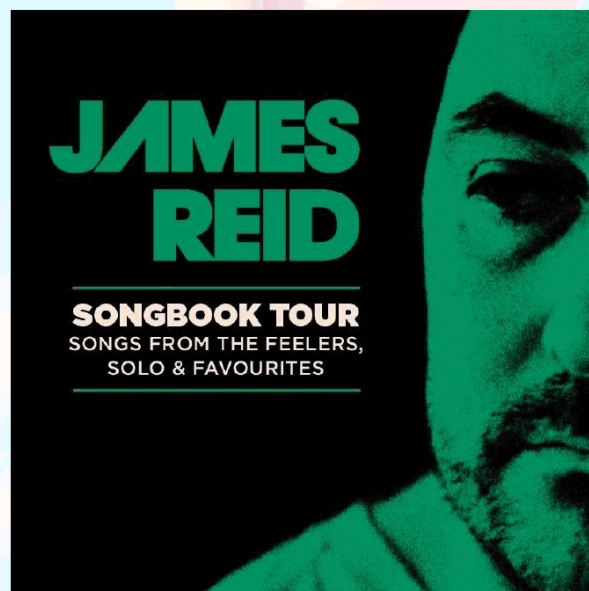
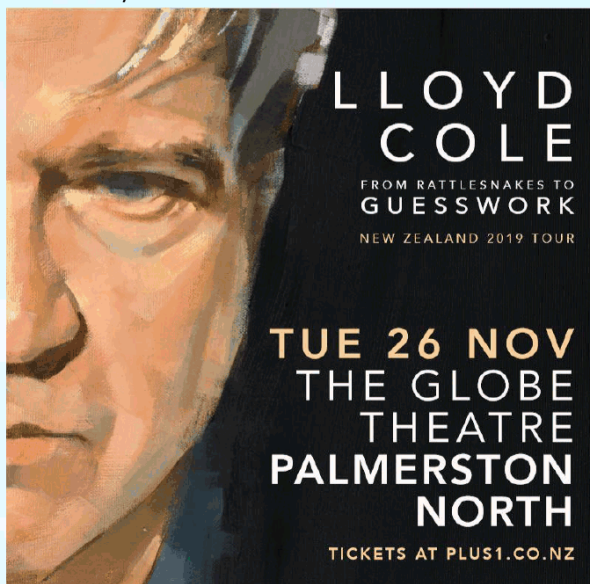
City Council assets staff have worked with our Management team to address any maintenance issues that occurred during the year and we are grateful for their continued support. Our thanks also go to our many hirers and patrons who have supported us with their business, their entertainment dollar and their feedback to help us to continuously improve what we offer to the arts sector.

On a more personal note, I would like to thank my fellow trustees for their commitment, dedication and constant good cheer. I will also take this opportunity to thank our new Manager Gerry and Assistant Manager Jaye for their commitment, enthusiasm and well-rounded skill sets that have seen our lovely venue go from strength to strength even during the difficulties presented by the COVID19 lockdown and also to Denise for her ongoing support by graciously sharing her knowledge and experience. Our theatre continues to grow both in usage and in audience numbers and as a Board we are very excited to be a part of making Palmerston North a vibrant and exciting city.

Maxine Dale

Chairperson

July 2020



MANAGER'S REPORT

It gives me great pleasure to present my first Annual Report to the Council on behalf of the Globe Theatre. Coming on board in late October 2019 with a new Assistant Manager, Jaye Lincoln, the Globe was already a bustling and energetic theatre, and it was just a matter of taking up the baton, so to speak, from the outgoing manager, Denise Servante, and running with it.

No report for the year 2019-2020 can be written without mentioning COVID-19. Prior to lockdown, the Globe Theatre was on track to better the Output Targets produced in the 2019-2020 Statement of Intent. However, as the theatre had to close for 3 months, there is not a lot one can do to achieve projected targets for the year. The managerial staff (Jaye and I) continued working during the lockdown using this as an opportunity to reassess our processes and procedures, for example, plan for the aftermath of the lockdown, look at how the monthly surveys are presented to our audience members, and if we are getting the kind of feedback we expect, and developing our fundraising strategy. Even though we were not able to be on site, we worked productively on improving our administrative efficiency. This has proved effective in the last two months when we were able to return to work and re-establish communication with our hirers, deal with any with outstanding refunds and make sure the theatre complies with national and local health regulations for COVID-19 to provide a safe environment in the theatre.

It was very heartening to communicate with hirers and audience members during the lockdown and have their support. While there were show cancellations, we were able to reschedule some shows to run later in the year. The support of our audience was also very encouraging with a large number of audience members, who had bought tickets to the original shows, being more than happy to wait for the new dates. This greatly reduced the number of refunds we had to organise, and I offer my thanks to those audience members. I also feel that this demonstrates that the Globe has established strong trust and support from our patrons, which we aim to continue to build through providing positive experiences of visiting the theatre.

I would also like to mention the support from our hirers during this difficult time. With the uncertainty around the scheduling of shows, it was wonderful to see groups come together and help each other. For example, one of the biggest music weekends in Palmerston North is the Manawatu Jazz Festival which takes place over the Queen's Birthday weekend in June. Due to the lockdown, it was not going to take place. However, the festival organisers still wanted to hold this event, so they looked at scheduling it for the end of October.

Unfortunately, the Globe had already been booked by the Manawatu Theatre Society. However, on hearing this, the theatre society was willing to support the Jazz Festival and gave up a few nights at the start of their residency so that the Manawatu Jazz Festival Decanted could take place. This is a great example of people coming together for the betterment of the arts.

So what other wonderful things have happened throughout the year?

Our Globe 1 theatre has a new LED lighting rig which luckily arrived just prior to lockdown. Its installation was arranged, and the new lighting was installed during Level 2. The high quality of the new lighting will definitely be appreciated by our hirers and audience members alike, and we would like to express our sincere gratitude to the Central Energy Trust, Mainland Foundation and the Eastern & Central Community Trust for their kind financial support with this project. I would also like to thank Brodie Noon and his team at MDR Lighting for their assistance.

I strongly believe that it is important to work with and support local businesses to develop our "Community Theatre" initiatives, and the team at MDR have been a huge help as we upgrade our technical equipment. In the next month or so we will have installed our new sound system in Globe 1 with the assistance of MDR.

It was also a privilege for the Globe Theatre to be selected as a part of the Street Prints Papaioea 2020 Festival. This initiative brought so many talented artists to our city and we were fortunate to have a design created and painted on our wall by Fin Dac (a fellow Irishman). This, for me, was definitely the highlight of the year. It was amazing to watch Fin work over the week, and I still marvel as I drive/walk around our city and see these amazing works.

Our second Summer Sounds Festival (SSF) took place during January – March 2020. While not quite your traditional festival, we were pleased to welcome eleven musical acts to Palmerston North. Artists from the northern hemisphere usually plan their tours of New Zealand and Australia during our summer months, and the Globe Theatre is on their radar. The relationships developed by Denise during her time at the Globe, enabled us to have artists from India, Canada, the United States, Ireland, Australia & New Zealand participate in our SSF 2020. I believe that this tradition is worth pursuing and intend to strengthen these relationships and build new ones. SSF 2021 may very well have a Kiwi feel to it as we are uncertain whether international artists will be able to travel to New Zealand.

Our relationships with our MOU (Memorandum of Understanding) groups continues to develop. We farewelled the Rose Academy of Dance and Performing Arts as they moved to their new studio in June 2020. Rose had been at the Globe Theatre since February 2018, and it was wonderful to see her academy grow to a level that allowed her to move to a purpose studio. We wish her all the best and look forward to welcoming her back for her end of year performance. Our other MOU groups continue to flourish, and I feel a special mention should go to the Comedy Hub, who came out of lockdown with three sold out shows in June. They are currently running weekly workshops and they have grown the comedy scene in Palmerston North immensely over the past couple of years.

It has been my pleasure over the last couple of months to work closely with the Palmerston North City Council's Facilities Management Officers. The Globe is a big and in parts, old, theatre and there are constant maintenance issues that require attention. Working with the Facilities Management team allows us to pre-empt many of these issues and get maintenance work scheduled. I would also like to thank the team for assisting with the painting of the Globe 1 stage. The work was done fast and very efficiently. The way the stage looks now will definitely contribute to the positive experience of those who use it.

We have enjoyed working with the various hirers that use the Globe Theatre. We aim to improve the experience of all groups, and we welcome the feedback we receive, and take note of any recommendations and suggestions. We want our hirers to feel welcome and we want them to know they are valued and appreciated. The Globe is a very welcoming theatre, and that starts from the minute you step through the door. Whether you are coming to a show, enquiring about hiring our theatre, or just looking for Te Manawa and the Rugby Museum, you will be greeted with a smile and a friendly hello.

What's next for the Globe Theatre?

2020-2021 will see the long-awaited upgrade to the Globe 1 backstage toilets. Council staff have already assessed their condition and took notes of what is required, and we look forward to the time the works start.

We will start implementing our fundraising plans to enable us to upgrade some of our equipment. A new projector and mechanical screen for Globe 1 is on the list, as is an automatic roller door for Globe 1 backstage. Our rehearsal room has the potential to become more useable, so we will look at how we can achieve that with as few modifications as possible. One of the items on our list (which might be a bit too ambitious at this stage), is an improvement to the look of our main entrance and foyer. We have a lot of glass facing out onto the street and some colouring/lighting would help make it more attractive. Also, our big dream item is a media

screen on our outside wall facing Main Street, which we feel could be used as a great promotional tool for the theatre and for other Council Controlled Organisations and community events.

Our audience development programme continues as we try to reach out to everyone in Palmerston North and surrounding areas. This is not an easy task, but it is the one we are willing to take on as we try to make ourselves attractive to venue hirers. While we are predominantly a theatre for hire, any venue enquiry is going to be enhanced when we have a good marketing and promotional network that can translate to audience numbers. This is very relevant for performers outside of Palmerston North. Local groups will already have their core supporters and family, friends and workmates who will attend their shows, but when we have performers from outside of Palmerston North, we need to be able to guarantee an audience for them. We already have an established programme of newspaper adverts, posters, social media, and newsletters, and we are currently working on other cost-effective forms of promotion.

We will continue to push ourselves to be better. We have been working on our 10 Year Strategic Plan and we set some ambitious targets for ourselves. We are very aware of the impact COVID-19 has had on our community, and our strategic plan acknowledges this. The experts are telling us to prepare for a potential downturn in 2021 with unemployment figures set to increase so we have taken this into account with our long-term planning.

As a management team, we are incredibly positive and will continue to work with all our hirers to enable them to perform to the best of their ability in a theatre that strives to be the home of the local performing arts community in Palmerston North. It is very encouraging to report that we have been buoyed by the number of bookings that are coming in for the remainder of 2020 and for 2021.

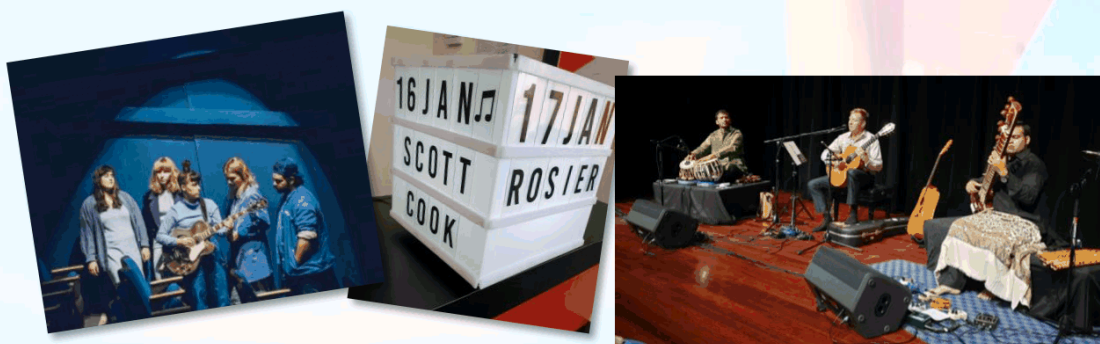
We are looking forward to being a part of the 2021 Papaioea Festival of Arts and the Palmerston North 150th Celebrations. We have a lot to be proud of in Palmerston North and we intend to celebrate our wonderful, vibrant and multi-cultural city.

I would like to express my gratitude to the Palmerston North City Council staff who over the first six months of 2020, have been a huge help to me personally, as I find my feet in this role. During the lockdown there were numerous calls and emails to see how we were doing and if we needed anything. This attention and support were very much appreciated as we all navigated through the unknown.

A huge thank you to our Board of Trustees, who have been there to offer their expertise, knowledge and support especially during these difficult times.

To the team here at the Globe Theatre, Jaye, Emily, Lillian & Brayden. Thank you for all your support throughout the year and I look forward to another fun and fantastic 12 months.

Gerry Keating, Manager, July 2020



PERFORMANCE MEASURES - 12 MONTHS TO 30 JUNE 2020

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 – (Removed from July 2020)

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

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

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

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

PERFORMANCE BASED 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 shown to an audience, open to the public, may be ticketed or not

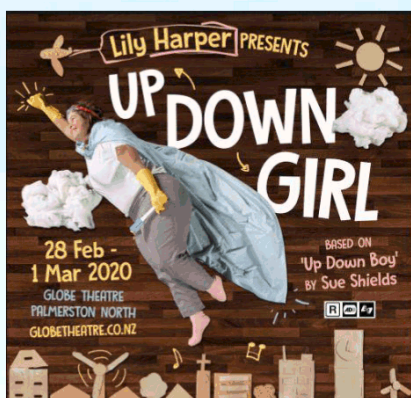
NON-PERFORMANCE BASED USAGE:

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 – (Renamed as Other from July 2020) anything else

SHOWCASING OUR COMMUNITY



Strategic priorities and performance monitoring for 2019/20

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.

Outcomes	Outputs (KPIs)	
	Target 2019/2020 SOI	Result at 30 June 2020
Number of usages Result at 31 Dec 2017: 190 Result at 30 June 2018: 514 Result at 31 Dec 2018: 326 Result at 30 June 2019: 680	550	Partly Achieved: 534 Closed for 3 months (March-May 2020)
Number of performances Result at 31 Dec 2017: 78 Result at 30 June 2018: 175 Result at 31 Dec 2018: 123 Result at 30 June 2019: 253	185	Achieved: 215 performances (with an audience of any description). This includes 48 discreet performances as part of the Comedy Festival in November 2019. This has clearly boosted our figures but considering we were closed for March-May 2020, we would have achieved this target.
Hours of use by hirers Result at 31 Dec 2018 = 1,268 (new measure) Result as at 30 June 2019 = 2,544 (new measure))	2,200	Partly Achieved: 1,988 Closed for 3 months (March-May 2020)
No. discreet participants Result at 31 Dec 2018 = 878 (new measure) Result as at 30 June 2019 = 1,843 (new measure)	1,400	Achieved: 1,785 participants as organiser/performer/speaker
No of visitors/audience members Result at 31 Dec 2018 = 10,860 (new measure) Result as at 30 June 2019 = 21,409 (new measure)	22,000	Partly Achieved: 15,487 (people participating at the Globe as an audience member/attending an event but not as an organiser or performer. Closed for 3 months (March-May 2020)
Maintain or improve satisfaction ratings of hirers Result at 31 May 2018 = 97% (n=33) Results at 30 June 2018 = 91% (n=35) Result at 31 Dec 2018 = 81% (n=27) Result as at 30 June 2019 = 93% (n=50)	94% rate the Globe Theatre as an Excellent or Good venue	Surveys responded (n=33) Immediately following the hire, all hirers are sent a short survey asking for their satisfaction with their experience hiring the Globe. Comments provided with feedback are considered monthly at Board meetings and issues addressed where appropriate. The major influencer on the ratings are "booking and confirming your hire" and "Equipment available to you for your hire", followed by "Front of House/Box Office during your hire" and "Technical support during the period of your hire". Our goal for 2020-2021 is to increase the number of surveys that are completed. This will be achieved by contacting the venue hirers seven days after the initial survey was sent to them.

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.

Outcomes	Outputs (KPIs)	
	Target 2019/2020 SOI	Result at 30 June 2020
<p>Maintain or improve satisfaction ratings of visitors (audiences)</p> <p>Benchmark as at July 2017 = 78% (n=171)</p> <p>Results at 30 June 2018 = 79% (n=255)</p> <p>Result at 31 Dec 2018 = 85% (n=62)</p> <p>Result as at 30 June 2019 = 84% (n=148)</p>	<p>93% rate the Globe Theatre as an Excellent or Very Good venue</p> <p>93% rated the performances they attended as Excellent or Very Good</p>	<p>Surveys responded (n=119)</p> <p>Closed for 3 months (March-May 2020)</p> <p>Audience surveys take place monthly and target ticket buyers through the Globe ticketing system. Comments and feedback are considered at Board meetings. The major influencer for audience members is being able to book whatever seat you would like. Globe Theatre & café staff received numerous positive comments.</p>
<p>Number of national and international visiting productions performing at the Globe</p> <p>Result at 31 December 2018: 11 (new measure)</p> <p>Result at 30 June 2019: 28 (new measure)</p>	10	<p>Achieved: 22 events classed as national or international were brought to the Globe. 16 of the events were co-promoted (i.e. some form of box office split rather than a straightforward hire-fee):</p> <p>James Reid - National</p> <p>Mel Parsons – National</p> <p>Nicole Son Quartet – International/Split</p> <p>The Good Girl Song Project – International/Split</p> <p>Missy Raines Trio (Vanessa McGowan) – International/Split</p> <p>Sparrow & Boyle - National/Split</p> <p>Lloyd Cole - International</p> <p>Miriam Clancy - National</p> <p>The Maes (Second Hand News) – International/Split</p> <p>Gilbert & Sullivan On Tour – National/Split</p> <p>Scott Cook – International/Split</p> <p>Rosier – International/Split</p> <p>Paul Ubana Jones – National/Split</p> <p>Andy Irvine – International/Split</p> <p>Richie & Rosie – National/Split</p> <p>Gordie Tentrees – International/Split</p> <p>Glass Heart String Choir/French For Rabbits – International/Split</p> <p>Tattletale Saints – International/Split</p> <p>Pangaea – International/Split</p> <p>Delaney Davidson – National/Split</p> <p>CMNZ Juilliard 415 – International</p> <p>Isaih B Brunt - – International/Split</p>

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		
Outcomes	Outputs (KPIs)	
	Target 2019 SOI	Result at 30 June 2020
Proportion of use that is driven through MOU arrangements and is performance based Result at 31 May 2018 (11 months) = 51% Result at 31 Dec 2018 = 47% Result at 30 June 2019 = 57%	65%	Partly Achieved: (Closed March-May 2020) Seven MOU arrangements are currently in place: Alliance Francaise, Michelle Robinson School of Dance, MTS (including MYTH), Sunday Matinee Series, Tall Poppies, The Rose Academy and The Comedy Hub. These 7 organisations accounted for 54% of usage.
Proportion of MOU-driven use that is performance-based Result at 31 May 2018 (11 months) = 92% Result at 31 Dec 2018 = 96% Result at 30 June 2019 = 95%	95%	To be determined
Proportion of overall usage from established community users ¹ Result at 31 May 2018 (11 months) = 31% Result at 31 Dec 2018 = 33% Result at 30 June 2019 = 21%	31%	On track: 167 uses out of 533 total usages from 81 Community groups (does not include MOU/Professional Groups hiring the venue)
Proportion of overall usage from new community groups ² Result at 31 May 2018 (11 months) = 3.5% Result at 31 Dec 2018 = 7.5% Result at 30 June 2019 = 5.3%	8.8%	On track: 11 new hirers identify as a Community group. These 11 new hirers used the Globe 47 times (8.8%) and performed 24 times.
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.		
Outcomes	Outputs (KPIs)	
	Target 2019 SOI	Result at 30 June 2020
Carry out capital development programme	Globe 1: Digital lighting system	Achieved: LED lighting rig installed in May 2020
Funding capital renewal programme from depreciation fund Result as at 30 June 2019 = 45% (new measure)	67% depreciation costs available for capital renewal	Not calculated as at 31 December. Capitalisation of assets purchased will be done at year-end.

