



PALMERSTON NORTH CITY COUNCIL

AGENDA

ARTS, CULTURE & HERITAGE COMMITTEE

1PM, WEDNESDAY 13 APRIL 2022
AUDIO-VISUAL MEETING

MEMBERS

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

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City Library | Ashhurst Community Library | Linton Library

Chris Dyhrberg

Acting Chief Executive | PALMERSTON NORTH CITY COUNCIL

ARTS, CULTURE & HERITAGE COMMITTEE MEETING

13 April 2022

ORDER OF BUSINESS

1. Apologies

2. Notification of Additional Items

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

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

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

3. Declarations of Interest (if any)

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

4. Public Comment

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

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

5. **Presentation - The Design School** Page 7

6. **Presentation - Manawatū People's Radio** Page 9

7. **Confirmation of Minutes** Page 11
 "That the minutes of the extraordinary Arts, Culture & Heritage Committee meeting of 13 April 2021 Part I Public be confirmed as a true and correct record."

8. **Confirmation of Minutes** Page 17
 "That the minutes of the Arts, Culture & Heritage Committee meeting of 17 November 2021 Part I Public be confirmed as a true and correct record."

9. **The Regent Theatre Trust: Six Month Report 1 July - 31 December 2021 and Draft Statement of Intent 2022-25** Page 27
 Memorandum, presented by Hannah White, Democracy & Governance Manager.

10. **Te Manawa Museums Trust: Six Month Report 1 July - 31 December 2021 and Draft Statement of Intent 2022-25** Page 69
 Memorandum, presented by Hannah White, Democracy & Governance Manager.

11. **The Globe Theatre Trust: Six Month Report 1 July - 31 December 2021 and Draft Statement of Intent 2022-25** Page 155
 Memorandum, presented by Hannah White, Democracy & Governance Manager.

12. Caccia Birch Trust Board: Six Month Report 1 July - 31 December 2021 Page 211

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

13. Review of the City's 150th Celebrations Programme Delivery, Costs and Outcomes Page 237

Memorandum, presented by Luke McIndoe, Head of Events.

14. Committee Work Schedule Page 247

15. Exclusion of Public

To be moved:

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

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

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

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

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

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

PRESENTATION

TO: Arts, Culture & Heritage Committee

MEETING DATE: 13 April 2022

TITLE: Presentation - The Design School

RECOMMENDATION(S) TO ARTS, CULTURE & HERITAGE COMMITTEE

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

SUMMARY

Mr Mike Saywell, Director of The Design School, will provide an update to the Committee regarding the ongoing work of The Design School and the role it plays in the Arts sector in Palmerston North and New Zealand.

ATTACHMENTS

Nil

PRESENTATION

TO: Arts, Culture & Heritage Committee

MEETING DATE: 13 April 2022

TITLE: Presentation - Manawatū People's Radio

RECOMMENDATION(S) TO ARTS, CULTURE & HERITAGE COMMITTEE

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

SUMMARY

Mr Fraser Greig, Station Manager, will outline how community radio supports the principle of cultural wellbeing, the outcomes achieved, how they are funded, and any issues or opportunities they see.

ATTACHMENTS

Nil

PALMERSTON NORTH CITY COUNCIL

Minutes of the Extraordinary Arts, Culture & Heritage Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 13 April 2021, commencing at 1.01pm

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

Non Members: Councillor Patrick Handcock ONZM.

Apologies: The Mayor (Grant Smith) (absent on Council business) and Councillors Vaughan Dennison, Leonie Hapeta and Karen Naylor (late arrival).

Councillor Aleisha Rutherford entered the meeting at 1.05pm during consideration of clause 8. She was not present for clauses 7 and 8.

7-21 Apologies

Moved Rachel Bowen, seconded Brent Barrett.

The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

Clause 7-21 above was carried 7 votes to 0, the voting being as follows:

For:

Councillors Rachel Bowen, Brent Barrett, Zulfiqar Butt, Renee Dingwall, Lorna Johnson, Bruno Petrenas and Patrick Handcock ONZM.

8-21 Hearing of Submissions - Section 17a Review of Caccia Birch House

Moved Rachel Bowen, seconded Lorna Johnson.

The COMMITTEE RESOLVED

1. That the Arts, Culture & Heritage Committee hear submissions from presenters who indicated their wish to be heard in support of their submission.
2. That the Committee note the Procedure for Hearing of Submissions, as described in the procedure sheet.

Clause 8-21 above was carried 7 votes to 0, the voting being as follows:

For:

Councillors Rachel Bowen, Brent Barrett, Zulfiqar Butt, Renee Dingwall, Lorna Johnson, Bruno Petrenas and Patrick Handcock ONZM.

Councillor Aleisha Rutherford entered the meeting at 1.05pm.

The following persons appeared before the Committee and made oral statements in support of their submissions and replied to questions from Elected Members.

Heather Allan

Mrs Heather Allan spoke to her submission and made the following additional comments:

- When the Trust was established in 1991 there was a Council-appointed representative on the CBTB which kept both entities informed of their intentions for the building. This position in subsequent years was disestablished.
- One issue experienced by CBTB was dealing with the constant change of Council staff, institutional knowledge being lost and needing to establish new relationships to get new staff up to date. Also different departments working in silos instead of an over-arching organisational approach was noted.
- Concern was expressed over the lack of communication by Council with the Manager of CBTB, who had 30 years' experience.
- 75% of submissions received were in favour of keeping the CBTB as a separate entity with a trust board. The majority of heritage houses in New Zealand are run by independent trust boards.

John C Hornblow

Mr John Hornblow spoke to his submission and made the following additional comments:

- The analysis report has omitted to assess the cost of financial services, event promotion, governance activity and the cost of internal services to the City Council.
- If the Committee made a decision based on this report it could be legally challenged.

Paul W Rieger

Mr Paul Rieger spoke to his submission and made the following additional comments:

- Emphasis needed to be placed on the passion and skills of the volunteers who work for this type of community organisation.
- The latest profit and loss statement did not disclose how Council was going to save approximately \$23,000. He suspected that the analysis was a desk-top assessment and that the CBTB had undertaken tasks and jobs with no cost to the Council, so this created a deficiency in the calculations.
- Institutional knowledge within organisations such as Council was not being retained and this created a huge gap when trying to continue with projects. He emphasised what would be lost if the energies and

skills of the types of people who serve on Trust Boards of community facilities is lost and management transfers to those who either do not have the background knowledge of the organisation or do not have the particular interest in it that Trustees almost always have.

