



---

**PALMERSTON NORTH CITY COUNCIL**

---

**AGENDA**  
**ARTS, CULTURE & HERITAGE**  
**COMMITTEE**

---

**1PM, WEDNESDAY 14 APRIL 2021**

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**

**Karen Naylor**

**Renee Dingwall**

**Bruno Petrenas**

**Lorna Johnson**

**Aleisha Rutherford**

**Orphée Mickalad**

**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**

**W [pncc.govt.nz](http://pncc.govt.nz) | E [info@pncc.govt.nz](mailto:info@pncc.govt.nz) | P 356 8199**

**Private Bag 11034, 32 The Square, Palmerston North**





## **ARTS, CULTURE & HERITAGE COMMITTEE MEETING**

14 April 2021

### **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. Confirmation of Minutes**

Page 7

“That the minutes of the Arts, Culture & Heritage Committee meeting of 17 February 2021 Part I Public be confirmed as a true and correct record.”

**6. The Regent Theatre Trust - Six-Month Performance Report 1 July - 31 December 2020 and Draft Statement of Intent 2021-24**

Page 13

Memorandum, presented by Hannah White, Democracy & Governance Manager.

**7. Te Manawa Museums Trust - Draft Statement of Intent 2021-24**

Page 51

Memorandum, presented by Hannah White, Democracy & Governance Manager.

**8. Caccia Birch Trust Board - Six-Month Performance Report up to 31 December 2020 and Draft Statement of Intent 2021-24**

Page 95

Memorandum, presented by Hannah White, Democracy & Governance Manager.

**9. The Globe Theatre Trust - Six-Month Performance Report 1 July - 31 December 2020 and Draft Statement of Intent 2021-24**

Page 139

Memorandum, presented by Hannah White, Democracy & Governance Manager.

**10. Committee Work Schedule**

Page 195

## 11. Exclusion of Public

To be moved:

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

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

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

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

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

*[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].





## PALMERSTON NORTH CITY COUNCIL

### Minutes of the Arts, Culture & Heritage Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 17 February 2021, commencing at 1.02pm

- Members Present:** Councillor Rachel Bowen (in the Chair), The Mayor (Grant Smith) and Councillors Brent Barrett, Renee Dingwall, Lorna Johnson, Karen Naylor and Bruno Petrenas.
- Non Members:** Councillors Susan Baty, Vaughan Dennison, Patrick Handcock ONZM, Leonie Hapeta and Billy Meehan.
- Apologies:** Councillors Zulfiqar Butt (absent on Council business) and Lew Findlay QSM, Councillor Aleisha Rutherford (late arrival).

Councillor Aleisha Rutherford entered the meeting at 1.10pm during consideration of clause 2. She was not present for clause 1.

#### 1-21 Apologies

Moved Rachel Bowen, seconded Brent Barrett.

#### The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

Clause 1-21 above was carried 12 votes to 0, the voting being as follows:

#### For:

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

#### 2-21 Presentation - Square Edge Community Arts

Dr Karen Seccombe, Artistic Director and Mr Roger Buchanan, Board Chair, provided an update on activities and events being undertaken, funding received, the Artist in Residence scheme, and the work being done with CEDA on the Coastal Arts Trail Collaboration. Jane Humphrey (Business & Finance Manager) and Sybil Cope (CEDA) were also in attendance.

In May 2020 Square Edge Community Arts' newly redecorated Workshop Space opened. This is a space for the community to drop in, book in and join in a range of activities (eg. free workshop series being offered in 2021).

In July 2020 the 'Square Shop' opened, with the goal of presenting the work of local artists for sale, promoting their mahi, supporting them to be financially successful and sustaining their careers. In September 2020 Square Edge celebrated 40 years as an art centre with a gala exhibition and a weekend of free workshops, classes and performances. November 2020 saw the 4<sup>th</sup> Art Trail Manawatū take place, which involved an exhibition and opening event. All of these events and spaces have been designed to bring together artists, creatives and the public, offering connection and opportunities to participate and learn. The 2020 Art Trail Manawatū hosted 90 artists in 35 venues, with CNZ funding enabling the creation of permanent online support materials.

Square Edge are now also part of the Coastal Arts Trail – a new initiative being undertaken by CEDA and Whanganui And Partners. The Coastal Arts Trail will be a permanent art trail which is available across the year, which includes the Manawatū, Whanganui and Taranaki regions. The website currently under construction offers artists and arts organisations the opportunity to upload a profile and also provides links to regional arts events and yearly art trail weekends.

2020 saw Square Edge successful in achieving several grants, which has allowed it to improve its current offerings, undertake new initiatives and provide more user-friendly spaces. While financial accounts currently show a surplus, it was noted that all funding is allocated to specific projects.

The Artist in Residence scheme, a joint undertaking between Palmerston North City Council, Massey University and Square Edge, was instigated in 2004. Since the scheme began 50 residents have participated. With the Square Edge apartment accommodation recently identified as a fire hazard, requiring expensive repairs to come up to code, the current resident will be the last living onsite until such time as decisions are made on the earthquake strengthening of the building. Offsite accommodation has been arranged for the next artist in residence. This change to the Memorandum of Understanding has offered the three partners (PNCC, Massey University and Square Edge) an opportunity to look at what this scheme offers the local community.

Councillor Aleisha Rutherford entered the meeting at 1.10pm

Moved Rachel Bowen, seconded Lorna Johnson.

#### The **COMMITTEE RESOLVED**

1. That the presentation from Square Edge Community Arts be received for information.

Clause 2-21 above was carried 13 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Rachel Bowen, Brent Barrett, Renee Dingwall, Lorna Johnson, Karen Naylor, Bruno Petrenas, Susan Baty, Vaughan Dennison, Patrick Handcock



ONZM, Leonie Hapeta, Billy Meehan and Aleisha Rutherford.

### **3-21 Confirmation of Minutes**

Moved Rachel Bowen, seconded Brent Barrett.

#### **The COMMITTEE RESOLVED**

1. That the minutes of the Arts, Culture & Heritage Committee meeting of 11 November 2020 Part I Public be confirmed as a true and correct record.

Clause 3-21 above was carried 13 votes to 0, the voting being as follows:

#### **For:**

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

### **4-21 Te Manawa - Six Month Report 1 July - 31 December 2020**

Memorandum, presented by Andy Lowe, CEO, Te Manawa Museums Trust.

Moved Rachel Bowen, seconded Aleisha Rutherford.

#### **The COMMITTEE RESOLVED**

1. That the memorandum titled 'Te Manawa - Six Month Report 1 July - 31 December 2020' and attachments, presented to the Arts, Culture & Heritage Committee on 17 February 2021, be received for information.
2. That the attachment titled 'Te Manawa - Six Month Performance Report 1 July - 31 December 2020' be received.

Clause 4-21 above was carried 13 votes to 0, the voting being as follows:

#### **For:**

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

### **5-21 Progress Report: Plans for the City's 150th Celebrations**

Memorandum, presented by Tasha Paladin, Head of Events & Partnerships.

During discussion Elected Members requested that an update on the City's 150<sup>th</sup> Celebrations Programme be reported to the Arts, Culture & Heritage Committee in August 2021, and a review of the programme delivery, costs and outcomes be provided to the Committee in 2022.

Elected Members noted that the tohu, or logo for the 150<sup>th</sup> celebration was based on a concept Council requested from Warren Warbrick, and that the dates and final design were a Council adaptation of the concept created by Toi Warbrick.

Moved Rachel Bowen, seconded Leonie Hapeta.

The **COMMITTEE RESOLVED**

1. That the memorandum titled 'Progress Report: Plans for the City's 150th Celebrations', presented to the Arts, Culture & Heritage Committee on 17 February 2021, be received for information.
2. That the Chief Executive report to Arts, Culture & Heritage Committee in August 2021 with an update on the City's 150<sup>th</sup> Celebrations Programme, and to Arts, Culture & Heritage Committee in 2022 with a review of the programme delivery, costs and outcomes.
3. That the Committee notes that the tohu, or logo, for Palmerston North's 150<sup>th</sup> celebration is based on a concept Council requested initially from Warren Warbrick. The dates and final design were a Council adaption of the concept created by Toi Warbrick, a bicultural arts practice.

Clause 5-21 above was carried 13 votes to 0, the voting being as follows:

**For:**

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

**6-21**

**Committee Work Schedule**

During discussion Elected Members requested that future plans for celebration of Waitangi Day and Matariki public holidays in Papaioea / Palmerston North, and the future of the Artist in Residence scheme, be reported to the Committee.

Moved Brent Barrett, seconded Rachel Bowen.

The **COMMITTEE RESOLVED**

1. That the Arts, Culture & Heritage Committee receive its Work Schedule dated February 2021.
2. That the Chief Executive report to Arts, Culture & Heritage Committee on future plans for celebration of Waitangi Day and Matariki public holidays in Papaioea / Palmerston North.
3. That the Chief Executive report to Arts, Culture & Heritage Committee in 2022 on the future of the Artist in Residence scheme.

Clause 6-21 above was carried 13 votes to 0, the voting being as follows:

**For:**

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

The meeting finished at 2.16pm

Confirmed 14 April 2021

**Chairperson**





## MEMORANDUM

**TO:** Arts, Culture & Heritage Committee

**MEETING DATE:** 14 April 2021

**TITLE:** The Regent Theatre Trust - Six-Month Performance Report 1 July - 31 December 2020 and Draft Statement of Intent 2021-24

**PRESENTED BY:** Hannah White, Democracy & Governance Manager

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

---

### RECOMMENDATIONS TO COUNCIL

1. That the Six-Month Performance Report 1 July - 31 December 2020 (Attachment 1) submitted by the Regent Theatre Trust be received.
2. That the draft Statement of Intent 2021-24 (Attachment 2) submitted by the Regent Theatre Trust be received.
3. That the Regent Theatre Trust is advised of the recommended changes to the final Statement of Intent 2021–24 outlined in Table 3 of this memorandum titled 'The Regent Theatre Trust - Six-Month Performance Report 1 July - 31 December 2020 and Draft Statement of Intent 2021-24'.

---

### 1. ISSUE

- 1.1 The Regent Theatre Trust (the Regent) has delivered its six-month report 1 July - 31 December 2020 and draft Statement of Intent (SOI). This report includes analysis of both documents, which are appended to this memorandum.
- 1.2 Representatives of the Regent are in attendance to present.
- 1.3 Under the Local Government Act 2002 (LGA), when preparing the final SOI, a Council Controlled Organisation (CCO) must consider any comments made on the draft by the Council prior to delivering a final SOI by 30 June 2021. The purpose of this report is to provide an opportunity for the Committee to give feedback to the CCOs on their draft SOI.
- 1.4 During the drafting of this report, the Regent's General Manager resigned. The responsibility for preparing the necessary reports fell to the Board and to the new General Manager who have done their best to supply the required information and answer Officers' queries in a timely manner.

## 2. BACKGROUND

- 2.1 The Regent is a CCO, which was set up to independently manage and promote the Regent Theatre as the preferred local venue of choice for international, national and local performing arts experiences. A CCO is an organisation in which Council has the right to appoint at least fifty percent of the trustees and must work towards Council's objectives on its behalf. The Regent is managed by a Board of Trustees made up of committed volunteers.
- 2.2 The Council is required by the Local Government Act 2002 (LGA) to regularly undertake performance monitoring of its Council-Controlled Organisations (CCOs). Council is required to evaluate
- the contribution of each CCO to the Council's objectives for the CCO;
  - the desired results set out in the Statement of Intent (SOI); and
  - the overall aims and outcomes of the Council based on the six-month reports.
- 2.3 Six-month reports allow Council to track a CCO's progress against their Statement of Intent (SOI) and the Council's objectives for the CCO. This six-month report covers the first six months of the SOI 2020-2023 which was developed during the Covid-19 lockdown and approved by Council in June 2020. At the time of adoption, there was significant uncertainty in the events sector as to what effect the Covid-19 lockdown would have on the economy and whether there would be further restrictions.
- 2.4 In response to Covid-19, the Regent revised its usage targets for 2020/21, decreasing the Total Number of Main Auditorium Annual Hires from 200 to 158 days. The Total Attendance target was also revised from 102,550 to 88,600.

## 3. COUNCIL OBJECTIVES FOR THE REGENT THEATRE

- 3.1 The Regent was sent a Statement of Expectation (SOE) to assist them in preparing their draft SOI. In November 2020, Council resolved to retain the SOE 2020/21 for all cultural CCOs for the forthcoming year 2021/22, as Council has not changed its strategic objectives and the SOEs still provided relevant direction.
- 3.2 As outlined in the SOE, Council expects the Regent to focus on the delivery of four core functions:
- Be Palmerston North'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.

3.3 The Regent has incorporated most of these objectives into their key performance indicators which are grouped as:

- To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawatū region including recognising the role of local Tangata Whenua.
- To engage in effective collaboration with our stakeholders and clients, enabling the best customer experiences.
- To engage with diverse audiences via a marketing and promotion strategy that is continually developing and responding to regional demographics and artistic/cultural trends.

3.4 'Protect and futureproof this heritage building' is not specifically mentioned in the Regent's objectives but is emphasised in the mission statement of the Regent Theatre Trust's Deed which states 'The Regent on Broadway will be maintained and preserved as a valuable historic venue'. It is also mentioned under the Value of stewardship.

#### 4. PERFORMANCE FOR THE SIX MONTHS JULY TO DECEMBER 2020

4.1 The Regent operated under Alert Level 1 for most of the reporting period. It stayed open under Alert Level 2 for six weeks from 12 August to 20 September 2020 but with a limited audience size of 400 people (it can seat 1,400). Many performances and events booked during the Level 2 period were cancelled or postponed which affected the Regent's performance and finances.

4.2 Highlights from the Regent's six-month report (Attachment 1) include the following:

- In collaboration with Act 3 Productions, developed an innovative way to hold performances and events under Covid Level 2 restrictions which involved dividing the theatre into five individual zones (four zones for the audience and one zone for the performers/backstage crew). This allowed the Regent to be the only operating theatre in the country during this period.
- Hosted a wide range of diverse events over the period which included Sister Act (performed under Level 2 restrictions); The Cat and the Hat; Tina, Simply the Best (touring show) and numerous dance events, prize-givings and award ceremonies.

**Table 1 – The Regent: Six Month Performance Monitoring**

Six Month Performance Monitoring		2020/2021 as at 31/12/2020
<b>1. To be a venue for exciting community and performing arts experiences</b>		
Total number of main auditorium hires annually		102
Target		79
Total number of main auditorium national/international venue hirers annually		14
Target		15
Total number of events overall that held over all spaces in the theatre		188
Target		175
Secure the funding for the theatre's main auditorium sound system.		N/A
Target		\$20,000
Additional capital expenditure funding for other projects from the Friends of the Regent or other funding providers		N/A
Target		\$20,000
<b>2. To engage in effective collaboration with out stakeholders and clients, enabling the best customer experiences.</b>		
Total number of variety type shows such as tribute concerts and professional performers		8
Target		10
Total number of tertiary graduations ceremonies held		4
Target		6
Total number of local school concerts		4
Target		5
Total number of school prize-givings		9
Target		7
Total number of ethnically diverse concerts and productions (both community and professional)		4
Target		3
<b>3. To engage with diverse audiences via a marketing and promotion strategy that is continually developing and responding to regional demographics and artistic/cultural trends.</b>		
Total attendance to all events held, not less than 88,600		38,190

	On track
	Not on track but still achievable
	Unlikely to achieve

	Not yet measured
	Unlikely to achieve for reasons outside of CCO's control
	Annual Target achieved

- 4.3 Most performance measures (Table 1) are on target of being achieved. The attendance target was significantly affected by the social distancing restrictions under Level 2 and cancellation of over 20 acts/events during the period. The effect of the cancelled shows is highlighted in Table 2, which shows a significant decrease in usage and performance figures compared to the same period in the previous two years.
- 4.4 The Regent is confident the total attendance target will be achieved by the end of the reporting year. More touring shows (and the occasional international act) have started to perform and audience numbers are increasing.

Table 2 – The Regent: Performance Target Dashboard – 6 Months					
Measure		YTD 31 Dec 2018	YTD 31 Dec 2019	YTD 31 Dec 2020	3 Year Trend
Live nights – performances in the auditorium	Actual	94	96	61	↓
Patronage – Total attendance	Actual	58,361	60,040	38,190	↓
Summary of events - Total use of the theatre	Actual	212	223	102	↓

**Table 3: Financial Information for Six Month Report**

	July 2020 - December 2020			July 2019 - December 2019	
Summary Financials (\$'000)	Actual	Budget	Var.	Actual	Var. (when compared to the same period 12 months ago)
<b>Financial Performance</b>					
PNCC Grant	119,143	119,143		117,993	1,150
Total Revenue	300,122	392,784	(92,662)	460,346	(160,224)
Total Expenses	435,212	469,231	34,019	467,454	32,242
Net Surplus (Deficit)	(135,090)	(76,447)		7,159	
<b>Financial Position</b>					
Current Assets	345,743			796,916	(451,174)
Total Assets	802,994			1,028,104	(225,110)
Current Liabilities	245,573			162,560	83,013
Total Liabilities	245,573			162,560	83,013
Equity	557,421			865,544	(308,123)

- The Trust reported a deficit of \$135k which is \$58k worse than what had been forecasted, mainly due to the loss of hireage revenue.
- The Trust's current assets is about one and a half times more than its current liabilities which indicates the Trust's ability to satisfy its current obligations.
- The Trust's current assets (mainly cash) has reduced by \$451k when compared to the same period 12 months ago. This was caused by an asset purchase and the deficit incurred during the period.
- The Trust did not provide cashflow data for the six months 1 July - 31 December 2020.

## 5. DRAFT STATEMENT OF INTENT 2021-2024

5.1 The Regent Theatre Trust Board has presented a draft SOI that aligns with Council's strategic direction and addresses the Statement of Expectation, as outlined in Table 3 below. The Board responded to COVID-19 by revising its usage targets for 2020/21. In last year's SOI it adjusted the following targets:

- Total number of days the auditorium is used to decrease from 200 to 158
- Total number of national/international venue hirers (actual live performances) decreased from 43 to 30
- Total attendances to all events per year decreased from 102,550 to 88,600

**Table 4: Comparison of Regent SOI with Council's Statement of Expectation**

Statement of Expectation	Regent Draft SOI	Comments + Recommendations for Final SOI
Contribute towards specific actions in the Arts Plan and Culture and Heritage Plan and align activities to Council's overall vision, goals and strategies.	The Board demonstrates a clear link between its strategic objectives and Council's strategic direction.	N/A
Council has reviewed the purpose statement in the Regent Theatre Trust's constitution and believes the constitution needs to be updated.	No changes made to Trust's constitution.	The Trust Deed requires both parties to agree to the change.  Council officers to work with the Trust Board to review changing the Trust Deed.
Develop 4-6 high-quality performance measures with officers.	Not mentioned.	In progress. Discussion of new performance measures with Council staff was delayed due to COVID-19.



Statement of Expectation	Regent Draft SOI	Comments + Recommendations for Final SOI
Outline approach to good governance practices, financial sustainability and environmental sustainability.	Good governance and environmental sustainability are mentioned in 'How we operate' sections.  Financial sustainability practices are mentioned in 'Working together' (page 12).	N/A
Produce a business plan and 10-year plan.	Business plan completed in 2020	Completed.
Actively explore and report on commercial models.	Included as an activity under strategic objective 2.	N/A
Actively explore collaboration on a one-stop front of house booking operation.	Not mentioned.	Discussions planned with Council staff in 2020 did not eventuate due to Covid-19 causing focus elsewhere.  Further discussions with Council staff and CCOs to occur at quarterly meeting.
Actively explore bringing ticketing functions under one umbrella for city venues.	Not mentioned.	Was explored in 2020 but was unable to proceed due to CCOs having contractual arrangements with different ticketing agents.  Further discussions with Council staff and CCOs to occur at quarterly meeting.
Identify your regionally/nationally significant events based on current delivery and explore a stretch target.	Included in performance measures.	N/A
Work with Council and other agencies to develop Economic Impact reporting for regionally/nationally significant events.	Not mentioned.	Discussions planned with Council staff in 2020 did not eventuate due to Covid-19 causing focus elsewhere.  Further discussions with Council staff and CCOs to occur at quarterly meeting.
Address employee cost liabilities in its Statement of Position to ensure that liability reduces over the next	Employee cost liability is forecasted at \$36,110 per year.	Suggest the Regent review its employee leave procedures to reduce this

Statement of Expectation	Regent Draft SOI	Comments + Recommendations for Final SOI
three years.		figure over the three years.
Financials: Summarised in Table 5.		Council officers are concerned about the Regent not being able to pay its current liabilities. The Regent has not asked for any additional support.

**Table 5: Regent SOI Summary Financials**

	Forecast	SOI		
Summary Financials (\$000)	20/21	21/22	22/23	23/24
<b>Financial Performance</b>				
PNCC Grant	238,286	240,669	240,669	240,669
Total revenue	803,801	939,840	989,019	980,769
Total Expenses	922,917	888,658	1,090,651	1,096,061
Net Surplus (Deficit)	(119,116)	51,182	(101,632)	(115,292)
<b>Financial Position</b>				
Current Assets	274,787	326,058	360,541	390,655
Total Assets	985,952	1,033,980	936,922	821,836
Current Liabilities	147,127	143,971	148,546	148,753
Total Liabilities	147,127	143,971	148,546	148,753
Equity	838,825	890,009	788,376	673,083
<b>Cash Flows</b>				
Total Net Cash Flows	88,899	51,125	34,333	30,114
Opening Cash	171,154	260,053	311,178	345,511
Closing Cash	260,053	311,178	345,511	375,625
<b>Financial Indicators</b>				
Current Ratio	1.87	2.26	2.43	2.63
Working Capital	127,660	182,087	211,995	241,902

- The Trust is anticipating a net deficit in the 2023 and 2024 financial year mainly due to the increased operations cost and employee related costs.

- Excluding depreciation, the Trust Board is forecasted to make an operating profit for the next 3 years.
- The Trust Board has forecasted a strong financial position in the next three years as illustrated by the strong cash holding.
- The Trust Board has forecasted net cash inflow for the next 3 years.



## 6. NEXT STEPS

- 6.1 Any Committee comments on the draft SOI agreed by Council will be communicated in writing to the Regent.
- 6.2 The Regent will deliver their final SOI to council officers by 30 June 2021 which will be presented to the Arts, Culture and Heritage Committee on 18 August 2021.

## 7. 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: to support CCOs to achieve the objectives of the arts plan.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Providing comments on the Draft Statements of Intent is a mechanism for Council to provide guidance and direction to the cultural CCOs.

### **ATTACHMENTS**

1. The Regent Theatre\_ Six Month Performance Report 1 July-31 December 2020 [↓](#) 
2. The Regent Theatre\_ Draft Statement of Intent 2021-24 [↓](#) 

ITEM 7



**Regent Theatre Trust Board**

**REPORT FOR THE HALF YEAR  
ended 31 December 2020**

## Directory

Executive Summary	2
Working with our Friends	3
Co-operation with Community Events	3
Patronage and Theatre Usage	3
Financial Position	6
Future Resourcing	7
Looking Forward	7
Performance Outcomes	7
Financial Performance	9



## Executive Summary

A challenging half year period strongly impacted by COVID-19 which impacted on every touring show in some form, both those from within New Zealand and from overseas. Although our theatre could host up to 400 people by instituting zones, even local events were also uncertain both through the unknown future and through individual organisations moral as well as legislative positions within this environment.

The performances and events that did proceed were warmly embraced as the people of Palmerston North are really wanting to come together as a community and to have moments of normality, which were all to few and fragile during this time. There were always concerns around safety and cleanliness and gathering at anything above a COVID Level 1 status. The Regent working in partnership with Act 3 Productions were very innovative in developing a way to proceed in offering performances and events under COVID Level 2 status (signed off by the Prime Minister's office). This allowed us to be one of the only operating theatres in the country – maybe even the world – during this period of time. While this was not cost effective enough for some companies, it meant since that time others have been able to and we have been able to offer some level of reassurance to our hirers and partners.

Highlights for this period were:

- Being able to operate under Level 2, with Sister Act by Act 3 Productions.
- The Cat in the Hat, was enthusiastically welcomed by the young of the city
- All the diversity of dance events held over this period, as the pent up energy and passion built during various levels of restrictions were unleashed across our stage
- Tina, Simply the Best – simply wonderful to see a touring show back in the venue!
- 7 Day – always fun and always pulls in a crowd
- All the prize givings and awards shows the year finished with. It was wonderful to see that people had achieved things during a stressful year and wonderful to watch the joy and sense of accomplishment that celebrating them brought.

The theatre was being well utilised with a good balance of shows and events, when it was able to be operational during this six-month period, with a high percentage on community usage as would be expected under these conditions.

## Working with our Friends

Contributions made by the Friends of the Regent over many years has provided allowed the theatre to refresh and upgrade it's equipment – improving our patrons experiences in the venue. Along with the City Council they contributed significantly to the upgraded sound system installed during 2020.

We are indebted to the Friends of the Regent for their valuable support, not just financially, but for their time and enthusiasm. The Friends are an integral part of day-to-day theatre operations, providing warm welcoming ushering and front of house services. We are working together with the Friends to look at how we can further improve guests experiences within the venue.

## Co-operation with Community Events

The Board's commitment to ensure that the theatre remains accessible to our community hirers continues. This is achieved primarily through the theatre's supportive community pricing rates, which is assisted by our Council funding. Community use has been especially important during this period given the COVID restrictions on travel.

The innovative partnership between the Regent and Act 3 Productions saw the approval to work the venue as five individual zones, allowing the Act 3 production of Sister Act and some other events to continue under COVID Level 2 conditions. The Regent on Broadway Management and Trust Board sees this support as a key investment in the development and the future of the performing arts in our city.

## Patronage and Theatre Usage

**Summary of Patronage** (monitors number of people coming to the Theatre):

Half year to 31 December 2020	38,190
Last half year ending 31 December 2019	60,040
Half year ending 31 December 2018	58,361
Half year ending 31 December 2017	53,999
Half year ending 31 December 2016	59,670
Half year ending 31 December 2015	54,919

**Summary of live nights** (monitors use of the auditorium):

Half year to 31 December 2020	61
Last half year ending 31 December 2019	96
Half year ending 31 December 2018	94
Half year ending 31 December 2017	89
Half year ending 31 December 2016	120
Half year ending 31 December 2015	104

**Summary of events** (monitors total use of the theatre):

Half year to 31 December 2020	102
Last half year ending 31 December 2019	223
Half year ending 31 December 2018	212
Half year ending 31 December 2017	195
Half year ending 31 December 2016	219
Half year ending 31 December 2015	223

A brief glance at the list below indicates that there was a diverse range of product for Palmerston North and Manawatu residents to participate in and enjoy...

**JULY**

Cat In The Hat – Showcase Entertainment Group  
Sister Act pack-in – Act 3

**AUGUST**

Sister Act pack-in – Act 3

**SEPTEMBER**

Sister Act pack-in – Act 3  
DanceNZMade 2020 – Dean McKerras  
Dance Production – Dean McKerras  
Dance Competitions - Palmerston North Dance Association (PNDA)

**OCTOBER**

Dance Competitions - Palmerston North Dance Association (PNDA)  
The Show Must Go On – The Touring Company Ltd  
Dance Production – Danceworks  
Church Service – Arise Church  
Home Made Movie Showing – Hokowhitu School  
School Concert – Manukura School  
School Prize Giving – Manukura School  
Tina, Simply the Best – Showtime Australia Pty Ltd

**NOVEMBER**

Dance Showcase - Dean McKerras School Dance  
Honours Awards 2020 – Awatapu College  
Awards Ceremony - Ko Whiri Tika Mai  
Papaioea Festival Launch  
7 Days – The Downlow Concept  
Body Building Competitions – NZIFBB  
National Young Leaders Day – Kids for Kids Charitable Trust  
Te Moana Glowshow  
Graduation – Massey University  
The Dudes – Brent Eccles Entertainment  
Sleeping Beauty – The Royal New Zealand Ballet  
ABBAstutely – Showtime Australia  
Hits From The Brits – Simon Kemp-Roberts



## DECEMBER

Annual School Assembly – Winchester School

Prize Giving – St Mary's School

Christmas Showcase – Belly dancing

Prize Giving – Palmerston North Intermediate Normal School

Prize Giving – Ross Intermediate School

School Production – Whakarongo School

Prize Giving – St Peters College

Dance Production 2020 – DanceWorks

ITO Graduation – Palmerston North City Council

**Auditorium Occupancy Statistics - by total days**

Based upon 344 operational days per year (Approximately 57 dark days for annual leave, and the traditional seasonal dark days)

**2020 – 2021 Year Statistics****Half year totals – THIS REPORTING YEAR (From July to Dec 2020)**

Total days the Auditorium was used: 103      Total days the Auditorium was available: 173

Professional events	15	8.7%	0.61	Events/week	2.50	Events/month
Community events	89	51.4%	3.60	Events/week	14.83	Events/month
Remaining days the Auditorium is available	70				17.33	Total events per month

**Full year totals – THIS REPORTING YEAR (From Jan to June 2021) - PROJECTED**

Total days the Auditorium was used: 81      Total days the Auditorium was available: 171

Professional events	39	22.8%	1.59	Events/week	6.50	Events/month
Community events	42	24.6%	1.71	Events/week	7.00	Events/month
Remaining days the Auditorium is available	90				13.50	Total events per month

**2019 - 2020 Year Statistics****Half Year totals - THIS REPORTING YEAR. (From July to Dec 2019)**

Total days auditorium is used 94      Total days auditorium is available 154

Professional events	14	14.9%	Professional events	14	9.1%	0.59	Events per week	2.58	Events per month
Community events	82	87.2%	Community events	82	53.2%	3.48	Events per week	15.13	Events per month
Remaining days the Auditorium is available		58	37.7%					17.71	Total Events per month

**Full Year totals - THIS REPORTING YEAR (From Jan to June 2020)**

Total days auditorium is used 153      Total days auditorium is available 308

Professional events	0	0.0%	Professional events	0	0.0%	0.00	Events per week	0.00	Events per month
Community events	0	0.0%	Community events	0	0.0%	0.00	Events per week	0.00	Events per month
Remaining days the Auditorium is available		308	100.0%					0.00	Total Events per month

<u>2018 - 2019 Year Statistics</u>									
Half Year totals									
Total days auditorium is used			89	Total days auditorium is available			154		
Professional events	19	21.3%	Professional events	19	12.3%	0.81	Events per week	3.51	Events per month
Community events	75	84.3%	Community events	75	48.7%	3.18	Events per week	13.84	Events per month
Remaining days the Auditorium is available				60	39.0%			17.34	Total Events per month
Full Year totals									
Total days auditorium is used			158	Total days auditorium is available			308		
Professional events	37	23.4%	Professional events	37	12.0%	0.78	Events per week	3.41	Events per month
Community events	116	73.4%	Community events	116	37.7%	2.46	Events per week	10.69	Events per month
Remaining days the Auditorium is available				155	50.3%			14.10	Total Events per month

## Financial Position

The financial performance for this half year period has been put under pressure with the postponement or cancellation of so many bookings. The Regent received the Government Wage subsidy, to assist during lockdown, however the conclusion of lockdown did not see the resumption of business at pre-COVID levels. Quite the opposite, as companies were unable to tour through boarder closures or trouble pinning down bookings for places in MIQ. Many were also concerned about the financial impact should COVID levels change once they were on tour.