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

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

THE GLOBE THEATRE TRUST FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 30 JUNE 2020

Statement of Responsibility

We are responsible for the preparation of the Globe Theatre Trust's financial statements and statement of performance, and for the judgements made in them. We are responsible for any end-of-year performance information provided by the Globe Theatre Trust under section 19A of the Public Finance Act 1989. We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the Globe Theatre Trust for the 12 months ended 30 June 2020.

Signed on behalf of the Board:

Entity Information For 12 Months To 30 June 2020

LEGAL NAME, TYPE OF ENTITY AND LEGAL BASIS

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

THE TRUST'S PURPOSE OR MISSION

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

STRUCTURE OF THE TRUST'S OPERATIONS, INCLUDING GOVERNANCE ARRANGEMENTS

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

MAIN SOURCES OF THE TRUST'S CASH AND RESOURCES

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

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

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

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



Statement Of Financial Performance For 12 Months To 30 June 2020

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Revenue				
Donations, fundraising and other similar income	2	157,819	97,601	100,267
Council funding	3	115,748	115,636	113,366
Investment income		375	300	421
Sales of Goods and Services	4	71,463	71,340	90,785
Total Revenue		345,405	284,877	304,839
Expenditure				
Costs related to providing goods and services	5	13,570	16,608	31,970
Administration and Overhead Costs	6	28,041	44,811	85,223
Employee, Trustee and Contractor Costs	7	131,287	98,256	45,062
Other Expenses	8	40,294	19,607	21,247
Asset Write offs		0	0	1,599
Depreciation		47,432	58,728	37,363
Total Expenditure		260,625	238,010	222,464
Net surplus/(Deficit)		84,781	46,867	82,375

Statement Of Financial Position As At 30 June 2020

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Current Assets				
Bank accounts and cash	9	104,362	25,312	70,799
Debtors and prepayments	10	569	11,826	13,233
Total Current Assets		104,932	37,138	84,032
Non Current Assets				
Property, Plant and Equipment	11	320,931	365,916	275,848
Total Non Current Assets		320,931	365,916	275,848
Total Assets		425,863	403,054	359,880
Liabilities				
Current Liabilities				
Creditors and Accrued Expenses	12	21,046	11,826	36,556
Employee Costs Payable	13	9,063	2,912	7,619
Unused Grants and Donations with Conditions	14	874	0	5,500
Total Current Liabilities		30,983	14,738	49,675
Non-Current Liabilities				
Non-Current Liabilities		0	0	0
Total Non Current Liabilities		0	0	0
Total Liabilities		30,983	14,738	49,675
Net Assets		394,879	388,316	310,205
Trust Equity				
Contributed Capital		100	100	100
Retained Surpluses	15	394,779	388,216	310,105
Total Retained Equity		394,879	388,316	310,205

Statement Of Changes In Accumulated Funds For 12 Months To 30 June 2020

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Opening balance as at 1 July		310,099	341,426	227,830
Current Period Surplus /(Deficit)		84,781	46,890	82,269
Balance at 30 June		394,880	388,316	310,099

Statement Of Cash Flows For 12 Months To 30 June 2020

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Cash Flows from Operating Activities				
Donations and Fundraising		120,258	115,635	113,366
Receipts from Council grants		115,748	97,601	101,182
Receipts from sale of goods and services		221,146	71,342	87,264
Other Revenue		37,432	0	0
Interest Received		375	300	421
Payments to Suppliers & staff		-364,473	-179,266	-181,434
Goods and Services Tax (net)		208	0	-932
Net Cash Flows from Operating Activities		130,694	105,612	119,867
Cash Flows from Investing Activities				
Purchase of Fixed Assets/Renewals		-97,331	-104,175	-81,977
Sales of Fixed Assets		0	0	0
Net Cash Flow from Investing Activities		-97,331	-104,175	-81,977
Net Increase/(Decrease) in Cash and Cash Equivalents		33,363	1,437	37,890
Cash and Cash Equivalents at the start of the Year		70,799	23,875	32,909
Cash and Cash Equivalents at the End of the Year		104,162	25,312	70,799

Notes To The Financial Statements

1 Statement of Accounting Policies

REPORTING ENTITY

The financial statements for the Trust are for six months ended 31 December 2019 and were approved by the Board of Trustees on 17 February 2020.

BASIS OF PREPARATION

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

Statement of compliance

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

Measurement base

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Changes in Accounting Policies

There have been no changes to accounting policies this year.

GST

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

Sale of goods

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

Sale of services

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

Theatre Hire

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

Interest Revenue

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

Grants

Grants received from the Palmerston North City Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust's trust deed.

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

Fundraising and Donations

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

Donated assets revenue

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

Advertising, marketing, administration, overhead and fundraising costs

These are expensed when the related service has been received.

Bank Accounts and Cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks. Bank overdrafts are presented as a current liability in the statement of financial position.

Debtors and other receivables

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

Investments

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

Property, plant, and equipment

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

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

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

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

Depreciation

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

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

Creditors and other payables

Creditors and accrued expenses are measured at the amount owed.

Employee and contractor costs

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

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

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

Employee Costs Payable

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

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date. A liability and expense for long service leave and retirement gratuities is recognised when the entitlement becomes available to the employee.

Provisions

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

Income Tax

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

Accumulated Funds

Accumulated Funds are measured through the following components:

- Retained Earnings
- Contributed Capital

Budget figures

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

Tier 2 PBE Accounting Standards applied

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

Grant expenditure

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

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

2 Donations, Fundraising and Other Similar Revenue

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Donations and Fundraising		2,029	8,000	2,494
Other		155,790	89,601	97,773
Total Donations and Fundraising Revenue		157,819	97,601	100,267

"Other" fundraising comprises:

	Actual 2020	Actual 2019
Central Energy Trust	64,633	72,773
Eastern and central Community Trust	24,000	0
Community Organisation Grant Scheme	5,000	4,000
Lottery Community Fund		5,000
Mainland Foundation	10,000	0
Pub Charity Ltd	9,725	6,000
NZCT	5,000	0
The Lion Foundation	0	10,000
COVID Wage Subsidy	37,432	0
Total "Other"	155,790	97,773

3 Council Funding

	Note	Actual 2020	SOI Budget 2020	Actual 2019
PNCC Grant		115,748	115,635	113,366
Total Donations and Fundraising Revenue		115,748	115,635	113,366

4 Sales of Goods and Services

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Foyer Rental		3,756	4,000	4,700
Theatre Hire		51,082	50,834	59,866
Recoverable Income		3,428	4,200	9,410
Sales		0	0	58
Ticket Sales (commission and shows)		13,197	12,309	16,718
Total Donations and Fundraising Revenue		71,463	71,343	90,752

5 Costs relating to providing goods and services

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Project Expenses		256	600	10,696
Recoverable Expenses		4,267	5,000	9,532
Show Expenses		9,047	11,000	11,743
Total Costs of Goods Sold		13,570	16,600	31,971

6 Employee and Contractor Related Costs

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Salaries, Wages and Employment Related Costs		118,383	81,000	73,501
Contractor Costs		6,014	15,000	9,414
Trustee Remuneration		3,400		
KiwiSaver Employer Contributions		3,490	2,250	2,308
Total Employee Related Costs		131,287	98,250	85,223

7 Administration and Overheads

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Cleaning		3,954	3,017	3,486
Hire of Plant and equipment		235	208	580
Light, Heating and Power		13,387	18,297	16,464
Marketing		4,545	6,144	6,180
Office Costs		1,001	781	679
Postage, Printing and Stationery		1,118	1,245	1,169
Telephone and Internet		3,800	2,881	2,904
Total Administration and Overhead Costs		28,041	32,573	31,462

8 Other Expenses

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Audit Fees		9,034	8,862	8,564
Bank Charges		90	41	40
Consulting and Accountancy		844	921	812
General Expenses		3,421	1,661	4,326
Insurance		3,551	2,778	2,723
Legal Expenses		0	0	0
Professional Development		597	2,000	1,368
Repairs and Maintenance		17,022	12,240	13,600
Security		572	502	492
Subscriptions and Compliance Costs		3,688	1,399	1,473
Travel - National		193	0	0
Waste Disposal		1,284	1,440	1,448
Total Other Expenses		40,294	31,844	21,247

9 Bank Accounts and Cash

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Cash on Hand		658		458
Non Profit Current		57,745		20,049
Rapid Save (donations)		45,960		50,292
Total Cash and Cash Equivalents		104,362	0	70,799

10 Debtors and Prepayments

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Accounts receivable		820		12,772
GST Receivable		-250		461
Total Creditors & Other Payables		569		13,233

11 Property, Plant and Equipment

	Furniture and fittings	Theatre Equipment	Computer Equipment	Total
Cost				
Balance as at 1 July 2018	41,374	456,982	3,499	501,855
Additions	7,683	79,077	0	86,760
Disposals	-2,235	0	-1,251	-3,486
Balance as at 30 June 2019	46,822	536,059	2,248	585,129
Accumulated depreciation and Impairment Losses				
Balance as at 1 July 2018	13,675	257,969	2,160	273,804
Depreciation Expenses	5,131	31,653	580	37,364
Disposals	-1,155	0	-732	-1,887
Balance as at 30 June 2019	17,651	289,622	2,008	309,281
Carrying Amount	29,171	246,437	240	275,848
Cost				
Balance as at 1 July 2019	46,822	536,059	2,248	585,129
Additions	3,399	88,834	0	92,233
Disposals		-11,988	0	-11,988
Balance as at 30 June 2020	50,221	612,905	2,248	665,374
Accumulated depreciation and Impairment Losses				
Balance as at 1 July 2019	17,651	289,622	2,008	309,281
Depreciation Expenses	5,252	29,778	128	35,158
Disposals	0		0	0
Balance as at 30 June 2020	22,903	319,400	2,136	344,439
Carrying Amount	27,318	293,505	112	320,935

There are no restrictions over the title of the Trust's property, plant, and equipment; nor is any pledged as security for liabilities.

12 Creditors and Accrued Expenses

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Accrued Expenses		11,826		17,536
PAYE Payable		1,868		1,788
Creditors		4,332		17,232
GST Payable		-408		0
Income in Advance		3,140		0
Unpaid Expense Claim		288		0
Total Creditors & Other Payables		21,046		36,556

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

13 Employee and Contractor Related Costs Payable

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Holiday Pay Liability		5,005		4,677
Wages Accrual		4,058		2,942
Total Employee Costs Payable		9,063		7,619

14 Unused Donations and Grants with Conditions

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Lions Club of Middle Districts		500		500
Donations for future Matiness		374		0
NZCT		0		5,000
Total Unused Grants and Grants with Conditions		874		5,500

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

15 Accumulated Surpluses

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Balance at 1 July		310,099	341,426	227,830
Current Period Surplus/(Deficit)		84,781	46,890	82,269
Balance at 30 June		394,880	388,316	310,099

16 Capital Commitments and Operating Leases

The Trust has no capital commitments and no operating lease commitments (2019 \$nil).

17 Contingencies

CONTINGENT LIABILITY

The Trust has no contingent liabilities (2019 nil).

CONTINGENT ASSETS

The Trust has no contingent assets (2019 \$nil).

18 Capital Management

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

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

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

19 Explanation of major variances against budget

To be completed

REVENUE

EXPENDITURE

BALANCE SHEET

20 Events after Balance Date

There were no events after balance date that require disclosure.

21 Ability to continue operating

The Trust intends to continue operating in future periods.





STATEMENT OF INTENT

for

**TE MANAWA MUSEUMS
TRUST**

2019/20 – 2021/22

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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. It is a not-for-profit CCO.
	Private Bag 11055		
	Palmerston North		
Website:	www.temanawa.co.nz		
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

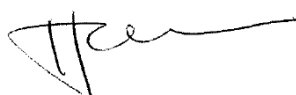
Te Manawa is going through a period of consolidation where we are balancing our need to keep business as usual satisfying our core audiences with the need to keep an eye on the future. As we move forward we are always conscious that the PNCC objective to be 'a creative and exciting city' lies at the 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

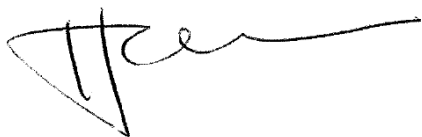
GOVERNANCE STATEMENTS

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 in a cursive style.

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**

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Prospective Statement of Financial Position	21
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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 \$ <i>as at 31Dec 2018</i>	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	Budget	Forecast	Budget	Budget	Budget
	2017/18	2018/19	2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$
			as at Dec 2018			
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)	(44,562)	33,339	(57,522)	262,668
Opening Cash Balances		591,347	316,684	353,684	387,023	411,151
Closing Total Cash Balances		353,684	272,122	387,023	411,151	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.



He Pūronogo ā Tau

Draft Annual Report 19/20

Prepared October 2020

TE MANAWA MUSEUMS TRUST

Chairman's Report Pūrongo Mana Whakahere

As many organisations will be commenting, the 2019 – 20 year has been dominated by the COVID crisis and its aftereffects. Te Manawa is no exception to this. We remain in a state of uncertainty as to the final effect of this pandemic and its ramifications for New Zealand and Palmerston North. One thing we have in our favour is that the leadership of our country and city rose to the occasion, regardless of politics and individual interest.

For Te Manawa that meant that, although we were required to close for a considerable time, our team were able to work on projects remotely and also keep our facilities safe and ready to re-open when able. We owe our team a sincere vote of thanks for their efforts during this time and in the re-opening period.

Andy will expand on the activities we have been able to engage in and deliver both prior to and subsequent to 'lock down' and I don't propose to repeat those. The restricted level of activity we were able to deliver has however had a significant financial effect. While visitor income was of course down, expenditure was also, as a number of projects have been delayed in to the 2020 – 21 year. This is reflected in the bottom-line surplus we are reporting for this year and subsequently in the projections for 2020-21.

PNCC initiated improvements to the Letter of Expectation and Statement of Intent process which culminated in a very productive workshop with Councillors and Officers. We are pleased that this process clarified the areas that we are to concentrate on into the future and the clear guidance given to us. Areas the councillors highlighted were:

- Supporting inclusivity in our community
- Getting the collections out – using the assets we have
- Maintaining a turnover of exhibitions to engage our audiences
- Reviewing and publishing the exhibition programme – local, national and international
- Growing physical and digital visitation numbers
- Maintaining and enhancing connections and relationships
- Working with the Ministry of Education on the future of the LEOTC programme and its funding
- Sourcing sustainable external funding for programmes and exhibitions

Our new SOI reflects these aims as we move forward. We have also begun a planning process within the Trust Board with the aim of initially clarifying our overall vision statement and then engaging in a strategic planning process leading into our business plan later in the year. I am conscious that, in asking our Trust Board to participate in this level of detail, we must remember that these are volunteer members and they give freely of their time for the good of the organisation. We must never take that for granted.

With respect to the team at Te Manawa, a new wellbeing committee has been formed reporting through to the Audit and Risk committee. This group has the objective of checking in on and monitoring staff wellbeing generally and its first action has been to initiate a regular staff survey so team members can give confidential feedback to the organisation, and the leadership team in particular. We will watch its progress closely.

The Science, Art and Museum societies now have full representation on our collection committee and increased communication with all three is critical as we move forward and revitalise our exhibition

programme. Their joint and individual input remains an asset to us and helps maintain the intellectual independence so important to our success.

Rangitāne, our Iwi partners, continue to guide us and work closely with us and there are developments in the planning phase for the next few years that will further enhance this as the vision for 'Rangimārie', the cultural centre within Te Manawa comes to realisation.

Again, I must acknowledge our team and volunteers at Te Manawa – particularly in the strange and new COVID environment we found ourselves in they continued to remain committed to Te Manawa. We could not function as we do without them. Our societies, our funders at PNCC, the New Zealand Rugby Museum, Manawatu District Council, Globe theatre, Centrepont and our many sponsors and fellow CCOs continue to support us and offer encouragement and advice.

We thank you all and hope for a better and more prosperous financial year for all of us moving forward.



John Fowke
Chair
Te Manawa Museums Trust Board

Chief Executive's Report Pūrongo Tumuaki

COVID-19

Resilience in extraordinary times!

Visitor numbers to Te Manawa started to decrease from January 2020 onwards as news of COVID-19 spread on an international scale.

As well as this, some of the national venues that were confirmed to take our own touring exhibitions like Ashburton Museum and the Forrester Gallery had to pull out. All large events, exhibitions and functions that were planned from Feb – June 2020 were cancelled or postponed until further notice. Our online reach increased from 634,221 in 18/19 to 664,932 19/20 which was an indication of our strong online presence particularly with innovative learning programmes delivered digitally during the lockdown.