- He supported Option 4 – disengage from the CCO and grant a lease to the current Board of Trustees for a period of time with conditions.
- Reminded the Committee of the vast array of skills and dedication from volunteer groups of citizens that they saw each year at the Civic Awards – a resource that Council could not afford to lose. He hoped that Council's final decision included a volunteer element to Caccia Birch.

Susan Lynn McConachy

Mrs Susan McConachy spoke to her submission and made the following additional comments:

- Paid homage to all the past and current CBTB members who have worked tirelessly to bring the homestead back to its stately appearance and looking after the 100 year old avenue of oaks. They had left Palmerston North with an amazing heritage site.
- Stated that she has been a member of the Regent Theatre Trust for over thirty years. As a volunteer she is concerned that she has to convince the Committee of the worth of volunteers.
- Volunteers provide business and community expertise that the Council cannot access including funding which can be accessed from avenues other than rates.
- Concerted effort needed to be undertaken between Council and CBTB to come together to achieve the outcomes everybody is desiring.

Annette Nixon

Mrs Annette Nixon spoke to her submission and made the following additional comments:

- Background was in managing commercial and residential properties, current trust board member of two organisations and many years working with the Awapuni Community Centre.
- The review has allowed the public through submissions to acknowledge the appreciation they have for the CBTB, the dedication of the trust board, the range of competencies and the contributions they have made since it was established. Several submissions also acknowledge the work undertaken by the Manager, her dedication and her institutional knowledge concerning the running of the house.
- Excellent range of feedback received that has unearthed those elements of discontent which can simmer alongside any management structure. Sometimes it is very hard to find out what people are discontented about. It is easy to do appreciation but it takes courage

to address what people are unhappy about.

- One suggestion in a submission was concerning promotion and marketing; what is the best way to promote Caccia Birch in a way that informs the public about the available facility and the services offered? The City Council could certainly help in this area with services and funding.
- Discontent amongst staff members and negative comments about the manager have been made. Any employment matters that are not taken seriously have the possibility of escalating discontent which benefits no-one. Needs to be an employment sub-committee with clear processes so that their discontent and concerns can be dealt with.
- There is always the expectation of gold star service when there is only bronze star funding and anyone who has managed a public facility is well aware of those expectations. Workloads of staff have to be taken into consideration, especially when there is a lone staff member who cannot be available 24 hours a day, seven days a week.
- Noted that the Manager is also providing a catering service and felt that this is a conflict of interest. It does not seem to be a usual sort of business practise.
- The City Council has always seen public facilities as service provision, not profit making and the submitter has never known them to break even. It is about a service to the community that also enhances the community and its reputation. As our only historic facility of this nature it should be treasured.

Caccia Birch Trust Board – Grant O'Donnell, Chairperson

Representing the Caccia Birch Trust Board, Mr Grant O'Donnell spoke to their submission and made the following additional comments:

- The Board does not support Council's proposal. There was an overwhelming public response to oppose the proposal; 78% oppose and 4% non-committal. They reflect a general expectation of loss of benefit to the community if the proposal is adopted.
- The Board's analysis of the submissions follows:
 - Five submitters have issues with current management. The house has been managed for 30 years successfully with the overwhelming number of submitters supporting the current management.
 - Four submitters believe a change will help the facility reach its potential. The CBTB have spent many hours over several months crafting, in conjunction with council officers, a draft ten year plan which sets out a positive vision for the facility. One submitter promoted change to the property and the grounds which could lead to derogation from the heritage qualities of the whole property; the grounds have their own heritage status.
 - One submitter considers that Council has appropriate systems and thought Council would do a better job. Several other submitters

however, felt that the property would suffer from Council in-house management. Not mentioned are the comments regarding the constant change of Council staff and the division of responsibilities between different departments.

- Heritage New Zealand thinks Council has sufficient capability but its view of the proposal is predicated on that being true and is a moot point. Heritage New Zealand is governed by an appointed board of suitably qualified persons and you could liken their view to one of suggesting their operation could be handed over to Housing NZ.
- One submitter felt the proposal was in the interests of the ratepayer and community. How that conclusion was reached is not stated.
- Two submitters considered there is currently poor marketing of the facility. The Trust agrees with this comment, however this could only be achieved with an increase in budget allocation for this from the Council. A better approach has been outlined in the CBTB 10 year plan, which is to fix Caccia Birch House in the hearts and minds of the community as the City's number one heritage facility and let the benefits, including financial returns, flow from there.
- One submitter stated the House needs a fresh new approach. Based on the submissions a significant majority disagree. What fresh new approach can be taken for a heritage property?
- Two submitters said that the heritage value of the property can be managed by the Council. A significant number of submitters disagreed stating there would be a likely loss of institutional knowledge and loss of focus on the facility resulting in the loss of the special characteristics of the property.
- One anonymous submission rejects the proposal by Council but suggests the CBTB could do better. It appears to suffer from misconceptions which result in misguided criticisms of the Board's results, particularly in relation to its financial performance. Such misconceptions arise from a lack of appreciation of District Plan restrictions, and the view that the Board and management can act as producers of entertainment events and should take on financial risk. The Caccia Birch facility is a venue where the community can produce events. The Regent suffers from the same misconception.
- Summary:
 - Council's desktop review is not a genuine cost effectiveness analysis.
 - Caccia Birch facility staff were not engaged with through this process.
 - Projected savings appear to be assumed, no analysis has been undertaken.
 - Council has never passed on any dissatisfaction to the Board on how the Caccia Birch facility was being governed.
 - If the review was undertaken to change management then the

process was completely unethical. Council is the employer (to all practical intents and purposes) and is therefore obligated to act in good faith and as a good employer. The impact of this process on staff has been significant.

- Board supports the goal of bringing forward new initiatives but felt this could have been achieved with goodwill and collaboration between the parties. The Board has developed a creative ten year plan which is now with Council for consideration.
- Logical step is to undertake further consultation between the CBTB and Council to ensure alignment of their visions for the facility.
- Council needs to reach a consensus of what it requires from CBTB. Without this Council staff have no guidance comparable to what is in the Trust Deed which governs the Trust Board and protects the community.

9-21

Section 17a Review of Caccia Birch House - Summary of Submissions

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

Moved Rachel Bowen, seconded Brent Barrett.

The COMMITTEE RESOLVED

1. That the memorandum titled 'Section 17a Review of Caccia Birch House - Summary of Submissions' presented to the Arts, Culture and Heritage Committee on 13 April 2021 be received.

Clause 9-21 above was carried 8 votes to 0, the voting being as follows:

For:

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

The meeting finished at 2.20pm

Confirmed 17 November 2021

Chairperson

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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 November 2021, commencing at 1.01pm

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

Non Members: Councillors Susan Baty, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta and Billy Meehan.