This has put the Regent in a tight financial position, as product needs to come into the building to bring in revenue to cover our costs. The impact has been a deficit to the end of the calendar year, meaning there is no cushion to cover expenses during the normal periods of least income, being the months of January through to early March. Average monthly expenses to cover basic operational costs over the year are approximately \$35,000 per month and still continue during these low income months which necessitates this financial buffer. The reduced income for January and February is largely due to the traditional festive and holiday season shut down period. There is also a reduction in ticket sales during those months which we believe is largely due to the impact the festive season has on the discretionary household budget, this also being a key reason for the low numbers of shows and event booked at the theatre during this time.

The budget forecast for year end is a significant deficit for theatre operations of \$89,221 before depreciation.

The following table summarises our financial position for this half year period:

	<b>2020-21 Half year Budget</b>	<b>2020-21 Half year Actual</b>	<b>2020-19 Half year Actual</b>
Income from hire and cost recoveries	273,641	180,979	342,353
Expenses	399,731	365,712	427,454
Surplus (Deficit) before Council grant	(126,090)	(184,733)	(85,101)
Operating Grant from Council	119,143	119,143	117,993
<b>Surplus/(deficit) after Council Grant</b>	<b>(6,946)</b>	<b>(65,590)</b>	<b>\$32,892</b>

The above summary is exclusive of depreciation. Depreciation for this half year period is budgeted at \$69,500

## Future Resourcing

The vision by the Trust to maintain the theatre as state-of-the-art as well as its magnificence as a world class heritage theatre and building continues. A stage 2 of the audio system upgrade is planned in 2020/21 to replace the theatre's aging audio mixing equipment, cost \$43,600.00. A stage 3 is planned in 2022/23 for the upgrade of the back of stage audio monitoring and fold back systems, budgeted cost \$50,000.00.

The Foyer carpet was planned for replacement to be undertaken 2020/21, budget cost \$80,000.00. However, a thorough clean of the carpet has found it to be in better condition than expected, and the replacement has been delayed.

The Fly System is the next theatre facility requiring large investment of ~\$100,000. After research has been found that this can safely be done over the next three years, with a budget of \$35,000 each year from 2020-21 financial year through to 2022-23. Funding applications will be done to assist in funding this refurbishment project.

## Looking Forward

Forward bookings for the remainder of this reporting year are starting to pick up with a range of local and touring content. However, shifts in the COVID alert levels continue to create uncertainty in promoters, community groups and ticket buyers alike. The Regent Theatre Trust Board and Management continue to invest in future shows through Regent on Broadway Promotions. Alongside this we are working with New Zealand and Australian promoters and theatre companies - who are more likely to be able to provide product than the international organisations at this time – to promote confidence that we are able to deliver at COVID levels one and two.

## Performance Outcomes

The outcome that the Regent Theatre Trust Board is seeking to achieve:

To develop, promote, enhance and maintain the Regent on Broadway as an active civic amenity for use by the community, community groups and as a world-class 1400 seat heritage auditorium as a venue for live performances, community events, graduations and the performing arts, attracting international, national and local performances.

### Performance against strategic priorities for the 2020-21 half year

Summary of Key Performance Outcomes for 2020/21 Half Yearly reporting.

	Key objective for 2020/21	Outcome for this half year reporting period
1. To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawatū region including recognising the role of local Tangata Whenua.	<p>Total number of main auditorium hires annually (days the auditorium is used), to be not less than 158.</p> <p>Total number of main auditorium national/international venue hirers (actual live performances), to be not less than 30.</p>	<p>Total auditorium hires in this half year were 102 days.</p> <p>National/international venue hirers used the auditorium in this half year for 14 days.</p>

	<p>Total number of events overall that are held over all spaces in the theatre 350.</p> <p>Secure the funding for the theatre's main auditorium sound system and to progressively improve and add to the system over the next 3 years. Funding to be sourced is \$40,000.</p> <p>Additional capital expenditure funding for other projects from the Friends of the Regent or other funding providers is \$40,000.</p>	<p>Total number of events held over all spaces in the theatre in this half years was 188.</p> <p>This will advised during the next report at the end of the financial year.</p> <p>This will advised during the next report at the end of the financial year.</p>
2. To engage in effective collaboration with our stakeholders and clients, enabling the best customer experience.	<p>Total number of variety type shows such as tribute concerts and professional performers from the commercial sector, not less than 20.</p> <p>Total number of tertiary graduation ceremonies held, not less than 11.</p> <p>Total number of local school concerts held, not less than 10.</p> <p>Total number of school prize-giving held, not less than 14.</p> <p>Total number of ethnically diverse concerts and productions, both community and professionally produced, not less than 6.</p>	<p>This half year period contained 8 variety type shows.</p> <p>4 tertiary graduation ceremonies held in this half year, slightly behind target, but a number of Graduation Ceremonies were delay until the new year.</p> <p>Due to COVID some schools cancelled or postponed their productions. Only 4 school productions were hosted.</p> <p>COVID also impacted prize-givings, with only 9 held in this half year.</p> <p>4 ethnically diverse events were held during this half year.</p>
3. To engage with diverse audiences via a marketing and promotion strategy that is continually developing and responding to regional demographics and artistic/cultural trends.	Total attendances to all events held, not less than 88,600	Due to the number of events cancelled or postponed in response to CIVOD, the total attendances for this this half year period is behind target at 38, 190.

## Financial Performance Against Forecast Budget for 2020-21 Financial Year

Report for half year performance to 31 Dec 2020	Forecast Budget for year ending June 2021	Forecast Budget for half year to Dec 2020	Actual Outcome for half year to Dec 2020	Actual Outcome for half year to Dec 2019
<b>Income: Theatre Operations</b>				
Commissions (merch)	1,398	1,636	559	1,472
Advertising recoveries	5,115	6,545	2,586	5,039
Interest	4,848	1,450	2,636	4,511
Other room hire	6,773	6,545	4,173	8,038
Other recoveries and hireage	150,489	133,647	88,329	131,339
Theatre hireage	115,660	81,818	67,560	122,333
Ticketing Centre	35,528	42,000	15,136	69,621
PNCC operating grant	238,286	119,143	119,143	117,993
<b>TOTAL INCOME</b>	<b>558,097</b>	<b>392,784</b>	<b>300,122</b>	<b>460,346</b>
<b>Expenditure: Theatre Operations</b>				
Audit	26,846	24,320	26,846	12,160
Accounting	11,418	8,115	8,898	6,673
Insurance	12,000	0	0	0
General operating costs	88,615	47,955	46,723	42,625
Recoverables	91,555	61,091	58,325	95,106
Marketing	20,235	22,500	11,641	35,134
Office expenses	3,070	3,600	2,378	2,555
Personnel costs incl Front of House casuals	334,221	196,500	178,957	185,373
<b>Ticket Centre</b>				
Operating costs	4,398	5,400	3,934	9,857
Marketing	2,650	1,750	1,250	2,242
Personnel (wages)	52,310	28,500	26,760	31,787
Retail/Admin premises lease and rates	0	0	0	0
<b>Audience Development</b>				
Personnel	0	0	0	0
Promotion / Marketing	0	0	0	2,333
Website Upgrade – stage 2	0	0	0	1,610
Showroom premises, lease and rates	0	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>647,318</b>	<b>399,731</b>	<b>365,712</b>	<b>427,454</b>
<b>Operations Surplus (Deficit)</b>	<b>-89,221</b>	<b>-6,946</b>	<b>-65,590</b>	<b>32,892</b>
Depreciation (principally donated assets)	139,000	69,500	69,500	40,000
<b>Surplus (Deficit) after Depreciation for Theatre Operations</b>	<b>-228,221</b>	<b>-76,446</b>	<b>-135,090</b>	<b>-7,108</b>
<b>Other Income/Expense</b> (Not included in annual budget)	0	0	0	0
Donations: Friends of the Regent (Donated Assets)	0	0	0	3,588
Regent on Broadway Promotions	0	0	0	10,679
<b>TOTAL Surplus (Deficit) Regent Theatre Trust</b>	<b>-228,221</b>	<b>-76,446</b>	<b>-135,090</b>	<b>7,159</b>

## Financial Position for the Half Year to 31 December 2020

	Financial position to December 2020	Financial position to December 2019 (last year)
<b>ASSETS</b>		
Current Assets		
Chequing/Savings		
Total Chequing/Savings	299,986.91	729,299.12
Accounts Receivable		
Accounts Receivable	29,187.34	51,048.77
Total Accounts Receivable	29,187.34	51,048.77
Other Current Assets		
Seeding funding for PNOS	0.00	0.00
Accrued Revenue	6,712.00	6,712.00
Accounts Receivable - Other	66.10	66.10
Accrued Interest	2610.13	2,610.13
Prepayments	7,180.15	7,180.15
Total Other Current Assets	16,568.38	16,568.38
Total Current Assets	345,742.63	796,916.27
Fixed Assets		
Sound System 2020	331,449.93	0.00
51 Broadway	154,747.59	154,747.59
Accumulated Depreciation	-1,747,513.14	-1,638,013.08
Assets at cost	972,824.90	972,824.90
CentrePort Bar Ventilation	1,443.23	1,443.23
Other	3,923.00	3,923.00
Purchase of Assets		
Friends purchases	244,877.08	244,080.61
Purchase of Assets - Other	325,216.00	321,898.81
Total Purchase of Assets	570,093.08	565,979.42
Regency Rm Tech Upgrade	1,609.19	1,609.19
Retail Development		
Data Installation	5,774.43	5,774.43
Electrical	2,085.23	2,085.23
Security	56.97	56.97
Retail Development - Other	94,458.98	94,458.98
Total Retail Development	102,375.61	102,375.61
Sale of Fixed Assets	-6,896.40	-6,896.40
Stage Sound upgrade	1,150.31	1,150.31
Understairs storage	2,125.57	2,125.57
Fixed Assets - Other	69,918.86	69,918.86
Total Fixed Assets	457,251.73	231,188.20
<b>TOTAL ASSETS</b>	<b>802,994.36</b>	<b>1,028,104.47</b>

	Financial position to December 2020	Financial position to December 2019 (last year)
<b>LIABILITY AND EQUITY</b>		
Current Liabilities		
Accounts payable	22,511.84	30,059.02
Total Accounts Payable	22,511.84	30,059.02
Other Current Liabilities		
COVID-19 Wage Subsidy	101,368.80	0.00
Audit and Accounting Accrual	16,829.00	16,829.00
GST Tax Payable	847.89	10,275.56
Holiday Pay Accrual	42,972.08	42,972.08
Income in Advance	26,928.20	23,199.57
PAYE Payable	9,642.17	15,679.59
Ticketek funds	1,001.85	74.00
Wages Payable	23,471.38	23,471.38
Total Other Current Liabilities	223,061.37	132,501.18
Total Current Liabilities	245,573.21	162,560.20
<b>TOTAL LIABILITIES</b>	<b>245,573.21</b>	<b>162,560.20</b>
<b>NET ASSETS</b>	<b>557,421.15</b>	<b>865,544.27</b>
<b>EQUITY</b>		
Maintenance Reserve	150,000.00	150,000.00
Piano Fund Equity	46,623.89	46,623.89
Regent on Broadway Promotions	91,405.00	91,405.00
Retained Earnings	429,427.09	301,848.52
Net Income	-160,034.83	275,666.86
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>802,994.36</b>	<b>1,028,104.47</b>





---

# STATEMENT OF INTENT

---

DRAFT

2021 - 2024

THE REGENT THEATRE TRUST

## CONTENTS

## Page

Directory	2
Chairpersons Introduction	3
Purpose of the Statement of Intent	3

### About the Regent Theatre Trust

Vision statement	3
Mission statement	3
Values	4
Governance	4

### Strategic Objectives

City vision statement	5
Strategic objectives	5
Activities	6 – 7
Performance measures	8
How we operate	9
Working together	10

### Financial Performance

Statement of Financial Performance	11
Statement of Forecast Cash Flow	12
Statement of Financial Position	13
Statement of Accounting Policies	14 – 16

## 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:

[Kathiy@regent.co.nz](mailto:Kathiy@regent.co.nz)  
[www.regent.co.nz](http://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

Kathiy Watson

Trust Board

David Lea (Chairperson)  
Mark Mabbett (Deputy Chairperson)  
Susan McConachy  
Tania Kopytko

Phil Payton  
Natalie Rowney  
Kane Parsons

### 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 Introduction

Since reopening in May 1998, the Regent on Broadway has established itself as one of the most active, prestigious, provincial venues for hire for live theatre in New Zealand. The focus of this Statement of Intent will be to consolidate and enhance this position. The plan for the three years ending June 2024 is to build on this success and, where possible, endeavour to increase the use of the venue to help make the city's vision a reality.

The Regent on Broadway is by New Zealand and international standards, a large, splendid, historic, traditional proscenium arch theatre which provides grandeur and performance possibilities for large audiences and a professionally high level of staging and technical capability. We provide the city with the jewel in the crown within performing arts facilities.

The financial implications of Covid-19 will not be fully realised in the immediate future, however, we remain committed to the financial sustainability and aspirations of this SOI

### Purpose of this Statement of Intent

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 2024, 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.

## About the Regent Theatre Trust

### Vision statement:

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

### 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.

## 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 seven) 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 to the Regent Theatre Trust Board for the day-to-day operations of the Regent on Broadway.



## City vision statement

Palmerston North is the heart of the Manawatū 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 contributing to the City vision of 'Small city benefits, big city ambition', particularly Goal 2: A creative and exciting city. Within Goal 2, Council's Arts Plan supports Priority 3: to develop the city into an arts powerhouse with a national reputation for creativity and the arts and Priority 4: to develop a national and international reputation as an exciting city with plenty to do at night and on weekends.

The Regent on Broadway also contributes to Council's Culture and Heritage Plan which supports Priority 2: the city's history and diversity, and builds on the strength of being a city of many cultures and languages.

The activities of the Regent help to build Palmerston North's national and international reputation as a creative and exciting place to live, work, study and play. 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 sustainable practice within our local performing arts; the development of connected and safe communities so that all sections of our community may enjoy the wonder of theatre and performance; environmental sustainability; and securing the future of the venue.

## Strategic objectives

The Theatre's three strategic objectives have been developed to enable the Regent on Broadway to achieve its vision.

**Objective 1.** To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawatū region including recognising the role of local Tangata Whenua and heritage status of the building.

**Objective 2.** To engage in effective collaboration with our stakeholders and clients, enabling the best customer experience.

**Objective 3.** To engage with diverse audiences via a marketing and promotion strategy that is continually developing and responding to regional demographics and artistic/cultural trends.



## Activities

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.

In order to achieve its Strategic Objectives, the Board will undertake a range of activities during the next three years.

**Objective 1.** To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawātū region including recognising the role of local Tangata Whenua and the Heritage status of the building.

The Regent on Broadway will support this objective by:

- Programming regional, national and international performance. (Please Note: Due to Covid-19 worldwide Pandemic International programming is difficult but it remains a major Goal for the R.O.B)
- Enabling people to come together for performing arts events and community celebrations – such as commercial and community shows, graduations, arts, cultural and educational events.
- Enabling diverse communities to come together to celebrate.
- Encouraging local primary, intermediate and secondary schools, dance schools, music 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.
- Providing a well-resourced and well-equipped amenity so as to attract a wide range of performances and events to the city.
- Providing a specialised performance venue, professional technical advice and support, and marketing support.

**Objective 2.** To engage in effective collaboration with our stakeholders and clients, enabling the best customer experience.

The Regent on Broadway will support this objective by:

- Actively contributing to the arts CCO Managers steering group.
- Consolidating and nurturing relationships with national and international promoters and 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.
- Ensuring continued communication with diverse audiences
- Establishing and nurturing 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.
- Review the customer service survey platform and act on findings.

**Objective 3.** To engage with diverse audiences via a marketing and promotion strategy that is continually developing and responding to regional demographics and artistic/cultural trends.



The Regent on Broadway will support this objective by:

- Supporting events by establishing professional marketing strategies, resources, tools and e platforms – such as Facebook, Instagram and a well-appointed web site.
- Developing and aligning promotional and marketing strategies to the vision, goals and principles of PNCC, *especially Goal 2: A creative and exciting city.*
- Identifying key client audiences, and prioritising and scheduling targeted material and effective communication. This includes:
  - Advertising, e-newsletters and Facebook
  - Developing a calendar of media opportunity and identifying key staff and Board Members as media spokespeople.
  - Obtaining or providing e-media and promotional training and policies and guidelines as required.
  - Updating media release contacts and templates as required
  - Updating process for media enquiries as required.
- Updating the website and investigating ways to ensure that it stimulates interest
- Undertaking relevant statistical and audience demographic data analysis to determine future trends and target audiences.

Covid-19 interrupted our ability to develop quantitative KPIs and continues to hinder this process. It is envisaged these will be realised, if normal operational conditions allow this.





## Performance measures

Objective	Performance Measure	Actual 2019/20	Projected 2020/21	Target		
				2021/22	2022/23	2023/24
1. To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawātū region including recognising the role of local Tangata Whenua and the Heritage status of the building.	Total number of main auditorium hires annually (days the auditorium is used), to be not less than.	106	140	180	200	210
	Total number of main auditorium national/international venue hirers (actual live performances), to be not less than.	17	25	35	40	55
	Total number of events overall that are held over all spaces in the theatre.	296	310	350	400	410
	Funding secured for the theatre's main auditorium sound system and to progressively improve and add to the system over the next 3 years.	\$513,000	\$90-\$1100K	\$60 - \$70K	\$50,000	\$50,000
	Additional capital expenditure funding for other projects from the Friends of the Regent or other funding sources	\$40,000	\$70,000	\$80,000	\$80,000	\$75,000
	Outsource a research project for the Regent, pre-European to present day.		Costs to be investigated			
	Further develop tours offered by the Regent: Mini – Families Midi: Older less mobile Maxi: Fit and able (these were the options given to the public about what level of Upgrade and Restoration would be undertaken)		1 Mini	2 Mini and 1 Midi	3 Mini, 2 Midi, 1 Maxi	3 Mini 2 Midi 1 Maxi

2. To engage in effective collaboration with our stakeholders and clients, enabling the best customer experience.	Total number of variety type shows such as tribute concerts and professional performers from the commercial sector, not less than.	12	20	22	25	27
	Total number of tertiary graduation ceremonies held, not less than.	4	7	10	11	12
	Total number of local school concerts held, not less than	8	8	10	11	11
	Total number of school prize-giving held, not less than.	13	14	14	16	16
	Total number of ethnically diverse concerts and productions, both community and professionally produced, not less than.	3	4	8	6	8
	Investigate a simple customer experience device while further investigation is done into a more robust survey for audience and hirers. Signage to reflect Bi-Cultural nature of New Zealand. External Lighting CCTV Upgrade		Cost to be Investigated  \$10k \$3,500	Cost to be investigated \$5-12k \$20k		
3. To engage with diverse audiences via a marketing and promotion strategy that is continually developing and responding to regional demographics and artistic/cultural trends.	Total attendances to all events held, not less than Due to Covid-19 the number of International/Commercial touring performances has greatly been reduced - however the Theatre is starting to receive enquiries and pencil bookings - but is very dependent upon remaining at Level 1. Particular attention will be given to attracting new promoters/touring productions eg: Ballet Collective Aotearoa	65,300	75,500	80,000	90,000	100,000
	Develop a website that will accommodate theatre operations Investigate with a view to purchasing electronic billboards		\$2-\$5k		\$40-\$60K	

## How we operate

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. The Trust ensures key policies and documentation are reviewed in accordance with the Trust's annual schedule, including:

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

The review of personnel resourcing is being undertaken so as to ensure the Regent on Broadway is meeting the needs of new marketing initiatives and progressive methodology in theatre operations. The Trust is working towards sustainable environmental practice such as recycling, replacing disposable with reusable and energy reduction.

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.
- New Zealand Certificate in Entertainment and Event Operations.
- Marketing with a specific focus to supporting social media requirements.
- Health and Safety in all areas of theatre operations.

The Regent Trust Board undertakes a review and implementation of a 3 yearly Strategic Plan

## Recognising volunteer input and support

The Trust recognises its volunteers by:

- Liaising with the Friends of the Regent and encouraging the Friends in their activities of theatre assistance, event hosting, ushering and fund-raising. The Trust works to support and nurture the input by the Friends and all volunteers and to recognise the value of the contribution to venue operational requirements.
- Maintaining the excellent communications and the goodwill that has been established between the Friends' 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 that observe clear financial objectives and to prepare 3 year income and expenditure forecasts 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.
- Unaudited half-yearly financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity and statement of cash flows.

## 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 cash flows, 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.

### SIGNATURES

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

Date:

Signed:

David Lea  
Chairman  
The Regent Theatre Trust





	Actual 2020	Forecast 2021	Indicative 2022	Indicative 2023	Indicative 2024
Inflation adjustment			1%	0%	0%
<b>Income</b>					
Council Funding					
PNCC Grant	235,986	238,286	240,669	240,669	240,669
PNCC additional operating grant	-	-	-	-	-
<b>Total Council Funding</b>	<b>235,986</b>	<b>238,286</b>	<b>240,669</b>	<b>240,669</b>	<b>240,669</b>
<b>Donations and Fundraising Income</b>					
Donations and grants received for capital expenditure	469,620	-	184,250	74,250	66,000
Government subsidy	65,805	26,435	-	-	-
<b>Total Donations and Fundraising Income</b>	<b>535,425</b>	<b>26,435</b>	<b>184,250</b>	<b>74,250</b>	<b>66,000</b>
<b>Investment Income</b>					
Interest Income	6,630	4,848	4,896	8,000	8,000
<b>Total Investment Income</b>	<b>6,630</b>	<b>4,848</b>	<b>4,896</b>	<b>8,000</b>	<b>8,000</b>
<b>Sales of Goods and Services</b>					
Facilities hireage and Recoveries	304,059	342,626	394,552	462,100	462,100
Event Ticketing Centre	73,544	35,121	35,472	124,000	124,000
Regent on Broadway Promotions	289,860	156,485	80,000	80,000	80,000
<b>Total Sales of Goods and Services</b>	<b>667,463</b>	<b>534,232</b>	<b>510,024</b>	<b>666,100</b>	<b>666,100</b>
<b>Total Income</b>	<b>1,445,504</b>	<b>803,801</b>	<b>939,840</b>	<b>989,019</b>	<b>980,769</b>
<b>Less Cost of Sales</b>					
Theatre Operations	250,136	170,105	171,806	250,020	250,020
Employee related expenses	460,169	441,281	445,694	540,341	540,341
Regent on Broadway Promotions	290,873	148,661	75,000	75,000	75,000
Event Ticketing Centre	20,349	8,578	8,664	19,500	19,500
<b>Total Costs related to providing goods or services</b>	<b>1,021,527</b>	<b>768,625</b>	<b>701,164</b>	<b>884,861</b>	<b>884,861</b>
<b>Total Cost of Sales</b>	<b>1,021,527</b>	<b>768,625</b>	<b>701,164</b>	<b>884,861</b>	<b>884,861</b>
<b>Operating Profit</b>	<b>423,977</b>	<b>35,176</b>	<b>238,676</b>	<b>104,158</b>	<b>95,908</b>
<b>Non-operating Expenses</b>					
Depreciation	55,914	154,292	187,494	205,790	211,200
<b>Total Non-operating Expenses</b>	<b>55,914</b>	<b>154,292</b>	<b>187,494</b>	<b>205,790</b>	<b>211,200</b>
<b>Net profit</b>	<b>368,063</b>	<b>(119,115)</b>	<b>51,182</b>	<b>(101,632)</b>	<b>(115,292)</b>
<b>New Capital purchase</b>					
New Capital purchase	541,892	2,137	184,250	74,250	66,000

## 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.

	Actual 2020	Forecast 2021	Indicative 2022	Indicative 2023	Indicative 2024
<b>Operating Cashflows</b>					
<b>Cash Inflows</b>					
Income banked	1,551,571	920,057	1,047,547	1,117,034	1,108,784
Interest Income	7,267	4,848	4,896	8,000	8,000
<b>Total Cash Inflows</b>	<b>1,558,838</b>	<b>924,905</b>	<b>1,052,444</b>	<b>1,125,034</b>	<b>1,116,784</b>
<b>Cash Outflows</b>					
Theatre Operations	287,656	195,621	197,577	287,523	287,523
Employee related expenses	460,169	441,281	445,694	540,341	540,341
Regent on Broadway Promotions	332,362	170,960	86,250	86,250	86,250
Event Ticketing Centre	23,401	9,865	9,963	22,425	22,425
<b>Total Cash Outflows</b>	<b>1,103,588</b>	<b>817,726</b>	<b>739,484</b>	<b>936,539</b>	<b>936,539</b>
<b>Total Operating Cashflows</b>	<b>455,250</b>	<b>107,178</b>	<b>312,960</b>	<b>188,495</b>	<b>180,245</b>
<b>Operating Cashflows</b>					
<b>Non-operating Cashflow</b>					
Asset Purchases -	405,908	- 2,458	- 211,888	- 85,388	- 75,900
GST Paid -	58,217	- 15,821	- 49,948	- 68,774	- 74,231
<b>Total Non-operating Cashflows</b>	<b>(464,125)</b>	<b>(18,279)</b>	<b>(261,835)</b>	<b>(154,162)</b>	<b>(150,131)</b>
<b>Bank Accounts</b>					
Opening balance	180,029	171,154	260,053	311,178	345,512
Operating surplus/deficit	455,250	107,178	312,960	188,495	180,245
Non-operating Surplus/Deficit -	464,125	- 18,279	- 261,835	- 154,162	- 150,131
<b>Closing balance</b>	<b>171,154</b>	<b>260,053</b>	<b>311,178</b>	<b>345,512</b>	<b>375,626</b>

#### 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.



	Actual 2020	Forecast 2021	Indicative 2022	Indicative 2023	Indicative 2024
<b>Current Assets</b>					
Bank Accounts and Cash	171,154	260,053	311,178	345,512	375,626
Prepaid Insurance	6,836	6,904	6,973	7,043	7,043
Debtors and productions receivable	7,751	7,829	7,907	7,986	7,986
Prepayments	-	-	-	-	-
	185,741	274,787	326,058	360,541	390,655
<b>Investments</b>	181,136	181,136	181,136	181,136	181,136
<b>Fixed Assets</b>	682,184	530,030	526,785	395,246	250,046
<b>Total Assets</b>	<b>1,049,061</b>	<b>985,952</b>	<b>1,033,980</b>	<b>936,922</b>	<b>821,836</b>
<b>Current Liabilities</b>					
GST Balance -	46,909	1,610 -	1,659	2,801	3,008
Creditors and accrued expenses	83,470	99,666	99,779	99,894	99,894
Deposits in advance	18,450	9,741	9,741	9,741	9,741
Employee costs available	36,110	36,110	36,110	36,110	36,110
<b>Total Liabilities</b>	<b>91,121</b>	<b>147,127</b>	<b>143,971</b>	<b>148,546</b>	<b>148,753</b>
<b>Net Assets</b>	<b>957,940</b>	<b>838,825</b>	<b>890,007</b>	<b>788,375</b>	<b>673,083</b>
<b>Equity</b>					
Opening balance	589,877	957,940	838,825	890,007	788,375
Income for year	368,063 -	119,115	51,182 -	101,632 -	115,292
Closing Balance	957,940	838,825	890,007	788,375	673,083
<b>Total Equity</b>	<b>957,940</b>	<b>838,825</b>	<b>890,007</b>	<b>788,375</b>	<b>673,083</b>

## 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.



## MEMORANDUM

**TO:** Arts, Culture & Heritage Committee

**MEETING DATE:** 14 April 2021

**TITLE:** Te Manawa Museums Trust - Draft Statement of Intent 2021-24

**PRESENTED BY:** Hannah White, Democracy & Governance Manager

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

---

### RECOMMENDATIONS TO COUNCIL

1. That the draft Statement of Intent 2021–24 submitted by Te Manawa Museums Trust be received.
2. That Te Manawa Museums Trust is advised of the recommended changes to the final Statement of Intent 2020–23 outlined in Table 1 of this memorandum titled ‘Te Manawa Museums Trust - Draft Statement of Intent 2021-24’.