As museums closed and continue to close around the world due to COVID-19 we are fortunate to continue to be supported by the Palmerston North City Council and I want to acknowledge the Council for their support in particular over the lockdown March 20th - May 18th 2020. The communication and interest in the well-being of our staff was noted and appreciated.

TE PAPA CONNECTION

I was appointed to the Te Papa Trust Board, which is an acknowledgement of the work the Te Manawa team has been doing especially around inclusivity on the international stage. The results of this work can be seen in various ways such as the Santa's Cave exhibition being presented in sign language to members of Deaf Aotearoa (Manawatū), NOA open studio artist Malachi Oldridge being selected as a finalist in the IHC art awards and, the Nga Toa Patrick Bronte interviews. Exhibitions we have developed in response to COVID-19 pandemic like "*Common...Pause*" are also breaking new ground.

EXHIBITIONS

22 exhibitions opened over the year including *Colin McCahon - 100 years* (part of National McCahon commemorative trail); Award winning nano science focussed exhibition '*Mighty Small Mighty Bright*' developed by MOTAT in Auckland; *Te Hā-o-Hine-Ahu-One* (Palmerston North Women's Health Collective) –fundraiser exhibition (art auction proceeds around \$25k); Ngā Kete Toi- Wānanga exhibition; Eileen Mayo; Melissa Laing- *Controlled Environment Laboratory*; *Mirror Magic*; United Arab Emirates; Animalia and Ngā Toa. The first stage of the refresh of the ever popular KidsTM space was completed with funds donated by a range of local companies.

COLLECTION

The Collection continues to grow and gather support from our community. We were excited to receive a 100-year-old time capsule from St Paul's Methodist Church, a significant financial donation from an anonymous donor for a sculptural work for Te Manawa and the offer of a significant art collection from a private donor. Manawatū sculpture *Falling Waters* (Fred Graham) was refurbished and installed on the Conference & Function Centre, a joint project between PNCC, the Sculpture Trust and Te Manawa – a real asset for the City!

EVENTS

Over 100 events both on site and off site enabled communities to interact with Te Manawa in different ways including Māori Language week; Chamber Music NZ; Haunted Museum at the

Esplanade; Te Manawa after Dark; Laser Tag, Nerf Wars, Spotlight; Family Festival; Te Manawa Takeover- collaboration with Centrepont, and scientist and heritage displays and talks.

LEARNING

Despite the ongoing impacts of Covid-19 on engagement of face-to-face learning experiences, we had a strong year with a total of 21,316 people participating in learning programmes and activities. We had visitors travel to attend learning experiences from Feilding, Levin, Pahiatua, Whanganui, Masterton, Dannevirke, Waikanae, Halcombe, Marton, Taihape and our local Palmerston North area.

VISITORS

End of year visitor numbers still achieved over 100,000 visitors through the door, which is quite extraordinary given that numbers decreased or were non-existent for half of the year – January to June.

FEEDBACK

In feedback collected from our visitors during the 2018/19 year, 99 per cent rated their Te Manawa experience “Excellent” or “Good”.

ENHANCING PARTNERSHIPS AND BUILDING PROFILE

It was excellent to see some of the projects in which Te Manawa was instrumental in the early stages like large scale street art and Urban Eels came to fruition. Partnerships were strengthened with our tertiary sector - UCOL, Massey University, Te Wānanga o Aotearoa and IPU; and our community sector - Alzheimers NZ, Red Cross Manawatu Association, Manawatu Multicultural Society, Skilled Migrants Network, Deaf Aotearoa (Manawatu), Rainbow Tick NZ, Idea Services, Women’s Art Initiative (WAI), Manawatu Refugee Voice and, MALGRA.

HOW DID WE PERFORM IN A NUTSHELL?

- Te Manawa awarded accreditation as an organisation ‘Working towards Becoming Dementia Friendly’ believed to be the first NZ museum to have such recognition from Alzheimers NZ.
- Physical Visitor numbers were severely impacted from January 2020 as news of COVID-19 spread. Many projects that Te Manawa was working on were postponed or cancelled due to COVID including off-site events and touring exhibitions.
- Tamariki exhibition first stage refresh completed end of June - funds donated by a range of companies including Beca. Second stage will take place late in the year with Westpac donating \$20k.
- Budget: the operating surplus, after collection movements for the 12 months until end of June is \$278,102 compared with a budgeted surplus of \$109,144. This was due to roles not being filled and projects not being able to be carried out due to COVID-19.
- Feedback – 99 per cent good to excellent
- Significant Manawatu sculpture *Falling Waters* (Fred Graham) refurbished and installed on the Conference & Function Centre – joint project between PNCC, Sculpture Trust and TM
- Te Manawa ran a fundraiser art auction with proceeds (around \$25k) going to Te Hā-o-Hine-ahu-one/ The Palmerston North Women’s Health Collective
- 100-year-old time capsule from St Paul’s Methodist Church came to TM
- Significant financial donation received from an anonymous donor(\$30k) for an Andrew Drummond sculptural work for TM
- Significant collection of art offered by a private collector.
- Street Prints Papaeoia project - There was a loop back to the beginning of large-scale street art in Palmerston North with the inclusion of the original designer Ariana Te Aweawe, Neil Wallace and Te Arohanoa artists who created the TM Courtyard mural 7 years ago.

Heneriata Te Whata worked with the artists which enabled the work to be finessed and augmented.

We are grateful for the support of Te Manawa Museum Society Inc, Science Centre Inc, Te Manawa Arts Society and the Collections Committee.

We thank Rangitāne Iwi, PNCC and our many collaborators, supporters, sponsors including Westpac, YORB, Inspire Net, FMG, Vitae Services, the Crozier family, artists and volunteers, UCOL, Massey University, Te Wānanga o Aotearoa, IPU, DOC and community organisations.

I want to thank the Te Manawa team for their commitment and creativity over the past year.

PLANNING

Te Manawa has come through some lengthy review processes and will now be focussing on developing a robust Business Plan to include solid stakeholder relationship management and inclusion, fundraising and a 3 year and onward programme of exhibitions, upgrades and key events supported by innovative learning programmes.

Te Manawa has some exciting family friendly and interactive exhibitions coming up and is planning to connect into PN150, Massey Māori Arts Toioho-ki-Apiti 25th year anniversary with a particular focus on science, technology and the environment.

FUTURE

The future impact of COVID-19 on arts and cultural facilities across the world and the country is not yet known. We do know that there will be an increased focus on the local, regional and national markets.

Apart from the times we host exhibitions from international venues, and in the case of the Dinosaurs exhibition from London when we saw visitors came from Bluff to Kaitia; the primary visitor demographic is local and regional.

With the severe reduction in international exhibition movement there are opportunities to collaborate with other facilities and organisations both national and regional. This is the time when the experimental and collaborative drivers of the Museum without Boundaries concept will be at the forefront of thinking in museums. There is general acceptance in museum circles that things are going to have to be done differently. The United Nations has listed anti-racism, increasing marginalisation, loneliness and climate change as key challenges for our world. Museums need to be acutely aware of these as we move forward.

Te Manawa's awareness of the potential for ongoing COVID-19 related issues has called for more urgent pivoting towards digital experiences and towards new opportunities that arise from the community needing human connection and optimism, and a trusted place to go for information.

Naku noa



Andy Lowe
Chief Executive

Statement of Service Performance Paeru Mahi

1. Te Manawa's profile as a place to visit is maintained

Performance Measures	2019/2020 Target	Status	Result	Comments
<ul style="list-style-type: none"> A high number of visitors to Te Manawa experiences 	170k	Not achieved	<p>100,599 (59% achieved against the annual target).</p> <p>As a result of COVID-19 anticipated visits of 2,573 were cancelled for March 2020</p> <p>(See notes on Covid 19 effect on visitors on attached note below)</p> <p>(2018/2019: Not Achieved - 126,666 visits in person against a target of 178,000)</p>	<p>Mighty Small Mighty Bright visits 16,124 1 Nov 19 – 30 June 20.</p> <p>13,281 visits measured to the Art Gallery against an annual target of 15,000 (88% achieved)</p> <p>LEOTC contracted service levels for Sci Tech Maths and Art Health PE were achieved for the 2019 calendar year.</p> <p>Total Learning visits: 21,316 against an annual target of 30,755 (70% achieved)</p> <p>Total onsite event visits YTD: 9,870 against an annual target of 7,000 (140% achieved)</p> <p>*Measured electronically</p> <p>Covid-19 affected visitor numbers Jan-Jun 2020</p>

<ul style="list-style-type: none"> Exhibitions and products increase Te Manawa's profile across New Zealand and the world 	50k	Not achieved	<p>16,303 (33% achieved against the annual target).</p> <p>No further venues took up the offer of Topp Twins and due to COVID-19 multiple events, functions and programmes that were booked to be held at or with Te Manawa were cancelled by external organisers.</p> <p>Venues that were supposed to take our other touring exhibitions were cancelled due to COVID-19</p>	<p>This category includes visit numbers for touring exhibitions, off-site events, and other Te Manawa activities occurring off-site</p> <p>Topp Twins Exhibition was at Ashburton Museum</p> <p>TM CEO selected for Te Papa Trust Board in recognition of work TM does</p> <p>Te Manawa awarded accreditation as an organisation 'Working Towards Becoming Dementia Friendly' – believed to be the first museum in New Zealand to have such recognition from Alzheimer's New Zealand</p> <p>Renewed membership to international change network OFBYFOR ALL</p>
<ul style="list-style-type: none"> On-line presence attracts increasing interest 	400k	Achieved	<p>664,932 (166% achieved against the annual target)</p> <p>Shows the potential of ON-LINE engagement</p> <p>(2018/2019: Achieved - 634,221 against a target of 200,000)</p>	<p>Total e-visits 54,544 against an annual target of 60,000</p>
TOTAL VISITS to TM Experience	620k	Achieved	<p>781,834 (126% achieved against the annual target)</p> <p>(2018/2019: Achieved - 864,476 against a target of 478,000)</p>	

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

Performance Measures	2019/2020 Target	Status	Result	Comments
Partner with Rangitāne to create more opportunities for Rangitāne with Te Manawa		Achieved	2 Rangitāne members on TM Board	UAE exhibition opened on 15 Nov in Te Rangi Whenua and closed 31 Jan 2020.
Develop Rangimārie (a Māori tourist attraction based on stories of Rangitāne told and performed at Te Manawa and marae)	2,000 visitors to Rangimārie activities	Not measured 2019/20	(Not measured: 2018/2019)	Rangimārie Project Plan in development and PGF proposal brief submitted. Marae activities

3. Third party revenue and visitor satisfaction ratings underpin Te Manawa's reputation and activities

Performance Measures	2019/2020 Target	Status	Result	Comments
Develop and implement a strategy to increase third party revenue	\$651k	Not achieved	Achieved \$337,060 for twelve months to 30 June 2020 (51.78% of end of year target). (2018/19: Not achieved)	Projects cancelled due to COVID-19 Venue hire of \$7,159 cancelled because of TM closure during Covid
Maintain high levels of visitor satisfaction	>96% satisfied	Achieved	99% Good/Very Good/Excellent (2018/2019: Achieved 99% against a target of >96%)	Example comments include: <ul style="list-style-type: none"> • "It's (Gallery 4) a very cool little immersive room" • "Staff are very friendly and approachable. Areas are very clean and tidy. 10/10" • "It's a really great space, so great for kids" • "We didn't realise how great this museum was for kids! Way better than a museum with only old things to look at" • "Loved the Sue Cooke exhibition and the spinning chairs" • "Visiting from Scotland. Great collection" • "Love that you got toys outside as well to keep kids occupied. Such a cool museum" • "The water room was a real hit" • "The students work is really amazing" (Top Art exhibition)

4. The long-term vision and service levels are supported by future-focussed public engagement and project implementation practices

Performance Measures	2019/2020 Target	Status	Result	Comments
Develop foundational principles and establish a programme of projects that demonstrate community participation and experimentation	Develop and deliver two examples that explore and test 'out-of-the-box' thinking, and new approaches	Achieved	Three initiatives delivered One initiative in planning	Climate Change Theatre Action - delivered. See Quarter 1 Report for details. UAE exhibition in TRW. NOA PasteUp 3 Project exhibition opened 26 June 2020. This multi-site community art project received financial and in-kind support from PNCC, and IHC. The timeframe for the project was delayed as a result of COVID-19.
	Debrief and document learnings	Achieved	(2018/19: Achieved)	Oral Histories Project for people living with disabilities. In planning – an exhibition-style project to celebrate the achievements and lives of people living with disabilities in Manawatu, which is being supported with funding from Department of Internal Affairs. The project is working towards an Aug/September 2020 timeframe, but is subject to developments relating to COVID-19. (2018/19: Achieved)
				Climate Change Theatre Action Initiative successfully debriefed.

5. Staff development is a priority

Performance Measures	2019/2020 Target	Status	Result	Comments
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 2019/2020 in place	Achieved	Development plans for 20/21 are under way (2018/2019: Achieved)	Completed
Provide Te Reo Māori training	Provide Te Reo Māori training	Achieved	(2018/2019: Achieved)	Weekly Te Reo Sessions for all staff Weekly Waiaata Sessions for all staff
Provide contemporary museum training	Provide contemporary museum training	Achieved	<p>5 staff members are completing Service IQ training in:</p> <ul style="list-style-type: none"> NZ Cert in Business Level 3 (Intro to Team Leadership) x3 pers NZ Cert in Retail Level 3 x1 per NZ Cert in Tourism (Visitor Experience) Level 3 – x1 per <p>Conferences and meetings attended include:</p> <ul style="list-style-type: none"> Museum Educators Forum – New Plymouth July 2019. All TM Educators attended Symposium on community and commercial crafting of textiles, old and new. Attended by Collections Manager (Heritage) <p>OFBYFORALL Third Wave Registration</p>	<p>Marking delayed during COVID19 and practical assessments could not be carried out.</p>

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			<p>Training completed for Front-of-House staff in the following areas:</p> <ul style="list-style-type: none"> • Vulnerable Children's Act, and the impacts on interactions with Visitors • Conflict Resolution • Dementia Awareness (completed by all Te Manawa Staff) <p>(2018/2019 Achieved)</p>	
Strengthen Staff engagement	Staff engagement survey carried out	Achieved	<p>Staff survey carried out June 20</p> <p>(2018/2019: Not measured)</p>	

COVID-19 Statement

Visitor numbers to Te Manawa started to decrease from January 2020 onwards as international news spread of COVID-19.

As well as this, some of the New Zealand museums that had confirmed or were considering hiring Te Manawa developed touring exhibitions revoked their requests e.g. Forrester Gallery, Oamaru and Nelson Museum.

All large and many smaller events, exhibitions and functions that were planned from 1 February until 20 March 2020 were cancelled or postponed until further notice. Examples of these include: Museum After Dark (estimated numbers 600-1200); Alzheimers NZ run Dementia friendly accreditation event (estimated numbers 200)

The museum closed on 20 March and reopened at Level 3 on the 18 May. Visitors were slow to return until the end of June.

Due to the variation year to year in Te Manawa's offer visitor numbers can fluctuate, so it can be challenging to try to compare year against year. With the number of planned events that were cancelled from Jan- June 2020, visitor numbers should have been tracking higher this year than they did last year over this period.

We have however tried to estimate the effect on visitor numbers as per below:

Monthly Visit Counts*	2018-19			2019-20		
	Physical TM visits	Off-site Physical	Total	Physical TM visits	Off-site Physical	Total
Mar	7,379	2,069	9,448	4,465	1,102	5,567
Apr	10,546	1,775	12,321	0	0	0
May	8,297	808	9,105	1,051	0	1,051
Jun	9,185	1,938	11,123	5,206	0	5,206
TOTAL			41,997			11,824
						Difference (=2019-2020)
						3,881
						12,321
						8,054
						5,917
						30,173

* Excludes on-line

Financial Statements Te Tāhua

Statement of Comprehensive Revenue and Expense For the Year Ended 30 June 2020

	Note	Actual 2020 \$	Budget 2020 \$	Actual 2019 \$
OPERATING REVENUE				
PNCC Operating Grant	4	3,199,909	3,199,909	3,131,026
MDC Operating Grant	4	20,000	20,307	20,360
Interest Revenue	4	15,486	6,236	13,892
Other Operating Revenue	3, 4	301,577	640,890	415,924
Total Revenue	4	3,536,972	3,867,342	3,581,202
OPERATING EXPENDITURE				
Employee Expenses	5	2,017,312	2,239,966	2,091,061
Finance Costs		-	-	-
Other Operating Expenses	6	1,010,251	1,273,280	1,341,677
Depreciation and Amortisation Expense	7	259,017	269,952	267,885
Loss/(Gains) on Disposal of Property, Plant and Equipment		615	-	(1,017)
Impairment of Property, Plant and Equipment		-	-	-
Total Operating Expenditure	2	3,287,195	3,783,198	3,699,605
Net Surplus/(Deficit) before Movement in Collection Assets		249,777	84,144	(118,403)
Movement in Collection Assets				
Revenue from				
Recognition of Donated Collection Assets	4	28,419	20,000	74,426
Recognition of Custodial Collection Assets	4	-	5,000	-
		28,419	25,000	74,426
less Expense from :				
Derecognition of Custodial Collection Assets		-	-	-
Derecognition of Owned Collection Assets		184	-	115
		184	-	115
Total Net Movement in Collection Assets		28,235	25,000	74,311
TOTAL REVENUE		3,565,391	3,892,342	3,655,628
TOTAL EXPENSE		3,287,379	3,783,198	3,699,720
Net surplus/(deficit) for the period		278,012	109,144	(44,092)
Other Comprehensive Revenue and Expense				
Revaluation of Owned Heritage Collection Assets		(1,094,239)	-	-
Revaluation of Custodial Heritage Collection Assets		(178,845)	-	-
Revaluation of Owned Art Collection Assets		-	-	-
Revaluation of Custodial Art Collection Assets		-	-	-
Other Comprehensive Revenue and Expense for the Period	19	(1,273,084)	-	-
Total Comprehensive Revenue and Expense for the Period		(995,072)	109,144	(44,092)
The accompanying accounting policies and notes form an integral part of these financial statements.				