Apologies: Councillor Orphée Mickalad; Councillors Susan Baty, Lew Findlay and Leonie Hapeta (early departure).

Councillor Leonie Hapeta left the meeting at 2.26pm during consideration of clause 29. She was not present for clauses 29 to 35 inclusive.

Councillor Susan Baty left the meeting at 2.56pm during consideration of clause 30. She was not present for clauses 30 to 35 inclusive.

Councillor Aleisha Rutherford left the meeting at 2.56pm during consideration of clause 30 and entered the meeting again at 3.17pm. She was not present for clause 30.

Councillors Lew Findlay QSM and Billy Meehan left the meeting at 2.58pm after consideration of clause 30. They were not present for clauses 31 to 35 inclusive.

Councillor Karen Naylor left the meeting at 3.52pm after consideration of clause 33. She was not present for clauses 34 and 35.

23-21 Apologies

Moved Rachel Bowen, seconded Brent Barrett.

The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

Clause 23-21 above was carried 15 votes to 0, the voting being as follows:

For:

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

24-21

Presentation - Creative New Zealand

Mr Richard Thompson and Ms Cara Peterson presented Creative New Zealand's survey findings for Palmerston North residents relating to New Zealanders and the Arts: attitudes, attendance and participation.

Participation in Arts events/locations among Palmerston North residents is consistent with the national average. The majority of Palmerston North residents are clear that the Arts is a key part of the City's identity, and want it to be recognised as a place that supports the Arts. They also feel that the Arts make an important contribution to a community's resilience and wellbeing, and that the Arts improve New Zealand society.

The Arts contribute to our sense of self, nationhood, and understanding of others, and should reflect New Zealand's cultural diversity. For most residents the Arts are also an important way of connecting with their culture and taking part in Arts can help support their identity.

Overall Palmerston North residents feel positive about the accessibility and inclusivity of the Arts in their community, including the range of arts and artistic activities available to experience. 61% agree they can easily access arts in their community, which is higher than the national average. 42% of Palmerston North residents feel that the Arts is important to their personal wellbeing, which is in line with the New Zealand average.

The net impact of COVID-19 has been to value the Arts more in terms of their wellbeing.

Moved Rachel Bowen, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

1. That the presentation from Creative New Zealand be received for information.

Clause 24-21 above was carried 15 votes to 0, the voting being as follows:

For:

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

25-21

Public Comment

Ms Margaret Tennant made public comment about the old Post Office building. She spoke about the history of the building and the reasons why, in her opinion, it was a particularly important building for the Council to provide support for.

The building is significant as it reflects social and geographical change. It is an important symbol of the role of government in the city, historically very important to the city economy and employment. The building

encapsulates the neo-liberalism of the 1980s and the transformation of government functions played out in our landscape.

The building is part of the wider context of The Square Te Marae o Hine - one of the historical anchor points which also include the Grand Hotel, DIC, All Saints Church and Ansett Tower.

The building provides a physical anchor point but is also part of people's experience and memories about Palmerston North. History is to the community as memory is to the individual – if individuals lose their memory they lose their sense of identity, the anchor of their being. A society without awareness of its own history may similarly be rudderless.

Moved Zulfiqar Butt, seconded Rachel Bowen.

The **COMMITTEE RESOLVED**

1. That the public comment from Margaret Tennant be received for information.

Clause 25.1-21 above was carried 15 votes to 0, the voting being as follows:

For:

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

Moved Rachel Bowen, seconded Brent Barrett.

2. That the Chief Executive urgently investigate if there is any role for Council in securing the future of the Old Post Office building, including options to include it in Streets for People with a view toward transit hub and related uses, and report back to an elected member Workshop or Council meeting as appropriate.

Clause 25.2-21 above was carried 9 votes to 6, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Rachel Bowen, Brent Barrett, Zulfiqar Butt, Renee Dingwall, Patrick Handcock ONZM, Lorna Johnson, Karen Naylor and Bruno Petrenas.

Against:

Councillors Susan Baty, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Billy Meehan and Aleisha Rutherford.

26-21

Presentation - Act Three Productions

Mr Alan Nagy provided an update on the upcoming programme and current position of Act Three Productions (formerly Abbey Musical Theatre).

Mr Nagy discussed the impact COVID-19 had made on Act Three Productions during 2020 and 2021. After being forced to cancel the April 2020 season of Sister Act, the Society was able to re-stage it in

August 2020, with the assistance of the Regent on Broadway Promotions team and hours of voluntary work and perseverance.

After four performances of Sister Act, Palmerston North moved to Alert Level 2. The Society's production team were able to work with the Regent on Broadway to find a creative solution to this dilemma, allowing a return to the stage with a segregated audience of 400 people per performance – a solution that was adopted by many performance venues around New Zealand.

The Society went on to produce a successful season of Joseph and the Amazing Technicolor Dreamcoat later in 2020 and in April 2021, Chicago. Four nights in to the 2021 season of We Will Rock You another COVID-19 lockdown occurred, which meant this production had to be abandoned, resulting in a financial loss even after generous assistance and relief from some of the major creditors to the production. Mr Nagy thanked the Regent on Broadway team, BounceNZ, Pixel Productions and Image Group for their assistance and patience.

The Society received financial assistance through the Palmerston North City Council's COVID Relief Fund and a Givealittle page which raised over \$15,000. The Society was very thankful both to the Council and the community for this assistance; these and other contributions kept the Society solvent. They are currently staging Legally Blonde with generous assistance from CR Law.

Scheduled productions for 2022 include a re-staging of We Will Rock You in February (3,000 tickets have already sold), Godspell and Jersey Boys.

Mr Nagy expressed the Society's thanks to the Council and the Regent on Broadway for their ongoing commitment and assistance.

Moved Rachel Bowen, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

1. That the presentation from Act Three Productions be received for information.

Clause 26-21 above was carried 15 votes to 0, the voting being as follows:

For:

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

27-21

Confirmation of Minutes

Moved Rachel Bowen, seconded Vaughan Dennison.

The **COMMITTEE RESOLVED**

1. That the minutes of the Arts, Culture & Heritage Committee meeting of 14 April 2021 Part I Public be confirmed as a true and correct record.

Clause 27.1-21 above was carried 11 votes to 0, with 4 abstentions, the voting being as follows:

For:

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

Abstained:

The Mayor (Grant Smith) and Councillors Susan Baty, Lew Findlay QSM and Leonie Hapeta.

Moved Rachel Bowen, seconded Vaughan Dennison.

2. That the minutes of the extraordinary Arts, Culture & Heritage Committee meeting of 5 May 2021 Part I Public be confirmed as a true and correct record.