---

### 1. ISSUE

- 1.1 Te Manawa Museums Trust (Te Manawa) has delivered its draft Statement of Intent 2021-2024 (SOI). Officers have analysed the draft SOI and the full document is appended to this memorandum. Representatives of Te Manawa are in attendance to present their draft SOI.
- 1.2 Under the Local Government Act 2002 (LGA), when preparing the final SOI, a Council Controlled Organisation (CCO) must consider any comments made on the draft by the Council prior to delivering a final SOI by 30 June 2021. The purpose of this report is to provide an opportunity for the Council to give feedback to Te Manawa on their SOI.

### 2. BACKGROUND

- 2.1 Te Manawa is a CCO, which was set up to independently manage the Te Manawa Museum. A CCO is an organisation in which Council has the right to appoint at least fifty percent of the trustees and must work towards Council’s objectives on its behalf. Te Manawa is managed by a Board of Trustees made up of committed volunteers.

ITEM 8

- 2.2 Te Manawa was sent a Statement of Expectation (SOE) to assist them in preparing the draft SOI. In November 2020, Council resolved to retain the SOE 2020/21 for all cultural CCOs for the forthcoming year 2021/22, as Council has not changed its strategic objectives and the SOEs still provided relevant direction.
3. **DRAFT STATEMENT OF INTENT 2021-2024**
  - 3.1 The Te Manawa Museums Trust Board has presented a draft SOI that aligns with Council's strategic direction and largely addresses the Statement of Expectation, as outlined in Table 1 below.
  - 3.2 Te Manawa's Statement of Intent 2021-2024 builds on the progress it made in the 2020-23 SOI and talks about either continuing the delivery of last year's projects (Digital Strategy, Communication and Marketing Plans) or implementing the plans completed in 2020/21; for example the Exhibition Strategy developed in 2020 is now to be implemented in 2021.
  - 3.3 The Chair's report announces a significant new initiative involving a commercial agreement with Rangitāne. This collaborative partnership model is reported to be a first for a museum in New Zealand.
  - 3.4 Te Manawa is also about to embark on an in-depth Visitor Market Research project that will incorporate feedback from the public into a three-year cycle of touring exhibition development and refresh.
  - 3.5 Performance targets in the SOI 2021-24 reflect a more conservative approach than in previous years due to the ongoing uncertainty of Covid-19. Several targets remain unchanged over the three-year period rather than gradually increasing. The long-term targets for 'visits to Te Manawa experiences off site' and 'online reach' have been rounded down in year 2 and 3 to reflect the uncertainty of the times.
  - 3.6 The 2020/21 target of 30,000 'participants in learning programmes' each year, has been revised to 24,000 following the outcome of a learning review completed in October 2020. To improve transparency, Te Manawa has redefined the performance measure 'participants in learning programmes' to only record learning programmes delivered and led by Te Manawa's trained staff. Previously this measure also included 6,000 self-led visits, which will now be reported in the 'in-person visits to Te Manawa' target.
  - 3.7 Te Manawa's draft SOI has also proposed performance measures that were under development in 2020. Officers sought additional details from Te Manawa and were informed that targets for the performance measures: 'Likelihood of visitors to positively endorse Te Manawa to others' and 'Strength of relationship with strategic partners' will be based on results from the Visitor Monitoring Research project, general visitor feedback and Economic Impact project. This work is currently being commissioned and will inform the final SOI.

**Table 1: Comparison of Te Manawa SOI with Council's Statement of Expectation**

Statement of Expectation	Te Manawa Draft SOI 2021-24	Comments + Recommendations for Final SOI
Contribute towards specific actions in the Arts Plan and Culture and Heritage Plan and align activities to Council's overall vision, goals and strategies.	The Board demonstrates a clear link between its strategic objectives and Council's strategic direction.	N/A
Focus on engaging local communities in relevant and meaningful learning experiences.	Highlighted in Objective 3 Enhanced Learning and Engagement. Actions to achieve this objective include development of the stakeholder and visitor experiences strategies (21/22), implementing the communication and marketing plan for learning activities, and collaborating with Te Rangimarie Marae Trust (page 10).	N/A
Focus on developing and growing use of and access to collections.	Actions to increase access to collections is outlined in Objective 2 (page 9) and also the completion of the Digital Strategy, and Implementation of the Exhibitions Strategy.	N/A
Focus on attracting visitation and third-party investment.	Attracting visitors is a focus of the actions under Strategic Objective 2, in particular the development of a visitor experience plan based on the findings of market research.  Development and implementation of fundraising strategies is included as an activity under strategic objective 1.	N/A
Develop a thorough and evolving understanding of the community.	Highlighted in Objective 1 'Te Manawa is to connect to, and amplify to make a bigger impact in the community'.  Activities include maintaining a strong relationship with Rangitāne (Objective 1) and acting on the findings of the visitor marketing research under Objective 2 (page	Te Manawa is considering commissioning consultants to conduct visitor marketing research on what art and culture the Manawātū community wants.

## ITEM 8

Statement of Expectation	Te Manawa Draft SOI 2021-24	Comments + Recommendations for Final SOI
	9).  Results will be shown in the performance measures likelihood of visitors to positively endorse Te Manawa to others and visitor numbers in general.	
Strategic partnerships.	Stakeholder engagement included as activities under Strategic Objective 1. Activities include completing the Strategic Relationship Strategy (2021/22) and maintaining a strong relationship with Rangitāne – through activity-based approaches.	N/A
Develop performance measures that demonstrate performance (specific measures requested).	Included a strong set of performance measures linked to the relevant objectives.  Performance measures reflect the activities listed in the 'What we will do' section.  All performance measures have targets against them.	Several performance measures have targets that have already been met.  eg. Online reach and visitor satisfaction – actual figure for 2019/20 is higher than the target for the following 3 years.  <b>Officer's Recommendation</b>  1. Te Manawa revise targets that are already being achieved – and either make them more ambitious or remove the measure completely.  2. Clarify how the performance measures: 'Likelihood of visitors to positively endorse Te Manawa to others' and 'Strength of relationship with strategic partners' will be measured.
Outline approach to good governance practices, financial sustainability and environmental sustainability.	Governance practices included in the Statement of the Board's Approach to Governance and is touched on in 'How we Operate' section.  Financial Sustainability outlined in Objective 1 and target for revenue secured from sources outside of	Ambitious proposal 'to become carbon-negative and sustainable by 2025' – however no reference on how this is going to be achieved in performance measures or 'How we Operate' section.

Statement of Expectation	Te Manawa Draft SOI 2021-24	Comments + Recommendations for Final SOI
	PNCC. Environmental Sustainability highlighted in Objective 1 and the activity to trial and review one environmental focussed project by end of 22/23.	<b>Officer's Recommendation</b> 3. Add actions to the 'How we Operate' section or a performance measure to calculate carbon produced by Te Manawa.
Produce a business plan and 10-year plan.	The Board is finalising its 10 Year business plan and will publicise it by the end of June 2021.	N/A
Financials (produce an activity-based budget).	Summarised below.	N/A

**Table 2: Te Manawa SOI Summary Financials**

	Budget	SOI		
Summary Financials (\$000)	20/21	21/22	22/23	23/24
<b>Financial Performance</b>				
PNCC Grant	3,231,908	3,264,227	3,296,869	3,329,838
Total revenue	3,806,062	3,918,972	3,984,211	3,996,683
Total Expenses	3,818,120	3,926,823	3,992,496	4,002,354
Net Collection Movements	15,000	15,000	15,000	15,000
Net Surplus (Deficit)	2,942	7,149	6,715	9,329
<b>Financial Position</b>				
Current Assets	1,218,563	1,021,613	951,783	853,757
Total Assets	18,587,381	18,763,353	18,767,115	18,779,765
Current Liabilities	446,860	615,683	612,730	616,051
Total Liabilities	450,126	618,949	615,996	619,317
Equity	18,137,255	18,144,404	18,151,119	18,160,448
<b>Cash Flows</b>				
Total Net Cash Flows	(1,152,302)	(780,538)	85,451	314,036
Opening Cash	1,308,407	1,064,963	284,425	369,876
Closing Cash	156,105	284,425	369,876	683,912
<b>Financial Indicators</b>				
Current Ratio	2.73	1.66	1.55	1.39
Working Capital	771,703	405,930	339,053	237,706

## PALMERSTON NORTH CITY COUNCIL

- The budgeted financial performance is very close to break even for the next 3 years.
- One of the sizeable revenue streams is fundraising and sponsorship which has been budgeted much higher than the 19/20 receipts.
- The Trust forecasts a much higher opening cash balance in 21/22. This results from changes in timing to planned exhibition expenditure and revised outlay on capital expenditure.

**4. NEXT STEPS**

- 4.1 Any Committee comments on the draft SOI agreed by the Council will be communicated in writing to Te Manawa.
- 4.2 Te Manawa will deliver their final SOI to Council Officers by 30 June 2021, which will be presented to the Arts, Culture and Heritage Committee on 18 August 2021.

**5. COMPLIANCE AND ADMINISTRATION**

Does the Committee have delegated authority to decide?	<b>No</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
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: to support CCOs to achieve the objectives of the arts plan.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Providing comments on the Draft Statements of Intent is a mechanism for Council to provide guidance and direction to the cultural CCOs.

**ATTACHMENTS**

1. Te Manawa\_ Draft Statement of Intent 2021-24 [↓](#) 

**ITEM 8**



# Te Ara Hihiri

## Statement of Intent

2021/22 – 2023/24

TE MANAWA MUSEUMS TRUST

TE MANAWA MUSEUMS TRUST  
PRIVATE BAG 11055 PALMERSTON NORTH 4442 | TEMANAWA.NZ



# Contents

Contact details .....	2
Introduction.....	3
About Te Manawa Museums Trust.....	4
Strategic objectives .....	9
What we will do.....	10
Performance measures.....	12
How we operate.....	13
Working together.....	13
Signature .....	14
Budget: for the years ended 30 June 2022, 2023, 2024.....	15

## Contact details

<b>Address</b>	Te Manawa Museums Trust Private Bag 11055 Palmerston North	<b>Legal Status</b>	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.
<b>Website</b>	<a href="http://www.temanawa.co.nz">www.temanawa.co.nz</a>		
<b>Phone</b>	(06) 355-5000		
<b>Email</b>	<a href="mailto:enquiries@temanawa.co.nz">enquiries@temanawa.co.nz</a>		
<b>Main Contact</b>	Andy Lowe	<b>Charities Registration number</b>	CC38836
<b>Role in CCO</b>	Chief Executive	<b>Trustees</b>	John Fowke - Chair Geoffrey Jameson Nuwyne Te Awe Awe Mohi Tyson Schmidt Adrian van Dyk Sarah Bell Caroline Tate
<b>Phone</b>	06 351-4492		
<b>Email</b>	<a href="mailto:andy.lowe@temanawa.co.nz">andy.lowe@temanawa.co.nz</a>		

# Introduction

This Statement of Intent (SOI) follows on from last year's post COVID-19 document, produced as we emerged from lock down and planned for the new future that those events had prompted for us. It's timely to note that we have just had another skirmish with the new plague, successfully navigated (by most measures) but nevertheless still rightfully in our consciousness.

But that is no cause for alarm or 'pulling back.' Far from it, our team demonstrated a willingness to think outside the square and maximise our gains during COVID-19, post COVID-19 and now COVID-19 2.0.

Last year's SOI was heavily influenced and guided by a workshop that was held with PNCC councillors and officials and much of the result of that deep communication remains reflected in our thinking; including the participation in the sesquicentennial aligned with PNCC's planning.

Looking ahead though, our ten year business plan is nearing release and as we have broadened and lengthened our horizons, we have taken the opportunity to take some things as given (e.g. the limitations of our buildings) and just as our team thought outside the square during COVID-19 1.0, we have looked to innovations and projects that can move us forward acknowledging but not being totally constrained by them.

A significant harbinger of this approach is the enhanced partnership with Rangitāne that has resulted in a commercial agreement being entered into with PNCC's blessing that will move our collaboration forward into a new and energising phase. This new model of partnership is a first we believe for museums in New Zealand and while it will require some hard work and strong communication, we are excited by the possibilities.

The TM team has worked hard to develop this SOI not the least in the development of programmes and a budget that allows us to maintain good stewardship and move forward – we thank them for their efforts. As always, we thank our partners, our principal funder PNCC, Iwi, our societies and all the organisations and communities that support and work with us.



John Fowke  
Chair, Te Manawa Museums Trust  
25 February 2021

# 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

### Vision

'Working Beyond Boundaries'

Built on a foundation of manaakitanga (inclusion, kindness, safety, hospitality)

### 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.

## Values

To co-create an energetic, surprising museum with multiple communities we embody these 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

- 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 Manawatū 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 Manawatū 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 Manawatū and to be aware of the Regional focus

# Statement of the Board's approach to governance

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.

The Board of up to seven trustees, 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 Charitable Trusts Act 1957, 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
- managing the relationship with the Chief Executive
- being accountable to the community and regularly reporting to the Arts, Culture and Heritage Committee of Palmerston North City Council
- enhancing Te Manawa's environmental sustainability.

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.

The Board encourages engagement on our strategic direction by stakeholders through three main avenues: the development and presentation of this Statement of Intent, a public Annual General Meeting held each year, and through presentations at Council's quarterly Arts, Culture and Heritage to report and outline new initiatives.

## Contribution to ‘Small city benefits, big city ambition’

Palmerston North City Council's vision for the city is *Small city benefits, big city ambition*.

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; and Goal 5: A driven and enabling Council.

Te Manawa contributes to all goals, but primarily to these priorities under Goal 2:

- Celebrate the city's history and diversity, and build on the strength of being a city of many cultures and languages; and
- Develop the city into an arts powerhouse with a national reputation for creativity and the arts.

Te Manawa received a Statement of Expectation stating Council's objectives relating to Te Manawa. The Board has worked through the Statement of Expectation and has responded to these throughout this Statement of Intent.



# Strategic objectives

We have identified interrelated areas of focus for the next three years to achieve our vision of a museum working beyond boundaries.

- **Objective 1: A collaborative and future-focussed organisation**

Te Manawa will connect to and amplify what's already happening in the community to make a bigger impact. Maintaining and enhancing our strategic relationships is key our success.

We will build Te Manawa's environmental and financial sustainability, ensuring it is well-placed to challenge boundaries and respond proactively to change. Te Manawa seeks to lead the city by becoming carbon-negative and sustainable by 2025. We will work strategically to accelerate revenue generation and embed a business development mindset within Te Manawa.

We will build our reputation as a creative and vibrant organisation, encouraging experimentation. Te Manawa will act as a testing ground for prototyping ideas.

- **Objective 2: Innovative experiences that attract visitors**

Te Manawa's multi-layered experiences champion the uniqueness of our region. We will focus on developing and hosting vibrant exhibitions, spanning and interconnecting art, heritage and science, that attract visitors, contributing to the city's liveability and sense of place. We will carry out creative marketing to build visitation, third-party investment, and Te Manawa's profile.

Through our exhibitions, both conventional and challenging, Te Manawa builds a national reputation. Digital engagement will help attract physical visitors but also provide for our collections and activities to be enjoyed and interacted with by those in our community who cannot visit our facilities.

By caring for its collections, Te Manawa provides access to the region's diverse cultural heritage. Existing collections are brought to life so residents and visitors can engage with the history of the Manawatū and New Zealand.

- **Objective 3: Enhanced learning and engagement**

Te Manawa, as a gathering place, builds tolerance and connections among Palmerston North's diverse cultures – one community, many cultures. We will ensure that Te Manawa enhances creativity, gives visibility to diverse viewpoints, and supports an inclusive community. We will provide opportunities to incubate ideas through collaboration and experimentation, leveraging opportunities to co-create with local communities.

Te Manawa opens doors for different conversations and engages people in learning experiences that are relevant and meaningful to them. Te Manawa, through its links to education, research institutes and local technology industries, develops science and technology-focussed exhibitions of local and national interest.

Our relationship with Rangitāne o Manawatū, as mana whenua, will evolve in line with their post-settlement aspirations. Te Manawa, in partnership with Rangitāne, protects its taonga, tells its stories and moves forward under the principles of Te Tiriti o Waitangi.

# What we will do

## Objective 1: A collaborative and future-focussed organisation

To achieve this objective, we will:

- Continue to maintain strong relationships with Rangitāne at governance levels and through activity-based approaches
- Complete the Strategic Relationship Strategy (2021/22).
- Implement a partner-based exhibition (by end of 2021/22).
- Develop short and long-term fundraising projects to realise the goal of sustainable external funding for programmes and exhibitions (2021-24).
- Finalise and make public a ten year business plan (to be reviewed annually) which provides a clear focus of long term development (2021-24).
- Trial and review one environmentally focussed project by end of 22/23.
- Promote and promulgate thought leadership across the national museum sector (2021-24).
- Initiate a project to scope, develop and increase revenue-generating product and services.

## Objective 2: Innovative experiences that attract and engage visitors

To achieve this objective, we will:

- Develop a Visitor Experience Plan to act on the findings of the visitor market research.
- Care for, develop, and add to Te Manawa's collections.
- Maintain a vibrant and balanced programme of exhibitions to engage audiences and contribute to building visitation (digital and physical), third-party investment and Te Manawa's profile locally and nationally.
- Continue with the established plan to exhibit the art collection digitally within three years (by end of 2022/23).
- Implement and evaluate success of Exhibitions Strategy (by end of 2021/22).
- Develop a Digital Strategy to support development of online experiences that attract increasing interest. (by end of 2020/21). Implement and evaluate success by end of 21/22.
- Develop two new digital creative projects (by end of 2022/23), and two more by end of 2023/24.
- Develop economic impact reporting for major exhibitions hosted by Te Manawa (by end of 2021/22).

## Objective 3: Enhanced learning and engagement

To achieve this objective, we will:

- Develop a strategic approach to the implementation of international community engagement mentoring programme OF|BY|FOR ALL through the development of stakeholder and visitor experience strategies (21/22)
- Increase the impact of learning programmes and activities in formal and informal environments through Te Rangahau Curiosity Centre (2021-24).
- Implement a communications and marketing plan for learning activities (2021-24).
- Evaluate success of two creative projects (by end of 2021/22). Deliver two more projects (by end of 2022/23).
- Support implementation of phase 1 of Te Rangimārie project, a dual venue cultural tourism project undertaken by Te Rangimārie Marae Trustees (by end of 2021/22). Phase 1 includes training for Front of House staff to confidently engage with visitors, and co-creation of activities linked to Te Rangi Whenua.

## Performance measures

To track progress towards its objectives, Te Manawa will report on the following measures.

Objective	Performance measure	Actual	Target			
		2019/20 (C-19 affected)	2020/21	2021/22	2022/23	2023/24
1. A collaborative and future-focussed organisation	Strength of relationship with strategic partners	Not measured	Under development	8 of 10	9 of 10	9 of 10
	Revenue secured from sources outside PNCC	337,060	\$574,154	\$654,745	\$687,341	\$666,845
2. Innovative experiences that attract visitors	Likelihood of visitors to positively endorse Te Manawa to others	Not measured	Under development	Highly likely	Highly likely	Highly likely
	In-person visits to Te Manawa	100,599	150,000	150,000	150,000	150,000
	Visits to Te Manawa experiences off-site	16,303	50,000	25,000	50,000	50,000
	Online reach	664,932	500k	600k	600k	600k
3. Enhanced learning and engagement	Visitor satisfaction (good/very good/excellent)	99%	> 96%	> 96%	> 96%	>96%
	Participation in learning programmes	21,316	30,000	24,000	24,000	24,000
	In-person visits to Rangimārie activities	Not measured	Under development	5,000	10,000	10,000

## How we operate

We aim to provide a hub for significantly growing the city's levels of learning and engagement, social cohesion and wellbeing, civic pride and vibrancy, and national reputation. We work to:

- open doors for different conversations;
- enhance through creativity;
- build a profile of and champion the uniqueness of our region;
- connect people with each other and unlock the riches of our treasures and stories;
- incubate ideas through collaboration and experimentation;
- amplify possibilities and potential, with and for our communities;
- challenge boundaries and respond proactively to change;
- develop a well-informed community armed with knowledge and understanding.

We are committed to staff development and provide training, performance reviews and development plans.

Our staff are qualified and experienced, and we adhere to rigorous and inclusive processes to ensure the best experience of, by and for the public.

## Working together

### Quarterly Report

Te Manawa Museums Trust will present at Palmerston North City Council's quarterly Arts, Culture and Heritage Committee meeting to report on progress against the SOI and outline new initiatives (unless the half-yearly or annual report is to be presented at the same meeting).

### Half-Yearly Report

By the end of February each year, Te Manawa Museums 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:

- Chief Executive's commentary on operations for the relevant six-month period.
- Comparison of Te Manawa Museums Trust's performance with the objectives, planned activities 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, Te Manawa Museums Trust will provide the Council with an annual report complying with s 67–69 of the Local Government Act 2002. Financial statements and audit clearance will be provided in early August to ensure timely availability of Council's annual report.

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

- Chief Executive's commentary on operations for the relevant year.
- Comparison of Te Manawa Museums Trust's performance to the objectives, planned activities 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.

## Signature

This Statement of Intent was approved by the Te Manawa Museums Trust Board on 25 February 2021



John Fowke, Chair, Te Manawa Museums Trust Board

# Te Ara Tahua

## Statement of Intent (Financials)

BUDGET FOR THE YEARS ENDED 30 JUNE 2022, 2023 AND 2024

TE MANAWA MUSEUMS TRUST

## Contents

<b>Budget Assumptions and Comments</b>	<b>17</b>
<b>Prospective Statement of Comprehensive Revenue and Expenses</b>	<b>20</b>
<b>Prospective Statement of Financial Position</b>	<b>21</b>
<b>Prospective Statement of Cash Flows</b>	<b>22</b>
<b>Statement of Accounting Policies</b>	<b>23</b>



# Budget Assumptions and Comments:

## Revenue

### 1. Palmerston North City Council (PNCC) Funding:

#### PNCC Operating Grant

2021/22: \$3,264,227 (2020/21 plus 1.0%)

2022/23: \$3,296,869 (2021/22 plus 1.0%)

2023/24: \$3,329,838 (2022/23 plus 1.0%)

### 2. Interest Revenue:

Interest Income has been based on average bank balances remaining between \$732k and \$900k (the approximate required level to preserve Te Manawa tagged reserves) with weighted average bank interest rates forecast at 0.6%.

### 3. Other Operating Revenue:

Other Operating Revenue is expected to increase from the 2020/21 budget, with increased targets for fundraising and sponsorship.

### 4. Net Collection Movements

The forecast level of donated collection assets is maintained level from prior years. (\$15,000).

The prospective financial statements do not provide for a forecast net movement in the market value of 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 the final quarter of the 2020/21 financial year, and the next Heritage Collection revaluation is to take place during the 2023/2024 financial year. The revaluation conducted during the 2019/20 year resulted in a reduction in value of heritage items of \$1,273,084

## Expenditure

### 5. Payroll:

The Payroll budget for all years incorporates requirements of the remuneration system adopted by Te Manawa.

### 6. Operating Expenditure:

Operating costs have been budgeted for the next three years based on current contractual commitments, as well as anticipated maintenance costs (i.e. cleaning, repairs and maintenance, security and administrative costs).

### 7. Occupancy Costs:

Te Manawa has received notice of some suppliers' intention to increase costs. An inflation adjustment of 1.1% has been applied across most expense categories.

**8. 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.

**9. Depreciation:**

The forecast depreciation for the next financial years is based on the planned plant and equipment additions and the upgrade of the semi-permanent exhibition (Te Awa ).

**10. Operating Surplus/(Deficit) after Collection Movements:**

A net surplus has been budgeted for each of the three years covered by the financial statements 2021/22 (\$7.1k) 2022/23 (\$6.7k) and 2023/24(\$9.3k)

Prudent management of operating expenditure will be required to achieve the budgeted results. Revenue generation opportunities will be sought to ensure that operating cash surpluses are produced going forward.

**STATEMENT OF FINANCIAL POSITION:****11. Cash & Short-Term deposits:**

Cash & Cash Equivalents (including term deposits with a maturity of up to 3 months) are budgeted to remain relatively consistent at between \$1,064 and \$1,240k. This is enough to meet the Trust's current budgeted obligations and commitments.

**12. STATEMENT OF CASHFLOWS:**

Forecast net cash flows from operating activities are enough to cover the planned capital expenditure for the three financial years.

**13. STATEMENT OF CASH BALANCES & RESERVES:**

Careful managing of resources will be required to maintain positive untagged reserves over next years, in order to both meet our operational costs and gradually increase our semi-permanent and touring exhibition capabilities. There is also an increased reliance on third party revenue to meet the forecast level of operating costs and allow for the strategic reserves to be built up.

The tables below indicate the way Te Manawa intends to gradually build up its strategic reserves within the constraint of maintaining positive untagged reserves.

**Te Manawa Museums Trust  
Endowment Fund Forecast**

<b>Endowment Fund</b>	<b>Balance 1/7/20</b>	<b>Actual at 30/06/20</b>	Budget transfers in/(out)	<b>2020/21 Budget</b>	Budget transfers in/(out)	Budget transfers in/(out)	<b>2021/22 Budget</b>
Clevely Fund	10,874	10,874	-	10,874	-	-	10,874
<b>Total Endowment Funds</b>	<b>10,874</b>	<b>10,874</b>	-	<b>10,874</b>	-	-	<b>10,874</b>

The semi-permanent exhibition reserve is designed for the purpose of securing funding for future semi-permanent exhibition refresh and/or internally developed and built Te Manawa touring shows.