[illegible]

Statement of Financial Position

As at 30 June 2020

		Actual 2020 \$	Budget 2020 \$	Actual 2019 \$
	Note			
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	9	694,163	411,151	582,450
Receivables from Non-Exchange Transactions	10	6,095	45,000	1,106
Receivables from Exchange Transactions	11	6,436	1,600	13,625
Prepayments		8,125	57,000	63,767
Short Term Deposit	12	614,245	282,988	150,000
Inventories	13	51,472	50,000	50,070
<i>Total Current Assets</i>		1,380,536	847,739	861,018
NON CURRENT ASSETS				
Intangible Assets	17	12,713	27,752	15,777
Property, Plant and Equipment	18	833,696	920,479	964,533
Collection Assets	19	15,326,839	16,598,615	16,542,055
<i>Total Non-Current Assets</i>		16,173,249	17,546,846	17,522,365
TOTAL ASSETS		17,553,785	18,394,585	18,383,383
LIABILITIES				
CURRENT LIABILITIES				
Payables under Exchange Transactions	14	371,902	160,000	292,166
Deferred Non -Exchange Revenue	15	82,858	30,000	35,873
Provisions		-	55,000	-
Employee Benefit Liabilities	16	239,573	195,619	199,140
<i>Total Current Liabilities</i>		694,333	440,619	527,179
NON CURRENT LIABILITIES				
Employee Benefit Liabilities	16	3,464	3,266	5,144
<i>Total Non-Current Liabilities</i>		3,464	3,266	5,144
TOTAL LIABILITIES		697,798	443,885	532,324
NET ASSETS		16,855,988	17,950,700	17,851,059
TRUST EQUITY				
Contributed Capital		145,565	145,565	145,565
Retained Earnings		10,561,326	10,507,774	10,343,695
Reserves		6,149,096	7,297,361	7,361,795
TOTAL TRUST EQUITY	8	16,855,988	17,950,700	17,851,056
John Fowke	Geoffrey Jameson			
Chairman	Trustee			Date
The accompanying accounting policies and notes form an integral part of these financial statements.				

Statement of Cash Flows

For the Year Ended 30 June 2020

		Actual 2020 \$	Budget 2020 \$	Actual 2019 \$
	Note			
Cash flows from operating activities				
PNCC grant		3,199,909		3,131,026
Interest received		16,191		14,129
Receipts from other revenue		349,862		395,647
Payments to suppliers		(875,274)		(1,164,417)
Payments to employees		(1,978,563)		(2,085,662)
Interest paid		-		-
Goods and services tax (net)		19,198		14,793
Net cash inflow/(outflow) from operating activities		731,323		305,516
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		0		0
Purchase of intangibles assets		(3,345)		0
Purchase of property, plant and equipment		(122,386)		(212,656)
Purchase of collection assets		(29,634)		(31,369)
Purchase of Investments		(464,245)		167,275
Net cash inflow/(outflow) from investing activities		(619,610)		(76,750)
Effect of foreign exchange rates on cash		-		-
Net (decrease)/increase in cash and cash equivalents		111,713		228,766
Cash and cash equivalents at the beginning of the year		582,450		353,684
Cash and cash equivalents at the end of the year	9	694,163		582,450
The accompanying accounting policies and notes form an integral part of these financial statements.				

Notes to the Financial Statements

Notes to the Financial Statements For the Year Ended 30 June 2019

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), in accordance with the Financial Reporting Act (2013).

The financial statements of the Trust are for the year ended 30 June 2020 and were approved by the Board of Trustees on XXXXXX

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.

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars (NZ\$).

Standards issued and not yet effective that have been early adopted

Impairment of Revalued Assets

In April 2017, the XRB issued Impairment of Revalued Assets, which now scopes in revalued property, plant, and equipment into the impairment accounting standards. Previously, only property, plant, and equipment assets measured at cost were scoped into the impairment accounting standards. PBE IPSAS 21.83.5 The Trust has early adopted this amendment in preparing its 30 June 2019 financial statements. From the 30 June 2019 year onwards, the Trust is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, the Trust is required to assess the recoverable amount of that asset and recognise an impairment loss if the recoverable amount is less than the carrying amount. The Trust can therefore impair a revalued asset without having to revalue the entire class of asset to which the asset belongs.

Standards issued and not yet effective, and not early adopted

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Trust plans to apply this standard in preparing its 30 June 2022 financial statements. The Trust has not yet assessed the effects of the new standard.

Other changes in accounting policies

There have been no other changes in accounting policies.

SUMMARY OF 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 include 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.

a) 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.

b) 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.

c) 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.

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. 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. Trust's policy is to revalue the Heritage Collection assets every four 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, and 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.

For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also 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'.

Foreign currency transactions

PBE IPSAS 4.24,32 Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ\$ (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

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.

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 NZ GAAP, using accounting policies that are consistent with those adopted by the Board of Trustees in preparing these financial statements

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 2020.

2 Summary of Operating Expenses by Activity	Actual	Actual
	2020	2019
Assets & Systems:	\$	\$
Employees' Costs	461,497	414,812
Other Operating Costs:		
- Collection	149,022	133,614
- Facilities	238,326	242,267
- Corporate Services	173,231	168,827
	1,022,076	959,520
Concepts & Engagement:		
Employees' Costs	315,001	446,337
Exhibitions Operating Costs	164,285	366,961
	479,286	813,298
People & Partnerships:		
Employees' Costs	815,397	744,658
Other Operating Costs:		
- Education	21,513	28,113
- Public Programmes and Events	29,140	27,820
- Communications/Advertising	73,442	76,882
- Sponsorship	3,810	10,013
- Visitors' Host	34,620	42,317
- Volunteers	215	850
	978,137	930,653
Executive:		
Employees' Costs	425,417	485,253
Other Operating Costs	122,647	244,012
	548,064	729,265
Depreciation/Amortisation	259,017	267,885
Loss (Gain) on Disposals of Fixed Assets	615	-1,017
Impairment of Fixed Assets	0	-
Total Operating Expenditure	3,287,195	3,699,605

	Actual		Actual
3 Other Operating Revenue	2020		2019
	\$		\$
<i>From Exchange Transactions</i>			
Merchandise / Shop	42,643		50,031
Venue Hire	6,546		8,242
Sundry Income Public Programmes Events and Activities	66,533		27,282
Other	5,896		12,581
Other Operating Revenue (from Exchange Transactions)	121,618	-	98,136
<i>From Non-Exchange Transactions)</i>			
Admission Fees - General	3,521		15,319
Bequests & Distributions	-		3,000
Community Grants	45,600		110,078
Donated Fixed Assets	-		-
Donations - General	23,764		25,674
Education Programme Fees	14,659		12,824
Sponsorship	5,000		34,697
Hire of Education Kits	1,834		809
Ministry of Education LEOTC	68,947		36,688
Public Programmes, Events & Activities	5,349		2,151
Sponsorship 'In Kind'	-		13,970
Touring Revenue	10,000		59,368
			-
Other	1,285		3,210
Other Operating Revenue (from Non-Exchange Transactio	179,959		317,788
Total Other Operating Revenue	301,577		415,924

	Actual		
4 Revenue Classification in accordance with PBE IPSAS:	2020		
Revenue from:	Non-Exchange Transactions	Exchange Transactions	Total Revenue as per Statement of Comprehensive Revenue and Expense
	\$	\$	\$
Palmerston North City Council Operating Grant	3,199,909	-	3,199,909
Manawatu District Council Operating Grant	20,000	-	20,000
Interest Revenue	-	15,486	15,486
Other Operating Revenue (<i>refer Note 3 above</i>)	179,959	121,618	301,577
Subtotal Operating Revenue	3,399,868	137,104	3,536,972
Revenue from Donated/Custodial Collection Assets			
Recognition of Donated Collection Assets	28,419	-	28,419
Recognition of Custodial Collection Assets	-	-	-
Total Revenue classified as Revenue from:	3,428,287	137,104	3,565,391
	Actual		
	2019		
Revenue from:	Non-Exchange Transactions	Exchange Transactions	Total Revenue as per Statement of Comprehensive Revenue and Expense
	\$	\$	\$
Palmerston North City Council Operating Grant	3,131,026	-	3,131,026
Manawatu District Council Operating Grant	20,360	-	20,360
Interest Revenue	-	13,892	13,892
Other Operating Revenue (<i>refer Note 3 above</i>)	317,788	98,136	415,924
Subtotal Operating Revenue	3,469,174	112,028	3,581,202
Revenue from Donated/Custodial Collection Assets			
Recognition of Donated Collection Assets	74,426	-	74,426
Recognition of Custodial Collection Assets	-	-	-
Total Revenue classified as Revenue from:	3,543,600	112,028	3,655,628

	Actual 2020 \$	Actual 2019 \$
5 Employee Expenses		
Salaries and Wages	1,947,307	2,040,789
Employer Contributions to Kiwisaver	51,193	45,916
Employee Entitlements Increase / (Decrease)	18,812	4,356
Total Employee Expenses	2,017,312	2,091,061
	Actual 2020 \$	Actual 2019 \$
6 Other Operating Expenses		
statements	37,903	28,455
ACC	3,872	8,529
Advertising & Promotion	50,682	50,873
Collection Revaluation Fees	8,400	-
Computer & IT Support	53,238	40,578
Communication/Social Media	14,548	34,041
Contractors	172,601	256,493
Cost of Sales - Merchandise	25,679	36,146
Freight	14,654	22,831
Hire fees - Exhibitions	-	130,470
Impairment of Receivables	-	-
Insurance - Material Damage	19,059	18,584
Insurance - Collections	29,347	47,771
Inventory Write Down	1,316	-
Legal Fees	3,500	13,622
Loss/Gain on Foreign Exchange Transactions	-	-
Materials/Consumables	59,460	51,925
Occupancy Costs	160,796	218,512
Repairs & Maintenance	62,452	39,135
Subscriptions	10,920	15,123
Training & Travel	15,606	42,929
Trust Board Remuneration	20,720	22,796
Trust Board Expenses	2,740	5,521
Operating Leases	55,738	55,737
Other Operating Expenses	187,020	201,606
Total Other Operating Expenses	1,010,251	1,341,677
	Actual 2020 \$	Actual 2019 \$
7 Depreciation and Amortisation		
Depreciation expense	252,608	260,740
Amortization expense	6,409	7,145
Total Depreciation and Amortisation	259,017	267,885

		2020	2019
		\$	\$
8 Equity			
Contributed Capital			
Balance at Beginning of Year		145,465	145,465
Capital Contribution		100	100
Balance at End of Year		145,565	145,565
Retained Earnings			
Balance at Beginning of Year		10,343,695	10,452,229
Net Surplus/(Deficit) for the year		278,012	(44,092)
Transfers to Retained Earnings from:			
Exhibition Development Reserve		-	-
Collection Development Fund		4,478	4,404
Heritage revaluation Reserve			-
Transfers from Retained Earnings to:			
Endowment Fund		-	-
Collection Development Fund		-	-
Historic Building Maintenance Reserve			(3,000)
Exhibition Development Reserve		(64,859)	(65,846)
Balance at End of Year		10,561,326	10,343,695
Revaluation Reserve - Heritage Collection			
Balance at Beginning of Year		1,416,264	1,416,264
Revaluation Reserve on disposals			
Revaluation of Collection Assets		(1,273,084)	-
Balance at End of Year		143,181	1,416,264
Revaluation Reserve - Art Collection			
Balance at Beginning of Year		5,656,926	5,656,926
Revaluation Reserve on disposals		-	-
Revaluation of Collection Assets			
Balance at End of Year		5,656,926	5,656,926
Endowment Fund			
Balance at Beginning of Year		10,873	10,873
Transfer from Retained Earnings		-	-
Balance at End of Year		10,873	10,873
Collection Development Fund			
Balance at Beginning of Year		20,840	25,244
Transfer from Retained Earnings			
Transfer to Retained Earnings		(4,478)	(4,404)
Balance at End of Year		16,362	20,840
Historic Building Maintenance Reserve			
Balance at Beginning of Year		22,081	19,081
Endowment for maintenance of historic house		-	3,000
Balance at End of Year		22,081	22,081
Exhibition Development Reserve			
Balance at Beginning of Year		234,815	168,968
Transfer from Retained Earnings		64,859	65,846
Balance at End of Year		299,674	234,814
Total Reserves		6,149,096	7,361,795
Total Equity		16,855,988	17,851,055

9 Cash and Cash Equivalents		\$	\$
Cash at bank and on hand		513,550	153,267
Short Term Investments with maturity up to 90 days		180,613	429,183
Total Cash and Cash Equivalents		694,163	582,450
The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value. The weighted average of interest rate applicable to cash and cash equivalents is 0.962% (2019: 2.13%) equivalents held by the Trust.			
		2020	2019
10 Receivables from Non-Exchange Transactions		\$	\$
Non - Exchange Receivables		6,095	1,106
Related Party Receivables		-	-
Provision for Doubtful Debts		-	-
Interest Receivable		-	-
Total Receivables from Non-Exchange Transactions		6,095	1,106
		2020	2019
11 Receivables from Exchange Transactions		\$	\$
Trade Receivables		4,414	10,898
Related Party Receivables (Note 22)		-	-
Interest Receivable		2,022	2,727
Receivables from Exchange Transactions		6,436	13,625
Fair Value			
The carrying value of Receivables from Exchange transactions approximates their fair value.			
Impairment			
Receivables written off during the period amounted to nil. (2018:nil)			
12 Short Term Investments		2020	2019
		\$	\$
Term deposit with maturity less than 12 months		614,245	150,000
		614,245	150,000
The carrying value of the short -term deposit approximates its fair value.			
interest rate of 3.45 % (2019: 3.00%)			
		2020	2019
13 Inventories		\$	\$
Commercial Inventories – Items held for resale		51,475	50,070
Total Inventories		51,475	50,070
period (2019: Nil).			
inventory items (2019 :\$nil).			
There are no items of inventory pledged as security.			

		2020		2019
14 Payables under Exchange Transactions		\$		\$
Trade Creditors		217,602		135,408
Related Party Payables (Note 22)		19,957		11,798
Accrued Expenses		47,067		44,065
GST Payable		46,336		56,430
Other Payables		40,941		44,465
Revenue in advance (venue hire)		-		-
Total Payables under Exchange Transactions		371,902		292,166
As at 30 June 2020, there is a credit card facility in place with Westpac for a limit of \$10,000 (2019: limit of \$10,000). Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.				
15 Deferred Non -Exchange Revenue		2020		2019
Revenue Received in Advance		82,858		35,873
Total Deferred Non -Exchange Revenue		82,858		35,873
16 Employee Benefit Liabilities		2020		2019
Current Portion		\$		\$
Accrued Salaries and Wages		59,814		39,876
Annual Leave		169,739		151,986
Long Service Leave		10,020		7,278
Total Current Portion of Employee Benefit Liabilities		239,573		199,140
Non-Current Portion				
Long Service Leave		3,463		5,144
Total Employee Benefit Liabilities		243,036		204,284
17 Intangible Assets				
	Website	Software	Work in Progress	Total
	\$	\$	\$	\$
Cost				
At 1 July 2018	10,000	98,374	-	108,374
Additions - Purchased	-	-	-	-
Disposals/Work in Progress transferred to Intangible	-	-	-	-
At 30 June 2019	10,000	98,374	-	108,374
Additions - Purchased	-	3,345	-	3,345
Disposals/Work in Progress transferred to Intangible	-	4,200	-	(4,200)
At 30 June 2020	10,000	97,519	-	107,519
less Accumulated Amortisation and Impairment Losses				
At 1 July 2018	6,667	78,784	-	85,451
Amortisation Expense	2,000	5,145	-	7,145
Impairment	-	-	-	-
Accumulated Amortisation on Disposals	-	-	-	-
At 30 June 2019	8,667	83,929	-	92,596
Amortisation Expense	1,333	5,077	-	6,410
Impairment	-	-	-	-
Accumulated Amortisation on Disposals	-	4,200	-	4,200
At 30 June 2020	10,000	84,806	-	94,806
Carrying Amounts				
As at 30 June 2019 and 1 July 2019	1,333	14,444	-	15,777
As at 30 June 2020	0	12,713	-	12,713
There is no work in progress at balance date (2019: \$nil)				
There are no intangible assets pledged as security over the Trust's liabilities (2019: \$nil).				

18 Property, Plant and Equipment									
	Computer Hardware	Exhibitions	Furniture & Fittings	Leasehold Improvement	Office Equipment	Plant & Equipment	Work in progress	Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
At 1 July 2018	133,791	2,013,762	478,610	412,578	23,280	702,677	37,000	3,801,698	
Additions	18,688	30,611	14,180	11,443	-	153,219	24,515	252,658	
& Equipment	(6,288)	-	(2,027)	-	-	-	(37,000)	(45,315)	
At June 2019	146,191	2,044,373	490,763	424,021	23,280	855,896	24,515	4,009,041	
Additions	28,044	8,888	6,166	-	-	41,995	37,294	122,387	
& Equipment	(55,049)	(5,747)	-	-	-	(5,496)	-	(66,292)	
At 30 June 2020	119,186	2,047,514	496,929	424,021	23,280	892,396	61,809	4,065,136	
less Accumulated Depreciation and Impairment Losses									
At 1 July 2018	114,334	1,568,304	382,484	313,297	23,184	388,925	-	2,790,528	
Depreciation Charge for the year	13,975	105,822	27,997	21,781	-	91,165	-	260,740	
Impairment	-	-	-	-	-	-	-	-	
less Accumulated depreciation on disposals	(6,288)	-	(473)	-	-	-	-	(6,761)	
At 30 June 2019	122,022	1,674,126	410,008	335,078	23,184	480,090	-	3,044,508	
Depreciation Charge for the year	13,911	95,107	24,849	21,807	96	96,841	-	252,611	
Impairment	(54,704)	(5,747)	-	-	-	-	-	-	
Accumulated depreciation on disposals	81,229	1,763,486	434,857	356,885	23,280	571,701	-	(65,681)	
At 30 June 2020								3,231,439	
Carrying Amounts									
As at 30 June 2019 and 1 July 2019	24,170	370,248	80,755	88,943	96	375,806	24,515	964,533	
As at 30 June 2020	37,957	284,028	62,071	67,136	-	320,695	61,809	833,696	
No items of Property, Plant and Equipment are pledged as security as at 30 June 2020 (2019: \$nil).									