Clause 27.2-21 above was carried 15 votes to 0, the voting being as follows:

For:

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

Moved Rachel Bowen, seconded Vaughan Dennison.

3. That the minutes of the extraordinary Arts, Culture & Heritage Committee meeting of 29 September 2021 Part I Public be confirmed as a true and correct record.

Clause 27.3-21 above was carried 15 votes to 0, the voting being as follows:

For:

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

28-21

Caccia Birch Trust Board - Annual Report 2020-21

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

Mr Grant O'Donnell, Chair, Caccia Birch Trust Board presented Caccia Birch Trust Board's Annual Report 2020-21 to the Committee.

Moved Rachel Bowen, seconded Brent Barrett.

The **COMMITTEE RECOMMENDS**

1. That Council receive the Caccia Birch Trust Board's Annual Report

2020-21 (Attachment 2 of the memorandum titled 'Caccia Birch Trust Board – Annual Report 2020-21'), presented to the Arts, Culture & Heritage Committee on 17 November 2021.

Clause 28-21 above was carried 15 votes to 0, the voting being as follows:

For:

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

29-21

The Regent Theatre Trust - Annual Report 2020-21

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

Mr David Walsh, Manager, Regent Theatre presented the Regent Theatre Trust Board's Annual Report 2020-21 to the Committee.

Councillor Leonie Hapeta left the meeting at 2.26pm.

Moved Rachel Bowen, seconded Brent Barrett.

The **COMMITTEE RECOMMENDS**

1. That Council receive the Regent Theatre Trust Board's Annual Report 2020-21 (Attachment 2 of the memorandum titled 'The Regent Theatre Trust – Annual Report 2020-21'), presented to the Arts, Culture & Heritage Committee on 17 November 2021.

Clause 29-21 above was carried 14 votes to 0, the voting being as follows:

For:

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

30-21

The Globe Theatre Trust - Annual Report 2020-21

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

Mr Gerry Keating, Manager, Globe Theatre presented the Globe Theatre Trust Board's Annual Report 2020-21 to the Committee.

Councillors Susan Baty and Aleisha Rutherford left the meeting at 2.56pm.

Moved Rachel Bowen, seconded Brent Barrett.

The **COMMITTEE RECOMMENDS**

1. That Council receive the Globe Theatre Trust Board's Annual Report 2020-21 (Attachment 2 of the memorandum titled 'The Globe Theatre Trust – Annual Report 2020-21'), presented to the Arts, Culture & Heritage Committee on 17 November 2021.

Clause 30-21 above was carried 12 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Rachel Bowen, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Karen Naylor and Bruno Petrenas.

The meeting adjourned at 2.58pm.

The meeting resumed at 3.17pm.

Councillors Lew Findlay QSM and Billy Meehan were not present when the meeting resumed.

Councillor Aleisha Rutherford was present when the meeting resumed.

31-21

Te Manawa Museums Trust - Annual Report 2020-21

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

Mr Andy Lowe, Chief Executive, Te Manawa presented Te Manawa Museums Trust's Annual Report 2020-21 to the Committee.

Moved Rachel Bowen, seconded Brent Barrett.

The **COMMITTEE RECOMMENDS**

1. That Council receive Te Manawa Museums Trust Board's draft Annual Report 2020-21 (Attachment 2 of the memorandum titled 'Te Manawa Museums Trust – Annual Report 2020-21'), presented to the Arts, Culture & Heritage Committee on 17 November 2021.

Clause 31-21 above was carried 11 votes to 0, the voting being as follows:

For:

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

32-21

Statements of Expectation for Cultural Council Controlled Organisations 2022-2023

Memorandum, presented by Gillian Tasker and Stephanie Velvin, Community Development Managers.

In The Regent's SOE, Ms Tasker stated that the Regent Trust Board has addressed the final issue in the table under Section 2, Development of the Statement of Intent. They have reviewed employee leave procedures and reduced employee leave liabilities accordingly. Officers recommended that this item be removed from the Regent's SOE.

Moved Rachel Bowen, seconded Brent Barrett.

The **COMMITTEE RECOMMENDS**

1. That Council approve the Statements of Expectation for Te Manawa

Museums Trust, Regent Theatre Trust (as amended), and Globe Theatre Trust (Attachments 1–3 of the memorandum titled 'Statements of Expectation for Cultural Council Controlled Organisations 2022-2023'), presented to the Arts, Culture & Heritage Committee on 17 November 2021, as the basis for the Statements of Intent 2022–2025.

Clause 32-21 above was carried 11 votes to 0, the voting being as follows:

For:

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

33-21 Report on future plans for celebration of Waitangi Day and Matariki public holidays in Papaioea / Palmerston North

Memorandum, presented by Luke McIndoe, Head of Events.

Moved Rachel Bowen, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

1. That the memorandum titled 'Report on future plans for celebration of Waitangi Day and Matariki public holidays in Papaioea/Palmerston North' presented to the Arts, Culture & Heritage Committee on 17 November 2021, be received for information.

Clause 33-21 above was carried 11 votes to 0, the voting being as follows:

For:

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

Councillor Karen Naylor left the meeting at 3.52pm.

34-21 Feasibility and Process for Establishing a Heritage Advisory Panel

Memorandum, presented by David Murphy, Chief Planning Officer.

During discussion, Elected Members felt that Palmerston North had a unique story to tell, and that consideration of a Heritage Advisory Panel should be referred to the 2022/23 Annual Budget.

Moved Grant Smith, seconded Rachel Bowen.

The **COMMITTEE RECOMMENDS**

1. That the Chief Executive is directed to prepare a programme to establish a Heritage Advisory Panel to be considered as part of the 2022/23 Annual Budget.
2. That it be noted that should the Council wish to proceed with the establishment of a Heritage Advisory Panel it will be recommended that:
 - The panel is a volunteer community-based panel that helps

scope research of heritage themes to be addressed as part of the delivery of Council activities

- The panel contains Rangitāne representation
- The membership and terms of reference of the panel are prepared in consultation with Rāngitane, Manawatū Heritage Trust and other interested heritage stakeholders.

Clause 34-21 above was carried 10 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Rachel Bowen, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Lorna Johnson, Bruno Petrenas and Aleisha Rutherford.

35-21 Committee Work Schedule

Moved Rachel Bowen, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

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

Clause 35-21 above was carried 10 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Rachel Bowen, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Lorna Johnson, Bruno Petrenas and Aleisha Rutherford.

The meeting finished at 4.26pm.