<b>Specific Reserves</b>	<b>Balance 1/7/20</b>	<b>Actual at 30/06/20</b>	Budget transfers in/(out)	<b>2020/21 Budget</b>	Budget transfers in/(out)	Budget transfers in/(out)	<b>2021/22 Budget</b>
Collection Development	20,840	16,362		16,362	-	-	16,362
Historical Building Maintenance	22,081	22,081	-	22,081	-	-	22,081
Semi-Permanent Exhibition Development Reserve	234,814	299,674		299,674	-		299,674
<b>Total Specific Reserves</b>	<b>277,735</b>	<b>338,117</b>	-	<b>338,117</b>	-	-	<b>338,117</b>

Te Manawa Museums Trust						
Prospective Statement of Revenue and Expenses						
For the Three Years Ended 30 June 2022, 2023 & 2024						
			350,000		659,377	
	Notes	Budget 2020/21 \$	Actual 2019/20 \$	Budget 2021/22 \$	Budget 2022/23 \$	Budget 2023/24 \$
<b>Revenue</b>						
PNCC Operational Grant	1	3,231,908	3,199,909	3,264,227	3,296,869	3,329,838
MDC Grant		20,000	20,000	20,000	20,000	20,000
Interest Received	2	14,000	15,486	5,400	7,930	7,858
Fundraising & Sponsorship	3	250,000	5,000	320,000	311,000	438,000
Other Revenue	3	290,154	296,577	309,345	348,411	200,987
<b>Total Revenue</b>		<b>3,806,062</b>	<b>3,536,972</b>	<b>3,918,972</b>	<b>3,984,211</b>	<b>3,996,683</b>
<b>Expenditure</b>						
Personnel Costs	5	2,308,352	2,017,313	2,373,074	2,405,627	2,431,939
Museum Activities	6	861,527	767,717	915,423	934,286	910,130
Occupancy Costs	7	281,943	160,796	266,988	274,057	277,212
PNCC Leases & SLA's	8	81,738	81,738	79,738	79,738	79,738
Depreciation/Amortisation		284,560	259,017	291,600	298,788	303,336
Assets Written Off		-	615	-	-	-
<b>Total Operating Expenditure</b>		<b>3,818,120</b>	<b>3,287,196</b>	<b>3,926,823</b>	<b>3,992,496</b>	<b>4,002,354</b>
<b>Operating Surplus/(Deficit) Before Collection Movements</b>	10	<b>(12,058)</b>	<b>249,776</b>	<b>(7,851)</b>	<b>(8,285)</b>	<b>(5,671)</b>
<b>Collection Movement Income</b>						
Custodial Assets		-	-	-	-	-
Donated Assets		15,000	28,419	15,000	15,000	15,000
<b>Collection Movement Expense</b>						
Custodial Assets Returned		-	-	-	-	-
Collection Assets Deaccessioned		-	184	-	-	-
<b>Net Collection Movements</b>	4	<b>15,000</b>	<b>28,235</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b>Net Surplus/(Deficit)</b>		<b>2,942</b>	<b>278,011</b>	<b>7,149</b>	<b>6,715</b>	<b>9,329</b>
<b>Other Comprehensive Revenue and Expenses</b>	4	-	<b>(1,273,084)</b>	-	-	-
<b>Total Comprehensive Revenue and Expense</b>		<b>2,942</b>	<b>(995,073)</b>	<b>7,149</b>	<b>6,715</b>	<b>9,329</b>

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

## Te Manawa Museums Trust

## Prospective Statement of Financial Position

As at 30 June 2022, 2023 &amp; 2024

Notes	Actual	Budget	Budget	Budget	Budget
	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$
<b>Assets</b>					
<i>Current Assets</i>					
Cash & Cash Equivalents 11	694,163	156,105	284,425	369,876	683,912
Short Term Deposits	614,245	908,858	615,688	460,407	48,345
Stock of Merchandise	51,472	45,000	50,000	50,000	50,000
Receivables	10,509	50,000	20,000	20,000	20,000
Interest Receivable	2,022	1,600	1,500	1,500	1,500
Prepayments	8,125	57,000	50,000	50,000	50,000
<b>Total Current Assets</b>	<b>1,380,536</b>	<b>1,218,563</b>	<b>1,021,613</b>	<b>951,783</b>	<b>853,757</b>
<i>Fixed Assets</i>					
Information Technology	37,957	75,066	70,726	75,534	71,740
Property Plant & Equipment					
Exhibitions	284,028	190,728	436,348	418,074	452,770
Furniture & Fittings	62,071	58,678	58,678	64,704	65,172
Leasehold Improvements	67,136	45,638	46,094	46,555	47,021
Plant & Equipment	320,695	308,673	319,859	380,130	412,285
Collection Assets (Owned)	7,240,474	8,374,712	8,374,712	8,379,330	8,444,330
Collection Assets (Custodial)	8,086,366	8,265,209	8,265,209	8,265,209	8,265,209
Work in Progress	61,809	30,000	30,000	30,000	30,000
<b>Total Fixed Assets</b>	<b>16,160,537</b>	<b>17,348,705</b>	<b>17,601,627</b>	<b>17,659,537</b>	<b>17,788,527</b>
<i>Other Non-Current Assets</i>					
Intangible Assets - Software	12,713	20,113	140,112	155,795	137,480
<b>Total Non-Current Assets</b>	<b>16,173,250</b>	<b>17,368,818</b>	<b>17,741,739</b>	<b>17,815,332</b>	<b>17,926,007</b>
<b>Total Assets</b>	<b>17,553,786</b>	<b>18,587,381</b>	<b>18,763,353</b>	<b>18,767,115</b>	<b>18,779,765</b>
<i>Current Liabilities</i>					
Payables Under Exchange Transactions	325,567	160,000	328,823	332,111	335,432
Income Received in Advance)	82,858	30,000	30,000	30,000	30,000
Provisions	-	-	-	-	-
Employee Benefits	239,573	201,860	201,860	195,619	195,619
Interest Payable	-	-	-	-	-
GST Payable (Receivable)	46,335	55,000	55,000	55,000	55,000
Current Portion of Term Liabilities	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>694,333</b>	<b>446,860</b>	<b>615,683</b>	<b>612,730</b>	<b>616,051</b>
<i>Non-Current Liabilities</i>					
Employee Benefits	3,465	3,266	3,266	3,266	3,266
<b>Total Non-Current Liabilities</b>	<b>3,465</b>	<b>3,266</b>	<b>3,266</b>	<b>3,266</b>	<b>3,266</b>
<b>Total Liabilities</b>	<b>697,798</b>	<b>450,126</b>	<b>618,949</b>	<b>615,996</b>	<b>619,317</b>
<b>Equity</b>					
Trust Equity	10,428,880	10,712,132	10,715,074	10,722,223	10,728,938
Retained Surplus Current Year	278,011	2,942	7,149	6,715	9,329
Asset Revaluation Reserve	5,800,106	7,073,190	7,073,190	7,073,190	7,073,190
Specific Reserves 13	338,118	338,117	338,117	338,117	338,117
Endowment Funds 13	10,873	10,874	10,874	10,874	10,874
<b>Total Trust Funds</b>	<b>16,855,988</b>	<b>18,137,255</b>	<b>18,144,404</b>	<b>18,151,119</b>	<b>18,160,448</b>
<b>Total Liabilities and Trust Funds</b>	<b>17,553,786</b>	<b>18,587,381</b>	<b>18,763,353</b>	<b>18,767,115</b>	<b>18,779,765</b>

## Te Manawa Museums Trust

## Prospective Statement of Cash Flows

For the Three Years Ended 30 June 2022, 2023 &amp; 2024

Notes	Actual	Budget	Budget	Budget	Budget
	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>					
Cash was provided from:					
PNCC Grants	3,199,909	3,231,908	3,264,227	3,296,869	3,329,838
Fundraising Activities	5,000	250,000	320,000	311,000	438,000
Other Revenue	344,862	228,263	279,454	368,411	220,987
Interest	16,191	14,000	5,400	7,930	7,858
	3,565,962	3,724,171	3,869,081	3,984,211	3,996,683
Cash was disbursed to:					
Payroll	875,274	2,308,352	2,373,074	2,405,627	2,431,939
Suppliers	1,978,563	1,402,691	1,270,809	1,284,793	1,263,759
Interest	-	-	-	-	-
GST	-19,198	-	-	-	-
Net Change in working Capital	-	-	-	-	-
	2,834,639	3,711,043	3,643,883	3,690,420	3,695,697
<b>Net Cash Flows from Operating Activities*</b>	<b>731,323</b>	<b>13,128</b>	<b>225,198</b>	<b>293,791</b>	<b>300,986</b>
<b>Cash Flows from Investing Activities</b>					
Cash was provided from:					
Sale of Assets	-	-	-	-	-
Cash was disbursed to					
Change in short Term Investments	464,245	600,000	356,556	(197,818)	(400,000)
Purchase of Intangible Assets - Software	3,345	36,250	120,000	24,000	25,000
Purchase of Leasehold Improvements		30,000	30,000	16,000	9,000
Purchase of Information Technology		56,770	56,770	25,600	27,000
Purchase of Exhibitions		185,000	185,000	250,000	250,000
Purchase of Furniture & Fittings		10,000	10,000	35,558	20,950
Purchase of Plant & Equipment	122,386	168,910	168,910	30,000	5,000
Purchase of Collection Assets	29,364	78,500	78,500	25,000	50,000
Work in Progress		-		-	-
	619,340	1,165,430	1,005,736	208,340	(13,050)
<b>Net Cash Flows from Investing Activities</b>	<b>(619,340)</b>	<b>(1,165,430)</b>	<b>(1,005,736)</b>	<b>(208,340)</b>	<b>13,050</b>
Net Increase/(Decrease) in Cash Held	111,983	(1,152,302)	(780,538)	85,451	314,036
Opening Cash Balances	582,450	1,308,407	1,064,963	284,425	369,876
<b>Closing Total Cash Balances</b>	<b>694,433</b>	<b>156,105</b>	<b>284,425</b>	<b>369,876</b>	<b>683,912</b>

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

# Notes to the Prospective Financial Statements

## 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 prospective financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the periods.

## Statement of Compliance

The prospective 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 as for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure.

The reporting period for these prospective financial statements is the year ending 30 June 2022, 30 June 2023 and respectively 30 June 2024. The prospective financial statements are presented in New Zealand dollars, unless otherwise stated.

## 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 but not yet effective that 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 categorized 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, except for 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	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 during 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. 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.

### **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 which have 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 prospective 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.

## 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 2002. 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 cover 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.

*(iv) Other Disclosures*

The draft prospective financial statements have been authorised by the Board for delivery to the Palmerston North City Council on 25 February 2021. 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.





## MEMORANDUM

**TO:** Arts, Culture & Heritage Committee

**MEETING DATE:** 14 April 2021

**TITLE:** Caccia Birch Trust Board - Six-Month Performance Report up to 31 December 2020 and Draft Statement of Intent 2021-24

**PRESENTED BY:** Hannah White, Democracy & Governance Manager

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

### RECOMMENDATIONS TO COUNCIL

1. That the Six-Month Performance Report 1 July - 31 December 2020 (Attachment 1) submitted by Caccia Birch Trust Board be received.
2. That the draft Statement of Intent 2021–24 (Attachment 2) submitted by Caccia Birch Trust Board be received.
3. That Caccia Birch Trust Board is advised of the recommended changes to the final Statement of Intent 2021–24 outlined in Table 3 of this memorandum titled 'Caccia Birch Trust Board - Six Month Performance Report up to 31 December 2020 and Draft Statement of Intent 2021-24'.

### 1. ISSUE

- 1.1 Caccia Birch Trust Board (CBTB) has delivered its six-month report 1 July - 31 December 2020 and draft Statement of Intent (SOI). This report includes analysis of both documents, which are appended to this memorandum.
- 1.2 Representatives of CBTB are in attendance to present.
- 1.3 Under the Local Government Act 2002 (LGA), when preparing the final SOI, a Council Controlled Organisation (CCO) must consider any comments made on the draft by the Council prior to delivering a final SOI by 30 June 2021. The purpose of this report is to provide an opportunity for the Committee to give feedback to the CCOs on their draft SOI.

### 2. BACKGROUND

- 2.1 CBTB is a Council Controlled Organisation (CCO), which was set up to independently manage the Caccia Birch House and Gardens. A CCO is an organisation in which Council has the right to appoint at least fifty percent of the trustees and must work

towards Council's obligations on its behalf. Caccia Birch House is managed by a Board of Trustees made up of committed volunteers.

2.2 The Council is required by the Local Government Act 2002 (LGA) to regularly undertake performance monitoring of its Council-Controlled Organisations (CCOs). Council is required to evaluate

- the contribution of each CCO to the Council's objectives for the CCO;
- the desired results set out in the Statement of Intent (SOI); and
- the overall aims and outcomes of the Council based on the six-month reports.

2.3 Six-month reports allow Council to track a CCO's progress against their Statement of Intent (SOI) and the Council's objectives for the CCO. This six-month report covers the first six months of the SOI 2020-2023 which was developed during the Covid-19 lockdown and approved by Council in June 2020. At the time of adoption, there was significant uncertainty in the visitor sector as to what effect the Covid-19 lockdown would have on the economy and whether there would be further restrictions.

2.4 In response to Covid-19, CBTB revised its usage targets for 2020/21. The target for publicly accessible events decreased from four to three and the target for income from venue hire reduced from \$100,000 to \$85,000.

### **3. COUNCIL OBJECTIVES FOR CACCIA BIRCH TRUST BOARD**

3.1 CBTB was sent a Statement of Expectation (SOE) to assist them in preparing their draft SOI. In November 2020, Council resolved to retain the SOE 2020/21 for all cultural CCOs for the forthcoming year 2021/22, as Council has not changed its strategic objectives and the SOEs still provided relevant direction.

3.2 As outlined in the Statement of Expectation, Council expects CBTB to focus on the delivery of two core functions:

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

3.3 CBTB has incorporated these objectives into their key performance indicators which are grouped as:

- Maintain and enhance the heritage value of the Caccia Birch House and Gardens.
- Increase the range of opportunities for residents and their visitors to experience the property and gardens and learn about its history.

- Increase income generated through the house and gardens as a venue for hire, focussing on its market strength as the only Category 1 heritage status homestead in Palmerston North.

#### 4. PERFORMANCE FOR THE SIX MONTHS JULY TO DECEMBER 2020

- 4.1 CBTB operated under Alert Level 1 from 1 July to 11 August 2020. It operated under Alert Level 2 for six weeks from 12 August to 20 September 2020 which restricted the size of events it could host to 100 people. CBTB has been operating under Alert Level 1 since 21 September 2020.
- 4.2 Work started on 30 November to construct a recycling and storage space at the back of the property. This work restricted the bookings to Caccia Birch House, in particular the Lord Plunket Room over this period. The work is expected to be complete by April 2021.
- 4.3 Highlights from CBTB's six-month report (attachment 1) include the following:
  - Celebrated the 125<sup>th</sup> anniversary of Caccia Birch House in November 2020. An estimated 400 visitors attended.
  - Hosted the Manawatū Art Trail – approximately 500 attendees over the weekend.
  - Despite Covid-19, the Bridal Fair went ahead with social distancing – 360 people attended.
  - Coach House archive panels were completed and installed along with new LED lighting.
  - The building was maintained by both in-house Trust Staff and Council contractors and presented in an excellent condition. The high standard of care is frequently commented on by visitors and clients.
- 4.4 In 2020, CBTB worked with Council Officers to develop performance measures against the SOE. This resulted in substantial changes to Caccia Birch's performance measures, making it difficult to provide a three-year comparison.
- 4.5 Publicly accessible events are higher than forecast due to postponed events (Bridal Fair and 125<sup>th</sup> anniversary) from the previous financial year. A decrease in the number of social function bookings allowed for more publicly accessible events to be held.
- 4.6 There are two performance measures at risk of not meeting the SOI target, these are:

## PALMERSTON NORTH CITY COUNCIL

- **Number of hires** is at risk of not being achieved due to external events. 59 hires were cancelled over this period and travel restrictions have deterred many clients from booking training seminars.
- **Number of Community Groups hires** is at risk of not being achieved due to external events. Community groups tend to book Caccia Birch House for special events, which have been affected by Covid-19 restrictions. CBTB directly markets itself to community groups and offers a 15% discount for community hires.

Table 1: Six-Month Performance

Caccia Birch Six- Month Performance	2020/2021 as at 31/12/2020	% of annual target
<b>Maintain and enhance the heritage values of the Caccia Birch House and Garden</b>		
Planned capital new and renewal programme complete	100%	
Target	50%	50%
<b>Provide a range of opportunities for residents to experience the property</b>		
Facilitate publicly accessible events	7	140%
Target	3	
No. of visitors to open day	915	158%
Target	290	
No. visitor experience surveys completed	95	95%
Target	50	
<b>Manage the house and gardens as a venue for hire</b>		
Number of hires	131	31%
Target	213	
No. of community groups hires	5	17%
Target	15	
Income from venue hire including net catering	\$39,833	47%
Target	\$42,500	

	On track
	Not on track but still achievable
	Unlikely to achieve

	Not yet measured
	Unlikely to achieve for reasons outside of CCO's control



**Table 2: Financial Information for Six Month Report**

	July – December 2020			July – Dec 2019	
Summary Financials (\$000)	Actual	Budget*	Var.*	Actual	Var.**
<b>Financial Performance</b>					
PNCC Grant	54,039	54,036	3	53,534	505
Total Revenue	169,807	95,010	74,797	154,370	15,437
Total Expenses	161,611	109,745	(51,866)	158,298	(3,313)
Net Surplus (Deficit)	11,226	(14,735)		(3,928)	
<b>Financial Position</b>					
Current Assets	147,363			37,153	110,210
Total Assets	231,356			187,070	44,287
Current Liabilities	98,271			59,136	39,135
Total Liabilities	98,271			65,210	33,061
Equity	133,085			121,859	11,226
<b>Cash Flows</b>					
Total Net Cash Flows	4,394	(11,746)	16,140	12,623	(8,229)
Opening Cash	54,315	54,315	0	41,692	12,623
Closing Cash	58,709	42,569	16,140	54,315	4,394

\* Budget was not provided in balance sheet for first six months of 2020.

\*\* Variance between July-December 2019 and July-December 2020.

- CBTB reported a surplus of \$11k; this included \$42k of Covid-19 wage subsidy.
- CBTB's current assets is one and a half times more than its current liabilities, indicating that the Trust is able to satisfy its current obligations. More than half of the current assets are in the form of accounts receivable.

## 5. DRAFT STATEMENT OF INTENT 2021/2023

- 5.1 The Board has presented a draft SOI that aligns with Council's strategic direction and addresses the Statement of Expectation, as outlined in Table 3 below.

Table 3: Comparison of CBTB SOI with Council's Statement of Expectation

Statement of Expectation	CBTB Draft SOI	Comments + Recommendations for Final SOI
Contribute towards specific actions in the Culture and Heritage Plan and align activities to Council's overall vision, goals and strategies.	The Board demonstrates a clear link between its strategic objectives and Council's strategic direction.	N/A
Council believes the Trust Deed needs to be updated to include more of an emphasis on commercial viability.	The Board does not consider it necessary to amend the Trust Deed, because emphasising commercial viability might affect the charitable status of the Trust. Its preference is to seek regular agreement with Council about the balance of its activities through the SOI process.	The Trust Deed requires both parties to agree the change.  Council Officers to work with the Trust Board to discuss updating the Trust Deed.
Develop 4-6 high-quality performance measures with officers.	Work complete.  Survey results to be reported on alongside the performance measures in the six-month and annual report.	Concerned that by including intent to report on survey results, CBTB would have too many measures to report on.  <b>Officer's recommendation</b> 1. That CBTB remove the performance measure for number of visitor surveys completed. 2. That rather than report on the whole survey, CBTB highlight survey results as evidence of performance.
Outline approach to good governance practices, financial sustainability and environmental sustainability.	Included in 'About Caccia Birch Trust Board' and 'How we operate' sections.  Activity to reduce carbon emissions by improving pedestrian access and bicycle parking listed under strategic objective 2 in 'what we will do'.  Financial Sustainability is mentioned in the Foreword and a status quo approach has been taken throughout the document.	Many proposed activities require unsecured external funding.  <b>Officer's recommendation</b> 3. That CBTB specify in 'What we will do' section where proposed unsecured funding is expected to come from - PNCC or from external source.

Statement of Expectation	CBTB Draft SOI	Comments + Recommendations for Final SOI
Produce a business plan and 10-year plan.	The 10-year plan was presented to Council in 2020.	N/A
Actively explore and report on commercial models.	Included as an activity under Strategic Objective 3.	A number of suggestions made to increase the profitability of the property. Several of them require additional funding before they can be implemented.
Financials.	See below.	See below.

**Table 4: CBTB SOI Summary Financials**

	Forecast	SOI		
Summary Financials (\$000)	20/21	21/22	22/23	23/24
<b>Financial Performance</b>				
PNCC Grant	108,077	108,077	110,116	112,196
Total revenue	258,834	293,643	299,382	305,236
Total Expenses	288,41	316,015	315,929	320,040
Net Surplus (Deficit)	(29,577)	(22,372)	(16,547)	(14,804)
<b>Financial Position</b>				
Current Assets	64,038	41,407	40,230	39,018
Total Assets	138,168	94,796	78,747	64,451
Current Liabilities	45,884	24,884	25,382	25,889
Total Liabilities	45,884	24,884	25,382	25,889
Equity	92,284	69,912	53,365	38,562
<b>Cash Flows</b>				
Total Net Cash Flows	(30,177)	(1,631)	(1,267)	(1,304)
Opening Cash	54,315	24,138	22,507	21,240
Closing Cash	24,138	22,507	21,240	19,936
<b>Financial Indicators</b>				
Current Ratio	1.40	1.66	1.58	1.51
Working Capital	18,154	16,523	14,848	13,129

## PALMERSTON NORTH CITY COUNCIL

- CBTB is budgeting a deficit each year for the next 3 years.
- The SOI does not state any Property, Plant, and Equipment being acquired in the next 3 years.



**6. NEXT STEPS**

- 6.1 Any Committee comments on the draft SOI agreed by Council will be communicated in writing to CBTB.
- 6.2 CBTB will deliver their final SOI to Council Officers by 30 June 2021, which will be presented to the Arts, Culture and Heritage Committee on 18 August 2021.

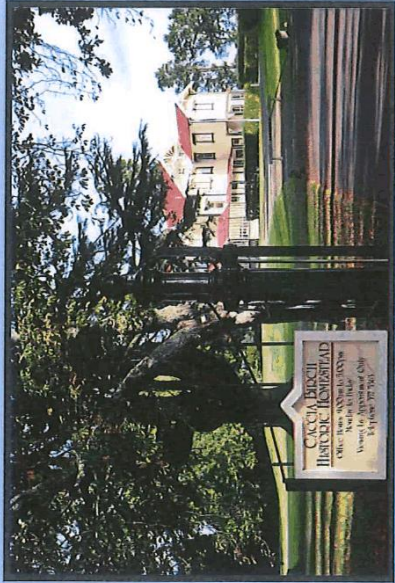
**7. COMPLIANCE AND ADMINISTRATION**

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: to support CCOs to achieve the objectives of the arts plan.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	<p>Receiving the six-month report allows the Council to have oversight against the previously agreed SOI.</p> <p>Providing comments on the draft Statement of Intent is a mechanism for Council to provide guidance and direction to Caccia Birch Trust Board.</p>

**ATTACHMENTS**

1. Caccia Birch\_ Six-Month Performance Report July-December 2020 [↓](#) 
2. Caccia Birch\_ Draft Statement of Intent 2021-2024 [↓](#) 

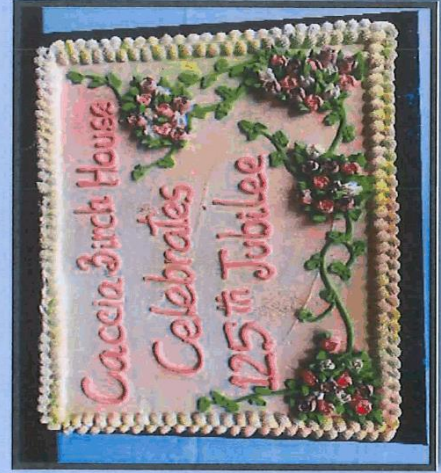




# CACCIA BIRCH TRUST BOARD

## STATEMENT OF SERVICE PERFORMANCE

JULY 2020 to DECEMBER 2020 DRAFT 1





1. CONTENTS	PAGE
Contact Details	1
Purpose of this Service Performance Report.	2
Key Strategic Objectives	4
What we have Achieved.	5 - 7
How We Performed	8-9
Signature	
Financial Statements JULY TO DECEMBER 2020	

<b>2. CONTACT DETAILS</b>	
Registered Office:	Caccia Birch House, 130 Te Awe Awe St, Palmerston North.
Website & Email	<a href="http://www.caccia-birch.co.nz">www.caccia-birch.co.nz</a> / <a href="mailto:manager@caccia-birch.co.nz">manager@caccia-birch.co.nz</a>
Phone:	06 3575363
Email:	<a href="mailto:manager@caccia-birch.co.nz">manager@caccia-birch.co.nz</a>
Office Contact:	Nicky Birch
Role in CCO:	Manager
Address:	As Above
Chairperson:	Grant O'Donnell
Email:	<a href="mailto:home@odonnell-law.co.nz">home@odonnell-law.co.nz</a>
Phone:	06 3567754
Trustees 2020 to 2021	Grant O'Donnell, Patricia Keiller, Cushla Scrivens, David Campbell, David Chapple, Wendy Newport-Smith, Latham Lockwood.
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:

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

## 5. Strategic objectives

### HERITAGE RESPONSIBILITY:

<b>a.</b>	<b>Heritage Buildings</b>
	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>b.</b>	<b>Heritage – Natural</b>
	The grounds and flora of Caccia Birch House are to be managed and preserved and only developed in keeping with the heritage character.
<b>c.</b>	<b>Heritage - Cultural</b>
	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.
<b>d.</b>	<b>Heritage – Governance</b>
	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:

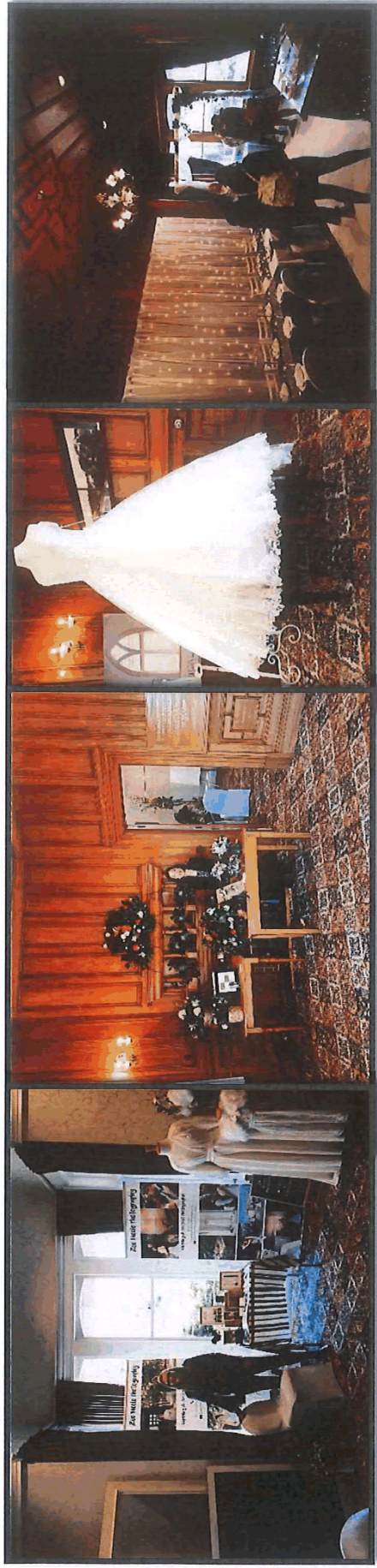
### A. Heritage Buildings

i	<u>Work to keep this heritage property exceptionally well maintained and secure.</u>
	Despite considerable disruptions due to Covid 19, the buildings were maintained by both in-house Trust staff and Council contractors and presented in an excellent condition. The Trust and management's standard of property care is recognised daily with positive comments from our visitors and clients.
	An issue with water pressure to the property which affects the Fire Protection System (Sprinklers) has been under investigation by Council officers and the Boards contractor PBC. Investigation results were inconclusive at the time of writing. All other security systems are working well. The annual building wash down was not undertaken by council's contractor PPS as is usual in December. In-house staff have undertaken some of the lower-level work to keep the property presentable.



ii	<u>Work to make Caccia Birch House environmentally responsible and eco-friendly.</u>
	The Trust's long-planned recycling and storage area project commenced work on 30 <sup>th</sup> November and is progressing. The storage space will allow for an effective recycling program.
	The goal of reducing energy consumption is being realised with the use of the LED lighting reaching about 75% of total fixtures. Future planning may include applying for funding to replace the security lights and carpark lighting with LED options, potentially solar driven.
	Visitors and clients alike often cycle to the property, and secure bicycle parking facilities especially with a greater use of e-cycles are required. Investigations for designs of covered bike stands have been put on hold but are in our 10-year plan.
	Visitors access the gardens daily as the pedestrian gates are open 24/7. The internal footpath forms part of a walking circuit. The Board plans to extend the pathways to encourage greater pedestrian access. The construction of a safe and inviting footpath access from Te Awe Awe Street which separates vehicle and pedestrian thoroughfare on the main driveway is required. This work is a development item identified in the Board's 10 – year plan.
iii	<u>Develop the venue facilities.</u>
	The Board's 10-year plan to provide several ambitious proposals and opportunities to develop the property, signals the opportunity to begin the next chapter and cement the House's place in the minds of the local community. However, with the Council's current proposal to take the operation in-house, the investigation into, and planning of, lower cost and more achievable options have been put on hold.
	Donations of heritage furniture and items to further enhance the property are an on-going project.
<u>B. Heritage – Natural</u>	
i	<u>The listed notable trees are preserved and maintained.</u>
	Protected / Listed tree maintenance work has not been carried out during this period, but additional funding is required along with a resource consent which we trust will be considered later in the year by council staff. The trees appear to be in reasonable condition so only essential maintenance may be required this year.
	<u>Enhancement of the grounds.</u>
	General tree and garden maintenance undertaken by the Trust staff is on-going. New shrubs including hedge plants and replacement roses were added. The Board has plans to fundraise externally to install relevant information signage about the notable tree varieties, old camellias and numerous 'memorial' trees planted by the Manawatu Tree Trust on the property.
	A memorial garden bench with plaque was donated by the family of the late Dr Bernard Forde (former Deputy Mayor) at the 125 Year Jubilee Celebrations and is to be installed in the grounds.