19 Collection Assets							
30 June 2020	Opening	Acquisitions	Donated/	Revaluations	Deaccessions	Closing Balance	
	1 July 2019					30 June 2020	
Art							
Owned	4,442,511	29,478	15,742		-	4,487,731	
Custodial	6,892,944				-	6,892,944	
Total Art	11,335,455	29,478	15,742	-	-	11,380,675	
Heritage							
Owned	3,834,333	156	12,676	(1,094,239)	(184)	2,752,742	
Custodial	1,372,266	-	-	(178,845)		1,193,421	
Total Heritage	5,206,600	156	12,676	(1,273,084)	(184)	3,946,165	
Total Collection Assets	16,542,054	29,634	28,418	(1,273,084)	(184)	15,326,839	
Owned Collection Assets						7,240,473	
Custodial Collection Assets						8,086,366	
Total Collection Assets 30 June 2020						15,326,839	
30 June 2019	Opening	Acquisitions	Donated	Revaluations	Deaccessions	Closing Balance	
	1 July 2018					30 June 2019	
Art							
Owned	4,348,123	30,831	63,557		-	4,442,511	
Custodial	6,892,944	-			-	6,892,944	
Total Art	11,241,067	30,831	63,557	-	-	11,335,455	
Heritage							
Owned	3,823,024	538	10,886	-	(115)	3,834,333	
Custodial	1,372,266		-	-		1,372,266	
Total Heritage	5,195,291	538	10,886	-	(115)	5,206,600	
Total Collection Assets 30 June 2019	16,436,358	31,369	74,443	-	(115)	16,542,055	
Owned Collection Assets						8,276,844	
Custodial Collection Assets						8,265,210	
Total Collection Assets 2019						16,542,055	
Valuation							
Heritage Collection							
The Trust's policy is to revalue the heritage collection every five years. The owned and custodial heritage collections were independently valued in May 2020 at \$2,740,094 for the owned heritage collection and at \$1,193,422 for the custodial heritage collection. The revaluation was undertaken by Ashley and Associates Auckland. The collection was valued based on fair value at the date of revaluation, by reference to price in an active market.							4,971,870
Art Collection							4,323,365.22
The Trust's policy is to revalue the art collection assets every three years. The owned and custodial art collections were independently valued at 30 January 2018 at \$4,848,123 for the owned art collection and respectively at \$6,892,944 for the custodial art collection. The revaluation was undertaken by Art+ Object Auckland. The collection was valued based on fair value at the date of revaluation, by reference to price in an active market.							
No Collection assets are pledged as security as at 30 June 2020(2019: \$nil).							

20 Commitments				
Lease of the premises from the Council – Period of Agreement				
The Trust has a contract with Palmerston North City Council to lease the premises in which its activities are situated, effectively on a rent-free basis. The term of the lease has been renewed for a period of nine years, starting with 1 July 2018, with a variation to allow sub-leasing to New Zealand Rugby Museum subject to Palmerston North City Council consent.				
Other Non- Cancellable Operating Leases as a lessee				
The Trust leases property, plant and equipment/has non-cancellable operating contracts for service as part of the normal course of its business. The majority of these leases have a non-cancellable term between 12 and 48 months. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:				
		2020		2019
		\$		\$
Within 1 year		44,594		44,594
Within 1 – 2 years		4,484		44,594
Within 2 – 5 years		2,990		8,969
		52,068		98,157
		2020		2019
		\$		\$
Capital Commitments				
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment:		-		10,000
21 Contingencies				
The Trust Board has no contingent liabilities at 30 June 2020. (2019: \$nil).				

22 Related Party Transactions				
Controlling Entity				
The Trust is a Council Controlled Organisation, controlled by Palmerston North City Council (PNCC).				
Transaction carried out with PNCC are as follows:		2020		2019
Received from PNCC		\$		\$
Operating Grant		3,199,909		3,131,026
Contribution to Art auction Operating expenses		350		-
Items for Japanese Exhibition		106		-
Venue Hire		702		340
Purchased from PNCC				
Water Rates		2,298		1,972
		-		-
Rental Vehicles		23,938		23,938
Hosting of Vernon Systems		5,000		5,000
Computer Support		21,000		21,000
Internet Usage		3,000		3,000
Telephone Support		31,800		31,800
Annual Administration Charge		1,250		5,000
Assets Purchased		1,235		665
Other Services		2,749		39,192
Electricity and gas		88,299		39,192
Owing to PNCC at 30 June		19,957		11,798
Owing from PNCC at 30 June				-
Te Manawa provided free venue hire to PNCC Library and Community services with a market value of nil (2019: \$945)				
Te Manawa Museums Trust is a Council Controlled Organisation as defined in the Local Government Act 2002, accountable to the Palmerston North City Council. Under the Trust Deed the Board shall consist of not less than five or more than nine Trustees, of which Council may appoint up to five, Tangata Whenua may appoint up to two and the Board may co-opt up to two.				
In addition to the above transactions, the premises occupied by The Trust are owned by Palmerston North City Council and effectively provided by Palmerston North City Council as an additional grant, the market value of this Grant/Rent is \$1,094,233. In addition, PNCC provides human resources advisory services free of charge to Te Manawa with a market price of \$24,000.				
(ii) Key Management Personnel				
The Trust classifies its key management personnel into:				
- Trustees in the Board of Trustees as the governing body				
- Chief Executive and his advisors, as members of the Leadership Team				
The Trustees are paid honoraria for each Board of Trustees meeting attended during the period.				
Members of the Leadership Team are employed as employees of the Trust, on normal employment terms.				
The aggregate level of remuneration paid and number of persons (measured in "people" for the Trustees and "full				
	2020		2019	
	Remuneration	Number of persons	Remuneration	Number of Persons
Trustees	20,720	7*	22,796	8*
Leadership Team	372,678	3.2	426,107	3.68 FTE's
Total Key Management Personnel Compensation	393,398		448,903	
* Due to the difficulty in determining the full-time equivalent for Trustees, the figure is taken as the number of Trustees.				
The full-time equivalent for the Leadership Team is determined on the basis of a 40-hour working week.				

(iii) Other Related Parties			
Related Parties		Goods/Services provided	Market Value of Goods Services
Palmerston North City Council		Free Venue Use	\$1,630(2018/19: \$945)
Palmerston North City Council- Placemaking workshop		Free Venue Use	\$Nil(2018/19:\$352)
Earle Creativity Trust(Sheridan Hickey - Trustee of both Te Manawa Museums Trust and Earle Creativity Trust)		Free Venue Use	\$nil(2018/19: \$2,525)
The Science Centre Inc. (Geoffrey Jameson - Trustee of Te Manawa Museums Trust and member of The Council of Science Centre Inc.)		Free Venue Use	\$1,035(\$2017/18 \$1,573)
S+art (Janet Ellery- PPE Leader at TeManawa Musuems Trust at Te Manawa)		Free Venue Use	Nil(2017/18 \$1,933)
Reel Earth Environmental Film Trust(Andy Lowe- CEO of Te Manawa Museums Trustand CommitteeMember of Reel Earth Film Trust		Free Venue Use	Nil (2018/19:\$2,042)
23 Events After The Balance Sheet Date			
There were no significant events after the balance sheet date.(2019:nil)			
24 Categories of Financial Assets and Liabilities			
The carrying amounts of financial assets and liabilities are as follows:			
		2020	2019
Loans and Receivables:		\$	\$
Cash and Cash Equivalents (Note 9)		79,939	582,450
Debtors and Other Receivables (Note 10 & 11)		12,531	14,731
Short term deposits (Note 12)		614,224	150,000
Total Loans and Receivables		706,694	747,181
Financial Liabilities Measured at Amortised Cost:			
Creditors and Other Payables (Note 14)		371,902	292,166
Total Financial Liabilities Measured at Amortised Costs		371,902	292,166

Financial Instruments Risks

The Trust is risk averse and seeks to minimise the exposure from its treasury activities. There has been no change in the assessment of risk from prior years

Market Risk

The interest rates on the Trust's investments are disclosed in notes 9 and 12.

Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Trust's exposure to fair value interest rate risk is limited to its fixed interest borrowings (30 June 2017: \$nil) and bank deposits. However, because these borrowings and bank deposits are not accounted for at fair value, fluctuations in interest rates do not have an impact on the surplus / deficit of the Trust or the carrying amount of the financial instruments recognised in the statement of financial position.

Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Trust to cash flow interest rate risk.

The Trust currently has no variable interest rate debt.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. From time to time the Trust enters into contracts for exhibitions which require payment in overseas currency, which present limited exposure to changes in exchange rates.

Credit Risk

Credit risk is the risk that a third party will default on its obligation to the Trust, causing the Trust to incur a loss. Due to the timing of its cash inflows and outflows, the Trust invests surplus cash with registered banks. Financial instruments, which potentially subject the Trust to credit risk, consist of bank balances and the current account balance with the Palmerston North City Council. No particular management strategy is in place in respect of amounts owed by Palmerston North City Council, after having regard to its financial strength as a body empowered to levy rates.

The Trust's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash equivalents (note 9), short term investments and debtors and receivables (note 10 and note 11). There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

The Trust has no significant concentrations of credit risk, as it has small numbers of typically low value credit customers (predominantly schools) and only invests funds with registered banks which have a Standard and Poor's credit rating of at least A--.

Credit Quality of Financial Instruments

Cash on call and term investments were placed with Westpac New Zealand Limited, the credit ratings for Westpac and BNZ at 30 June 2017 were AA- from Standard & Poor's (2016: AA-).

There are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings

Liquidity Risk

Liquidity risk is the risk that the Trust will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Trust aims to maintain flexibility in funding by maintaining sufficient short-term investments.

Contractual maturity analysis of financial liabilities

The Trust's financial liabilities are limited to creditors and other payables (*Note 14*) these are payable in less than one year. The contractual cash flow is equal to the carrying amount.

25. The Financial Effects of Covid 19

Te Manawa closed to the public on 20 March 2020 and reopened at Level 3 on 18 May 2020. At this level opening hours and visitor numbers were restricted.

numbers were restricted. Opening hours returned to normal with the advent of Level 1.

The closure resulted in a loss of revenue from venue hire of \$7,159

The cost of cleaning services during that period decreased from \$7,290 to \$2,768

The cost of electricity for that period is estimated to have reduced from by \$6,717

The cost of additional health and safety related measures amounted to \$5,802

The estimated effect on visitor numbers is a reduction of 30,173 across all visitor categories as outlined in the SSP.

26. Funding from Community Organisations

Te Manawa is grateful to the following organisations which have contributed with funding for various projects:

Grantor/Donor	2020 \$	2019 \$
Central Energy Trust	0	23,000
The Lotteries Board	31,925	69,000
Westpac New Zealand	20,000	0
Beca Group	5,000	0
Vitae	1,000	0
Manawatu Science Centre	18,000	0
IHC Foundation	0	10,000
UCOL	5,000	10,000
Computer Care	5,000	5,000
Private Donation	28,000	6,197
Eastern & Central Community Trust	0	5,000
Lion Foundation	0	20,000
Pub Charity Limited	0	20,000
Fly Palmy	0	5,000
Crozer Family Trust	0	3,000

27. Capital Management

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

The Trust Deed requires the Board of Trustees to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently. The Trust's equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities, investments and general financial dealings. There were no externally imposed capital requirements during the period (2019: \$nil).

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

Explanation of Major Variances Against Budget

Explanations for major variations from the Trust's budgeted figures in the 30 June 2020 Statement of Intent are as follows:

Statement of Comprehensive Revenue and Expense

Revenue

Other Operating Revenue is \$330,370 less than budget as planned fundraising and sponsorship did not eventuate. Other Operating Revenue from Exchange Transactions was \$23,482 greater than the previous year as Sundry income from Public Programmes, Events and Activities increased by \$39,251 as a result of a project money received.

Revenue from Non-Exchange transactions was \$137,829 less than the previous year. Community Grants and Sponsorship were \$137,829 below the previous year .

Expenses

Operating expenditure(before depreciation) was less than budget by \$485,683 and reduced from the previous year by \$405,175. Payroll was \$222,654 less than budget. These savings were the result of vacancies for technicians, a designer and a collections manager. Other Operating Expenses were \$263,029 below budget. Most of this is the result the reduction in sponsorship and grant income which means that the corresponding budgeted expenditure of \$268,075 of did not proceed. Some savings were made on cleaning and electricity.

Recognition / (Derecognition) of Collection Assets

Donated assets amounted to \$28,419 which is \$46,007 less than the previous year , during which a significant collection was received from an estate.

Statement of Changes in Net Assets/Equity

There is a decrease in the actual net equity compared to the budget, arising from the reduction to the value of the heritage collection after the five yearly revaluation was undertaken.

Statement of Financial Position

Statement of Financial Position budgets for receivables and payables are set on base numbers, the actual balance can be highly variable depending on the content and timing of scheduled activities.

The most significant movements are:

Receivables from Non-Exchange transactions are less than budget, as the result of less than expected fundraising and sponsorship income.

Short term deposits are \$331,257 greater than budget as the result of the reductions in payroll and operating expenditure.

The Collection assets have reduced in value after the revaluation of the Heritage Collection. The reduction in value amounts to \$1.273,084.

Property Plant and equipment is less than budget as the result of delayed expenditure on the refurbishment of Kids TM.

Statement of Cash Flows

The variances in the Statement of Cash Flow are a direct result of the items mentioned above. Cash and cash equivalents and short-term deposits at year are above budget because of the aforementioned savings on operating expenditure as well as the delayed completion of Kids TM

MEMORANDUM

TO: Arts, Culture & Heritage Committee

MEETING DATE: 11 November 2020

TITLE: Te Manawa Museums Trust Quarterly Update (1 July 2020 to 30 September 2020)

PRESENTED BY: Andy Lowe, Chief Executive, Te Manawa

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

RECOMMENDATION(S) TO ARTS, CULTURE & HERITAGE COMMITTEE

1. That the Te Manawa Museums Trust Quarterly Update (1 July 2020 to 30 September 2020), presented to the Arts, Culture & Heritage Committee on 11 November 2020, be received for information.

1. ISSUE

Te Manawa Museums Trust is presenting its quarterly update to the Arts, Culture & Heritage Committee for the first quarter of 2020-21- the three months from 1 July 2020 to 30 September 2020.

2. BACKGROUND

Te Manawa Museums Trust's Statement of Expectation requires the Trust to report to the Arts, Culture & Heritage Committee on a quarterly basis. This also provides the Trust with a forum to discuss proposed new initiatives with the Committee.


3. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	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?	No

ITEM 10

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 and the Culture and Heritage Plan. The action is: Working with Council Controlled Organisations (CCOs) to implement the Council's strategy.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Regular reporting provides a timely oversight opportunity of Te Manawa's progress toward the agreed Statement of Intent goals as they contribute to Council's strategic goals.

ATTACHMENTS

1. Te Manawa Museums Trust Three Month Report (1 July 2020 to 30 September 2020) [↓](#) 



Three Month Report
1 July 2020 to 30 September 2020
Te Manawa Museums Trust

Goals:

- Te Manawa's profile as a place with which to engage is maintained and enhanced
- Te Manawa's relationship with Rangitāne is a priority
- Third party revenue generation and excellent visitor feedback statistics are a priority
- Te Manawa is focussed on developing for the future
- Prioritise staff development

1. Enhanced learning and engagement				
Performance Measures	2020/2021 Target	Status	Result	Comments
<ul style="list-style-type: none"> Visitor satisfaction (good/very good/excellent) 	>96%	On track	99% as at 30 September (2019/20 Achieved: 99% against a target of >96%)	99% rating for Good to Excellent 1% rating for average 0% below average Feedback from 228 received
<ul style="list-style-type: none"> Participation in learning programmes ¹ 	30,000	On track	At 30 September - 4,355 (2019/20 Not Achieved: 21,316 against a target of 30,000)	Being at COVID-19 Level 2 had an impact during some of the more traditionally "busy" months with numbers being severely reduced, however we have seen a positive response to COVID-19 Alert Level 1 with strong bookings for the coming quarter. Education strategy has been completed
<ul style="list-style-type: none"> In-person visits to Rangimarie activities 	Under Development		(2019/20 – Not Measured)	This has been awaiting the completion of the contract with Rongomau Productions which is nearing completion.

¹ Learning programme participation in accordance with Te Rangahau Curiosity Centre. Includes LEOTC visits of 3,000 (10%) per annum

2. Innovative experiences that attract visitors				
Performance Measures	2020/2021 Target	Status	Result	Comments
Likelihood of visitors to positively endorse Te Manawa to others ²	Under development	On track	(2019/20 Not measured)	Visitor market research to feed into VMR strategy due to start in the 3 rd quarter.
In-person visits to Te Manawa	150,000	At risk	As at 30 September - 29,224. (Target 37,000 at 30 Sep) (2019/20 Not Achieved: 100,599 against a target of 170,000)	Visitor numbers were affected by COVID-19 levels 3 and 2. Te Manawa moved to alert level 2 on August 12 th . Has been a positive response to return to COVID-10 Alert Level 1 on 21 st September and good visitors numbers expected for the coming months with Bugs! Our Backyard Heroes, Santa's Cave, Tamariki reopening during the Summer season. Exhibitions strategy to be developed in November
Visits to Te Manawa experiences off-site ³	50,000	At risk	As at 30 September - 1,373 (2019/20 Not Achieved: 16,303 against a target of 50,000)	Digital strategy to be developed Feb 2021 Eid-Adha festival -1148 Volunteers Expo - 83

² As measured by Net Promoter Score (NPS). Target will be set once baseline established.

³ Includes both touring exhibitions and people participating in Te Manawa activities at events.