Confirmed 16 February 2022

Chairperson

MEMORANDUM

TO: Arts, Culture & Heritage Committee

MEETING DATE: 13 April 2022

TITLE: The Regent Theatre Trust: Six Month Report 1 July - 31 December 2021 and Draft Statement of Intent 2022-25

PRESENTED BY: Hannah White, Democracy & Governance Manager

APPROVED BY: Sheryl Bryant, Assistant Chief Executive

RECOMMENDATIONS TO COUNCIL

1. That Council receive the Six-Month Performance Report 1 July - 31 December 2021 (Attachment 1) submitted by the Regent Theatre Trust.
 2. That Council receive the draft Statement of Intent 2022-25 (Attachments 3 and 4) submitted by the Regent Theatre Trust.
 3. That Council agree that the recommended comments on the draft Statement of Intent 2022-25 outlined in Table 3 be advised to the Regent Theatre Trust Board.
-

1. ISSUE

- 1.1 The Regent Theatre Trust (the Regent) has delivered its six-month report 1 July - 31 December 2021 and draft Statement of Intent (SOI). This report includes analysis of both documents, which are appended to this memorandum.
- 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 2022.
- 1.3 The purpose of this report is to provide an opportunity for the Committee to give feedback to the Regent on their draft SOI.

2. BACKGROUND

- 2.1 The Regent was set up as a CCO to independently manage and promote the Regent Theatre as the preferred local venue of choice for international, national and local performing arts experiences.
- 2.2 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.
- 2.3 The Council is required by the LGA to regularly undertake performance monitoring of its 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 SOL; and
- the overall aims and outcomes of the Council based on the six-month reports.

2.4 Since 2020, the Covid-19 pandemic has significantly affected the performance of all of Council's cultural CCOs. Covid restrictions continue to affect attendance levels, the number of performances/touring shows and the financial situation for all cultural CCOs.

2.5 Because the Regent caters for larger events, it has experienced significant cancellations as it is not financially feasible for shows to run with an audience of only 100 people. The uncertainty of not knowing how long Covid restrictions are going to continue has meant that event organisers are hesitant to book venues in advance.

2.6 The Regent has adjusted their performance targets to reflect the detrimental effect Covid is having on the performing arts sector and to make goals achievable and relevant to work towards.

3. COUNCIL OBJECTIVES FOR THE REGENT THEATRE

3.1 In November 2021, Council agreed a new Statement of Expectation (SOE) 2022/23 for the Regent, to assist them in preparing their draft SOL.

3.2 Council's priorities under Goal 2: A creative and exciting city to which the Regent could contribute are:

- Celebrate the city's history and diversity and build on the strength of being a city of many cultures and languages
- Be a creative city that nurtures and celebrates the arts
- Develop a national reputation as an exciting city with plenty to do at night and on weekends.

3.3 The Regent has incorporated 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 and heritage status of the building.
- 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.

4. PERFORMANCE FOR THE SIX MONTHS JULY TO DECEMBER 2021

- 4.1 Six-month reports allow Council to track a CCO's progress against their SOI and the Council's objectives for the CCO. This six-month report covers the first six months of the SOI 2021-2024 which was approved by Council in June 2021.
- 4.2 The reporting period started well with the first six weeks (1 July - 18 August 2021) allowing full audience attendance under Alert Level 1. However, for the rest of the period the Regent operated under stricter Covid restrictions. It was closed during the lockdown and Alert Level 3 (18 August - 8 September 2021), and operated a significantly reduced schedule under Alert Level 2 from 9 September - 31 December. Due to the social distancing restrictions and an attendance cap at Alert Level 2, it hosted only 19 events.
- 4.3 Highlights from the Regent's Six-Month Report (Attachment 1) include the following:
 - Pasifika Fusion Cultural Festival with over 700 attendees enjoying this celebration
 - We Will Rock You with four enthusiastic performances from Act 3 Productions
 - A diversity of dance events held over this period: Dance NZ Made, World on Stage, Anomaly Dance Company, PNDA Competitions and Danceworks' end of year production.
 - Tour shows in the venue: Bee Gees Tribute, Hotel California, Chopper, The Music of Frozen
 - Four school prize giving/awards events held during December
- 4.4 Covid restrictions severely affected the Regent's ability to meet its performance targets during this period. A total of 35 different events representing 86 days of hire were cancelled or postponed since August. Most of the national and international acts were cancelled, and only a handful of community events continued in the latter part of December when the Orange Covid-19 Protection Framework (traffic light system) loosened attendance restrictions.
- 4.5 The three year comparison (Table 1) shows the effect Covid restrictions have had on the usage and patronage performance figures.

Table 1: Three Year Comparison

		Pre-Covid	Covid period		
		YTD 31 Dec 2019	YTD 31 Dec 2020	YTD 31 Dec 2021	3 Year Trend
Measure					
Live nights – performances in the auditorium	Actual	96	61	55	↓
Patronage – Total attendance	Actual	60,040	38,190	18,337	↓
Summary of events - Total use of the theatre	Actual	223	188	136	↓

- 4.6 Patronage numbers declined not only because fewer shows were performed but also from a general apprehension regarding safety and gatherings during Alert Level 2 and under Orange of the traffic light system.

Table 2: Financial Information for Six Month Report

	July 2021 - December 2021			July 2020 - December 2020	
Summary Financials (\$000)	Actual	Budget	Var.	Actual	Var.
Financial Performance					
PNCC Grant	120,335	120,330		119,143	1,192
Total Revenue	338,392	356,073	-17,681	300,122	38,270
Total Expenses	374,269	419,420	45,151	435,212	60,943
Net Surplus (Deficit)	-35,877	-63,347		-135,090	
Financial Position					
Current Assets	394,616			341,382	53,234
Total Assets	893,432			956,857	-63,425
Current Liabilities	99,591			158,681	-59,090
Total Liabilities	99,591			158,681	-59,090
Equity	793,841			798,176	-4,335
Cash Flows					
Total Net Cash Flows	14197				
Opening Cash	171154				
Closing Cash	185351				

* when compared to the same period 12 months ago

Financial Commentary

- 4.7 The Trust has heavily relied on the Government's Covid relief assistance during this period. The Trust received \$82k through the wage subsidy and resurgent payments, which helped cover some of the lost revenue from cancelled and postponed events.
- 4.8 Government subsidies helped reduce the deficit to \$35k, which is better than budgeted, and is a \$100k improvement over the same period last year.
- 4.9 The Trust's current assets (mainly cash) is almost 4 times its current liabilities, which indicates the Trust's ability to satisfy its current obligations.
- 4.10 The Trust's operating activity resulted in a cash deficit. However, a GST refund has helped to achieve a small cash surplus at the 6 months end.