C. Heritage – Cultural	
i	<p><u>We will make the community more aware of the heritage value of Caccia Birch House.</u></p> <p>The CoachHouse Archive and Gardens generally attract local and regional visitors, however with worldwide travel restrictions we have been entertaining visitors from Auckland to Dunedin on a regular basis. We maintain direct contact with small bus tour companies who bring groups a few times a year for guided tours.</p> <p>The CoachHouse archive is accessible Monday to Friday during normal business hours and by appointment outside of these times. Currently the visitors undertake self-guided tours, and we assist when possible. Visitors sign in, and usually leave a positive comment.</p> <p>Visitors can access the gardens all year around. The public are sometimes excluded when private events book the whole property or due to a covid 19 lockdown. The CB CoachHouse Archive is open each weekday and was therefore accessible for at least 120 days, outside of the open days, and during this reporting period.</p> <p>The CoachHouse archive panels were all completed and installed, along with new LED lighting (big thanks to a generous grant from Central Energy Trust) just in time for the 125<sup>th</sup> Anniversary of Caccia Birch House. The entire project cost approx. \$40,000 in total, with the new Pre-European display costing \$24,000 and the renewal of the original display costing \$16,000. PNCC contributed a total of \$5000 via the Cultural Heritage Fund. The balance of funding was raised from external sources over a period of 3 to 4 years. The Trust is very grateful for the support of CET, ECCT, Earle Trust and Olive Tree Trust.</p> <p>Regular use of our social media sites to share the history of the property and its inhabitants, particularly during and following lockdown assisted in engaging with many in the community. Five free Open Afternoons were held through September/ October with approx. 40 people attending most afternoons. It was great to see parents bringing their children along and teaching them about the history.</p>
	



## D. Heritage – Cultural & Business.

During the first six months of this financial year, we experienced a 59.50 % occupancy. There was a 12% reduction in occupancy for the same period in 2019 which was 71.80 %.

The impact of covid and movement restrictions on the hire business continues.

Gratifyingly, a number of bookings from our loyal client base were received, although Covid 19 and the travel restrictions deterred many of our clients from booking or planning face to face training seminars. The social functions e.g., birthdays, weddings and anniversaries that were planned for the spring / summer were cancelled due to the covid restrictions and on-going uncertainty. Only a few have re-booked their events.

Lockdown forced the postponement of two planned major events, the 125<sup>th</sup> Jubilee of Caccia Birch House and the annual Bridal Fair.

The Bridal Fair was rescheduled for August and went ahead with social distancing and counting people in and out of the house. We hosted 80% of the original vendors (caterers cancelled due to food handling restrictions) and 360 visitors attended. Fortunately, the weather was fine, and people were not unhappy with queuing to get in and all covid compliance requirements were met.

The 125<sup>th</sup> Jubilee was held on 1<sup>st</sup> November and was a wonderful event with many past Trustees, Councillors and staff reconnecting, and reminiscing was the theme of the day. A large number had not visited in several years and were impressed with the improvements and standard of presentation. Recognition and thanks must go to Tania Kopytko who sourced the well-received entertainment. An estimated 400 visitors attended.

Caccia Birch House hosted large groups of artists for the Manawatu Art Trail with around 500 attendees during the weekend.

Monthly Occupancy Rates & Use of Caccia Birch House July 2020 to December 2020									
Month	% Use Per month	Total Days USED	People Number	Corporate Meetings	Private Functions	Community Discounted	Public Events	Cancellations	
July	48.30	15	350	13	2	4	0		
August	54.83	18	726	19	1	2	1		16
September	70.00	23	537	20	0	3	4		12
October	63.00	21	510	12	6	1	1		14
November	73.00	22	1557	22	5	1	2		12
December	48.00	15	545	18	4	0			5
<b>Total</b>	<b>59.52</b>	<b>114</b>	<b>4225</b>	<b>104</b>	<b>18</b>	<b>11</b>	<b>8</b>		<b>59</b>
July to Dec 2019	71.80	133	5171	170	33	19	14		

### E. Heritage – Governance

i	The Board will manage the balance between maintenance of heritage integrity and the development on the property to meet evolving Council and community demands.
	The Trust will continue to review all its Governance Policies.
	Investigation and discussions on alternative income sources is on-going, e.g., linking in with organised tours to the city, catering contracts and new partnerships.

### 7. How We Performed.

Strategic Objective	Performance measure	Target 2019/20	Target 2020/21	Six months	Target 2021/22	Target 2022/23
Maintain and enhance the heritage values of the Caccia Birch House and Gardens	Planned capital new and renewal programme is completed	100% completed, commentary on progress	100% completed, commentary on progress	CoachHouse archive completed. Work on the Recycling/storage building and embankment is in progress.	100% completed, commentary on progress	100% completed, commentary on progress
Provide a range of opportunities for residents and their visitors to experience the property and gardens and learn about its history	No of Trust / Council & stakeholder operated publicly accessible events No. visitors to Open Days	Target 4 Target 560	Target 5 580	7 free public events (140%) 915 (157%)	5 / 6	
Manage the house and gardens as a venue for hire, focusing on its market strength as the only Category 1 Heritage Status Homestead in Palmerston North	No. Visitor experience surveys completed (RBA see below) No. of hires No. of Community Groups hires Income from venue hire incl net catering	new Target 400 New Target: \$100,000	100 425 30 \$85,000	Completed to date: 95 surveys (95%) 131 (30%) 5 (16.6%) \$39,833 (46.8%)	100 450 40 \$121,000	100 500 50 \$130,000



How Much	How Well	Is anyone better off?			Population outcomes	
		Skills and knowledge	Attitude and opinion	Behaviour change	Circumstance change	
Secure 100 surveys from a range of visitor activities at CBH	Who would recommend to someone else?  93 of 95 visitors (98%) enjoyed their experience. There were only two negative comments about 'self-tour' and these visitors would prefer a guided tour.	Who report having learned something new?  40 of 95 visitors (42%) had previously visited Caccia Birch House 58% were new visitors and learnt about CBH	Would you visit another heritage property as a result of visiting CBH?  69% of the visitors said they would visit another heritage property.	Respondents who would visit again:  100% of visitors were very positive about the house and would visit again. From the 95 surveys, noted improvements mentioned included: better signage for the lift (2 people) and an option to buy food (1 person).	Respondents who report feeling more connected to the City and its history  80 of 95 visitors (84%) were interested in Heritage buildings and history.	Creative and Exciting City  54 of 95 visitors (56%) were Palmerston North Residents – which means 41 visitors were from out of town and made a special visit to the City & CBH
95 Surveys completed						
Catchall Question:						
What else would you have liked to have seen/done during your visit to Caccia Birch House? To receive a guided tour and refreshment options, as noted above.						

#### 8. How we operated during the six month period.

- The Council appointed two new Trustees to the Board for a 3-year term.
- The Board meets at least once a month either in person or 'virtually' and members are in regular email or phone contact.
- The Board completed and submitted the Draft 10 – year plan in conjunction with council officers.
- The Board operates within the budget. The continued impact of covid 19 restrictions reduced the amount of bookings / revenue. Spending reduced to essential expenditure only.
- Free access was provided to this Heritage property for local tourism providing visitor experiences promoting the region's rich history whilst operating a "venue hire business". The Board endeavoured to provide competitive rates within the well-documented curfew, noise restrictions, and in addition, the global pandemic.
- The Board ensured that the operation of Caccia Birch House was managed responsibly.
- The Board continued to devote a substantial amount of time to the Council's section 17A reviews, which was first initiated in 2019.

**Operations:**

- a) The Board's plans to enhance its business operation model are on hold with the resurrected 17A review / survey and Council's proposal to move management of the Caccia Birch House in-house.
- 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 co-ordination of all events, taking tours, marketing, the coordination of maintenance work and planning of property development work, the business administration, staff management 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 part-time variable hours.
- d) The Board's 10-year plan recognises that for the growth of new activities, visitor experiences and property enhancements to succeed, investment is required. The Board signalled this to Council via their Draft 10-year plan.

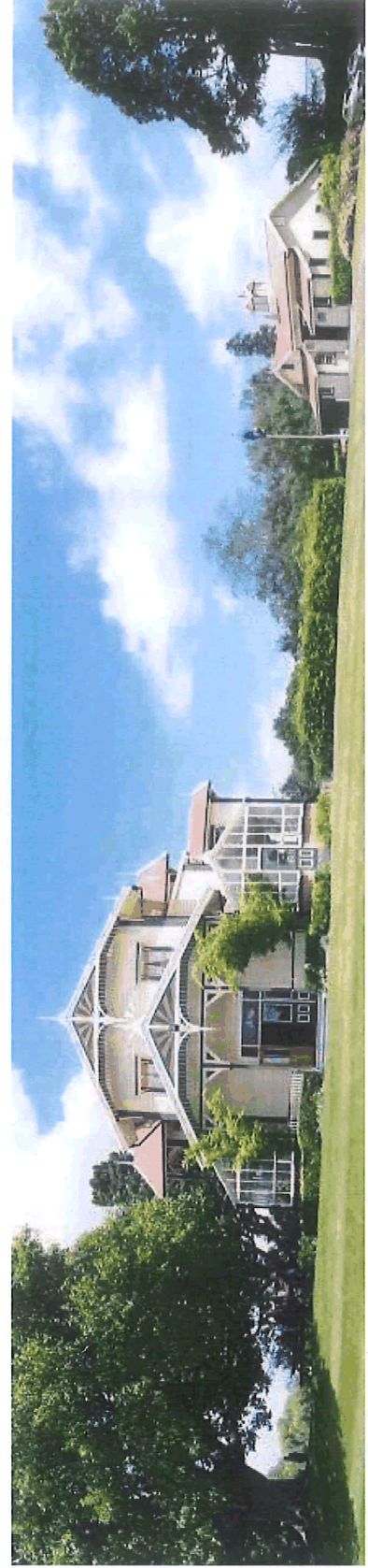
**Six Month Financial Statements 1<sup>st</sup> July to 31<sup>st</sup> December 2020**

- Attached are the six-month financial statements.

**CACCIA BIRCH TRUST BOARD**

**CHAIRPERSON**

*GRANT O'DONNELL*



# Profit and Loss

Caccia Birch Trust Board

For the 6 months ended 31 December 2020

	DEC 2020	BUDGET	YTD ACTUAL	YTD BUDGET	TOTAL ANNUAL BUDGET
<b>Trading Income</b>					
Catering Revenue	6,702.85	5,462.00	34,378.65	32,772.00	65,544.00
Event Income	-	-	7,273.91	-	-
Facilities Hireage	5,130.45	6,277.00	26,989.16	37,662.00	75,324.00
Function Servicing	358.70	30.00	1,103.06	180.00	360.00
Interest Received	-	47.00	52.84	282.00	564.00
Miscellaneous Income	-	231.00	200.00	1,386.00	2,772.00
PNCC Operations Grant	8,496.42	8,496.00	50,978.52	50,976.00	101,952.00
Recoveries from Hire	574.75	516.00	3,490.00	3,102.00	6,198.00
PNCC - Meeting Grant	510.00	510.00	3,060.00	3,060.00	6,120.00
<b>Total Trading Income</b>	<b>21,773.17</b>	<b>21,569.00</b>	<b>127,526.14</b>	<b>129,420.00</b>	<b>258,834.00</b>
<b>Cost of Sales</b>					
Catering Expense	6,367.70	5,212.00	32,297.88	31,272.00	62,544.00
Conference Expenses	26.00	42.00	182.00	252.00	504.00
Event Expenses - Bridal Fair	-	-	2,763.55	-	-
Event Expenses - Open Days	-	481.00	-	2,886.00	5,772.00
Event Expenses - 125th	1,891.50	-	7,598.31	-	-
Event - Donation made	-	-	(180.00)	-	-
<b>Total Cost of Sales</b>	<b>8,285.20</b>	<b>5,735.00</b>	<b>42,661.74</b>	<b>34,410.00</b>	<b>68,820.00</b>
<b>Gross Profit</b>	<b>13,487.97</b>	<b>15,834.00</b>	<b>84,864.40</b>	<b>95,010.00</b>	<b>190,014.00</b>
<b>Other Income</b>					
Reimbursement - Covid 19 Wage Subsidy	2,136.92	-	42,280.46	-	-
<b>Total Other Income</b>	<b>2,136.92</b>	<b>-</b>	<b>42,280.46</b>	<b>-</b>	<b>-</b>
<b>Operating Expenses</b>					
Accountancy Fees	144.75	201.00	868.50	1,206.00	2,412.00
Acct - Bookkeeping	550.00	550.00	3,300.00	3,300.00	6,600.00
Audit Fees	542.08	821.00	4,252.48	4,926.00	9,852.00
Bad Debts	50.00	-	50.00	-	-
Payroll Administration Fees	78.99	53.00	426.83	318.00	636.00
Project Expenditure	-	208.00	-	1,248.00	2,496.00
Xero Fees	45.00	51.00	270.00	306.00	612.00
<b>Cleaning</b>					
Cleaning - Consumables	267.78	175.00	1,235.30	1,050.00	2,100.00
Cleaning - Waste Disposal	36.88	107.00	386.27	642.00	1,284.00
<b>Total Cleaning</b>	<b>304.66</b>	<b>282.00</b>	<b>1,621.57</b>	<b>1,692.00</b>	<b>3,384.00</b>
<b>Employee Costs</b>	<b>13,109.17</b>	<b>11,530.00</b>	<b>64,425.67</b>	<b>50,135.00</b>	<b>100,270.00</b>
<b>Financing Costs</b>					
ANZ Visa fees	-	-	40.65	-	-
Bank Charges	-	57.00	65.00	342.00	684.00

## NOTES:

- As depreciation is not part of the normal operating budget it is shown separately.

- Other Income - Reimbursement Covid 19 Wage Subsidy - offset by "Wage Covid 19 Lockdown".  
Balance of funds received in Balance Sheet - and allocated each pay period

## Profit and Loss

	DEC 2020	BUDGET	YTD ACTUAL	YTD BUDGET	TOTAL ANNUAL BUDGET
Directlink Fees	10.00	-	60.00	-	-
FastPay Bank Charges	26.45	-	132.25	-	-
<b>Total Financing Costs</b>	<b>36.45</b>	<b>57.00</b>	<b>297.90</b>	<b>342.00</b>	<b>684.00</b>
<b>Office, Administration &amp; Governance Expenses</b>					
Advertising / Marketing	40.00	417.00	1,235.00	2,502.00	5,004.00
Governance Expense	-	65.00	60.87	390.00	780.00
Secretarial Costs	200.00	292.00	1,200.00	1,752.00	3,504.00
Trustee Remuneration	595.00	510.00	2,890.00	3,060.00	6,120.00
Office & Printing Expenses	620.76	333.00	2,178.01	1,998.00	3,996.00
Subscriptions	-	-	60.00	-	95.00
Telephone, Tolls & Internet	185.03	185.00	1,234.25	1,110.00	2,220.00
<b>Total Office, Administration &amp; Governance Expenses</b>	<b>1,640.79</b>	<b>1,802.00</b>	<b>8,858.13</b>	<b>10,812.00</b>	<b>21,719.00</b>
<b>Property Expenses</b>					
Building - R&M	-	-	66.21	-	-
Grounds - Lawn Mowing	650.43	687.00	3,902.58	4,122.00	8,244.00
Equipment under \$500	-	208.00	250.00	1,248.00	2,496.00
Insurance	314.61	328.00	1,887.66	1,968.00	3,936.00
Kitchen & Chattel Expenses	-	-	319.35	-	-
Electricity & Gas	601.29	601.00	4,187.59	3,606.00	7,212.00
Building Compliance	-	-	500.00	-	-
R&M - Furniture	-	125.00	227.23	750.00	1,500.00
Security & Compliance	391.41	518.00	2,221.45	3,108.00	6,216.00
<b>Total Property Expenses</b>	<b>1,957.74</b>	<b>2,467.00</b>	<b>13,562.07</b>	<b>14,802.00</b>	<b>29,604.00</b>
<b>Repairs &amp; Maintenance</b>					
R&M - Equipment	-	125.00	-	750.00	1,500.00
Grounds - Other Expenses	177.25	333.00	798.61	1,998.00	3,996.00
Grounds - Wages	1,558.83	1,656.00	8,608.74	7,176.00	14,352.00
<b>Total Repairs &amp; Maintenance</b>	<b>1,736.08</b>	<b>2,114.00</b>	<b>9,407.35</b>	<b>9,924.00</b>	<b>19,848.00</b>
<b>Total Operating Expenses</b>	<b>20,195.71</b>	<b>20,136.00</b>	<b>107,340.50</b>	<b>99,011.00</b>	<b>198,117.00</b>
<b>Net Profit before Depreciation Adjustments</b>	<b>(4,570.82)</b>	<b>(4,302.00)</b>	<b>19,804.36</b>	<b>(4,001.00)</b>	<b>(8,103.00)</b>
<b>Depreciation</b>					
Depreciation	1,921.95	1,789.00	11,609.00	10,734.00	21,468.00
<b>Total Depreciation</b>	<b>1,921.95</b>	<b>1,789.00</b>	<b>11,609.00</b>	<b>10,734.00</b>	<b>21,468.00</b>
<b>Net Profit After Depreciation</b>	<b>(6,492.77)</b>	<b>(6,091.00)</b>	<b>8,195.36</b>	<b>(14,735.00)</b>	<b>(29,571.00)</b>
<b>Project Funds</b>					
Coach House Revenue	-	-	(3,300.00)	-	-
Donations Received Coach House	-	-	(15.00)	-	-
Coach House Archive	-	-	284.50	-	-
<b>Total Project Funds</b>	<b>-</b>	<b>-</b>	<b>(3,030.50)</b>	<b>-</b>	<b>-</b>

## NOTES:

- As depreciation is not part of the normal operating budget it is shown separately.

- Other Income - Reimbursement Covid 19 Wage Subsidy - offset by "Wage Covid 19 Lockdown".  
Balance of funds received in Balance Sheet - and allocated each pay period



## Profit and Loss

	DEC 2020	BUDGET	YTD ACTUAL	YTD BUDGET	TOTAL ANNUAL BUDGET
Net Profit After Depreciation and Project Funds	(6,492.77)	(6,091.00)	11,225.86	(14,735.00)	(29,571.00)

## NOTES:

- As depreciation is not part of the normal operating budget it is shown separately.
- Other Income - Reimbursement Covid 19 Wage Subsidy - offset by "Wage Covid 19 Lockdown".  
Balance of funds received in Balance Sheet - and allocated each pay period

# Balance Sheet

Caccia Birch Trust Board  
As at 31 December 2020

	31 DEC 2020	30 JUN 2020
<b>Assets</b>		
<b>Bank</b>		
Bank - Cheque Account	58,708.46	54,314.48
<b>Total Bank</b>	<b>58,708.46</b>	<b>54,314.48</b>
<b>Current Assets</b>		
Accounts Receivable	79,628.51	20,404.81
Term Deposit	14,812.34	14,777.32
GST	(8,623.97)	1,094.13
Prepayments	2,837.34	876.31
<b>Total Current Assets</b>	<b>88,654.22</b>	<b>37,152.57</b>
<b>Fixed Assets</b>		
Fixed Assets	83,993.66	95,602.66
<b>Total Fixed Assets</b>	<b>83,993.66</b>	<b>95,602.66</b>
<b>Total Assets</b>	<b>231,356.34</b>	<b>187,069.71</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	22,054.54	15,828.20
Accrued Expenses	5,474.02	11,027.04
Accrued Wages & Salary	-	4,365.30
Annual Leave	11,073.54	9,899.99
Income in Advance - PNCC	54,038.48	-
Secure Event Fees	5,630.41	21.72
Covid-19 Wage Subsidy Received	-	17,994.06
<b>Total Current Liabilities</b>	<b>98,270.99</b>	<b>59,136.31</b>
<b>Non-current Liabilities</b>		
Grants - Coach House Archive	-	3,300.00
Funding Received - 125th Jubilee	-	2,773.91
<b>Total Non-current Liabilities</b>	<b>-</b>	<b>6,073.91</b>
<b>Total Liabilities</b>	<b>98,270.99</b>	<b>65,210.22</b>
<b>Net Assets</b>	<b>133,085.35</b>	<b>121,859.49</b>
<b>Equity</b>		
Retained Earnings	133,085.35	121,859.49
<b>Total Equity</b>	<b>133,085.35</b>	<b>121,859.49</b>

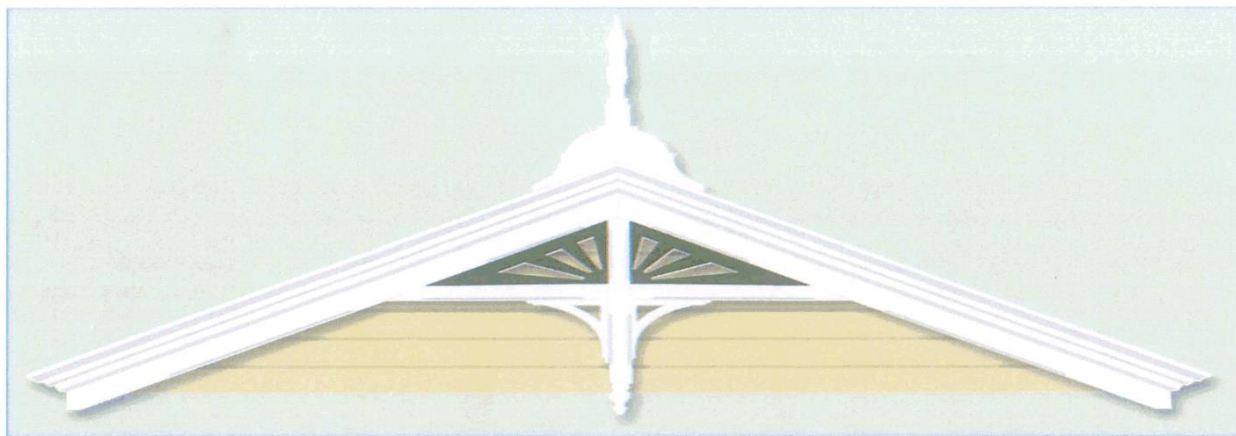
# Statement of Cash Flows

Caccia Birch Trust Board

For the 6 months ended 31 December 2020

Account	SOI Budget		
	Jul-Dec 2020	2020-2021	2019 -2020
<b>Operating Activities</b>			
Receipts from customers	\$ 139,866	\$ 254,050	\$ 293,333
Payments to suppliers and employees	-\$ 157,494	-\$ 266,340	-\$ 315,268
Cash receipts from other operating activities	\$ 1,041	\$ 544	\$ 48,560
<b>Net Cash Flows from Operating Activities</b>	<b>-\$ 16,587</b>	<b>-\$ 11,746</b>	<b>\$ 26,625</b>
<b>Investing Activities</b>			
Payment for property, plant and equipment	-\$ 7,370	-\$ 14,400	-\$ 13,580
Other cash items from investing activities	-\$ 193		-\$ 14,777
<b>Net Cash Flows from Investing Activities</b>	<b>-\$ 7,563</b>	<b>-\$ 14,400</b>	<b>-\$ 28,357</b>
<b>Financing Activities</b>			
Other cash items from financing activities	\$ 28,544	\$ 14,400	\$ 14,355
<b>Net Cash Flows from Financing Activities</b>	<b>\$ 28,544</b>	<b>\$ 14,400</b>	<b>\$ 14,355</b>
<b>Net Cash Flows</b>	<b>\$ 4,394</b>	<b>-\$ 11,746</b>	<b>\$ 12,623</b>
<b>Cash and Cash Equivalents</b>			
Cash and cash equivalents at beginning of period	\$ 54,315	\$ 54,315	\$ 41,692
Net change in cash for period	\$ 4,394	-\$ 11,746	\$ 12,623
Cash and cash equivalents at end of period	\$ 58,708	\$ 42,569	\$ 54,315





# CACCIA BIRCH TRUST BOARD

## DRAFT STATEMENT OF INTENT (26 Feb 21)

2021 – 2022

2022 – 2023

2023 – 2024





1.	PAGE
Contact Details	2
Foreword	3
Purpose of SOI	4
About Caccia Birch Trust	4
Background History	6
Key Strategic Objectives	8
Key Performance indicators	10
How We operate	11
Financial Statements:	13
Accounting Policy.	13
Budget Option A & Cashflow statements	15
Budget Option B & Cashflow statements.	17
.Signature	

<b>2. <u>CONTACT DETAILS</u></b>	
Registered Office:	Caccia Birch House 130 Te Awe Awe St, Palmerston North 4410
Website & Email	<a href="http://www.caccia-birch.co.nz">www.caccia-birch.co.nz</a> <a href="mailto:manager@caccia-birch.co.nz">manager@caccia-birch.co.nz/</a> <a href="https://www.facebook.com/cacciabirchhouse">www.facebook.com/cacciabirchhouse</a>
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:	<a href="mailto:home@odonnell-law.co.nz">home@odonnell-law.co.nz</a>
Phone:	06 3567754 / 0274 424395
Trustees 2019 to 2020	Grant O'Donnell, Patricia Keiller, Cushla Scrivens, David Campbell, David Chapple, Wendy Newport-Smith, Latham Lockwood.
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. CC38431

### 3. FOREWORD

The impact of Covid 19 and successive Section 17A reviews on the business operations of the Board, and on Management, staff and Trustees has been significant.

Nevertheless, while the Trust's Vision, Mission and Values remain paramount, the Board will seek to improve its commercial activities and revenue generation.

The Strategic Objectives set out on page 7 underpin what we do and enable us to set desired outcomes in all three areas.

The Trust cannot achieve all its objectives alone. Establishing and maintaining stakeholder engagement, and partnership collaboration and co-operation, are essential to achieve those goals.

Such co-operation and collaboration will include:

- a) Working with CEDA to develop our visiting tourist products to showcase the City to the national and international markets. This includes developing an internationally recognised Qualmark rating.
- b) Capitalising on the opportunities provided by the Arts Powerhouse initiative as a path to increase our contribution to a planned programme of events and activities across the City venues.
- c) Collaborations with other local museums and heritage facilities to develop interpretative displays and signage to enhance a casual visit to the property.
- d) Community outreach plan.
- e) Encouraging Council to extend its assistance to the Trust in areas where it has resources.

The Board believes it has drafted a constructive and creative Long-Term Plan for the House and property.

This Statement of Intent, regrettably, for reasons outlined, is not based on that, but on a status quo approach which is to be inferred from Council's communications to the Board regarding requests for further funding in the Long-Term Plan.

The continued existence of the Trust is, the Board believes, essential to implement those long-term plans and to demonstrate a commitment by Council to the interests of, and involvement by, the Community, consistent with the spirit in which Caccia Birch House devolved on Council.

The goals of both Council and the Trust and the potential held by Caccia Birch House can, we believe, be best achieved by enhanced co-operation and collaboration between them.





#### 4. Purpose of this Statement of Intent

This Statement of Intent is presented by Caccia Birch Trust Board 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 publicly states the activities and intention of Caccia Birch Trust Board 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 organizational accountability.

#### 5. About Caccia Birch Trust Board

##### Purpose

Our key objective is to secure the future for the House and Gardens:

- as a Category 1 Heritage Property
- in the hearts and minds of our stakeholders and customers

##### Vision Statement

That residents, visitors and hirers have memorable experiences at the Caccia Birch House and Gardens that resonate with them personally and connect them with our cultures and history.

##### Mission Statements

In order to achieve this vision, the Caccia Birch Trust Board will work to:

- Maximise the heritage values of the Caccia Birch House and Gardens
- Maximise the opportunities for residents and their visitors to experience the property and gardens and learn about its history.
- Maximise income from the house and gardens as a venue for hire, focusing on its market strength as the only Category 1 Heritage Status Homestead in Palmerston North.

##### Values

The Caccia Birch Trust Board and Staff Team will aspire to uphold the following values:

- **Inclusivity:** To create an environment that is warm and welcoming, respectful of diversity and provides something for everyone
- **Focus:** To articulate our goals clearly and to strive honestly to achieve them
- **Innovation:** To be open to new ways of doing our business and to aim for continuous improvement
- **Architectural and Historical Integrity:** to enshrine the heritage values of the House and Gardens in everything that we do.

##### Constitutional objectives

The Trust was established in 1989 by PNCC, primarily to oversee and manage the restoration of the house from a derelict and dilapidated state.

The gifting of the property to the community underpinned the purpose of the Trust and fundraising was one of the tasks required to meet the high costs of restoration and development.



The first objective of the Board, 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”.**

The second objective enables the Board to undertake any actions that it deems necessary or desirable to achieve this purpose.

In 1993, as restoration work neared completion, it was agreed that making the house available to the community for meeting and function hire was a compatible use for the grand old homestead. A Manager was employed to administer the business and property and grow this activity.

The Board has been asked to consider whether its Deed is still relevant to its business in the 21<sup>st</sup> century, specifically whether it places adequate emphasis on the commercial hire activities of the House and Gardens.

The Board considers that parts of the Trust Deed may need updating or modernising, for example to enable Board decisions by email. The Board does not consider it necessary or desirable to amend the Trust Deed for activities which may be managed through the SOI process.

The Board's preference is to work collaboratively with Council to best maintain, enhance, and add value to the heritage status of the House and Garden. This is already enshrined as the primary objective of the Trust.

#### **The Board's approach to governance:**

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

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

- 1895 Caccia Birch House was built for Norwegian sawmiller & businessman Jacob Nannestad, who was co-owner of the towns largest sawmill Richter, Nannestad, Janssen & Co located on Broadway and Albert St.
- 1903 The Nannestad property then named 'Hokowhitu' was sold to English businessman John Strang who developed it to what we see today and renamed it "Woodhey".
- 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.
- 1921 William and Maud Caccia Birch (nee Keiller) purchased the property and occupied the House until William's death in 1936.
- 1941 The property was gifted to the Government to be used in the war effort as Army accommodation for Home Guard officers during World War II
- 1946 PN Hospital Board Convalescence home for war veteran nurses.
- 1961 Victoria University annex.
- 1963 Massey University
- 1970 PN Teachers College.