⁴ Includes both unique e-visits to Te Manawa website and online reach of social media

				<p>Key off-site event planned for next quarter including regular large events such as the Fright Container.</p> <p>No exhibitions developed by Te Manawa to tour out from Te Manawa in this fy.</p>
On-line reach ⁴	500,000	On Track	<p>158,487 (127% of first quarter target of 125,000 and 68% of annual target)</p> <p>(2019/20 Achieved: 664,932 against a target of 400,000)</p>	<p>Growth reflects greater emphasis on online campaigns which are immediate and economical. The Covid-19 lockdown saw a resurgence in social-media across multiple platforms which has sustained after returning to Alert Level One. Figures show that “on-line” continues to grow as a first port-of-call for those seeking information on events and programmes.</p>

3. A collaborative and future-focussed organisation

Performance Measures	2020/2021 Target	Status	Result	Comments
Strength of relationships with strategic partners ⁵	Under development	At risk	(2019/20 Not Measured)	No progress on strategic partnerships work to date.
Revenue secured from sources outside of PNCC ⁶	574,154	On track	<p>\$115,117 received to date-80% of first quarter target and 20% of annual target.</p> <p>(20/ 21- \$115,117 is achieved in first quarter is 80% of target for quarter. \$162,750 - 29.33 % of annual target)</p> <p>(19/ 20- \$190, 991k achieved in first quarter (117 % of first quarter target of \$162,750 - 29.33 % of annual target)</p> <p>(2019/20 Not Achieved: 337,060 against a target of 651,000)</p>	<p>Third party revenue strategy to be developed in Nov 2021. Fundraising will be encompassed within this \$1k FMG (general)</p> <ul style="list-style-type: none"> \$28k anonymous donation for purchase of Andrew Drummond sculpture \$4,095 from Science Centre Trust for Bugs exhibition cases <p>LEOTC: \$15, 029</p> <p>SHOP SALES: \$11,008</p>

⁵ Measure to be developed. Target will be set once baseline established.

⁶ Includes private and corporate sponsorship, grants, event and shop proceeds, and Ministry of Education contracts

COVID-19 Statement

Te Manawa was closed to the public at Alert levels 3 and 4.

Te Manawa moved to operate under COVID-19 level 2 on August 12th. The July school holidays were busy but numbers slowed down in August and rose again in September. Te Manawa moved to Alert level 1 on the 21st of September and visitors started to return.

MEMORANDUM

TO: Arts, Culture & Heritage Committee

MEETING DATE: 11 November 2020

TITLE: Statements of Expectation for Cultural Council Controlled Organisations 2021-22

PRESENTED BY: Julie Macdonald, Strategy & Policy Manager

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

RECOMMENDATIONS TO COUNCIL

1. That the memorandum entitled 'Statements of Expectation for Cultural Council Controlled Organisations 2021-22' presented to the Arts, Culture & Heritage Committee on 11 November 2020, be received.
2. That Council approve the Statements of Expectations delivered to Te Manawa Museums Trust, Regent Theatre Trust, Globe Theatre Trust, and Caccia Birch Trust Board in 2019 (Attachments 1–4 of the memorandum entitled 'Statements of Expectation for Cultural Council Controlled Organisations 2021-22', presented to the Arts, Culture & Heritage Committee on 11 November 2020) as the basis for the Statements of Intent 2021–2024.

1. ISSUE

This memorandum seeks Council approval for the Statements of Expectation delivered to the cultural Council-Controlled Organisations (CCOs) in 2019 to be rolled over, as they are considered still relevant in expressing Council's expectations for the upcoming year. The 2019 Statements of Expectation can be found in Attachments 1 – 4 of this memorandum.

2. BACKGROUND

Council sends an annual Statement of Expectations (SOE) to each of its cultural CCOs: Globe Theatre Trust, Caccia Birch Trust Board, Regent Theatre Trust and Te Manawa Museums Trust. SOEs guide the strategic direction of CCOs and assist in the development of their Statements of Intent, the CCOs' three-year planning document that is agreed to by Council each year.

In 2019 the SOEs were developed following a workshop with Elected Members and a joint workshop between Elected Members and the Te Manawa Trust Board. The resulting SOEs

were approved, with amendments, at the Council meeting on 18 December 2019. This process resulted in detailed SOEs that provided good guidance for the Statements of Intent for 2020–23. Council has not revised its strategic direction since then, meaning these SOEs still provide relevant direction.

This year Council staff have initiated a rolling review programme, whereby a full-scale SOE will be developed for one or two CCOs each year. In the intervening years, the existing SOEs are intended to be rolled over without major revision. The consequence of this is that CCOs can also roll over their Statements of Intent without major revision, if they desire. This provides longer-term certainty for all parties as it streamlines the existing process, whereby a new three-year Statement of Intent is created each year.

The CCO chosen to receive an in-depth SOE for 2020 was Caccia Birch Trust Board. In the course of this process, Council resolved to undertake a section 17A review of Caccia Birch House. Therefore, staff recommend that the Caccia Birch Trust Board's 2019 SOE be rolled over alongside the rest of the cultural CCOs, to reduce any additional responsibility on the Board while the review is ongoing.

3. NEXT STEPS

If the recommendations are adopted, Council staff will write to the cultural CCOs and confirm that the SOEs provided in 2019 continue to provide strategic guidance for the upcoming Statements of Intent 2021–24. Staff will also advise that Council does not expect these new Statements of Intent to be substantially different to the Statements of Intent 2020–23.

The cultural CCOs will provide their draft Statements of Intent 2021–24 to Council staff by 1 March 2021, and they will be presented to the Arts, Culture and Heritage Committee for Council comment.





If necessary, work will be undertaken to provide the CCOs with new SOEs in 2021 to reflect the new 10 Year Plan.

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
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	No

plans?	
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: Council funds and enhances the cultural Council Controlled Organisations to help make Palmerston North a creative and exciting city.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	In providing direction to the cultural CCOs Council is enabling resilient cultural institutions and facilities that ensure visible arts, heritage and activities that contribute to Palmerston North being a creative and exciting city.

ATTACHMENTS

1. Caccia Birch Trust Board Statement of Expectations 2019 [↓](#) 
2. Globe Theatre Trust Statement of Expectations 2019 [↓](#) 
3. Regent Theatre Trust Statement of Expectations 2019 [↓](#) 
4. Te Manawa Museums Trust Statement of Expectations 2019 [↓](#) 



Grant O'Donnell
Chair
Caccia Birch Trust

19/12/2019

Dear Grant,

Statement of Expectation for Caccia Birch Trust
1st July 2020 – 30th June 2023

The Council values the important contribution Caccia Birch Trust is making to Council's vision of a city with Small City Benefits, Big City Ambition.

This Statement of Expectation provides direction to assist the Board in preparing its Statement of Intent for the three years 2020-2023. It also clarifies Council's expectations on how Caccia Birch Trust and Council can work together for maximum community benefit.

1. Strategic Direction

As one of Palmerston North's most significant heritage buildings you have an important role to play in helping Council reach its goals to achieving our 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

These five goals are supported by five Strategies with a number of plans for each one. The Culture and Heritage Plan has been developed by Council to help us achieve Goal 2:

"To celebrate the city's history and diversity, and build on the strength of being a city of many cultures and languages."

Specific Actions from the Culture and Heritage Plan to which Council believes Caccia Birch Trust could be making a contribution are:

- Make use of, and invest in, Heritage Buildings to provide Council and community facilities.
- Investigate opportunities to develop and add value to Council heritage buildings and sites.
- Provide facilities to enable the ongoing collection of, and access to, local history.

Council is also interested in how Caccia Birch Trust is aligning its activities in general to Council's overall vision, goals and strategies.



2. Purpose

Council expects Caccia Birch Trust to:

- Maintain and enhance the heritage focus of the building and gardens,
- Be a viable commercial venue.

Council has reviewed the purpose statement in the Caccia Birch Trust's constitution and believes the constitution needs to be updated to include more of an emphasis on commercial viability. The existing purpose statement is:

"The objectives of the Trust are as follows:

- *To develop, promote, enhance and maintain the land and buildings described in the schedule 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.*
- *To commence, carry on, promote, undertake and encourage all such projects, fundraising campaigns, garden parties, fairs, lotteries, plans, clubs, organisations, matters or things of any other kind whatsoever that the Trustees may decide as necessary or desirable for the purpose of achieving or promoting any of the objects or purposes herein specified.*
- *To undertake, promote, support and encourage other charitable works within New Zealand as the Trustees shall from time to time approve.*
- *To complete and keep a good and true record of all donors and donations to the Trust Fund.*
- *To adopt such means of making known the activities and objects of the Board and facilities, displays, exhibitions, concerts and courses of tuition under its sponsorship as may seem expedient, and in particular by advertising in the press, by circulars, by publication of books, periodicals and pamphlets or any other form of literature or materials for the promotions of the Board's objects."*

3. Accountability, monitoring and transparency

The Caccia Birch Trust Board is statutorily required to meet its obligations under Part 5 and Schedule 8 of the Local Government Act 2002, Amendment Act 2019 (LGA) including achieving the objectives of the Council, be a good employer, and exhibit a sense of social and environmental responsibility. The Act was amended with changes applicable from October 2019.

The public expects a high standard of accountability and transparency from Council and Council organisations. It is important to the Council that the people of Palmerston North know that they can attend at least one public board meeting each year, even if the majority will not choose to do so. The Council sees Caccia Birch Trust's AGM as the ideal opportunity to do this and encourage Caccia Birch Trust to actively promote this to the public.

4. Development of the Statement of Intent

In the development of Caccia Birch Trust's SOI, we expect that you will:

- use the SOI template provided by Council officers to produce a tightly written document that includes all the core components required as per the LGA;
- 4-6 high-quality performance measures with officers which demonstrate Caccia Birch Trust's performance against key activities that contribute to Council's strategic outcomes;

Additionally, Council would like an indication of how you intend to address the following issues:

- good governance practices,
- financial sustainability,
- environmental sustainability,

The LGA 2019 amendment enables Council to request additional plans. Council would like to see the following developed:

- A Business Plan to achieve your objectives that addresses:
 - stakeholder relationships, partnerships and collaboration,
 - marketing and promotion,
 - organisational structure.
- A high level 10 year plan to feed into Council's Long term Plan which is being developed during 2019/2020:
 - aspirational growth
 - Operating budgets
 - Capital budgets – for new items as well as maintenance).

The Business and 10 Year Plans could be either attached to the SOI or you could attach an outline of how and when such a plan, or components of the plan, would be prepared. Council recognises that these may be new documents and encourage you to work with officers to ensure you get the support and information you need.

Council would also like to see the Board actively explore and report on commercial models (such as the shared risk/reward model that The Globe have initiated in some of their music programming) that might attract hirers who otherwise would not use the venue because of the cost but whose offering might enable the venue to expand into new audience areas or explore commercial opportunities.

5. Timeline of the next SOI

We expect Caccia Birch Trust to submit the first draft SOI 2019–2022 to Council by 1st March 2020 to comply with the LGA. However, due to the compressed timeframe it is acknowledged



that this may be a first draft only that is polished during March, possibly as a result of Officers seeking clarification. The timeline is:

By 20 Dec 2019	Statement of Expectation letters sent to the CCOs.
By 30 Jan 2019	Officers will meet with each CCO to discuss the expectations of Council for the SOIs, ensure understanding of what Council wants included, agree on a timeline for the additional plans and develop the non-financial performance measures.
On or before the 1st March 2020	Draft SOI delivered to Council by CCOs.
March and April - by the 1 st May 2020.	Officers give feedback to CCOs seeking clarification and suggesting amendments if required, <ul style="list-style-type: none"> • Draft SOIs presented to Arts, Culture and Heritage Committee of Council by, at the latest, 10th June 2020. • Officers meet with CCOs to discuss any comments and requested revisions to the Draft SOI.
By 30 June 2020	Final Statement of Intent delivered to Council

6. Council contacts

The following Council contacts are provided to ensure a timely response can be provided to the Board and/or Management.

Joann Ransom, Community Development Manager.
Joann.Ransom@pncc.govt.nz 021 828 234

Yours Sincerely,

Grant Smith
Mayor

Appendix 1 Responsibilities

The Council expects that Caccia Birch will:

- Achieve the objectives as determined through the Caccia Birch Trust Deed and annual Statement of Intent;
- Align its strategy, business plan and activities to reflect the vision, goals and strategic objectives of the Council;
- Work in collaboration with other CCOs to implement the Council's Strategy;
- Strive to engage with and respond to the needs of customers and the wider public;
- Be sensitive to the demand for accountability and transparency required by its status as a public entity;
- Avoid duplication, ensure efficient allocation of public resources, and seek opportunities to collaborate with Council and other cultural CCOs;
- Employ prudent financial management as a basis for decision-making;
- Retain good visibility over operational decision-making and manage risks in a proactive manner;
- Provide clear and transparent information to Council and the public.

The responsibilities of Council are to:

- Fund and enhance the cultural Council Controlled Organisations to help make Palmerston North a creative and exciting city, and an arts powerhouse;
- Support CCOs to achieve the objectives of this plan and wider Council strategy;
- Provide clear direction to Caccia Birch to inform their strategic and operational planning;
- Appoint members of Caccia Birch Trust in keeping with the Council's Appointment of Directors & Trustees Policy;
- Receive and approve the draft and final Statement of Intent;
- Monitor Caccia Birch's performance as informed through the presentation of six monthly and annual reports;
- Build and maintain a relationship of mutual respect and trust with;
- Respect that some information shared by Caccia Birch may be commercially sensitive;
- Communicate in a positive manner about Caccia Birch's successes.



Appendix 2 Working together

One of the Council's priorities is to establish and manage an effective working relationship based on mutual respect and trust with its CCOs. This means more than regular reporting – it means two-way dialogue and working together to achieve shared outcomes.

To achieve these aims, the Council has the following expectations:

- Caccia Birch will work in a collaborative manner with Council to ensure Caccia Birch's policies and decisions represent the best interest of the Council and ultimately the ratepayers;
- There is to be ongoing engagement between Caccia Birch and Council, both at a governance and operational level, to ensure that all parties are well-informed of each other's mandate and priorities. This may include engagement between Elected Members and the Trust, and between senior managers in both organisations;
- The Board is the most important monitor of Caccia Birch's performance. The Council expects the Board to advise Council regularly of its performance, implications for future performance, and risks and opportunities faced by the organisation;
- Caccia Birch will adhere to a "no surprises" approach to communication;
- Caccia Birch will participate in relevant network meetings including, but not limited to, the CCO bi-monthly meeting.

A "no surprises" approach is an expectation that Council will be fully informed on all matters that are likely to attract significant public interest, or which may require a Council response. Equally, you will be notified of any Council actions or announcements that may affect Caccia Birch before any public announcement is made. This no surprises approach applies to both parties.

Maxine Dale
Chair
The Globe Theatre Trust

19/12/2019

Dear Maxine,

Statement of Expectation for The Globe Theatre Trust
1st July 2020 – 30th June 2023

The Council values the important contribution The Globe Theatre Trust is making to Council's vision of a city with Small City Benefits and Big City Ambition.

This Statement of Expectation provides direction to assist the Board in preparing its Statement of Intent for the three years 2020-2023. It also clarifies Council's expectations on how The Globe Theatre Trust and Council can work together for maximum community benefit.

1. Strategic Direction

As Palmerston North's community theatre venue you have an important role to play in helping Council reach its goals to achieving our 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

These five goals are supported by five Strategies with a number of plans for each one.

The Arts Plan has been developed by Council to help us achieve Goal 2:

"To develop the City into an arts powerhouse with a national reputation for creativity and the arts."

Specific Actions from the Arts Plan to which Council believes The Globe Theatre Trust could be making a contribution are:

- Support, profile and celebrate opportunities for young people to create and present their own creative experiences.
- Create and foster existing and new pathways that nurture new, developing and emerging artists and art forms and promote opportunities for people to participate in arts and cultural experiences in Palmerston North.
- Encourage and foster experimentation and arts activities that cross boundaries, increase cultural diversity, and make the arts more visible throughout the city area



(Toi Māori, Pacific, Asian, people with disability, LGBTQI, and other cultural and community groups).

- Facilitate a coordinated approach to management and marketing of arts events.
- Facilitate the development of creative talent by promoting co-operation, collaboration, sharing of ideas, networks, and mentorship of others.
- Provide a platform(s) to advertise or make more visible arts events and activities in the city.

Council is also interested in how The Globe Theatre Trust is aligning its activities in general to Council's overall vision, goals and strategies.

2. Purpose

Council expects The Globe Theatre Trust to:

- remain an affordable venue for hire;
- support theatre talent development - onstage and off;
- encourage diversity and the celebration of diverse communities.

Council has reviewed the purpose statement in the The Globe Theatre Trust's constitution and believes it is still relevant:

"The purposes of the Trust are as follows:

To control, promote, enhance and maintain the Globe Theatre so that it may be utilised 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 Annual Plan for attaining the purposes,*
- Acknowledging the Globe Theatre as the home of the Manawatu Theatre Society Inc.*
- Ensuring the Globe remains accessible to the community (both physically and financially),*
- Fostering a sense of community by engaging youth, assisting amateurs, and promoting participation."*

3. Accountability, monitoring and transparency

The Globe is statutorily required to meet its obligations under Part 5 and Schedule 8 of the Local Government Act 2002, Amendment Act 2019 (LGA) including achieving the objectives of the Council, be a good employer, and exhibit a sense of social and environmental responsibility. The Act was amended with changes applicable from October 2019.

The public expects a high standard of accountability and transparency from Council and Council organisations.

It is important to the Council that the people of Palmerston North know that they can attend at least one public board meeting each year, even if the majority will not choose to do so. The Council sees The Globe Theatre Trust's AGM as the ideal opportunity to do this and encourages The Globe Theatre Trust to actively promote this to the public.

4. Development of the Statement of Intent

In the development of The Globe Theatre Trust's SOI, we expect that you will:

- use the SOI template provided by Council officers to produce a tightly written document that includes all the core components required as per the LGA;
- develop 4-6 high-quality performance measures with officers which demonstrate The Globe Theatre Trust's performance against key activities that contribute to Council's strategic outcomes;

Additionally, Council would like an indication of how you intend to address the following issues:

- good governance practices,
- financial sustainability,
- environmental sustainability.

The LGA 2019 amendment enables Council to request additional plans. Council would like to see the following developed:

- A Business Plan to achieve your objectives that addresses:
 - stakeholder relationships, partnerships and collaboration,
 - marketing and promotion,
 - organisational structure.
- A high level 10 year plan to feed into Council's Long term Plan which is being developed during 2019/2020:
 - aspirational growth
 - operating budgets
 - capital budgets – for new items as well as maintenance).

The Business and 10 Year Plans could be either attached to the SOI or you could attach an outline of how and when such a plan, or components of the plan, would be prepared. Council recognises that these may be new documents and encourage you to work with officers to ensure you get the support and information you need.

Council would also like to see the Board:

- actively explore and report on commercial models (such as the shared risk/reward model that The Globe have initiated in some of their music programming) that might attract hirers who otherwise would not use the venue



because of the cost but whose offering might enable the venue to expand into new audience areas or explore commercial opportunities.