5. DRAFT STATEMENT OF INTENT 2022-2025

- 5.1 After a few challenging years for the Regent, the Board's focus for the SOI 2022-25 is to consolidate and enhance its position and to endeavour to increase the use of the theatre.
- 5.2 The Board has presented a draft SOI that aligns with Council's strategic direction and addresses the SOE, as outlined in Table 3 below.

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

Statement of Expectation	Regent Draft SOI 2022-25	Comments + Recommendations for Final SOI 2022-25
Develop contributions to the actions in the Arts & Heritage and Events & Festivals chapters of the Creative and Liveable City Strategy of the 2021-31 10 Year Plan.	The Regent lists activities which contribute to Goal 2 - Creative and Exciting City's Arts and Heritage Plan. The Regent also contributes to Council's Culture and Heritage Plan.	Reference to a Culture and Heritage Plan needs to be removed.
Activities to include in Performance Measures: <ul style="list-style-type: none"> support for inclusive and diverse community events; support for whānau, hapū and iwi to create and deliver arts experiences support for Rangitānenuiarawa 	The Regent has listed as an activity under Objective 1 'to support both inclusive and diverse community events, and that we create and deliver arts experiences for whānau, hapū, and iwi with the support for Rangitānenuiarawa'.	No comment until evidenced in 6 month report. There is no specific performance measure noted for Māori performing arts or for Māori participation in the arts.

Statement of Expectation	Regent Draft SOI 2022-25	Comments + Recommendations for Final SOI 2022-25
(all from the Arts Chapter of 2021-2031 Arts and Heritage Plan)		
Outline approach to: good governance practices – consider intention to reflect the diversity of Palmerston North in the membership of the Board.	The Regent has outlined its governance practices in the How we Operate section. There is no specific mention of Board membership.	In accordance with the trust deed, The Regent Trust Board has the ability to co-opt two trustees annually. Recommendation Add a sentence to the Governance section (pg 5) saying the Board will aim to reflect the diversity of Palmerston North.
Develop performance measures of contribution to environmental sustainability.	The Regent has listed as an activity under Objective 2, 'to develop a performance measure of contribution to environmental sustainability'.	It would be good to see an environmental sustainability measure developed and included in the performance measures for next year 2023.
Complete evaluation of Council Priava booking system.	Not mentioned.	Work with Council Officers in progressing through the CCO Managers Steering Group.
Review ticketing arrangements with a view to collaborating with the other CCOs before renewing any contracting agreements.	Mentioned as the first activity under Objective 2.	Work with Council Officers in progressing through the CCO Managers Steering Group.
Identify your regionally/nationally significant events based on current delivery and explore a stretch target.	Not mentioned.	Officers suggest that this objective be put on hold until the Covid pandemic has passed. Covid restrictions have severely affected the capacity and willingness of event organisers to tour.
SOI should include the Economic Impact reporting model.	Mentioned as the first activity under Objective 2.	Work with Council Officers in progressing through the CCO Managers Steering Group.
Financials	Forecasts for 23/24 and 24/25	Assets are insufficient to

Statement of Expectation	Regent Draft SOI 2022-25	Comments + Recommendations for Final SOI 2022-25
	(see financial commentary below)	service liabilities. Recommendation: Review and adjust the forecasted low level of current assets in years 23/24 and 24/25

Financial Commentary

5.3 Excluding depreciation, the Trust Board is forecasted to break even for the next 3 years.

5.4 The Trust Board has forecasted 'asset purchases' in 23/24 and 24/25 year which will cause the current assets to drop to a level that is not enough to service its current liabilities. The effect of these forecasts is that the Regent would likely require additional Council assistance to keep it solvent.

5.5 The Trust Board has forecasted a net cash outflow for the next 3 years.

Table 4: Regent SOI Summary Financials

	Forecast	SOI		
Summary Financials (\$000)	21/22	22/23	23/24	24/25
Financial Performance				
PNCC Grant	240,672	243,079	245,509	247,965
Total Revenue	553,528	771,329	819,109	859,805
Total Expenses	713,602	918,516	976,485	1,011,760
Net Surplus (Deficit)	(160,074)	(147,187)	(157,376)	(151,955)
Financial Position				
Current Assets	140,408	132,418	61,030	42,106
Total Assets	851,706	704,720	554,796	414,414
Current Liabilities	127,371	127,572	135,024	146,597
Total Liabilities	127,371	127,572	135,024	146,597
Equity	724,335	577,148	419,772	267,817
Cash Flows				
Total Net Cash Flows	(69,660)	(7,990)	(71,388)	(18,923)
Opening Cash	185,351	115,691	107,701	36,313
Closing Cash	115,691	107,701	36,313	17,390
Financial Indicators				

Current Ratio	1.10	1.04	0.45	0.29
Working Capital	13,037	4,846	(73,994)	(104,491)

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 on 29 June 2022.

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 achievement of action/actions in the Arts and Heritage Plan	
The action is: Carry out regular performance monitoring and reporting of the Regent Theatre Trust	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Receiving the six-month report allows the Council to have oversight against the previously agreed SOI. Providing comments on the draft Statement of Intent is a mechanism for Council to provide guidance and direction to The Regent Theatre Trust Board.

ATTACHMENTS

1. Regent Theatre_Six Month Report 1 July - 31 December 2021 [↓](#) 
2. Six Month Performance Chart 1 July - 31 December 2021 [↓](#) 
3. Regent Theatre_Draft Statement of Intent [↓](#) 
4. Regent Theatre_Draft Statement of Intent 2022-2025_Finances [↓](#) 



Regent Theatre Trust Board

REPORT FOR THE HALF YEAR

ended 31 December 2021

Directory

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Executive Summary

These past six months have again been challenging as we continue to be strongly affected during these uncertain times by COVID-19 which has impacted on both our local events and touring shows from within New Zealand and from overseas.

During this six-month period a total of 35 different events representing 86 days of hire have now either been cancelled or postponed since the Government announced in August that we were going back into lockdown and subsequently into the different Covid Delta levels of restriction. The loss of shows/events such as the *Royal NZ Ballet*, most of the season of *We Will Rock You*, *Barbershop Musical Conference*, *PACANZ 2021* were just some of the events that has impacted on our operation.

The performances and events that did proceed were warmly embraced as the public are still wanting to come together and to have moments of normality, which seems to be all too few and far between during this past six month period. There still continues to be apprehension regarding safety and gatherings at anything above a previously COVID Level 1 status or working within the Orange traffic light framework.

Highlights for this period were:

- *Pasifika Fusion* Cultural Festival with over 700 attendees enjoying this celebration.
- *We Will Rock You* with 4 enthusiastic Performances from Act 3 Productions
- All the diversity of dance events held over this period, *Dance NZ Made*, *World on Stage*, *Anomaly Dance Company*, *PNDAs Competitions* and *Danceworks* end of year Production.
- *Bee Gees Tribute*, *Hotel California*, *Chopper*, *The Music of Frozen* – great to have had touring shows back in the venue!
- Four school prize giving/awards events held during December.