- 1975 Massey University found they could not develop the property and handed it back to the Government.
- 1977 the building stood empty, vandalised and derelict.
- 1983 After much debate about its future, 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.
- 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.
- 1991 The restoration of the dilapidated buildings was largely funded from the sale of surrounding land and additional money from a large community bingo group, the Lottery funds and the PNCC.
- 1992 Restoration of the ground floor was completed, along with some grounds landscaping.
- 1993 Restorations of the upper floor and employment of a manager / custodian. The Trust Board was expected to arrange a sympathetic use for the property. Making the house available to the community for meeting and function hire was a suitable use for the grand old homestead. This was also the vehicle to ensure the property was



accessible and well utilised by the community.

- 1994 Restoration of the CoachHouse building exterior.
- 2003 CCO status came about



after the Local Government Act changes in 2003 whereby Councils were required to fund depreciation of their facilities and at this point

Caccia Birch Trust Board received some financial assistance for the building upkeep.

- 2000 to 2006 the Trust Board refurbished the interior of the CoachHouse to a useable state and thus began the planning and construction the information archive for visitors with the assistance of community funding.
- 2020 A second stage of the CoachHouse display was completed and the original panels replaced.

During the twenty-seven-year operation Central Energy Trust, Eastern & Central Community Trust, The Lion Foundation, Pub Charities, the Earle Trust and Lotteries have financially supported numerous projects at Caccia Birch House, thus saving ratepayers substantial expenditure.

The house is well-utilised (65 to 70% occupancy) 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. Contribution to small city benefits, big city ambition

Palmerston North is the heart of the Manawatū region within central New Zealand. We are a small city with a lot to offer, and we are ambitious about where we're going.

Our vision is Palmerston North: Small city benefits, big city ambition.

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.**

Council's Culture and Heritage Plan supports Priority 2 of the Creative and Livable Strategy:

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

Our strategic objectives demonstrate how the Caccia Birch Trust Board contributes to the following actions within the Culture and Heritage Plan:

- 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.

The Caccia Birch 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 Trust staff will work closely with Council asset managers to ensure that asset management and renewal incorporates sustainability principles and environmental improvements.
- The Trust staff will work with the hospitality sector to incorporate sustainable practice in their operations.

## 7. Strategic objectives:

### Strategic Objective 1:

Maintain and enhance the heritage values of the Caccia Birch House and Gardens.

- This will ensure that the property meets all the requirements of its Category 1 Historic Property Status, can provide the experiences of the Board's vision and is preserved for future generations of residents in Palmerston North.

### Strategic Objective 2:

Increase the range of opportunities for residents and their visitors to experience the property and gardens and learn about its history.

- This will increase the visibility of the house and gardens within the local community, increase satisfaction with the casual visitor experience and enable more community members to experience the house and gardens.

### Strategic Objective 3:

Increase income generated through the house and gardens as a venue for hire, focusing on its market strength as the only Category 1 Heritage Status Homestead in Palmerston North.

- This will increase the visibility of the house and gardens within the local community and enable the Trust Board to invest in activities that contribute to Strategic Objectives 1 and 2.

## 8. What we will do

### **Strategic objective 1:** ( \* Denotes financial or in-kind assistance may be required.)

Maintain and enhance the heritage values of the Caccia Birch House and Gardens:

- Oversee PNCC's Asset Management Programme to the standard required for the heritage status of the house and gardens.
- Maintain the grounds and gardens to the standard required for the heritage status of the house and gardens as our budget or funding allows.
- Secure improvements that enhance the heritage status of the house and gardens as our budget or funding allows.

### **Over the next three years, the Board will implement the following capital improvements:**

- 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. \*
- Improve existing footpath network on the property \*
- Provide more seats in the grounds, and focal points from which to enjoy the serenity of the gardens\*
- Increase period furniture and furnishings in the house.

### **Strategic objective 2:** ( \* Denotes financial or in-kind assistance may be required.)

Provide a range of opportunities for residents and their visitors to experience the property and gardens and learn about its history:

- Provide as much access as possible to the house and grounds for residents and their visitors to "self-guide" through the Coach House and interpretive signage in the gardens.
- Provide regular, well-advertised open days and guided tours for residents and their visitors.
- In collaboration with the Council and other public bodies (including other CCOs), community organisations and commercial operations, provide a range of activities and events at no or low cost to residents and their visitors at the house and gardens. \*

### **Over the next three years, the Board will implement the following capital improvements:**

- Create various types of focal points in the grounds. \*
- Work to reduce carbon emissions by improving pedestrian access to the property and bicycle parking facilities at the property. \*
- Develop and promote more history displays and use modern technology for information sharing to engage the younger community. \*
- Make more historical and property information available – could be electronic, incl CoachHouse.
- Provide better signage in the grounds to enhance visitor experience. \*
- Develop interactive displays.
- Interpretation of gardens – plan and information on features with a path circumnavigating property to enable self-guided tours. \*

### **Over the next three years, the Board will aim to increase the number of social activities available to the casual visitor to the house and gardens by:**

- Providing greater visitor engagement through well trained and knowledgeable staff/volunteers.
- Age-specific activities
- Themed days
- Encouraging more ethnic, multi-cultural and non-profit community groups to experience this heritage facility.
- Investigating the provision of a coffee cart/food trucks for regular use by casual visitors



**Strategic objective 3:** ( \* Denotes financial or in-kind assistance may be required.)

Manage the house and gardens as a venue for hire, focusing on its market strength as the only Category 1 Heritage Status Homestead in Palmerston North:

- Hire the venue for weddings and special occasions to residents and visitors to the City
- Hire rooms/venue for corporate meetings and seminars.
- Hire rooms/venue to community users focusing on special interest groups to increase the visibility of the house and gardens in the community.
- Provide a tourist experience for visitors to the City, in conjunction with partners such as CEDA

Over the next three to six years, the Board will aim to increase the income from venue hire with the following capital improvements:

- Plan a summerhouse/stage in the grounds (self-contained) \*
- Publication of a Caccia Birch House history book (for sale)
- Infrastructure updated e.g. improved Wi-Fi\*
- State of the art electronic displays
- Enhance business/conference furniture and equipment\*

Over the next three to six years, the Board will aim to increase the income from venue hire by:

- Ensuring that the operation is appropriately staffed to meet the changing outcomes.
- Apply for 12-night extension\*
- Develop a program of 'shared-risk' events to engage with the community.
- Increase catering revenue.
- Tours international - value added (e.g. afternoon tea) potentially Qualmark rated.
- Develop full-service packages and discontinue the 'self-service model'.

## 9. Performance measures

The Board has reviewed its performance measures in the light of the Statement of Expectation for 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".

Specifically, it undertook an RBA<sup>1</sup> process to identify performance measures for Strategic objective 2 (to provide a range of opportunities for residents and their visitors to experience the property and gardens and learn about its history).

The Board will survey a sample of casual visitors to the House or to a publicly accessible event to find out if it is delivering experiences which meet its aspirational vision. A sample of 100 will be indicative of the general experience of visitors.

This information will feed directly into the reporting templates provided by the Council officers and is attached.

<sup>1</sup> Results Based Accountability: <https://www.msd.govt.nz/what-we-can-do/providers/results-based-accountability/index.html>

Strategic Objective	Performance measure	Target 2021/22	Target 2022/23	Target 2022/23
Maintain and enhance the heritage values of the Caccia Birch House and Gardens	Planned capital new and renewal programme is completed	100% completed, commentary on progress	100% completed, commentary on progress	100% completed, commentary on progress
Provide a range of opportunities for residents and their visitors to experience the property and gardens and learn about its history	No of Trust / Council & stakeholder operated publicly accessible events	3	4	5
	No. visitors to Open Days	600	700	800
	No. Visitor experience surveys completed (RBA see below)	100	100	100
Manage the house and gardens as a venue for hire, focusing on its market strength as the only Category 1 Heritage Status Homestead in Palmerston North	No. of hires	425	450	475
	No. of Community Groups hires	25	30	35
	All Income from hire & catering services.	\$85,000 (post covid)	\$103,020	\$105,080

How Much	How Well	Is anyone better off?				Population outcomes
		Skills and knowledge	Attitude and opinion	Behaviour change	Circumstance change	
<b>Secure 100</b> surveys from a range of visitor activities at CBH	<b># / % survey respondents</b> who would recommend CBH to someone else.	<b># / % survey respondents</b> who report having learned something new	<b># / % survey respondents</b> who report they would be more likely to visit another heritage facility or similar event or activity	<b># / % survey respondents</b> who would visit CBH again	<b># / % survey respondents</b> who report feeling more connected to the City and its history	Creative and Exciting City
<b>Catchall Question:</b>						
<b>What else would you have liked to have experienced during your visit to Caccia Birch House?</b>						

## 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.**

This section helps readers assess the cost-effectiveness of the activities that the CCO delivers. Statements must be for three years and be prepared in accordance with generally accepted accounting practice.

This section will contain the following information:

- Statement of financial performance
- Statement of financial position
- Statement of cash flows
- The CCOs Accounting Policies.
- For each section of information, it will contain the following years of information:
- Last full year of actual financials
- Current financial year budget and forecast.
- The 3 years that the SOI covers.
- Any occurrence where the CCO receives funds from a local authority will be separately noted.

## **13. 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.



## 10. How We Operate:

The Board believes that there is an increased interest in local history and heritage and that Caccia Birch House is the premier local heritage offering.

There is nowhere else of this quality, locally, that is available for public access or for hire in the manner we operate.

Of note, is the combination of property and gardens, providing an oasis of tranquility in the heart of the City. The Board has identified opportunities to capitalise on this through creating more opportunities for community access.

The Board is constrained in developing a stream of income from events because of its zoning in a residential area in the District Plan.

The Board, in making decisions, acknowledges the principles of Te Tiriti o Waitangi/The Treaty of Waitangi and the importance of engaging with Tangata Whenua in our operations. It also aims to make its decisions taking regard to its obligations to reduce carbon emissions and to operate sustainably.

The Board employs a full-time manager, part time gardener, mowing contractor, a secretarial contractor, a part time housekeeper and four part-time after-hours venue / function staff. The Board believes that this small staff team is operating at full capacity under the "business as usual" scenario.

The staff team resource needs to be expanded to manage the growth in tourism and business. Over the next few years, the Board envisages ultimately, a full-time assistant manager.

## 11. Working together

The Caccia Birch Trust Board has long been hoping to move beyond business-as-usual planning. It was pleased to work with Council to develop an aspirational 10-year business plan.

The SOI budget for the year ending 2020 reflected the effects of Covid 19 and the anticipated reduced income. The Board has developed a business plan based on previous experience and knowledge of the current market for its services. However, the costings now presented in this draft Statement of Intent are not as shown in the Draft 10-year plan, as Council has now indicated their preference for a status quo operation. The budget is based on the financial year 2019 to 2020.

The Board will work to achieve identified growth in hire income and however has reduced KPIs in line with the funding available but continues to target increases in its hire activities which it believes to be realistic.

The Board will also work to enhance heritage values and to increase community access but will be constrained from expanding activities beyond the status quo without additional external and Council funding.

### 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.



(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:

1/3/2021

<b>Caccia Birch Trust Board</b>		<b>v15a</b>			15.3.21	<b>DRAFT</b>	
<b>Forecast Statement of Financial Performance - Operational</b>							
<b>For Years Ended 30 June 2020, 2021 and 2022</b>							
			<i>Less 30%</i>		<i>Recovery Start up</i>	<i>On Track</i>	
	<b>Actual</b>						
	<b>2019-2020</b>	<b>2020-2021</b>		<b>2021-2022</b>	<b>2022-2023</b>		<b>2023-2024</b>
<b>Revenue</b>	<b>\$</b>	<b>\$</b>		<b>\$</b>	<b>\$</b>		<b>\$</b>
Business Revenue	101,170	81,872		101,000	103,020		105,080
Catering Contractor	60,189	65,545		84,000	85,680		87,394
Interest Received	459	566		566	566		566
PNCC Operations	100,948	101,957		101,957	103,996		106,076
PNCC Meeting Grant - Trustees	6,120	6,120		6,120	6,120		6,120
Project Grants	8287	2774					
<b>Total Revenue</b>	<b>277,173</b>	<b># 258,834</b>	<b>#</b>	<b>293,643</b>	<b>299,382</b>		<b>305,236</b>
<b>Expenses</b>							
Accounting	8,740	9,009		9,099	9,281		9,467
Accounting Audit	8,649	9,848		9,946	10,145		10,348
Advertising / Marketing	1,795	5,000		5,500	5,610		5,722
Total Bank Charges	335	680		687	701		715
Catering Contractor	58,459	62,545		79,800	81,396		83,024
Cleaning Consumables	3,010	3,386		4,000	4,080		4,162
Governance Expense	683	785		1,000	1,020		1,040
Governance - Secretarial	2,230	3,500		3,000	3,060		3,121
Grounds - Maintenance	9,714	27,042		32,000	32,640		33,293
Insurance	3,693	3,939		4,000	4,080		4,162
Light Power & Heating	7,877	7,211		10,500	10,710		10,924
Conference Expenses	554	500		750	765		780
Minor Asset Replacement	2,128	2,500		4,000	4,080		4,162
Printing & Stationery	3,646	4,000		4,500	4,590		4,682
Repairs and Maintenance	3,477	3,000		5,000	5,100		5,202
Security	5,355	6,212		6,000	6,120		6,242
Staff Expenses - Training	-	428		612	624		637
Telephone & Internet	2,611	2,222		2,500	2,550		2,601
Trustee Remuneration	5,100	6,120		6,120	6,120		6,120
Wages and Salaries	131,516	99,489		102,000	104,040		106,121
Event Expenses	1,832	5,774		3,000	3,060		3,121
Software Licences	1,488	1,247		1,259	1,285		1,310
Project Expenses		2500					
Rental Plants	527						
Bad Debt	81						
<b>Total Operating Expenses</b>	<b>263,500</b>	<b># 266,938</b>	<b>#</b>	<b>295,274</b>	<b># 301,057</b>		<b>306,956</b>
<b>Surplus (Deficit) Before Depreciation</b>	<b>13,673</b>	<b>(8,103)</b>		<b>(1,631)</b>	<b>(1,675)</b>		<b>(1,720)</b>
Depreciation of Property, Plant, and Equipment	21,782	21,473		20,741	14,872		13,084
<b>Total Expenses</b>	<b>285,282</b>	<b>288,411</b>		<b>316,015</b>	<b>315,929</b>		<b>320,040</b>
<b>Surplus (Deficit)</b>	<b>(8,109)</b>	<b>(29,576)</b>		<b>(22,372)</b>	<b>(16,547)</b>		<b>(14,804)</b>

<b>Caccia Birch Trust Board</b>					
<b>Forecast Statement of Cash Flows</b>					
<b>For Years Ended 30 June 2020, 2021, and 2022,23,24</b>					
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cash Flows from Operating Activities</b>					
Receipts from Council Operating Grants	102,966	101,957	101,957	103,996	106,076
Interest Receipts	485	566	566	566	566
Receipts from Other Revenue	238,019	152,092	191,120	194,730	198,502
Payments to Suppliers and Employees	(315,268)	(284,782)	(295,274)	(300,507)	(306,395)
GST(net)	423	(11)	0	(52)	(53)
<b>Net Cash Flow from Operating Activities</b>	<b>26,625</b>	<b>(30,177)</b>	<b>(1,631)</b>	<b>(1,267)</b>	<b>(1,304)</b>
<b>Cash Flows from Investing and Financing Activities</b>					
Receipts from Sale of Investments	14,355	14,400	14,400	14,400	14,400
Payments to Acquire Property, Plant & Equipment	- 13,580	-	-	-	-
Payments to Acquire Investments	(14,777)	(14,400)	(14,400)	(14,400)	(14,400)
<b>Net Cash Flow from Investing and Financing Activities</b>	<b>- 14,002</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Increase(Decrease) in Cash for the Year	12,623	(30,177)	(1,631)	(1,267)	(1,304)
Add Opening Bank Accounts and Cash	41,692	54,315	24,138	22,507	21,240
<b>Closing Bank Accounts and Cash</b>	<b>54,315</b>	<b>24,138</b>	<b>22,507</b>	<b>21,240</b>	<b>19,936</b>

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>					
<b>Current Assets</b>					
Bank Accounts and Cash	54,315	24,138	22,507	21,240	19,936
Debtors and Prepayments	21,281	25,500	4,500	4,590	4,682
Investments	14,777	14,400	14,400	14,400	14,400
<b>Total Current Assets</b>	<b>90,373</b>	<b>64,038</b>	<b>41,407</b>	<b>40,230</b>	<b>39,018</b>
<b>Non-Current Assets</b>					
Property, Plant & Equipment	95,603	74,130	53,389	38,517	25,433
<b>Total Assets</b>	<b>185,976</b>	<b>138,168</b>	<b>94,796</b>	<b>78,747</b>	<b>64,451</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Creditors	15,828	21,422	10,000	10,200	10,404
Accrued Expenses	11,027	11,137	1,050	1,071	1,092
ANZ Credit Card	-	-	200	204	208
Secure Venue Fee	22	22	2,500	2,550	2,601
GST	- 1,094	- 1,105	- 2,616	- 2,668	- 2,722
Accrued Salaries and Wages	4,365	4,409	3,000	3,060	3,121
Accrued Leave	9,900	9,999	10,750	10,965	11,184
Covid Wage Subsidy balance	17,994	-	-	-	-
Grants & Funding STC	6,074	-	-	-	-
<b>Total Current Liabilities</b>	<b>64,116</b>	<b>45,884</b>	<b>24,884</b>	<b>25,382</b>	<b>25,889</b>
<b>Total Liabilities</b>	<b>64,116</b>	<b>45,884</b>	<b>24,884</b>	<b>25,382</b>	<b>25,889</b>
<b>Total Assets Less Total Liabilities</b>	<b>121,860</b>	<b>92,284</b>	<b>69,912</b>	<b>53,365</b>	<b>38,561</b>
<b>Trust Equity</b>					
Accumulated Surpluses	121,860	92,284	69,912	53,365	38,561
<b>Total Trust Equity</b>	<b>121,860</b>	<b>92,284</b>	<b>69,912</b>	<b>53,365</b>	<b>38,561</b>

Closing 2019 balance sheet figures				as at 23.2.21
Bank Accounts and Cash	\$41,692	as at 1.7.19		
Debtors and Prepayments	\$22,136			reduce to 4500
Investments	\$14,355			
Property, Plant & Equipment	\$98,416			
	\$176,599			
Creditors	\$21,190			reduce to 10000
Accrued Expenses	\$10,763			
ANZ Credit Card	\$0			
Secure Venue Fee	\$1,146			
GST	\$1,566			
Accrued Salaries and Wages	\$2,425			
Accrued Leave	\$9,540			increase to 10750
	\$46,630			
Net Assets	\$129,969			
Fixed Assets to be purchased -2020		\$0		
Fixed Assets to be purchased -2021		\$0		
Fixed Assets to be purchased -2022		\$0		
Fixed Assets to be purchased -2023				



Note that numerators and denominators for all how well measures will be checked to inform reporting tools. Some are not captured in this table.  
 Note that numerators and denominators for all better off measures will be checked to inform reporting tools. Some are not captured in this table.

Clients – all individuals  
 Visitors – individuals who visit Caccia Birch venue  
 NPS – Net Promoter Score measures the willingness of customers/clients to recommend a company's products or services to others. It is used as a proxy for client satisfaction. For more information please see [www.netpromoterscore.com](http://www.netpromoterscore.com)  
 As above.  
 Attendees = individuals who attend a scheduled social or community function at Caccia Birch venue







## MEMORANDUM

**TO:** Arts, Culture & Heritage Committee

**MEETING DATE:** 14 April 2021

**TITLE:** The Globe Theatre Trust - Six-Month Performance Report 1 July - 31 December 2020 and Draft Statement of Intent 2021-24

**PRESENTED BY:** Hannah White, Democracy & Governance Manager

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

---

### RECOMMENDATIONS TO COUNCIL

1. That the Six-Month Performance Report 1 July - 31 December 2020 (Attachment 1) submitted by the Globe Theatre Trust be received.
2. That the draft Statement of Intent 2021-24 (Attachment 3) submitted by the Globe Theatre Trust be received.
3. That the Globe Theatre Trust is advised of the recommended changes to the final Statement of Intent 2021–24 outlined in Table 3 of this memorandum titled ‘The Globe Theatre Trust - Six-Month Performance Report 1 July - 31 December 2020 and Draft Statement of Intent 2021-24’.

---

### 1. ISSUE

- 1.1 The Globe Theatre Trust (the Globe) has delivered its six-month report 1 July - 31 December 2020 and draft Statement of Intent (SOI). This report includes analysis of both documents, which are appended to this memorandum.
- 1.2 Representatives of the Globe are in attendance to present.
- 1.3 Under the Local Government Act 2002 (LGA), when preparing the final SOI, a Council Controlled Organisation (CCO) must consider any comments made on the draft by the Council prior to delivering a final SOI by 30 June 2021. The purpose of this report is to provide an opportunity for the Committee to give feedback to the CCOs on their draft SOI.

## 2. BACKGROUND

- 2.1 The Globe is a CCO, which was set up to independently manage and promote the Globe theatre as a venue for hire. A CCO is an organisation in which Council has the right to appoint at least fifty percent of the trustees and must work towards Council's objectives on its behalf. The Globe is managed by a Board of Trustees made up of committed volunteers.
- 2.2 The Council is required by the Local Government Act 2002 (LGA) to regularly undertake performance monitoring of its Council-Controlled Organisations (CCOs). Council is required to evaluate
- the contribution of each CCO to the Council's objectives for the CCO;
  - the desired results set out in the Statement of Intent (SOI); and
  - the overall aims and outcomes of the Council based on the six-month reports.
- 2.3 Six-month reports allow Council to track a CCO's progress against their Statement of Intent (SOI) and the Council's objectives for the CCO. This six-month report covers the first six months of the SOI 2020-2023 which was developed during the Covid-19 lockdown and approved by Council in June 2020. At the time of adoption, there was significant uncertainty in the events sector as to what effect the Covid-19 lockdown would have on the economy and whether there would be further restrictions.
- 2.4 In response to Covid-19, the Globe revised its usage targets for 2020/21 to match the six-month result from 31 December 2019.

## 3. COUNCIL OBJECTIVES FOR THE GLOBE THEATRE

- 3.1 The Globe was sent a Statement of Expectation (SOE) to assist them in preparing their draft SOI. In November 2020, Council resolved to retain the SOE 2020/21 for all cultural CCOs for the forthcoming year 2021/22, as Council has not changed its strategic objectives and the SOEs still provided relevant direction.
- 3.2 As outlined in the SOE, Council expects the Globe to focus on the delivery of three core functions:
- Remain an affordable venue for hire.
  - Support theatre talent development – onstage and off.
  - Encourage diversity and the celebration of diverse communities.
- 3.3 The Globe has incorporated these objectives into their key performance indicators which are grouped as:

- 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).
- Maximize the use of the venues by local community performing arts groups and events and to represent the diversity of the Palmerston North community.
- Maintain the fixtures, fittings and theatre equipment to ensure it continues to offer a professional experience to all its clients/customers/users.

#### 4. PERFORMANCE FOR THE SIX MONTHS JULY TO DECEMBER 2020

- 4.1 The Globe operated under Alert Level 1 for most of the reporting period. It operated under Alert Level 2 for six weeks from 12 August to 20 September 2020 which restricted the size of events it could host to 100 people and required social distancing measures to be in place.
- 4.2 Highlights from the Globe's Six-Month report (Attachment 1) include the following:
- Successfully re-organised the performance of the Michael Houstoun/Rodger Fox concert to comply with level 2 restrictions. The performers agreed to do two shows and patrons were contacted to rearrange their attendance. Of 194 people who originally paid to attend the concert, 179 attended.
  - A number of shows that were postponed due to the lockdown were able to be performed during the reporting period; this often required the co-operation with other groups to fit them in to a busy theatre schedule.
- 4.3 All performance measures are on track to achieve the targets (see Attachment 2). The target: 'Number of discreet participants' has already surpassed the pre-Covid end of year result for 2018/19, and several other targets: Number of Usages, Number of Performances and Number of Visitors/Audience Members, are on track to achieving the 2019/20 end of year results.
- 4.4 The three-year comparison (Table 1) shows a slight decline in usage and performance figures, however the effect of Covid-19 restrictions did not affect performance measures as initially forecast in the SOI as all measures are on track to achieving their targets.

**Table 1 - The GLOBE: PERFORMANCE TARGET DASHBOARD – 6 MONTHS**

Measure		YTD 31 Dec 2018	YTD 31 Dec 2019	YTD 31 Dec 2020	3 year trend
% of overall usage from community groups	Actual	33%	20%	52%	↑
Number of Usages	Actual Target	326 125	383 275	309 190	→
Number of Performances	Actual Target	123 83	190 93	151 95	→
Number of national and international visiting productions performing at the Globe	Actual Target	11 -	11 5	10 6	→
Number of discreet participants	Actual Target	878 -	1156 700	1970 578	↑
Number of visitors / audience members	Actual Target	10,860 -	12,635 11,000	13,079 6,318	↑

**Table 2: Financial Information for Six Month Report**

	July 2020 - December 2020		July 2019 - December 2019	
Summary Financials (\$000)	Actual	Budget (full year)	Actual	Variance (when compared to the same period 12 months ago)
<b>Financial Performance</b>				
PNCC Grants	58,428	116,905	57,874	554
Total Revenue	164,022	217,282	134,329	29,693
Total Expenses	145,194	273,975	126,422	18,772
Net Surplus (Deficit)	18,828	(56,693)	7,907	10,921
<b>Financial Position</b>				
Current Assets	131,565	50,050	60,688	70,877
Total Assets	451,096	315,222	337,953	113,143
Current Liabilities	48,640	18,199	19,841	28,799
Total Liabilities	48,640	18,199	19,841	28,799
Equity	402,456	297,023	318,112	84,344
<b>Cash Flows</b>				



Total Net Cash Flows	24,939	(19,944)	33,563	(8,624)
Opening Cash	104,362	51,795	70,799	33,563
Closing Cash	129,301	31,851	104,362	24,939

- The Globe reported a small surplus of \$18k for the 6 months-end, out of which \$14k was the gross profit from the Café.
- Mainly due to the net operating cash inflow, the cash balance has increased by \$24,939.
- The Globe's current assets are more than double its current liabilities, indicating the Trust's ability to satisfy its current obligations.

## 5. DRAFT STATEMENT OF INTENT 2021-2024

The Board has presented a draft SOI that aligns with Council's strategic direction and addresses the Statement of Expectation, as outlined in Table 3 below.

**Table 3: Comparison of The Globe SOI with Council's Statement of Expectation**

Statement of Expectation	Globe Draft SOI 2021-24	Comments + Recommendations for Final SOI 2021-24
Contribute towards specific actions in the Arts Plan and align activities to Council's overall vision, goals and strategies.	The Board demonstrates a clear link between its strategic objectives and Council's strategic direction.	N/A
Develop 4-6 high-quality performance measures with Officers.	Not mentioned.	In progress. Discussion of new performance measures with Council staff was delayed due to Covid-19.
Outline approach to good governance practices, financial sustainability and environmental sustainability.	Included in 'How we operate' section.	N/A
Produce a business plan and 10-year plan.	The 10-year Strategic Plan was attached to the SOI 2020-23. It will be reviewed annually.	N/A
Actively explore and report on commercial models.	Implementation of commercial model mentioned in the Foreword and in 'Nature and Scope of Activities' under Objective 1.  Included in performance measures.	Completed.
Actively explore collaboration on a	Not mentioned.	Discussions planned with Council

ITEM 10

Statement of Expectation	Globe Draft SOI 2021-24	Comments + Recommendations for Final SOI 2021-24
one-stop front of house booking operation.		<p>staff in 2020 did not eventuate due to Covid-19 causing focus elsewhere.</p> <p>Further discussions with Council staff and CCOs to occur at quarterly operations meeting.</p>
Actively explore bringing ticketing functions under one umbrella for city venues.	Not mentioned.	<p>Was explored in 2020 but was unable to proceed due to CCOs having contractual arrangements with different ticketing agents.</p> <p>Further discussions with Council staff and CCOs to occur at quarterly operations meeting.</p>
Identify your regionally/nationally significant events based on current delivery and explore a stretch target.	Included in performance measures.	N/A
Work with Council and other agencies to develop Economic Impact reporting for regionally/nationally significant events.	Not mentioned.	<p>Discussions planned with Council staff in 2020 did not eventuate due to Covid-19 causing focus elsewhere.</p> <p>Further discussions with Council staff and CCOs to occur at quarterly operations meeting.</p>
Financials (see Table 4).	In 2020 the Globe requested an increase of \$50k in their annual grant from 2021/22, to pay for increased technical support with a view to growing this position into a permanent paid position.	<p>Council considered the request but has not included it in the draft Long-Term Plan budget.</p> <p>Council has noted the option in the 'considered but not included' section of the LTP consultation document.</p>

**Table 4: Globe SOI Summary Financials**

	Forecast	SOI		
Summary Financials (\$000)	20/21	21/22	22/23	23/24
<b>Financial Performance</b>				
PNCC Grant	116,855	118,075	119,255	120,448
Total revenue	273,052	243,425	244,655	255,848
Total Expenses	202,134	257,411	267,050	277,026
Net Surplus (Deficit)	70,918	(13,986)	(22,395)	(21,178)
<b>Financial Position</b>				
Current Assets	130,234	165,037	199,272	233,195
Total Assets	472,748	458,762	436,366	415,188
Current Liabilities	18,200	18,200	18,200	18,200
Total Liabilities	18,200	18,200	18,200	18,200
Equity	454,548	440,562	418,166	396,988
<b>Cash Flows</b>				
Total Net Cash Flows	7,672	34,803	34,235	33,924
Opening Cash	104,362	112,034	146,837	181,072
Closing Cash	112,034	146,837	181,072	214,996
<b>Financial Indicators</b>				
Current Ratio	7.16	9.07	10.95	12.81
Working Capital	112,034	146,837	181,072	214,995

- The Trust is anticipating a small deficit each year for the next three years.
- The main cause for the deficit is increased overhead and remuneration costs with significantly less donation income forecast (see pages 14 and 15 of Globe SOI, Attachment 3).
- The consecutive deficits forecast also cause equity to decline.