- to actively explore collaboration on a one-stop front of house booking operation that enables getting bookings in the right City venue for the event.
- actively explore bringing ticketing functions under one umbrella for city venues.
- identify your regionally/nationally significant events based on current delivery and explore what a stretch target for that would look like, and
- work with Palmerston North City Council and other agencies to develop Economic Impact reporting for those events, as used in the Significant Events report that CEDA has previously presented to the Economic Development Committee.

5. Timeline of the next SOI

We expect The Globe Theatre Trust to submit the first draft SOI 2019–2022 to Council by 1st March 2020 to comply with the LGA. However, due to the compressed timeframe it is acknowledged that this may be a first draft only that is polished during March, possibly as a result of Officers seeking clarification. The timeline is below:

By 20 Dec 2019	Statement of Expectation letters sent to the CCOs.
By 30 Jan 2019	Officers will meet with each CCO to discuss the expectations of Council for the SOIs, ensure understanding of what Council wants included, agree on a timeline for the additional plans and develop the non-financial performance measures.
On or before the 1st March 2020	Draft SOI delivered to Council by CCOs.
March and April - by the 1 st May 2020.	Officers give feedback to CCOs seeking clarification and suggesting amendments if required, <ul style="list-style-type: none"> • Draft SOIs presented to Arts, Culture and Heritage Committee of Council by, at the latest, 10th June 2020. • Officers meet with CCOs to discuss any comments and requested revisions to the Draft SOI.
By 30 June 2020	Final Statement of Intent delivered to Council



6. Council contacts

The following Council contacts are provided to ensure a timely response can be provided to the Board and/or Management.

Joann Ransom, Community Development Manager.

Joann.Ransom@pncc.govt.nz

021 828 234

Yours Sincerely,

Grant Smith

Mayor



Appendix 1 Responsibilities

The Council expects that The Globe Theatre Trust will:

- Achieve the objectives as determined through the Globe Theatre Trust Deed and annual Statement of Intent;
- Align its strategy, business plan and activities to reflect the vision, goals and strategic objectives of the Council;
- Work in collaboration with other CCOs to implement the Council's Strategy;
- Strive to engage with and respond to the needs of customers and the wider public;
- Be sensitive to the demand for accountability and transparency required by its status as a public entity;
- Avoid duplication, ensure efficient allocation of public resources, and seek opportunities to collaborate with Council and other cultural CCOs;
- Employ prudent financial management as a basis for decision-making;
- Retain good visibility over operational decision-making and manage risks in a proactive manner;
- Provide clear and transparent information to Council and the public.

The responsibilities of Council are to:

- Fund and enhance the cultural Council Controlled Organisations to help make Palmerston North a creative and exciting city, and an arts powerhouse;
- Support CCOs to achieve the objectives of this plan and wider Council strategy;
- Provide clear direction to the Globe to inform their strategic and operational planning;
- Appoint members of the Globe Theatre Trust in keeping with the Council's Appointment of Directors & Trustees Policy;
- Receive and approve the draft and final Statement of Intent;
- Monitor the Globe's performance as informed through the presentation of six monthly and annual reports;
- Build and maintain a relationship of mutual respect and trust with;
- Respect that some information shared by the Globe may be commercially sensitive;
- Communicate in a positive manner about the Globe's successes.

Appendix 2 Working together

One of the Council's priorities is to establish and manage an effective working relationship based on mutual respect and trust with its CCOs. This means more than regular reporting – it means two-way dialogue and working together to achieve shared outcomes.

To achieve these aims, the Council has the following expectations:

- The Globe will work in a collaborative manner with Council to ensure The Globe's policies and decisions represent the best interest of the Council and ultimately the ratepayers;
- There is to be ongoing engagement between The Globe and Council, both at a governance and operational level, to ensure that all parties are well-informed of each other's mandate and priorities. This may include engagement between Elected Members and the Trust, and between senior managers in both organisations;
- The Board is the most important monitor of The Globe's performance. The Council expects the Board to advise Council regularly of its performance, implications for future performance, and risks and opportunities faced by the organisation;
- The Globe will adhere to a "no surprises" approach to communication;
- The Globe will participate in relevant network meetings including but not limited to the Arts Powerhouse Advisory Group and the CCO bi-monthly meeting.

A "no surprises" approach is an expectation that Council will be fully informed on all matters that are likely to attract significant public interest, or which may require a Council response. Equally, you will be notified of any Council actions or announcements that may affect the Globe before any public announcement is made. This no surprises approach applies to both parties.



19/12/2019

David Lea
Chair
The Regent Theatre Trust

Dear David,

Statement of Expectation for The Regent Theatre Trust
1st July 2020 – 30th June 2023

The Council values the important contribution The Regent Theatre Trust is making to Council's vision of a city with Small City Benefits, Big City Ambition.

This Statement of Expectation provides direction to assist the Board in preparing its Statement of Intent for the three years 2020-2023. It also clarifies Council's expectations on how The Regent Theatre Trust and Council can work together for maximum community benefit.

1. Strategic Direction

As Palmerston North's premier theatre venue you have an important role to play in helping Council reach its goals to achieving our 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

These five goals are supported by five Strategies with a number of plans for each one.

The Arts Plan has been developed by Council to help us achieve Goal 2:

"To develop the City into an arts powerhouse with a national reputation for creativity and the arts."

Specific Actions from the Arts Plan to which Council believes The Regent Theatre Trust could be making a contribution are:

- Support, profile and celebrate opportunities for young people to create and present their own creative experiences.
- Create and foster existing and new pathways that nurture new, developing and emerging artists and art forms and promote opportunities for people to participate in arts and cultural experiences in Palmerston North.

- Encourage and foster experimentation and arts activities that cross boundaries, increase cultural diversity, and make the arts more visible throughout the city area (Toi Māori, Pacific, Asian, people with disability, LGBTQI, and other cultural and community groups).
- Facilitate a coordinated approach to management and marketing of arts events.
- Facilitate the development of creative talent by promoting co-operation, collaboration, sharing of ideas, networks, and mentorship of others.
- Provide a platform(s) to advertise or make more visible arts events and activities in the city.

The Regent Theatre Trust also has a contribution to make to the Culture and Heritage Plan; specific Actions are:

- Make use of, and invest in, Heritage Buildings to provide Council and community facilities.
- Investigate opportunities to develop and add value to Council heritage buildings and sites.

Council is also interested in how The Regent Theatre Trust is aligning its activities in general to Council's overall vision, goals and strategies.

2. Purpose

Council expects The Regent Theatre Trust to:

- Be Palmerston's premier theatre attracting regional and national audiences to visit Palmerston North;
- Host a good quality range of events attracting diverse audiences;
- Deliver an increase in audience size and performance nights;
- Protect and futureproof this heritage building.

Council has reviewed the purpose statement in the The Regent Theatre Trust's constitution and believes the constitution needs to be updated. The existing purpose statement is:

"The purposes of the Trust are 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 Manawatū area including:

- Securing the future of the Regent Theatre,*
- Preparing in consultation with Council a three year Strategic Plan and an Annual Plan for attaining the purposes."*

We look forward to agreeing with The Regent the revised purpose.



3. Accountability, monitoring and transparency

The Regent Theatre Trust is statutorily required to meet its obligations under Part 5 and Schedule 8 of the Local Government Act 2002, Amendment Act 2019 (LGA) including achieving the objectives of the Council, be a good employer, and exhibit a sense of social and environmental responsibility. The Act was amended with changes applicable from October 2019.

The public expects a high standard of accountability and transparency from Council and Council organisations.

It is important to the Council that the people of Palmerston North know that they can attend at least one public board meeting each year, even if the majority will not choose to do so. The Council sees The Regent Theatre Trust's AGM as the ideal opportunity to do this and encourage The Regent Theatre Trust to actively promote this to the public.

4. Development of the Statement of Intent

In the development of The Regent Theatre Trust's SOI, we expect that you will:

- use the SOI template provided by Council officers to produce a tightly written document that includes all the core components required as per the LGA;
- 4-6 high-quality performance measures with officers which demonstrate The Regent Theatre Trust's performance against key activities that contribute to Council's strategic outcomes;

Additionally, Council would like an indication of how you intend to address the following issues:

- good governance practices,
- financial sustainability,
- environmental sustainability,

Council expects the Regent Theatre Trust Board to address its employee cost liabilities in its Statement of Financial Position to ensure that this liability reduces over the next three years.

The LGA 2019 amendment enables Council to request additional plans. Council would like to see the following developed:

- A Business Plan to achieve your objectives that addresses:
 - stakeholder relationships, partnerships and collaboration,
 - marketing and promotion,
 - organisational structure.
- A high level 10 year plan to feed into Council's Long term Plan which is being developed during 2019/2020:

- aspirational growth
- operating budgets
- capital budgets – for new items as well as maintenance).

The Business and 10 Year Plans could be either attached to the SOI or you could attach an outline of how and when such a plan, or components of the plan, would be prepared. Council recognises that these may be new documents and encourage you to work with officers to ensure you get the support and information you need.

Council would also like to see the Board:

- actively explore and report on commercial models (such as the shared risk/reward model that The Globe have initiated in some of their music programming) that might attract hirers who otherwise would not use the venue because of the cost but whose offering might enable the venue to expand into new audience areas or explore commercial opportunities.
- to actively explore collaboration on a one-stop front of house booking operation that enables getting bookings in the right City venue for the event.
- actively explore bringing ticketing functions under one umbrella for city venues.
- identify your regionally/nationally significant events based on current delivery and explore what a stretch target for that would look like, and
- work with Palmerston North City Council and other agencies to develop Economic Impact reporting for those events, as used in the Significant Events report that CEDA has previously presented to the Economic Development Committee.

5. Timeline of the next SOI

We expect The Regent Theatre Trust to submit the first draft SOI 2019–2022 to Council by 1st March 2020 to comply with the LGA. However, due to the compressed timeframe it is acknowledged that this may be a first draft only that is polished during March, possibly as a result of Officers seeking clarification. The timeline is:

By 20 Dec 2019	Statement of Expectation letters sent to the CCOs.
By 30 Jan 2019	Officers will meet with each CCO to discuss the expectations of Council for the SOIs, ensure understanding of what Council wants included, agree on a timeline for the additional plans and develop the non-financial performance measures.
On or before the 1st March 2020	Draft SOI delivered to Council by CCOs.



March and April - by the 1 st May 2020.	Officers give feedback to CCOs seeking clarification and suggesting amendments if required, <ul style="list-style-type: none"> • Draft SOIs presented to Arts, Culture and Heritage Committee of Council by, at the latest, 10th June 2020. • Officers meet with CCOs to discuss any comments and requested revisions to the Draft SOI.
By 30 June 2020	Final Statement of Intent delivered to Council

6. Council contacts

The following Council contacts are provided to ensure a timely response can be provided to the Board and/or Management.

Joann Ransom, Community Development Manager.

Joann.Ransom@pncc.govt.nz

Yours Sincerely,

Grant Smith
Mayor

Appendix 1 Responsibilities

The Council expects that The Regent will:

- Achieve the objectives as determined through the Regent Theatre Trust Deed and annual Statement of Intent;
- Align its strategy, business plan and activities to reflect the vision, goals and strategic objectives of the Council;
- Work in collaboration with other CCOs to implement the Council's Strategy;
- Strive to engage with and respond to the needs of customers and the wider public;
- Be sensitive to the demand for accountability and transparency required by its status as a public entity;
- Avoid duplication, ensure efficient allocation of public resources, and seek opportunities to collaborate with Council and other cultural CCOs;
- Employ prudent financial management as a basis for decision-making;
- Retain good visibility over operational decision-making and manage risks in a proactive manner;
- Provide clear and transparent information to Council and the public.

The responsibilities of Council are to:

- Fund and enhance the cultural Council Controlled Organisations to help make Palmerston North a creative and exciting city, and an arts powerhouse;
- Support CCOs to achieve the objectives of this plan and wider Council strategy;
- Provide clear direction to the Regent to inform their strategic and operational planning;
- Appoint members of the Regent Theatre Trust in keeping with the Council's Appointment of Directors & Trustees Policy;
- Receive and approve the draft and final Statement of Intent;
- Monitor the Regent's performance as informed through the presentation of six monthly and annual reports;
- Build and maintain a relationship of mutual respect and trust with;
- Respect that some information shared by the Regent may be commercially sensitive;
- Communicate in a positive manner about the Regent's successes.



Appendix 2 Working together

One of the Council's priorities is to establish and manage an effective working relationship based on mutual respect and trust with its CCOs. This means more than regular reporting – it means two-way dialogue and working together to achieve shared outcomes.

To achieve these aims, the Council has the following expectations:

- The Regent will work in a collaborative manner with Council to ensure The Regent's policies and decisions represent the best interest of the Council and ultimately the ratepayers;
- There is to be ongoing engagement between The Regent and Council, both at a governance and operational level, to ensure that all parties are well-informed of each other's mandate and priorities. This may include engagement between Elected Members and the Trust, and between senior managers in both organisations;
- The Board is the most important monitor of The Regent's performance. The Council expects the Board to advise Council regularly of its performance, implications for future performance, and risks and opportunities faced by the organisation;
- The Regent will adhere to a "no surprises" approach to communication;
- The Regent will participate in relevant network meetings including but not limited to the Arts Powerhouse Advisory Group and the CCO bi-monthly meeting.

A "no surprises" approach is an expectation that Council will be fully informed on all matters that are likely to attract significant public interest, or which may require a Council response. Equally, you will be notified of any Council actions or announcements that may affect the Regent before any public announcement is made. This no surprises approach applies to both parties.



OFFICE OF THE MAYOR
Palmerston North City Council

4 February 2020

John Fowke
Chair
Te Manawa Trust Board

Dear John

Statement of Expectation for Te Manawa 2020/21

The Council values the important contribution Te Manawa is making to Council's vision of a city with Small City Benefits, Big City Ambition.

This Statement of Expectation provides direction to assist the Board in preparing its Statement of Intent for the three years 2020-2023. It also clarifies the Council's expectations on how Te Manawa Trust and Council can work together for maximum community benefit.

1. Strategic direction

As Palmerston North's Art Gallery, Museum, and Science Centre, Te Manawa has an important role to play in helping Council reach its goals to achieving its 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

These five goals are supported by the five strategies with a number of plans for each one.

The Culture and Heritage Plan has been developed by the Council to help it achieve Goal 2:

"To celebrate the city's history and diversity, and build on the strength of being a city of many cultures and languages."

Specific actions from the Culture and Heritage Plan to which Council believes Te Manawa could be making a contribution are:

- Facilitate and enable local history:
 - Acquire, archive, conserve, research, record, celebrate and develop local history
 - Give opportunities for people to tell their stories and facilitate their recording for the future
 - Investigate and trial innovative ways of showcasing our heritage

1

- Enhance local history:
 - Add to collections to better reflect our diverse community
 - Increase the opportunities to capture community stories today for tomorrow
 - Proactively celebrate our changing culture and heritage
 - Apply a lighter, quicker, cheaper approach by trailing heritage education and promotion activities.

The Arts Plan has been developed by the Council to help it achieve Goal 2:

“To develop the City into an arts powerhouse with a national reputation for creativity and the arts.”

Specific actions from the Arts Plan to which Council believes Te Manawa could be making a contribution are:

- Define and promote Palmerston North’s point of difference for the arts to inform all other actions.
- Work collaboratively across the Manawātū region for arts related and celebratory activities, programmes, projects, and events.
- Facilitate the development of creative talent by promoting co-operation, collaboration, sharing of ideas, networks, and mentorship of others.
- Apply the Te Aranga Māori Design Principles to integrate Māori arts and culture into public spaces.
- Increase the visibility and rotation of the city’s art collections.
- Support, profile and celebrate opportunities for young people to create and present their own creative experiences.
- Encourage and foster experimentation and arts activities that cross boundaries, increase cultural diversity, and make the arts more visible throughout the city area (Toi Māori, Pacific, Asian, people with disability, LGBTQI, and other cultural and community groups).
- Create and foster existing and new pathways that nurture new, developing and emerging artists and art forms and promote opportunities for people to participate in arts and cultural experiences in Palmerston North.
- Provide a resilient and cutting edge space(s) for Te Manawa that is fit for the purpose of housing and displaying arts, heritage, Toi Māori and treasures, and science public assets (beginning 2020/2021).

The Council is interested in how Te Manawa is aligning its activities in general to Council’s overall vision, goals and strategies.

2. Purpose

The Council expects Te Manawa to focus on the delivery of its core functions of:

- Engaging local communities in learning experiences that are relevant and meaningful to their wellbeing, values, aspirations, needs and preferences.
- Developing (including rationalising as appropriate), and growing the use of and access to, collections of tāonga, artworks, artefacts, as defined by its policies.

- Attracting visitation from beyond the region, and third-party investment, in a way that increases Te Manawa's sustained viability and adds positively to the city's liveability, sense of place and local pride and national reputation.

Action plans to deliver on these core functions should identify KPIs based on clear intervention logic.

In developing these plans it is expected that Te Manawa will take an appropriate level of cognisance of the region's economic, social, environmental and cultural strengths, working with key stakeholders in these sectors to explore the potential of strategic partnerships.

The Council has reviewed the purpose statement in Te Manawa's Trust Deed and believes it is still relevant:

"The purposes of the Trust are as follows:

- (a) To provide governance of an organisation which is a regional museum complex advancing interest in art, science, including interactive science, and heritage.*
- (b) To provide study, education and enjoyment opportunities through acquiring, conserving, researching, communicating and exhibiting material evidence of people and their environment.*
- (c) To acquire, control, develop, promote, enhance and maintain collections to the maximum benefit and enjoyment of the peoples of the Manawatu and New Zealand.*
- (d) 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.*
- (e) To encourage and support the Societies in accordance with the objects of this Trust Deed.*
- (f) To recognise the organisation's location in the Manawatu and to be aware of a regional focus."*

The expectation is that for 2020/21 Te Manawa focuses on 'significantly growing levels of learning and engagement, social cohesion and wellbeing, regional pride and national reputation - in ways which result in measurable increases in social, cultural, economic, environmental value for the region'. When impacts are beyond the Manawatu, there must be a causal link of the outcomes or benefits back to the Manawatu region based on the core functions and measures of success outlined below.