Although the theatre had been restricted in use during this period due to Covid restrictions, we did manage, when we were able to be operational, a reasonable balance of shows and events.

As expected under these Covid conditions, we operated with a high percentage of community usage.

Working with our Friends

Contributions continue to be made by the Friends of the Regent which allows us to refresh and upgrade our equipment and improve our patrons' experiences attending the venue. During these past six months the Friends of the Regent (FoR) have made a commitment to contribute to help financially towards the replacement of the stage flying system scheduled later in the year. The purchase of a new camera to allow for improved visual pictures on our foyer TV screens has recently been made by the Friends.

To continually improve our service to our patrons, the FoR have now added additional types of products sold within our bars. This now allows for a wider range of choice for the public together with the additional benefits of paying by pay-wave which has greatly improved our customers experience.

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 especially during these ever-changing Covid times to not only look at how we can further improve guests' experiences but also to keep themselves and our customers safe 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 Council funding. Community use has been especially important during this period given the COVID restrictions on national/international events.

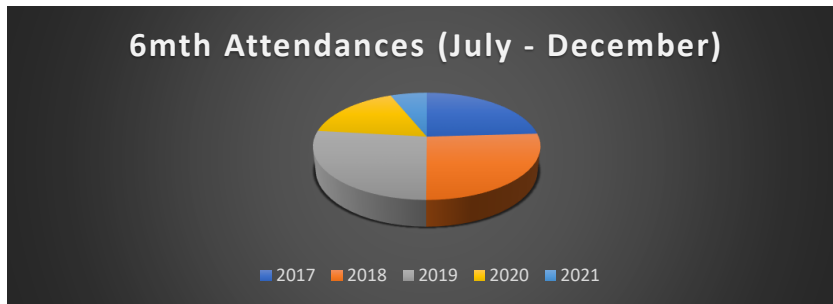
The Regent on Broadway Management and Trust Board sees this support as a key investment in the development and the future of the performing arts in our city.

Patronage and Theatre Usage

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

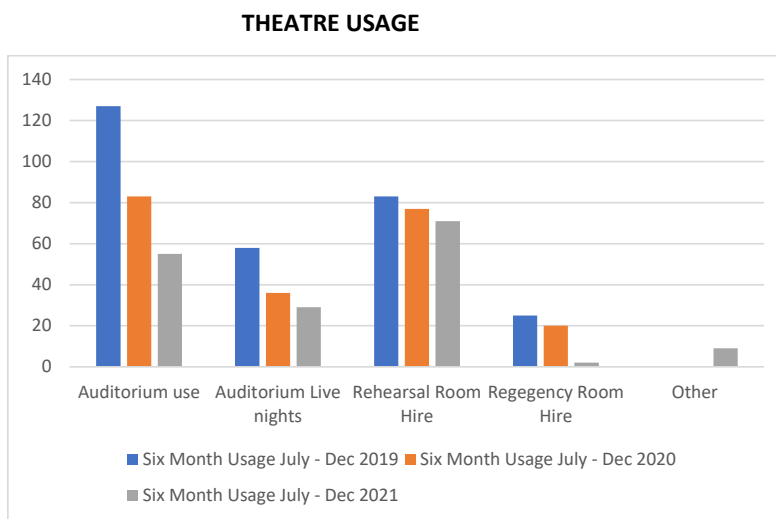
Half year to 31 December 2021	18,337
Last half year ending 31 December 2020	38,190
Half year ending 31 December 2019	60,040
Half year ending 31 December 2018	58,361
Half year ending 31 December 2017	53,999

The effects of Covid can be clearly seen as the attendance figures above show the rapid decline in attendances following December 2019 when the pandemic first started to have an impact within the country.



During the past six-month period, we went back again into Covid lockdown which had a dramatic effect on the number and types of events that we were able to hold at the Theatre. The immediate impact was to the local production of WE WILL ROCK YOU as the local Theatre Society was only 4 performances into their production before they had to close due to Covid Restrictions. The cancellation of two productions of the Royal New Zealand Ballet, PACANZ, Massey Graduation all contributed to the low number of attendances held during this period. A total of 35 different events was either cancelled or postponed during this six-monthly period.

During the month of September, no events were held within the auditorium after originally having a booking scheduled for every day.



The above graphs highlight the decline in the theatre usage due the current Covid pandemic.

A brief glance at the list below indicates some of the events that we did manage to hold during this six-month period.

JULY

Russell Street School: School Production
 Chopper: Adult Comedy
 The Music of Frozen: School Holiday Production
 Unity Singers: Community Event
 Pasifika: Competition

AUGUST

We will Rock You (Pack in & 4 Performances) Act Three Productions

SEPTEMBER

No Events (Covid Lockdown)

OCTOBER

Dance Competitions - Palmerston North Dance Association (PNDA)
 The Show Must Go On – The Touring Company Ltd
 Dance Production – Dean McKerras

NOVEMBER

Body Building Competitions – NZIFF
 All Together Now Act 3 Productions Fund Raiser
 Anomally Dance Dance Production
 Dance NZ Made: Awards
 Bee Gees Tribute – Showtime Australia

DECEMBER

Prize Giving and School Production – St Mary's School
 Christmas Showcase – PNCC
 School Production – Carncott School
 Prize Giving – Freyberg College
 Dance Production 2021 – DanceWorks

Auditorium Occupancy - by total days

Statistical data below is based upon 365 operational days per year. (No allowance has been made for the theatres traditional dark days e.g. Xmas Period, non-performance days during a show season)

This information was correct at the time of writing this report. As we have now been placed under the "Red Traffic light" system, due to an Omicron outbreak all of our current bookings continue to be affected and cancellations and postponements are continuing to be implemented. It is unknown how long we will be required to operate under this system.

2021– 2022 Auditorium Year Statistics						
Half year totals – THIS REPORTING YEAR (From July to Dec 2021)						
Total days the Auditorium was used: 72			Total days the Auditorium was available: 184			
Professional events	8	4.3%	0.31	Events/week	1.33	Events/month
Community events	64	34.8%	2.46	Events/week	10.66	Events/month
Remaining days the Auditorium is available	112	60.9%			11.99	Total events per month
Forecast year totals – THIS REPORTING YEAR (From Jan 2022 to June 2022) – PROJECTED						
Total advance bookings for Auditorium: 81			Total days the Auditorium is available: 181			
Professional events	17	9.4%	0.65	Events/week	2.83	Events/month
Community events	44	24.3%	2.43	Events/week	10.5	Events/month
Remaining days the Auditorium is available	120	66.6%			13.33	Total events per month

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

Financial Position

The financial performance for this half year period has again been put under pressure with the postponement or cancellation of so many bookings. Over the past six months the Regent received both the Government Wage subsidy and the Governments Resurgence Payments to assist during the lockdown and subsequent Covid restriction period. As can be seen from the above graphs

we have not seen the return to the level of business to pre-COVID times. Quite the opposite, as companies and promoters have been 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 again once they were on tour.