## 6. NEXT STEPS



- 6.1 Any Committee comments on the draft SOI agreed by Council will be communicated in writing to the Globe.
- 6.2 The Globe will deliver their final SOI to council officers by 30 June 2021, which will be presented to the Arts, Culture and Heritage Committee on 18 August 2021.

## 7. COMPLIANCE AND ADMINISTRATION

ITEM 10

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: to support CCOs to achieve the objectives of the arts plan.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	<p>Receiving the six-month report allows the Council to have oversight against the previously agreed SOI.</p> <p>Providing comments on the draft Statement of Intent is a mechanism for Council to provide guidance and direction to The Globe Theatre.</p>

### ATTACHMENTS

1. The Globe\_ Six-Month Performance Report 1 July-31 December 2020 [↓](#)
2. The Globe\_ Performance Monitoring [↓](#) 
3. The Globe\_ Draft Statement of Intent 2021-2024 [↓](#) 



# Six Month Report to Palmerston North City Council

THE GLOBE THEATRE TRUST BOARD  
DECEMBER 2020

## Six Month Report to Palmerston North City Council from the Globe Theatre Trust Board December 2020

### CONTENTS

Chairperson's Report .....	2
Trust Details as at 31 Dec 2020 .....	4
Manager's Report .....	5
Performance Measures - 6 Months to 31 Dec 2020 .....	7
Strategic priorities and performance monitoring for 2020/21 .....	9
The Globe Theatre Trust Financial Statements For The 6 Months Ended 31 Dec 2020 .....	13
Statement Of Responsibility .....	13
Entity Information For 6 Months To 31 December 2020 .....	13
Statement Of Financial Performance For The Six Months To 31 Dec 2020 .....	15
Statement Of Financial Position For The Six Months To 31 Dec 2020 .....	16
Statement Of Changes In Accumulated Funds For The Six Months To 31 Dec 2020 .....	16
Statement Of Cash Flows For The 6 Months To 31 Dec 2020 .....	17
Notes To The Financial Statements .....	17



## CHAIRPERSON'S REPORT

The Trustees of the Globe Theatre Trust are pleased to present this half-year report to the Palmerston North City Council.

2020 was a unique year with the COVID pandemic at the forefront of our thoughts. July to December 2020 was a very trying 6 months for the theatre. While there were many bookings for both auditoriums, it was always at the back of our minds that everything could change in a blink of an eye, as was the case with the second lockdown period in August & September.

With this in mind, the board wishes to strongly acknowledge the management team of Gerry Keating & Jay Lincoln who took on the challenge of COVID and tirelessly worked with our hirers to provide confidence and assurances that their events could go ahead, even in Level 2 and the various restrictions that entailed. This was amplified by the rearranging of the Michael Houstoun/Rodger Fox concert in September. The concert was sold out prior to going into Level 2 on August 12<sup>th</sup>. Level 2 restrictions meant that audiences could not be larger than 100 people and social distancing of at least 1 metre had to be upheld. In consultation with Michael & Rodger, the performers agreed to perform two concerts on the day and the task of contacting all patrons began. Of 194 people who originally paid to attend the concert, 179 attended. The Globe 1 theatre was rearranged to accommodate social distancing and the shows were a huge success.

The first six months of 2020/2021 (July – December 2020) continued the busy trend for the theatre. Notably:

- July - Manawatu Youth Theatre's production of The Little Mermaid
- August – Tofiga "Sorry Bout It" with two sold out shows on Friday 7<sup>th</sup>
- September – The Aotearoa Country Music Awards, The Comedy Hub 3 Day Mini Festival and the fore mentioned Michael Houstoun/Rodger Fox concert all held under Level 2 conditions
- October – Four Friends and a Funeral by Eljon Fitzgerald and the Rose Academy end of year performance of Twisted Tales
- November – The Manawatu Jazz Festival Decanted and the Manawatu Theatre Society's Pirates of Penzance
- December – St John Fundraiser, IPU Kodama Drumming, The Last 5 Years and we welcomed a new MOU client with Equippers Church hiring the theatre on Sunday mornings for their church services

A number of events due to be held during the first lockdown from March to May 2020, were either cancelled or rescheduled. As frustrating as this was for both the theatre and the organisers, it was a sign of great community spirit that organisations worked together to bring the postponed shows to the stage. Of note is the Manawatu Theatre Society who graciously gave up their first week of pack in over the October Labour Weekend to allow the Manawatu Jazz Club to bring their Manawatu Jazz Festival to the stage. Originally planned for Queen's Birthday Weekend in June, the festival was postponed, and it was only through discussion between theatre management, MTS and the jazz club that dates were made available and the festival was able to proceed.

Our interim results indicate that we are on track to meet all KPIs in our annual report. In consultation with council officers, our KPIs were revised to allow for COVID and the restrictions it may bring. It is heartening to note that while we may have revised some of the figures in our Statement of Intent for the 2020/21 year, we are well on track to hit the originally, pre COVID, numbers.

Our management team continue to build on the relationships already established and to create new ones. Feedback from hirers has shown that the effort the team goes to prior, during & after shows, is very well received. The Globe Theatre is very well regarded throughout New Zealand as is shown by the large number of enquiries we receive on a weekly basis and the number of returning shows each year.

As a board, we work with our management team to continue the wonderful community spirit the Globe Theatre encompasses. No show is too big or too small. From professional acts to local community organisations, everyone is welcome at the Globe Theatre.

The board would like to thank Toni & Nathan Kane from Encore Café who provided café services at the theatre over the past two years. The COVID lockdown from March to May gave Toni & Nathan a chance to evaluate the running of the café. It was with great sadness that we accepted their decision to withdraw from the café to focus on other projects. The café is now under Globe Theatre management and is open before, during and after shows. It is also available for private functions and has become an important asset to the theatre.

We thank our MOU organisations who continue to see the Globe Theatre as their home. The relationship we have with our MOUs is very important to the theatre. We continue to grow these relationships and work with the organisations to meet their needs. We farewelled the Rose Academy of Dance and Performing Arts as they moved on to their new premises in July and we welcomed Equippers Church on board in December.

We would like to acknowledge, once again, the amazing support from the Palmerston North City Council. The relationship between council officers and the theatre is second to none. Our monthly Manager's Report stresses the quick responses to any issues faced at the theatre. We want our management team to focus on the day to day running of the theatre. Knowing that maintenance issues are quickly responded to and solved, is a huge comfort to the board.

The achievements of the first 6 months have only been possible because of our wonderful team. From the Board Members to our management team and down to our Front of House volunteers, I "Thank You" sincerely for your ongoing contribution.

Palmerston North is a growing city. The different cultures, the community spirit, the range of events & activities, all come together to make our city a thriving arts hotpot. Going forward we need to embrace all this offers and brings to our city. The Globe Theatre is a part of this, and we support our council's vision to develop the city into an arts powerhouse with a national reputation for creativity and the arts.

Maxine Dale  
Chairperson  
January 2021

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



## MANAGER'S REPORT

July to December 2020 continued the upward trend of the past three years of the theatre being busy. The COVID 19 pandemic meant that we kept ourselves prepared should any changes to the levels occur as was the case when we went back in to Alert Level 2 on August 12<sup>th</sup> and remained in Level 2 till September 21<sup>st</sup>. During those 5 weeks, the theatre had several shows postponed or cancelled and we worked with the show organisers to limit the impact on both their organisations and the audience members and to look at future dates for their shows.

The initial COVID lockdown in March, forced the theatre to “think outside the box” as to how we could accommodate shows in Alert Level 2, with an audience limit of 100 and social distancing of 1 metre. This very much came to play on September 20<sup>th</sup> with the Michael Houstoun/Rodger Fox Project. This concert had been rescheduled from an earlier postponed date and prior to August 12<sup>th</sup> was already sold out. Consultation between management, Michael and Rodger arrived at hosting two performances on the same day and dividing the audience in two. Clever moving of the Globe 1 theatre seats allowed us to allocate seats to approx. 90 people per show. Then came the task of contacting 194 ticket holders and informing them of how we were going to accommodate everyone. Of the 194 people who had tickets to the original show, 179 attended on the day.

Whilst very much a “venue for hire”, we continue to work with our hirers to promote their shows to the Manawatu public. This is very much in our interest as a successful show will return again and again. Feedback from our hirers has shown that they appreciate the efforts we go to, to promote their shows. This is evident from the number of repeat shows that return to the theatre on an annual basis. Chamber Music New Zealand, Aroha String Quartet, Rodger Fox, Aotearoa Country Music Awards, Ian Harman/Lola & Friends, to name but a few.

In May 2020, we had planned to exhibit at the Women's Lifestyle Expo in Palmerston North. This got cancelled due to COVID-19 so we are looking forward to exhibiting at the 2021 expo in May. Our main promotional tool is our weekly newsletter which goes out to approx. 4,000 subscribers. The subscriber list has been sitting on 4,000 for a couple of years so it needs an influx of new subscribers. I see the WLE as being a way to engage with a huge selection of people who live in Palmerston North and through various competitions, get them to sign up for our newsletter.

Our relationship with our MOU (Memorandum of Understanding) groups continues to grow. It is notable that one of our MOU groups, The Comedy Hub, are focusing a lot of their resources on fostering up and coming comedians and hosting workshops on a regular basis. For a small and committed group, this is wonderful to see and can only enhance the already growing community of comics in our region. In July we farewelled the Rose Academy of Dance & Performing Arts as they moved to their new dance studio. It was sad to see them go but we look on their move as a triumph as they came to the Globe with a small group of students and over a couple of years grew to the stage of needing their own studio. We still see them once a year for their end of year performance. We also welcomed Equippers Church to the theatre as a new MOU group. This relationship grew from a chance conversation of a group needing a space for a Sunday service and developed into a regular Sunday morning booking of both theatres and additional spaces.

We continue to look at how we can “do better” in all aspects of the theatre. We listen to our hirers and our audience members and we take on board all feedback received whether complimentary or not. This is how we make our theatre better.



Our wish list continues to grow as we look to upgrade our equipment and facilities. As we add to the list, we look at how we can fund each item. Always a work in progress but we are very aware of the need to keep our equipment up to date and moving with the times. What was new and fancy two years ago, is not new and fancy now. Everyone wants the brand-new shiny stuff but that must be balanced with what the theatre really needs.

We continue to liaise with council officers on a regular basis. The CCO Quarterly Gathering is a great forum to get together with our fellow CCO's and bring each other up to speed. It is also worth noting that any maintenance issues brought to the attention of the council officers have been dealt with in a timely and speedy manner.

It was with great sadness that we farewelled our Assistant Manager, Jaye Lincoln, at the end of October. Jaye had been with the theatre for a year and had built up a great rapport with hirers and audience members alike. The hunt for a new Assistant Manager has begun and we expect to have a new person on board in January 2021.

Planning for the next six months (January – June 2021) is well underway. Our schedule each year will always include those bookings that have been regular bookings for many years. As they finish one show, they book in again for the following year. These bookings are the bread and butter of the theatre. However, we are experiencing an increased number of enquiries from new and not so regular hirers. This is very encouraging considering the state of the arts community within New Zealand. There is a huge risk putting on a show due to the COVID pandemic, so it is heartening that arts practitioners are still developing shows and looking to take them to the regions.

Gerry Keating  
Manager  
January 2021



**PALMERSTON NORTH**  
**MINI**  
**COMEDY FEST**  
**2020**

**3 DAYS, 9 SHOWS, 1 LOCATION**  
**17 - 19 SEPTEMBER**

Tickets and details from  
[globetheatre.co.nz](http://globetheatre.co.nz)  
or the Box Office

The Comedy Hub

***FEATURING***

**Melanie Bracewell**  
**Gary Sansome**  
**Brendhan Lovegrove**

Nathan Bond, Dylan Stewart, Shannon Basso Gaule, Tim Stannard, Gavin Hews, Morgan Hunter-Bell, Katie Boyle, Richie B, Asarte, Richard Dryden, Chris Ingham, Justin Ngai, Tommy Whitehouse, and more!

**globe**  
theatre

## PERFORMANCE MEASURES - 6 MONTHS TO 31 DEC 2020

### DEFINITIONS

#### USER GROUPS

**MOU Group** – has an MOU arrangement with the Globe Theatre, 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

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

#### PERFORMANCE BASED 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** – anything else

## MANAWATŪ JAZZ & BLUES FESTIVAL 2020 DECANTED

Michelle Robinson Dance Studio presents:



DANCE  
SHOWCASE

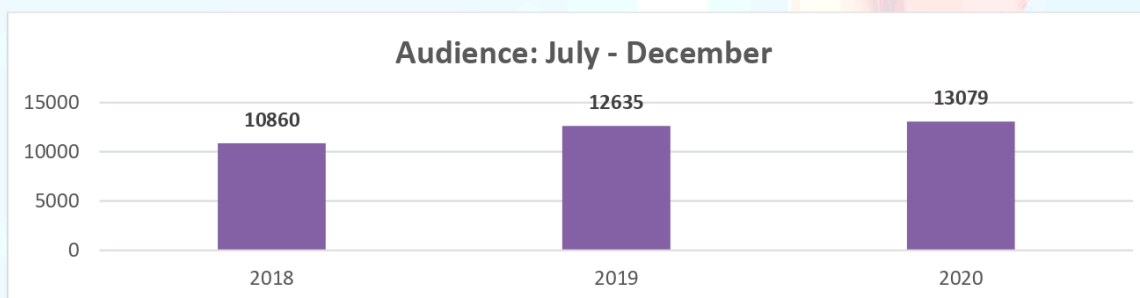
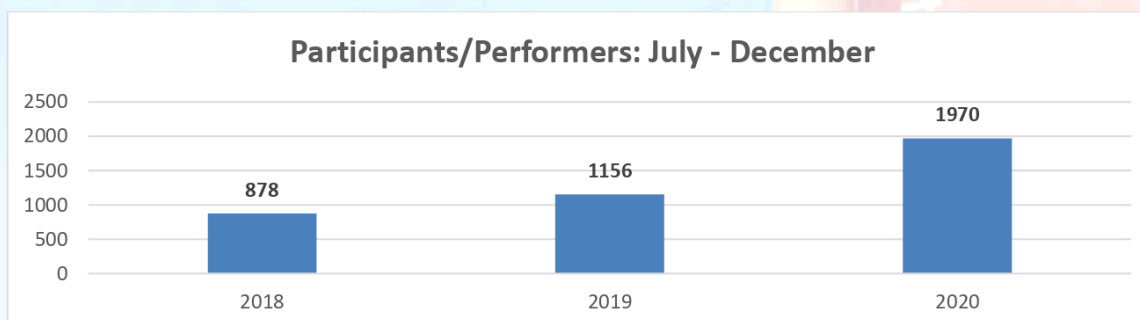
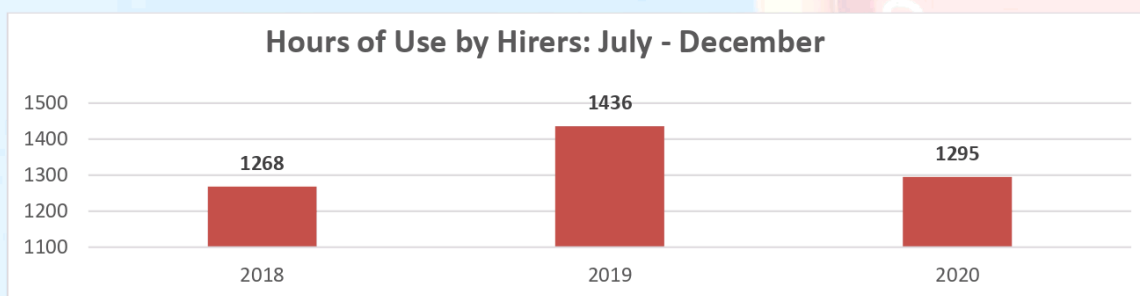
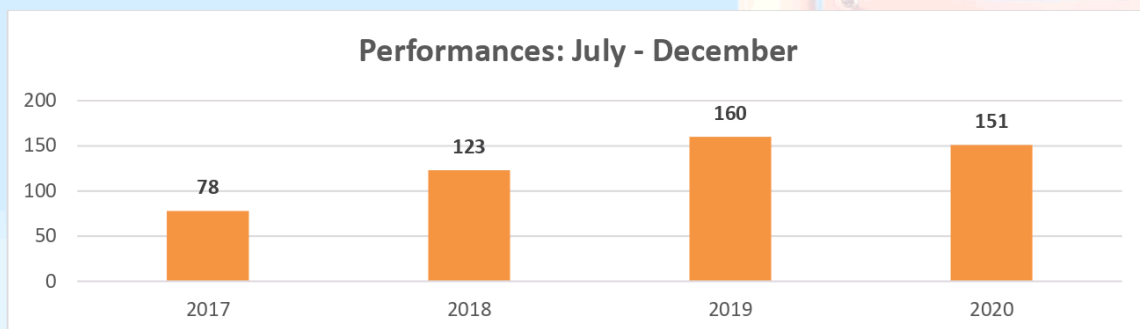
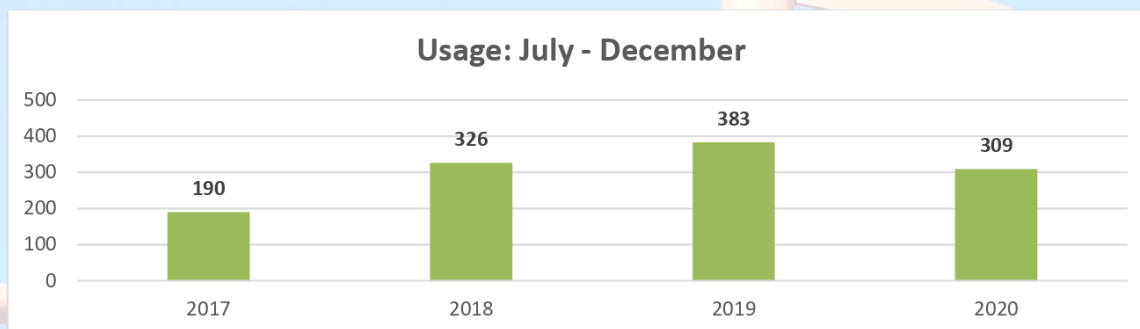
FRI 11 DEC,

6PM

\$12

globe  
theatre





## Strategic priorities and performance monitoring for 2020/21

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 2020 SOI	Result at December 2020 (6 months)
Number of usages Result at 31 Dec 2017: 190 Result at 30 June 2018: 514 Result at 31 December 2018: 326 Result at 30 June 2019: 680 Result at 31 December 2019: 383 Result at 30 June 2020: 534	380	On track: 309 usage (discreet bookings for exclusive use of a space)
Number of performances Result at 31 December 2017: 78 Result at 30 June 2018: 175 Result at 31 December 2018: 123 Result at 30 June 2019: 253 Result at 31 December 2019: 190 Result at 30 June 2020: 215	190	On track: 151 performances (with an audience of any description)
Hours of use by hirers Result at 31 December 2018: 1,268 Result at 30 June 2019: 2,544 Result at 31 December 2019: 1,436 Result at 30 June 2020: 1,988	1,436	On track: 1,295 (does not include box office or café opening hours)
No. discreet participants Result at 31 December 2018: 878 Result at 30 June 2019: 1,843 Result at 31 December 2019: 1,156 Result at 30 June 2020: 1,785	1,156	Achieved: 1,970 participants as organiser/performer/speaker. This figure is elevated in the first half of the year due to the Manawatu Jazz Festival taking place in October rather than June.
No of visitors/audience members Result at 31 December 2018: 10,860 Result at 30 June 2019: 21,409 Result at 31 December 2019: 12,635 Result at 30 June 2020: 15,487	12,635	Achieved: 13,079 (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.**

Outcomes	Outputs (KPIs)	
	Target 2020 SOI	Result at December 2020 (6 months)
<p>Maintain or improve satisfaction ratings of hirers</p> <p>Result at 31 May 2018: 97% (n=33)</p> <p>Results at 30 June 2018: 91% (n=35)</p> <p>Result at 31 Dec 2018: 81% (n=27)</p> <p>Result at 30 June 2019: 93% (n=50)</p> <p>Result at 31 Dec 2019: 86% (n=28)</p> <p>Result at 30 June 2020: 94% (n=36)</p>	Result maintained or improved	<p>16 post hire surveys have been completed. 94% (15) record an excellent rating, 6% (1) good.</p> <p>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 is "Booking and confirming your hire", "Equipment available to you for your hire" and "Technical support during the period of your hire".</p>
<p>Maintain or improve satisfaction ratings of visitors (audiences)</p> <p>Result at July 2017: 78% (n=171)</p> <p>Result at 30 June 2018: 79% (n=255)</p> <p>Result at 31 Dec 2018: 85% (n=62)</p> <p>Result at 30 June 2019: 84% (n=148)</p> <p>Result at 31 Dec 2019: 83% (n=51)</p> <p>Result at 30 June 2020: 93% (n=119)</p>	Provide annual result	<p>Surveys responded (n=114)</p> <p>72% rate the Globe Theatre as an excellent venue</p> <p>28% rate the Globe Theatre as a very good or good venue</p> <p>77% rate the performance they attended as excellent</p> <p>22% rate the performance they attended as very good or good</p> <p>Audience surveys take place monthly and target ticket buyers through the Globe ticketing system.</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</p> <p>Result at 31 December 2019: 11</p> <p>Result at 30 June 2020: 22</p>	11	<p>On Track: 10 events classed as national or international were brought to the Globe Theatre. 3 of the events were co-promoted (i.e. some form of box office split rather than a straightforward hire fee) and 1 event was with an MOU group.</p> <p><b>National:</b></p> <p>CMNZ – Amalia Hall &amp; Stephen de Pledge</p> <p>Tofiga</p> <p>Aroha String Quartet</p> <p>Caralise Traves</p> <p>Comedy Hub - Mini Comedy Festival (MOU)</p> <p>Houstoun/Fox Project</p> <p>CMNZ – Tales of the 20's</p> <p>Little Dog Barking</p> <p>Darren Watson</p> <p>Simon O'Neill &amp; Rodger Fox</p> <p>Manawatu Jazz Festival Decanted</p> <p>Dauphin of Mississippi (Split)</p> <p>Stretch</p> <p>Albi &amp; the Wolves (Split)</p> <p>St John Fundraiser – Nigel Latta</p> <p>Wellington Light Opera</p> <p><b>International:</b></p> <p>Jan Preston Trio (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 2020 SOI	Result at December 2020 (6 months)
Proportion of use that is driven through MOU arrangements and is performance based Result at 31 May 2018 (11 months): 51% Result at 31 December 2018: 47% Result at 30 June 2019: 57% Result at 31 December 2019: 63% Result at 30 June 2020: 54%	63%	On track: Seven MOU arrangements are currently in place: Alliance Francaise, Michelle Robinson School of Dance, MTS (including MYTH), Sunday Matinee Series, Tall Poppies, The Comedy Hub and Equippers Church. These 7 organisations accounted for 35% of usage.
Proportion of MOU-driven use that is performance-based Result at 31 May 2018 (11 months): 92% Result at 31 December 2018: 96% Result at 30 June 2019: 95% Result at 31 December 2019: 98% Result at 30 June 2020: 45%	95%	On track: 53% of usage by MOU groups was performance based. This measure needs to be looked at for future reporting as The Comedy Hub run weekly workshops that are not classed as performance-based and as such affect the statistics.
Proportion of overall usage from community groups Result at 31 May 2018 (11 months): 31% Result at 31 Dec 2018: 33% Result at 30 June 2019: 21% Result at 31 December 2019: 20% Result at 30 June 2020: 31%	Result maintained or improved	On track: 52% of theatre use is from community groups
Proportion of overall usage from new community groups Result at 31 May 2018 (11 months): 3.5% Result at 31 Dec 2018: 7.5% Result at 30 June 2019: 5.3% Result at 31 December 2019: 3.5% Result at 30 June 2020: 8.8%	Result maintained or improved	On track: 7.1% of use from new community groups. 14 new community groups with 22 usages

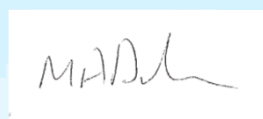
STRATEGIC PRIORITY 3: MAINTAIN AND DEVELOP FACILITIES THAT ENABLE OUR COMMUNITIES TO PRODUCE AND ENJOY THE VERY BEST PERFORMING ARTS THAT CAN BE OFFERED, ENSURING THAT THE GLOBE REMAINS A CUTTING EDGE, VISIBLE AND RESILIENT CULTURAL INSTITUTION/FACILITY.		
Outcomes	Outputs (KPIs)	
	Target 2020 SOI	Result at December 2020 (6 months)
Carry out capital development programme	Globe 1: New roller door for backstage area	On track
Funding capital renewal programme from depreciation fund  Result at 30 June 2019 = 45% (new measure) Results at 30 June 2020: 50%	68% depreciation costs available for capital renewal	Not calculated as at 31 December. Capitalisation of assets purchased will be done at year-end.

## THE GLOBE THEATRE TRUST FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 DEC 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 6 months ended 31 December 2020.