Taking a leadership position and building strategic relationships in the Manawatu region, and beyond, is fundamental for Te Manawa to be effective. Te Manawa should be relationship-driven at all levels. From the Council's perspective, as a first principle, this means Te Manawa develops a thorough and evolving understanding of the community – who they are and their values, expectations and preferences. This should also extend to targeted audiences and communities beyond the region, where engagement by these customers will support positive outcomes for the organisation and the region. Based on this, it is expected that Te Manawa will work with the Council and strategic partner organisations to understand their priorities and strengths, and how

Te Manawa might add value to the relationship (and vice versa) to achieve better outcomes for the region.

Te Manawa formalising these relationships is important to us as Council, to ensure that in return for investment we achieve cohesive, more-than-the-sum-of-the-parts outcomes in the region, in terms of the social, cultural, economic and environmental value of services provided. We would like this to be driven by Te Manawa through mutually agreed partnership agreements or similar, to ensure everyone is on the same page and to provide the basis for a consistent and collective approach with measurable outcomes. We would like this strategic relationship agreement process to be concluded by 30 September 2020.

Strategic partners we have identified include Palmerston North City Council, Manawatu District Council, Iwi, Massey University, Horizons Regional Council, UCOL, and the NZ Rugby Museum. We look forward to agreeing with Te Manawa the list of strategic partners noting here may be opportunities for Te Manawa to leverage existing strategic relationships entered into by stakeholders. In relationship to partnerships with Iwi, wherever possible Te Manawa should endeavour to combine with other agencies on joint agreements, to both increase the value and limit the resourcing requirements for all parties.

We understand that to be effective, Te Manawa must be able to focus on key outcomes within a well-defined mandate. We also recognise that in the current period there is a responsibility on behalf of the Council to ensure there is ongoing transparent and effective communication with Te Manawa, as the expectations are agreed and progress is monitored. As part of this and as outlined below, we look forward to agreeing the basis on which Council officers attend 6-monthly Te Manawa Board meetings and Te Manawa's CE and/or senior staff participate within Council's leadership conversations with a view to maintaining an optimum alignment with Council's strategic objectives.

Based on the above, Te Manawa's success will be measured in particular as follows by the Council:

- Increases in visitation and use (onsite - and offsite/online, if delivering meaningful/measurable impacts and outcomes). Targets to be included that separate out in-person and digital visits, but review these to ensure that they align with the way that the Central Library does its reporting for the purposes of officer comparison when reporting to Council.
- Improved community and customer awareness of, and likelihood to positively endorse, Te Manawa to others
- Improved wellbeing, as measured by levels of social connection, participation and engagement
- Strength of relationships with strategic partners
- Sustainable organisational viability, leveraging increased added value against Councils' base funding
- Increased visitor spend, as a direct result of Te Manawa (solo of partnership) initiatives
- Identification of communities of interest based on current activity and exploration of what future engagement could look like, including seeking specific customer engagement and feedback from those target groups

- Identifying Te Manawa's regionally/ nationally significant events based on current delivery and exploring what a stretch target for that would look like; working with the City Council and other agencies to develop Economic Impact reporting for those events, as used in the Significant Events report (as part of the Economic Monitor) that CEDA/ Palmerston North City Council has previously presented to the Economic Development Committee.

The Council recognises that some of these measures are not wholly under Te Manawa's control, however, they are indicative of the health of the organisation, and its impacts on the wider community. With all strategic partners working together, we can make a collective difference.

Please note that any significant changes or issues beyond Te Manawa's control will be taken into account when measuring Te Manawa's performance.

The Council requires Te Manawa to provide an activity-based budget so the Council can effectively communicate levels of service and value for money to their ratepayers. Understanding the strategic drivers of the Councils and aligning core function activity to those drivers is critical to the partnership between Council and Te Manawa. Therefore, it is expected that Te Manawa will engage with the Council in the development of their strategies and plans. It is also expected there will be consultation with other strategic partners.

The Council is obliged to ensure that our services are delivered effectively and efficiently. This expectation extends to Te Manawa, and thus there is an expectation of effective leadership (with defined KPIs) and a robust and strategic approach to assessing and prioritising investment at all times. There are many opportunities where shared resourcing, expertise and services should be explored and we would like to discuss these opportunities from both a short-term and long-term perspective.

To maintain the partnership between we would ask that Council officers are invited to attend 6-monthly Te Manawa Board meetings to further build relationships and understanding between us. We would also like to move to quarterly reporting to the Arts, Culture & Heritage Committee, and also provide this as a forum for you to discuss proposed new initiatives with us.

3. Accountability, monitoring and transparency

Te Manawa is statutorily required to meet its obligations under Part 5 and Schedule 8 of the Local Government Act 2002, Amendment Act 2019 (LGA) including achieving the objectives of the Council, be a good employer, and exhibit a sense of social and environmental responsibility. The Act was amended with changes applicable from October 2019.

The public expects a high standard of accountability and transparency from Council and its Council Controlled Organisations.

It is important that to the Council that the people of Palmerston North know that they can attend at least one public board meeting each year, even if the majority will not choose to do so. The Council sees Te Manawa Trust Board's AGM as the ideal opportunity to do this and encourages Te Manawa to actively promote this to the public.

4. Development of the Statement of Intent

In the development of Te Manawa's SOI, the Council expects that Te Manawa will:

- Use the SOI template provided by Council officers to produce a tightly written document that includes all the core components required as per the LGA;
- Develop a consistent set of performance measures that demonstrate Te Manawa's performance against key activities that contribute to Council's strategic outcomes;

Additionally, the Council would like an indication of how you intend to address the following issues:

- Good governance practices;
- Financial sustainability;
- Environmental sustainability.

The LGA 2019 amendment enables the Council to request additional plans.

The Council would like to see the following developed:

- A Business Plan to achieve your objectives that addresses:
 - stakeholder relationships, partnerships and collaboration,
 - marketing and promotion,
 - organisational structure.
- A high level 10 year plan to feed into Council's Long term Plan which is being developed during 2019/2020:
 - aspirational growth
 - operating budgets
 - capital budgets – for new items as well as maintenance).

The Business and 10 Year Plans could be either attached to the SOI or alternatively an outline of how and when such a plan, or components of the plan, would be prepared. Council recognises that these may be new documents and encourages you to work with officers to ensure you get the support and information you need. If not attached to the SOI, the Council expects the business and 10-year plans to be provided to the relevant Council General Manager by 1 August 2020.

5. Timeline of the next SOI

The Council expects Te Manawa Trust to submit the first draft SOI 2019–2022 to Council by 1st April 2020 (subject to Council resolution) to comply with the LGA. The timeline is:

By end February 2020	Statement of Expectation letters sent to the CCOs.
By mid-March 2020	Officers will meet with Te Manawa to discuss the expectations of Council for the SOIs, ensure understanding of what Council wants included, agree on a timeline for the additional plans and develop the non-financial performance measures.
On or before the 1st April 2020	Draft SOI delivered to Council by Te Manawa.
10 June or prior	Arts, Culture & Heritage Committee discusses draft SOI and provides comments
By 30 June 2020	Final Statement of Intent delivered to Council

6. Council contacts

The following Council contact is provided to ensure a timely response can be provided to the Board and/ or Management.

Joann Ransom, Community Development Manager


Joann.Ransom@pncc.govt.nz

021 828 234

While this letter sets out Council's specific expectations of Te Manawa, the Council also has a set of broader expectations for the Arts and Culture CCOs. These are shown in the following appendices.

We look forward to working with Te Manawa as collectively we continue to develop a model of service provision that ensures our community thrives, socially, culturally, economically and environmentally. We thank the Board and staff of Te Manawa for their openness to new approaches as we move ahead together.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Grant Smith', with a long horizontal stroke extending to the right.

Grant Smith | Mayor

Appendix 1 Responsibilities

The Council expects that Te Manawa will:

- Achieve the objectives as determined through Te Manawa Trust Deed and annual Statement of Intent;
- Align its strategy, business plan and activities to reflect the vision, goals and strategic objectives of the Council;
- Work in collaboration with other CCOs to implement the Council's Strategy;
- Strive to engage with and respond to the needs of customers and the wider public;
- Be sensitive to the demand for accountability and transparency required by its status as a public entity;
- Avoid duplication, ensure efficient allocation of public resources, and seek opportunities to collaborate with Council and other cultural CCOs;
- Employ prudent financial management as a basis for decision-making;
- Retain good visibility over operational decision-making and manage risks in a proactive manner;
- Provide clear and transparent information to Council and the public.

The responsibilities of the Council are to:

- Fund and enhance the cultural Council Controlled Organisations to help make Palmerston North a creative and exciting city, and an arts powerhouse;
- Support CCOs to achieve the objectives of this plan and wider Council strategy;
- Provide clear direction to Te Manawa to inform their strategic and operational planning;
- Appoint members of Te Manawa Trust in keeping with the Council's Appointment of Directors & Trustees Policy;
- Receive and approve the draft and final Statement of Intent;
- Monitor Te Manawa's performance as informed through the presentation of six monthly and annual reports;
- Build and maintain a relationship of mutual respect and trust with;
- Respect that some information shared by Te Manawa may be commercially sensitive;
- Communicate in a positive manner about Te Manawa's successes.

Appendix 2 Working together

One of the Council's priorities is to establish and manage an effective working relationship based on mutual respect and trust with its CCOs. This means more than regular reporting – it means two-way dialogue and working together to achieve shared outcomes.

To achieve these aims, the Council has the following expectations:

- Te Manawa will work in a collaborative manner with Council to ensure Te Manawa's policies and decisions represent the best interest of the Council and ultimately the ratepayers;
- There is to be ongoing engagement between Te Manawa and Council, both at a governance and operational level, to ensure that all parties are well-informed of each other's mandate and priorities. This may include engagement between Elected Members and the Trust, and between senior managers in both organisations;
- The Board is the most important monitor of Te Manawa's performance. The Council expects the Board to advise Council regularly of its performance, implications for future performance, and risks and opportunities faced by the organisation;
- Te Manawa will adhere to a "no surprises" approach to communication;
- Te Manawa will participate in relevant network meetings including but not limited to the Arts Powerhouse Advisory Group and the CCO bi-monthly meeting.

A "no surprises" approach is an expectation that Council will be fully informed on all matters that are likely to attract significant public interest, or which may require a Council response. Equally, you will be notified of any Council actions or announcements that may affect Te Manawa before any public announcement is made. This no surprises approach applies to both parties.

MEMORANDUM

TO: Arts, Culture & Heritage Committee

MEETING DATE: 11 November 2020

TITLE: Status and activities of the Arts Powerhouse Group

PRESENTED BY: Joann Ransom, Community Development Manager

APPROVED BY: Chris Dyhrberg, Chief Customer Officer

RECOMMENDATIONS TO ARTS, CULTURE & HERITAGE COMMITTEE

1. That the memorandum entitled 'Status and activities of the Arts Powerhouse Group' presented to the Arts, Culture & Heritage Committee on 11 November 2020, be received for information.

1. ISSUE

This memorandum is to provide an update on the status and activities of the Arts Powerhouse Steering Group.

2. BACKGROUND

- 2.1 Council adopted a new Strategic Framework in the adoption of the Long-Term Plan. That framework includes an Arts Plan that sits within the Creative and Exciting Strategy. A priority of that strategy is that Council promote Palmerston North as an 'Arts Powerhouse'.
- 2.2 It was recognised that for the concept to be successful it needed a collaborative approach across the arts sector. Sector decision makers included managers of the arts CCOs, tertiary sector representatives and Fee for Service partners (and later Strategic Priority Grant partners contributing to the Creative & Liveable Strategy, Goal 2: A creative & exciting city).
- 2.3 Members of the Palmerston North Arts Committee (formerly Massey Arts Committee) were invited to a meeting on 9 March 2018 to discuss how to progress this. The intent was to bring together sector decision makers who understood what the potential of this could be and who were able to make things happen. At that meeting the proposal to establish an Arts Powerhouse Steering Group (APSG) was presented and consequently supported by those attending.

3. ARTS POWERHOUSE STEERING GROUP ACTIVITIES

- 3.1 After several meetings where the APSG members attempted to define what an Arts Powerhouse was and what it could look like in the Palmerston North context, Council contracted Kane Forbes to assist in the development of an Arts Powerhouse Strategy.
- 3.2 Kane Forbes is an arts manager, theatre-maker and facilitator with over two decades of international experience in the performing arts, production, programming and arts management. He was Manager of Performing Arts Touring at Regional Arts Victoria from 2007-2016 and responsible for over 70 major national touring projects and over 100 Victorian state touring projects. He has led projects in China, Germany, The United Kingdom, Egypt, Korea, Norway, New Zealand, Australia, the Philippines and Japan.
- 3.3 Forbes helped the group draft a strategy, which visualized the Arts Powerhouse activities as a spectrum with arts organisations ranging from those who worked mainly with established artists (such as the Regent Theatre), those who worked with developing artists (such as Square Edge Community Arts) and those who worked with emerging artists (such as Snails Artist Run Space). The draft strategy suggested organisations collaborate to help develop artists wherever they may be on the spectrum from emerging to established. Similarly, the strategy identified that audiences could also be developed, with coordinated marketing and collaborative programming across the city, to support a greater range of events and activities, and introduce new “edgy” arts experiences.
- 3.4 Denise Servante was contracted to advance this work once Kane’s contract was completed. The Strategy was never formally implemented because APSG felt that more people working in the sector needed to contribute to this mahi.
- 3.5 In one on one interviews with APSG members Servante concluded that while members generally supported the ideas in the strategy, they felt the concept of an Arts Powerhouse did not reflect the reality of most local artists. They felt the basis of the arts sector in Palmerston North is (except for a very small number of established and successful artists) people practising their art supported by a job that provides a living, rather than earning a living from their art. Members felt that the strength of the arts sector in Palmerston North relates to providing opportunities for people to learn their craft (particularly young people). They also felt that the focus should be on supporting and extending what is already strong here and making it work for the people already here, eg. by celebrating and using local talent rather than bringing in out of town artists for festivals and events.
- 3.6 In the year since this work was completed, the APSG has not been convened. Council Officers have been working in a less formal manner to support the arts; in

place of one dominant steering group, a far more organic and inclusive approach has been successfully taken with the arts community, not the APSG, leading initiatives.

4. COUNCIL'S ROLE

4.1 The APSG identified that growing and supporting local artists and events is key to developing and promoting Palmerston North's image as a creative and exciting city. Arts organisations are supported to collaborate and contribute to developing artists wherever they may be on the spectrum from emerging to established.

4.2 The upcoming Papaioea Festival of the Arts to be held in February 2021 was identified by the Steering Group as an opportunity to demonstrate the strategy through:

- An element of programming (including a unique event that will attract visitors) but with some chaos surrounding it;
- Including an advisory group comprising local artists/educators;
- Focusing on accessibility (low/no cost and range of venues/neighbourhoods);
- Marketing primarily to our local community, and externally focussing on the unique event.

Arts Initiative funding will provide for a programme of learning opportunities around the festival for Palmerston North performance artists and production crew looking to hone their craft.

4.3 Square Edge Community Arts has also been supported through the Local Initiatives Fund to establish a leadership development programme for young and emerging arts practitioners. This has been complimented by support from the Arts Initiative fund to develop an artist mentoring pilot programme for developing artists resident in Square Edge. Artists will expand on their skills, connectivity, confidence, and concepts through mentoring, monthly hui and by building community relationships through working on their projects and workshops with others. Rangitāne cultural advisors have been involved in the development of both programmes, will act as mentors, and lead aspects of it.

4.4 Support has also been given for the semi-regular community-based meetings of artists; the kaupapa of learning and networking is enhanced with a guest speaker at each meeting.

4.5 These development programmes are examples of the way Council is supporting the growth of capability and capacity of the arts sector and working towards the development of a creative and exciting city.

5. NEXT STEPS

- 5.1 Officers will continue to support the arts sector in its activities and initiatives but does not propose to reconvene the APSG at this stage. The wider arts community was well consulted in the development of the revised Arts Plan that will be brought to Council as part of the LTP discussions. In the interim, Officers meet monthly with most of the main arts organisations in the City, fund initiatives that support and strengthen the sector, and are quietly gauging interest on a proposal to host a meeting with more diverse representation than APSG to discuss the Strategy which was developed.

6 COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	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 The actions are: Facilitate the development of creative talent by promoting co-operation, collaboration, sharing of ideas, networks, and mentorship of others. Administer arts funding for the sector: <ul style="list-style-type: none"> • Support Community Arts Palmerston North (Square Edge Community Arts) to provide creative and chaotic innovation, and affordable studio and exhibition space • Groups and individuals undertaking arts or cultural activities or events • Ongoing funding is made available through a partnership between the Council and Creative New Zealand • Support arts-related events, through funding and advice • Fee for service contract in the arts. 	

Contribution to strategic direction and to social, economic, environmental and cultural well-being	Supporting projects, initiatives, and programmes that help event organisers, and, young, emerging and established artists, to develop and promote their creative skills, culture, stories, and employment prospects, helps to make Palmerston North as an exciting and liveable city.
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ATTACHMENTS

Nil

COMMITTEE WORK SCHEDULE

TO: Arts, Culture & Heritage Committee

MEETING DATE: 11 November 2020

TITLE: Committee Work Schedule

RECOMMENDATION(S) TO ARTS, CULTURE & HERITAGE COMMITTEE

1. That the Arts, Culture & Heritage Committee receive its Work Schedule dated November 2020.

ATTACHMENTS

1. Committee Work Schedule  

ARTS, CULTURE & HERITAGE COMMITTEE

COMMITTEE WORK SCHEDULE – NOVEMBER 2020

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
1.	November 2020	Status and activities of the Arts Powerhouse Group	Chief Customer Officer		11 December 2019 clause 38.2
2.	November 2020	Cultural CCOs Annual Reports to 30 June 2020	General Manager – Strategy & Planning		
3.	November 2020	Te Manawa Museums Trust Quarterly Report			
4.	2021	Report on the Palmerston North sesquicentennial work programme	General Manager – Marketing & Communications		12 August 2020 clause 22.2
5.	2021	Draft Statements of Intent for CCOs	General Manager – Strategy & Planning		
6.	2021	Six monthly reports for CCOs	General Manager – Strategy & Planning		
7.	2021	Final Statements of Intent for CCOs	General Manager – Strategy & Planning		
8.	2021	Annual reports for CCOs	General Manager – Strategy & Planning		