Signed on behalf of the Board:



### Entity Information For 6 Months To 31 December 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 The Six Months To 31 Dec 2020

Income	Note	Unaudited Dec 2020	SOI 2021	Actual 2020
Council Funding	2	58,427.50	116,905.00	115,748.00
Donations & Fundraising Income	3	17,167.70	45,000.00	145,030.87
Investment Income		131.00	300.00	375.25
Sales of Goods & Services	4	88,295.77	55,077.00	73,021.01
<b>Total Income</b>		<b>164,021.97</b>	<b>217,282.00</b>	<b>334,175.13</b>
<b>Expenditure</b>				
Costs related to providing Goods & Services	5	26,175.71	8,341.00	13,670.36
Administration & Overhead Costs	6	14,027.66	52,038.00	27,880.06
Employee Costs	7	67,230.02	125,595.00	132,195.05
Other Expenses	9	10,299.62	21,253.00	39,859.23
Depreciation		27,460.59	66,748.00	47,148.41
<b>Total Expenditure</b>		<b>145,193.60</b>	<b>273,975.00</b>	<b>260,753.11</b>
<b>Net Surplus/(Deficit)</b>		<b>18,828.37</b>	<b>-56,693.00</b>	<b>73,422.02</b>

## Statement of Financial Position for the Six Months to 31 Dec 2020

	Note	Unaudited Dec 2020	SOI 2021	Actual 2019-2020
<b>Assets</b>				
<b>Current Assets</b>				
Bank Accounts & Cash	9	129,301.71	31,850.00	104,362.00
Debtors & Prepayments	10	2,263.05	18,200.00	978.00
<b>Total Current Assets</b>		<b>131,564.76</b>	<b>50,050.00</b>	<b>105,340.00</b>
<b>Non-Current Assets</b>				
Property, Plant & Equipment	11	319,531.66	265,172.00	349,240.00
<b>Total Non-Current Assets</b>		<b>319,531.66</b>	<b>265,172.00</b>	<b>349,240.00</b>
<b>Total Assets</b>		<b>451,096.42</b>	<b>315,222.00</b>	<b>454,580.00</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Creditors & Accrued Expenses	12	38,760.04	18,199.00	48,871.00
Employee Costs Payable	13	9,006.49	0.00	9,971.00
Unused Grants & Donations with Conditions	14	874.20	0.00	12,104.00
Rounding		-0.66	0.00	0.00
<b>Total Current Liabilities</b>		<b>48,640.07</b>	<b>18,199.00</b>	<b>70,946.00</b>
<b>Total Liabilities</b>		<b>48,640.07</b>	<b>18,199.00</b>	<b>70,946.00</b>
<b>Net Assets</b>		<b>402,456.35</b>	<b>297,023.00</b>	<b>383,634.00</b>
<b>Trust Equity</b>				
Contributed Capital		100.00		100.00
Current Year Earnings		18,828.37		73,422.00
Retained Surpluses		383,527.98		310,112.00
<b>Total Trust Equity</b>		<b>402,456.35</b>		<b>383,634.00</b>

## Statement of Changes in Accumulated Funds for The Six Months To 31 Dec 2020

	Unaudited Dec 2020	SOI 2021	Actual 2019- 2020
Balance at 1 July	383,627.98	353,715.00	310,206.00
Current Period Surplus/(Deficit)	18,828.37	-56,693.00	73,423.00
<b>Balance at 31 December</b>	<b>402,456.35</b>	<b>297,022.00</b>	<b>383,629.00</b>

## Statement of Cash Flows for the 6 Months To 31 Dec 2020

	Unaudited Dec 2020	SOI 2021	Actual 2019- 2020
<b>Net Cash Flow from Operating Activities</b>	<b>67,867.83</b>	<b>10,056.00</b>	<b>130,894.00</b>
<b>Net Cash Flows from Investing Activities</b>	<b>-30,786.81</b>	<b>-30,000.00</b>	<b>-97,331.00</b>
<b>Net Cash Flows from Financing Activities</b>	<b>-12,141.56</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Cash Flows</b>	<b>24,939.46</b>	<b>-19,944.00</b>	<b>33,563.00</b>
<b>Cash &amp; Cash Equivalents</b>			
Cash & Cash Equivalents at 1 July	104,362.00	51,795.00	70,799.00
Net change in cash for period	24,939.46	-19,944.00	33,563.00
<b>Cash &amp; Cash Equivalents at 31 December</b>	<b>129,301.46</b>	<b>31,851.00</b>	<b>104,362.00</b>

## 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 2020 and were approved by the Board of Trustees on 24 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 Council Funding

	Unaudited Dec 2020	Actual 2020
PNCC Grant	\$58,427.50	\$115,748.00
<b>Total Council Funding</b>	<b>\$58,427.50</b>	<b>\$115,748.00</b>

#### 3 Donations & Fundraising Income

	Unaudited Dec 2020	Actual 2020
COVID-19 Wage and Salary Subsidy	\$11,230.00	\$26,202.00
Donations	\$369.00	\$471.00
Other Revenue	\$568.70	\$1,558.00
Project Grants	\$5,000.00	\$118,358.00
<b>Total Donations and Fundraising Income</b>	<b>\$17,167.70</b>	<b>\$146,589.00</b>

#### 4 Sales of Goods and Services

	Unaudited Dec 2020	Actual 2020
Cafe Sales	\$31,449.56	\$0.00
Donations for Venue Hire etc	\$1,271.20	\$0.00
Foyer rental	\$160.00	\$3,756.00
Globe 1 Theatre Hire	\$28,400.46	\$26,372.00
Globe 2 Theatre hire	\$11,051.19	\$24,710.00
Recoverable income	\$2,845.13	\$3,428.00
Ticket Sales	\$124,510.81	\$152,692.00
Ticket sales proceeds forwarded to external parties	-\$111,392.58	-\$139,495.00
<b>Total Sales of Goods and Services</b>	<b>\$88,295.77</b>	<b>\$71,463.00</b>

## 5 Costs relating to providing goods and services

	Unaudited Dec 2020	Actual 2020
Cafe Expenses	\$17,474.53	\$0.00
Project Expenses	\$0.00	\$256.00
Recoverable Expenses	\$2,274.06	\$4,267.00
Show Expenses	\$6,427.12	\$9,147.00
<b>Total Costs related to providing goods or services</b>	<b>\$26,175.71</b>	<b>\$13,670.00</b>

## 6 Administration &amp; Overheads Costs

	Unaudited Dec 2020	Actual 2020
Advertising	\$80.63	\$0.00
Cleaning	\$2,794.80	\$3,836.00
Hire of Plant & Equipment	\$0.00	\$236.00
Light, Power, Heating	\$7,072.69	\$13,387.00
Marketing	\$1,650.88	\$4,502.00
Office Expenses	\$357.08	\$1,001.00
Postage, Printing & Stationery	\$486.64	\$1,118.00
Telephone & Internet	\$1,584.94	\$3,800.00
<b>Total Administration and Overhead Costs</b>	<b>\$14,027.66</b>	<b>\$27,880.00</b>

## 7 Employee, Technician &amp; Trustee Remuneration Costs

	Unaudited Dec 2020	Actual 2020
KiwiSaver Employer Contributions	\$1,642.89	\$3,490.00
Salaries	\$56,737.55	\$119,291.00
Technician	\$6,299.58	\$6,014.00
Trustee remuneration	\$2,550.00	\$3,400.00
<b>Total Employee Costs</b>	<b>\$67,230.02</b>	<b>\$132,195.00</b>

## 8 Other Expenses

	Unaudited Dec 2020	Actual 2020
Audit Fees	\$1.30	\$9,034.00
Bank Fees	\$552.30	\$90.00
Consulting & Accounting	\$429.50	\$844.00
General Expenses	\$616.59	\$3,421.00
Insurance	\$2,820.65	\$2,824.00
Professional Development	\$750.00	\$595.00
Repairs and Maintenance	\$3,348.33	\$17,030.00
Security	\$325.50	\$572.00
Subscriptions & Compliance	\$538.66	\$3,688.00
Travel - National	\$0.00	\$193.00
Waste Disposal	\$916.79	\$1,284.00
<b>Total Other Expenses</b>	<b>\$10,299.62</b>	<b>\$39,575.00</b>

## 9 Bank Accounts and Cash

	Unaudited Dec 2020	Actual 2020
Cash on hand	\$657.80	\$658.00
Non profit current	\$42,474.19	\$57,745.00
Rapid Save (donations)	\$86,169.72	\$45,960.00
<b>Total Bank Accounts and Cash</b>	<b>\$129,301.71</b>	<b>\$104,363.00</b>

## 10 Debtors and Prepayments

	Unaudited Dec 2020	Actual 2020
Accounts Receivable	-\$31,332.95	\$820.00
GST Receivable	\$0.00	\$158.00
Sundry Debtor Accruals	\$33,596.00	\$0.00
<b>Total Debtors and Prepayments</b>	<b>\$2,263.05</b>	<b>\$978.00</b>

## 11 Property, Plant and Equipment

	Unaudited Dec 2020	Actual 2020
Computer Equipment	\$45.43	\$112.00
Furniture & Fittings	\$24,542.50	\$27,318.00
Theatre Equipment	\$294,943.73	\$321,810.00
<b>Total Fixed Assets</b>	<b>\$319,531.66</b>	<b>\$349,240.00</b>

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

	Unaudited Dec 2020	Actual 2020
Accrued Expenses	\$0.00	\$11,826.00
Creditors	\$6,386.38	\$31,749.00
GST Receivable / Payable	-\$3,293.60	\$0.00
Income in Advance	\$33,596.00	\$3,140.00
PAYE Payable	\$2,071.26	\$1,868.00
Unpaid Expense Claims	\$0.00	\$288.00
<b>Total Creditors &amp; Accrued Expenses</b>	<b>\$38,760.04</b>	<b>\$48,871.00</b>

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

	Unaudited Dec 2020	Actual 2020
Holiday Pay liability	\$5,005.00	\$5,005.00
Wages Accrual	\$4,399.95	\$4,966.00
Wages Payable - Payroll	-\$398.46	\$0.00
<b>Total Employee Costs Payable</b>	<b>\$9,006.49</b>	<b>\$9,971.00</b>

## 14 Unused Donations and Grants with Conditions

	Unaudited Dec 2020	Actual 2020
Unused Donations and Grants with conditions	\$874.20	\$12,104.00

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

	Unaudited Dec 2020	Actual 2020
Balance at 1 July	383,627.98	310,206.00
Current Period Surplus/(Deficit)	18,828.37	73,423.00
<b>Balance at 31 December/30 June</b>	<b>402,456.35</b>	<b>383,629.00</b>

## 16 Capital Commitments and Operating Leases

The Trust has no capital commitments and no operating lease commitments (2020 \$nil).

## 17 Contingencies

### CONTINGENT LIABILITY

The Trust has no contingent liabilities (2020 nil).

### CONTINGENT ASSETS

The Trust has no contingent assets (2020 \$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

At this stage in the year, generally income and expenditure should be at about 50% of annual budget. There are the following exceptions/variances:

### REVENUE

Total revenue is 33% over budget. This is due to the following:

1. COVID-19 Wage Subsidy of \$11,230 received prior to July 1<sup>st</sup> and being included in the current year financials.
2. Globe Theatre Trust taking over café operations from July 1<sup>st</sup>
3. Manawatu Jazz Festival being held over October Labour Weekend rather than the usual Queen's Birthday Weekend. The original festival was postponed due to COVID-19.
4. Some very well attended events resulting in increased ticket sales

#### EXPENDITURE

Operating expenses were 15% higher than budgeted due to the following:

1. Increased theatre usage results in increased cleaning, waste disposal and repairs & maintenance
2. Increased theatre technician costs due to increased theatre hire. Theatre technician is currently a contractor.
3. Increase in insurance costs

#### BALANCE SHEET

The Bank accounts and cash balance are higher than budgeted primarily because of the increased use of the theatre and café operations.

Income in Advance includes Council Funding paid in December for first quarter 2021.

#### 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.



Six Month Performance Monitoring	2020/2021 as at 31/12/2020	Percentage of Annual Target 2020/21	Officer's comment
<b>Ensure that there are more arts and activities at The Globe that contribute to the Council's aspirations as an Arts Powerhouse</b>			
Number of usages	309	81%	On track to achieve target. This target was revised due to Covid-19
	190		
Number of performances	151	79%	On track to achieve target. This target was revised due to Covid-19
	95		
Hrs of use by hirers	1295	90%	On track to achieve target. This target was revised due to Covid-19.
	718		
Number of discreet participants	1,970	170%	Annual Target of 1,436 achieved
	578		
Number of Visitors / audience members	13,079	104%	Annual Target of 12, 635 achieved
	6318		
Hirers satisfaction	N/A		Not measured - till the end of year
Audience satisfaction	N/A		Not measured - till the end of year
Number of national and international visiting productions performing at the Globe	10	91%	On track to achieve target
	6		
<b>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</b>			
% of use driven through MOU	35%	56%	on track to achieve target
	63%		
% of MOU driven use that is performance-based.	53%	56%	on track to achieve target
	95%		
% of Community Groups usage	52%		on track to achieve target
	N/A		

% of overall usage from ESTABLISHED community users	45%			on track to achieve target
% of overall usage from NEW community groups	7.1%			
<b>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.</b>				
<b>Carry out capital development</b>		N/A		
Depreciation costs funded		N/A		calculation done at end of year.
	Annual Target	34.0%		
				On track
				Achieved
				Unlikely to achieve for reasons outside of CCO's control
				Not on track but still achievable
				Unlikely to achieve

---

## Globe Theatre Trust Statement of Intent For the three years to 30 June 2024

---

DRAFT

---

*Version:* FINAL

---

*Date:* 29/03/2021

---

*Prepared by:* Globe Theatre Trust Board

---

**CONTENTS**

Trust Details as at 30 June 2021 .....	3
Foreword .....	4
Purpose of the Statement of Intent .....	5
About the Globe Theatre Trust .....	5
Governance Statements .....	5
Core Purpose .....	6
Vision .....	6
Mission .....	6
Values .....	6
Contribution to small city benefits, big city ambition .....	6
The Globe Theatre Trust's Strategic Objectives .....	7
Nature and scope of activities of the Trust Board – what we do .....	7
Performance Measures .....	8
Definitions .....	8
Strategic priorities and performance monitoring for 2021/22, 2022/23, 2023/24 .....	9
How we operate .....	12
Working together .....	12
Half-yearly report .....	12
Annual report .....	12
Forecast financial statements .....	14
Statement of Financial Performance for the years ended 30 June 2022, 2023, 2024 .....	14
Statement of Financial Position for the years ended 30 June 2022, 2023, 2024 .....	15
Statement of changes in accumulated funds for the years ended 30 June 2022, 2023, 2024 .....	14
Statement of cashflow for the years ended 30 June 2022, 2023, 2024 .....	16
Summary of significant accounting policies .....	17

## Trust Details as at 30 June 2021

Nature of Business	Theatre
Establishment Date	15 April 2002
Trustees	J Adams (Chairperson) M Dale R Harris G Hudson M May
Treasurer	G Hudson
Secretary	M May
Theatre Manager	G Keating
Address	312 Main Street PO Box 132 Palmerston North
Telephone	(06) 351 4409
Website	<a href="http://www.globetheatre.co.nz">www.globetheatre.co.nz</a>
Email	<a href="mailto:info@globetheatre.co.nz">info@globetheatre.co.nz</a>
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
Charity Registration Number	CC28111
Inland Revenue Number	43-006-495

## Foreword

The Globe Theatre Trust Board is pleased to present its Statement of Intent for the three-year period from July 2021 to June 2024. The Board continues to be driven by its vision of the Globe Theatre as the home of the local performing arts community in Palmerston North.

In 2020, the Board reviewed its 5-Year Strategic Plan and following that review, created a 10-Year Strategic Plan with a view to review every year. The 10-Year Strategic Plan was attached to the Statement of Intent 2020-2023.

The Statement of Intent is presented under a “business as usual” scenario. The Board is, however, mindful of the COVID Pandemic and whilst the theatre is operating under “business as usual”, we are only one step away from being closed for any length of time. After the initial lockdown of March – May 2020, the theatre reopened to many events and good crowds. Even during the Level 2 lockdown of August & September 2020, the theatre was able to function to the best of its ability under social distancing restrictions.

The Board anticipates further growth in business but not to the extent of previous years. The Board has requested additional funding from the 2021/22 year for increased technical support with a view to growing this position into a permanent paid position funded by the growth in hire income and ticketing business.

The Board is confident that the theatre is making excellent progress toward its vision to be “A dynamic, bustling, vibrant centre for the performing arts community in Palmerston North”. Even allowing for the closure of the theatre for over two months in 2020, the theatre was still on track results wise.

	Theatre Usage	Theatre Performances	Audience	Participants/Performers	Hours of Use
2019/20	533	221	15393	2801	1988
2018/19	680	253	21409	1843	2544

Our focus for the coming year will be as follows:

- Work with council officers on the refurbishment of the Globe 1 theatre back stage toilets.
- Look at how we can utilise the limited storage space available at the theatre.
- Liaise with our Memorandum of Understanding (MOU) groups at how best to fulfil their needs.
- Increase the promotion of events and the theatre to reach a wider audience within Palmerston North & Manawatu
- Upgrade our equipment to meet industry standards and the needs of our clients.
- Collaborate with the Papaioea Festival of the Arts for 2022 & beyond

Globe Theatre Trust Board  
June 2021



## 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.

## About the Globe Theatre Trust

### 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:

- (i) Securing the future of the Globe Theatre.
- (ii) Preparing, in consultation with the Council, a Strategic Plan and an Annual Plan for attaining these objectives.
- (iii) Acknowledging the Globe Theatre as the home of the Manawatu Theatre Society.
- (iv) Ensuring the Globe Theatre remains accessible to the community (both physically and financially).
- (v) 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:

- (i) the operation and performance of the Board, including being a good employer
- (ii) managing the relationship with the Theatre Manager
- (iii) 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.

**CORE PURPOSE**

"To be the home of the local performing arts community in Palmerston North."

**VISION**

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

**AIM**

"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 and 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 act before being asked or the situation requires it.

Honesty and integrity - We will be straightforward in conducting ourselves and our business. We will be trustworthy, loyal, fair, and sincere.

## **Contribution to small city benefits, big city ambition**

Palmerston North is the heart of the Manawātū region within central New Zealand - a small city with a lot to offer, and ambitious about where it is 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 CO<sup>2</sup> 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.

## 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

**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

#### 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** – 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 priorities and performance monitoring for 2021/22, 2022/23, 2023/24

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, at 30 June 2020	Actual		Target		
	2019/20	at 30 December 2020	2021/22	2022/23	2023/24
Number of usages	534	309	650 Commentary on issues	675 Commentary on issues	675 Commentary on issues
Number of performances	215	151	220 Commentary on issues	240 Commentary on issues	240 Commentary on issues
Hours of Use by Hirers	1,988	1,295	2,600 Commentary on issues	2,800 Commentary on issues	2,800 Commentary on issues
No. of discreet participants	1,785	1,970	1,750 Commentary on issues	1,850 Commentary on issues	1,850 Commentary on issues
No. of visitors/audience members	15,487	13,079	26,000 Commentary on issues	27,000 Commentary on issues	27,000 Commentary on issues
Maintain or improve satisfaction ratings of hirers	(n=33) 94% rate the theatre as an Excellent or a Good venue	(n=16) 94% rate the theatre as an Excellent or a Good venue	2021/22 result maintained or improved – commentary on issues	2022/23 result maintained or improved – commentary on issues	2023/24 result maintained or improved – commentary on issues
Maintain or improve satisfaction ratings of visitors/audiences	(n=119) 93% rate the Globe Theatre as an Excellent or a Very Good venue 93% rate the performances they attended as Excellent or Very Good	(n=114) 72% rate the theatre as an Excellent 28% rate the theatre as a Very Good or Good venue 77% rate the performances they attended as Excellent 22% rate the performance they attended as Very Good or Good	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/international visiting productions performing at the theatre	22	10	15	17	17

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, at 30 June 2020	Actual		Target		
	2019/20	at 30 December 2020	2021/22	2022/23	2023/24
Proportion of use driven through MOU arrangements	54%	35%	70%	70%	70%
Proportion of MOU-driven use that is performance-based	45%	53%	95%	95%	95%
Proportion of overall usage from community groups	31%	52%	2021/22 result maintained or improved – commentary on issues	2022/23 result maintained or improved – commentary on issues	2023/24 result maintained or improved – commentary on issues
Proportion of overall usage from new community groups	8.8%	7.1%	2021/22 result maintained or improved – commentary on issues	2022/23 result maintained or improved – commentary on issues	2023/24 result maintained or improved – commentary on issues



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		
	2019/20	at 30 December 2020	2021/22	2022/23	2023/24
Carry out capital development programme	Globe 1: new digitally enabled rig installed.	New projector for Globe 1 with electric screen	Globe 1: New Roller door/backstage storage	Investigate digital signage options	Upgrade sound system in Globe 1 and Globe 2
Funding capital renewal programme from depreciation fund	50% depreciation funded	Not measured; capitalisation not done until year end	60% depreciation costs available for capital renewal	60% depreciation costs available for capital renewal	60% depreciation costs available for capital renewal

## 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 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 SOL, 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 29<sup>th</sup> March 2021.

Signed:

John Adams, Chairperson, Globe Theatre Trust Board

DRAFT

## Forecast financial statements

### STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDED 30 JUNE 2022, 2023, 2024

	Actual 2020	Forecast 2021	Indicative 2022 1% inflation adjustment	Indicative 2023 1% inflation adjustment	Indicative 2024 1% inflation adjustment
<b>Revenue</b>					
Donations, fundraising and other similar income	120,387	34,335	25,000	15,000	15,000
COVID-19 Wage Subsidy	26,202	11,230	0	0	0
Council funding	115,748	116,855	118,075	119,255	120,448
Investment income	375	262	350	400	400
Sales of Goods and Services	71,463	110,370	100,000	110,000	120,000
<b>Total Revenue</b>	<b>334,175</b>	<b>273,052</b>	<b>243,425</b>	<b>244,655</b>	<b>255,848</b>
<b>Expenditure</b>					
Costs related to providing goods and services	13,670	32,720	30,000	35,000	40,000
Administration and Overhead Costs	27,880	28,055	20,000	25,000	30,000
Employee, Trustee and Contractor Costs	132,195	84,038	126,944	128,308	129,591
Other Expenses	39,575	20,599	21,678	22,112	22,333
Asset Write offs	0	0	0	0	0
Depreciation	47,432	36,722	58,789	56,630	55,102
<b>Total Expenditure</b>	<b>260,752</b>	<b>202,134</b>	<b>257,411</b>	<b>267,050</b>	<b>277,026</b>
<b>Net surplus/(Deficit)</b>	<b>73,423</b>	<b>70,918</b>	<b>-13,987</b>	<b>-22,395</b>	<b>-21,178</b>

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 are reflected in the Net surplus in those years and consequently (through increased depreciation) as a net deficit in the 2022, 2023 and 2024 financial years. The Globe Theatre Trust has traditionally not funded depreciation but is moving towards partially funding depreciation through this SOL period.

### STATEMENT OF FINANCIAL POSITION FOR THE YEARS ENDED 30 JUNE 2022, 2023, 2024

	Actual 2020	Forecast 2021	Indicative 2022	Indicative 2023	Indicative 2024
<b>Assets</b>					
<b>Bank</b>					
Cash and Cash Equivalents	104,362	112,034	146,837	181,072	214,995
<b>Total Bank</b>	<b>104,362</b>	<b>112,034</b>	<b>146,837</b>	<b>181,072</b>	<b>214,995</b>
<b>Current Assets</b>					
Accounts Receivable	978	17,000	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	1,200	1,200	1,200	1,200
Sundry debtor accruals	0	0	0	0	0
<b>Total Current Assets</b>	<b>105,340</b>	<b>130,234</b>	<b>165,037</b>	<b>199,272</b>	<b>233,195</b>
<b>Fixed Assets</b>					
<b>Property, Plant and Equipment</b>					
Value of equipment purchased	693,676	693,676	723,676	733,676	733,676
Less accumulated depreciation	-344,440	-381,162	-439,951	-496,581	-551,683
New Capital purchase		30,000	10,000	0	0
<b>Total Property Plant and Equipment</b>	<b>349,236</b>	<b>342,514</b>	<b>293,725</b>	<b>237,095</b>	<b>181,993</b>
<b>Total Fixed Assets</b>	<b>349,236</b>	<b>342,514</b>	<b>293,725</b>	<b>237,095</b>	<b>181,993</b>
<b>Total Assets</b>	<b>454,576</b>	<b>472,748</b>	<b>458,762</b>	<b>436,366</b>	<b>415,188</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Creditors and Other Payables					
Accounts payable	31,749	17,000	17,000	17,000	17,000
Income in advance	3,140	0	0	0	0
Grants in advance	0	0	0	0	0
Accrued Expenses	11,826	0	0	0	0
PAYE Payable	1,868	1,200	1,200	1,200	1,200
Unpaid Expense Claim	288	0	0	0	0
GST	0	0	0	0	0
<b>Total Creditors &amp; Other Payables</b>	<b>48,871</b>	<b>18,200</b>	<b>18,200</b>	<b>18,200</b>	<b>18,200</b>
<b>Employee Costs Payable</b>					
Holiday pay liability	5,005	0	0	0	0
Wages accrual	4,966	0	0	0	0
<b>Total Employee Costs Payable</b>	<b>9,971</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Unused Grants/Donations with conditions</b>					
COVID-19 Wage Subsidy Extension	11,230	0	0	0	0
Grants/Donations	874	0	0	0	0
<b>Total Unused Grants/Donations with conditions</b>	<b>12,104</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Current Liabilities</b>	<b>70,946</b>	<b>18,200</b>	<b>18,200</b>	<b>18,200</b>	<b>18,200</b>
<b>Total Liabilities</b>	<b>70,946</b>	<b>18,200</b>	<b>18,200</b>	<b>18,200</b>	<b>18,200</b>
<b>Net Assets</b>	<b>383,630</b>	<b>454,548</b>	<b>440,562</b>	<b>418,166</b>	<b>396,988</b>

## STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR THE YEARS ENDED 30 JUNE 2022, 2023, 2024

	Actual 2020	Forecast 2021	Indicative 2022	Indicative 2023	Indicative 2024
Opening balance as at 1 July	310,206	383,630	454,548	440,562	418,166
<i>Comprehensive Income</i>					
Surplus/(Deficit)	73,423	70,918	-13,987	-22,395	-21,178
<b>Balance at 30 June</b>	<b>383,630</b>	<b>454,548</b>	<b>440,562</b>	<b>418,166</b>	<b>396,988</b>

## STATEMENT OF CASHFLOW FOR THE YEARS ENDED 30 JUNE 2022, 2023, 2024

	Actual 2020	Forecast 2021	Indicative 2022	Indicative 2023	Indicative 2024
<b>Cash Flows from Operating Activities</b>					
Donations and Fundraising	115,632	34,335	25,000	15,000	15,000
Receipts from Council grants	115,748	116,855	118,075	119,255	120,448
Receipts from sale of goods and services	86,555	111,348	100,000	110,000	120,000
COVID-19 Wage Subsidy	37,432	0	0	0	0
Interest Received	375	262	350	400	400
Payments to Suppliers & staff	-225,056	-225,128	-198,622	-210,420	-221,924
Goods and Services Tax (net)	208				
<b>Net Cash Flows from Operating Activities</b>	<b>130,894</b>	<b>37,672</b>	<b>44,803</b>	<b>34,235</b>	<b>33,924</b>
<b>Cash Flows from Investing Activities</b>					
Purchase of Fixed Assets	-97,331	-30,000	-10,000	0	0
Sales of Fixed Assets	0	0	0	0	0
<b>Net Cash Flow from Investing Activities</b>	<b>-97,331</b>	<b>-30,000</b>	<b>-10,000</b>	<b>0</b>	<b>0</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>33,563</b>	<b>7,672</b>	<b>34,803</b>	<b>34,235</b>	<b>33,924</b>
Cash and Cash Equivalents at the start of the Year	70,799	104,362	112,034	146,837	181,072
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>104,362</b>	<b>112,034</b>	<b>146,837</b>	<b>181,072</b>	<b>214,995</b>



## 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.

DRAFT



## COMMITTEE WORK SCHEDULE

**TO:** Arts, Culture & Heritage Committee

**MEETING DATE:** 14 April 2021

**TITLE:** Committee Work Schedule

---

### RECOMMENDATION(S) TO ARTS, CULTURE & HERITAGE COMMITTEE

1. That the Arts, Culture & Heritage Committee receive its Work Schedule dated April 2021.

### ATTACHMENTS

1. Committee Work Schedule\_April 2021 [↓](#) 

## ARTS, CULTURE & HERITAGE COMMITTEE

### COMMITTEE WORK SCHEDULE – APRIL 2021

Item No.	Estimated Report Date	Period of Reporting	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
1.	April 2021	1 July 2021 – 30 June 2023	<b>Draft Statements of Intent</b> Globe Theatre Regent Theatre Caccia Birch Te Manawa	General Manager – Strategy & Planning		
2.	April 2021		<b>Six Monthly Reports</b> Globe Theatre Regent Theatre Caccia Birch	General Manager – Strategy & Planning		
3.	Tuesday 13 April		<b>S17A Report Caccia Birch</b> Hearing of submissions	General Manager – Strategy & Planning		
4.	Wednesday 5 May		<b>S17A Report Caccia Birch</b> Final report	General Manager – Strategy & Planning		
5.	April August 2021		Annual report on Maintenance and Renewal Plans and Budgets for Cultural Facilities	General Manager – Infrastructure		25 June 2018 clause 19.2
6.	August 2021	1 January – 31 March 2021	Te Manawa Quarterly Report (third quarter 2020/21)		To be circulated for information after 31 May 2021, followed by formal receipt at August committee meeting	SOE 2020/21 LGA due date: 31 May 2021
7.	August 2021	1 July 2021 – 30 June 2023	<b>Final Statements of Intent</b> Globe Theatre Regent Theatre Caccia Birch Te Manawa	General Manager – Strategy & Planning		

Oasis # 13973086

8.	August 2021		Annual report from Palmerston North Public Sculpture Trust	Chief Customer Officer		Council 29 April 2019 clause 36.4
9.	August 2021		Annual progress report on the development of a military heritage theme across Council programmes	General Manager – Strategy & Planning		25 June 2018 clause 20.2
10.	August 2021		Update on the City's 150 <sup>th</sup> Celebrations Programme	General Manager – Marketing & Communications		17 February 2021 clause 5.2
11.	November 2021	1 July 2020 – 30 June 2021	Annual Reports Globe Theatre Regent Theatre Caccia Birch Te Manawa	General Manager – Strategy & Planning		
12.	November 2021		Report on the feasibility and process for establishing a Heritage Advisory Panel in order to strengthen our approach to heritage management and promote a shared understanding of how our shared Rangitāne and European heritage should be identified, managed, protected, conserved, appreciated and celebrated	General Manager – Strategy & Planning		Economic Development 17 March 2021 clause 9.2
13.	2022 (first quarter)	1 July – 30 September 2021	Te Manawa Quarterly Report (first quarter 2021/22)		To be circulated for information after 30 November 2021, followed by formal receipt at first committee meeting of 2022	SOE 2020/21 LGA due date: 30 November 2021
14.	2022		Review of the City's 150 <sup>th</sup> Celebrations Programme delivery, costs and outcomes	General Manager – Marketing & Communications		17 February 2021 clause 5.2
15.	2022		Report on the future of the Artist in Residence scheme	Chief Customer Officer		17 February 2021 clause 6.3
16.	TBA		Report on future plans for celebration of Waitangi Day and Matariki public holidays	General Manager – Marketing &		17 February 2021



			in Papaioea / Palmerston North	Communications		clause 6.2
--	--	--	--------------------------------	----------------	--	------------

CONFIDENTIAL DECISIONS RELEASED

Meeting date	Title		Released	Not Released

More information on the decisions released can be found here: [released decisions](#)