This continues to put the Regent in a tight financial position, as product needs to come into the building to bring in revenue to cover our costs.

With the assistance from the wage subsidy and the Resurgence payments together with continual financial control of all expenses, we have achieved an operational surplus of \$33,623 for the six months trading period, compared to a deficit of \$65,590 for the same period last year. A reduction with our advertising costs (due to non-events being held) and an estimated saving of \$28k during this six-month period of Audit costs (as Audit re-scheduled from September to January) has helped contribute to our improved result from last year.

We continue to be aware that we have very limited cushion to cover expenses during our normal periods of least income, being the forthcoming months of January through to early March (although this year we did have the rescheduled performances of We Will Rock You booked during early February but was subsequently cancelled when we went into the Red Traffic System in January).

The reduced income for January and February is traditionally due to the festive and holiday season shut down period however with the introduction of the Red Traffic light system and the cancellations of bookings, (including the already downturn in touring shows) the balance of the years forward bookings is not only disappointing but also very concerning. There is naturally a follow-on effect with a reduction in ticket sales due to the low numbers of shows and event booked at the theatre during this time.

With the impact that Covid is having on us and with the continuous threat of the Omicron Virus hanging over us we have had to re forecast our budget for the balance of the year. It is difficult to forecast as we continue our journey through the unknown. Our original budget forecast for year-end was for a small surplus for theatre operations of \$2,653 before depreciation. Our revised operational forecast for year-end, before depreciation, is estimated to be a deficit of approximately. \$40,000 - \$80,000 if the current climate of restrictions continues.

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

	2021-22 Half year Budget	2021-22 Half year Actual	2020-21 Half year Actual
Income from hire and cost recoveries	232,593	135,901	180,979
Wages Subsidy/Resurgence Payment		82,156	
Expenses	350,420	304,769	365,712
Surplus (Deficit) before Council grant	(117,825)	(86,712)	(184,733)
Operating Grant from Council	120,330	120,335	119,143
Surplus/(deficit) after Council Grant	2,505	33,623	(65,590)

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

Future Resourcing

The purpose of the Trust as set out in the Trust Deed is to control, develop, promote, enhance and maintain the Regent Theatre so that it may be utilised and enjoyed by the inhabitants of the Manawatu.

Stage 2 of the audio system upgrade which was delayed last year due to the Covid interruptions is planned for this financial year. Quotes are currently being sourced.

Repair work on the walls and roof throughout this heritage building is consistently being maintained.

The Flying System replacement is the next major project that the theatre is currently undertaking. The ropes and wires need replacement as our current equipment has been in place since the theatre re-opened 24 years ago and due to wear and tear now does not comply with Health and Safety Standards. This project requires a large investment (approx. \$112k). PNCC has contributed \$50k to this project with the Friends of the Regent agreeing to \$25k with the balance being raised via a funding agency.

Looking Forward

Forward bookings for the remainder of this year currently remains a concern due to the reduced number of advance bookings for both community and professional events. The lack of advance bookings for touring shows remains a concern as these types of events bring in the greater revenue stream. With the borders still closed, the strict MIQ restrictions and the current threat of the Omicron virus hanging over us, this continues to create uncertainty with promoters, community groups and ticket buyers alike.

Covid/Omicron has continued to make a huge impact on the Arts sector and under the Red Traffic light system of only having a capacity of 100 people in a defined space we will continue to have trouble holding events or live performances.

Performance Outcomes

The Regent Theatre Trust Board is seeking to achieve the following outcomes.

Performance against strategic priorities for the 2021-22 half year

Summary of Key Performance Outcomes.

	Key objective for 2021/22	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 Manawātū region including recognising the role of local Tangata Whenua.	Total number of main auditorium hires annually (days the auditorium is used), to be not less than 140	Unlikely to Achieve Total auditorium hires in this half year were 55 days.
	Total number of main auditorium national/international venue hirers (actual live performances), to be not less than 25.	Unlikely to Achieve Only 6 National/international venue hirers in this half year.
	Total number of events overall that are held over all spaces in the theatre 310	Not on track but still achievable Total number of events held over all spaces in the theatre in this half years was 136. Main usage being the Rehearsal room Hire with 70 events
	Secured 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 \$90 -\$110k.	Not yet due for Measurement This will advise during the next report at the end of the financial year.
	Additional capital expenditure funding for other projects from the Friends of the Regent or other funding providers is \$70,000.	On Track \$50,000 secured from PNCC for replacement of Stage Flying System together with \$25,000 from Friends of Regent
	Outsource research project for the Regent, pre-European to present day	On Track. Lesson plan currently being developed for primary and intermediate school age children
	Further develop tours offered by the Regent Target 3	Not on Track but still achievable. Tours not pursued during this period due to Covid restrictions
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 24.	Unlikely to Achieve This half year period contained 8 variety type shows.
	Total number of tertiary graduation ceremonies held, not less than 7	Unlikely to Achieve No tertiary graduation ceremonies held in this half year, due to Covid restrictions.

	Total number of local school concerts held, not less than 8.	Unlikely to Achieve Due to COVID . Only 3 school productions were hosted.
	Total number of school prize-giving held, not less than 14.	Unlikely to Achieve COVID also impacted prize-givings, with only 3 held in this half year.
	Total number of ethnically diverse concerts and productions, both community and professionally produced, not less than 4.	Achieved 6 ethnically diverse events were held during this half year.
	Investigate a simple customer experience device while further investigation is done into a more robust survey for audience and hirers	On Track
	Upgrade of CCTV \$3,500	On Track
	Investigate installing additional external lighting \$10k	On Track
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 69,000	Unlikely to Achieve Due to the number of events cancelled or postponed in response to Covid, Total attendances for this this half year period is behind target at 18,337
	Develop an improved website	Achieved

Financial Performance Against Forecast Budget for 2020-21 Financial Year

Report for half year performance to 31 Dec 2020	Forecast Budget for Half year to December 2021	Actual Outcome for half year to Dec 2021	Forecast Budget for half year to Dec 2020	Actual Outcome for half year to Dec 2020
Income: Theatre Operations				
Commissions (merch)	950	35	1,636	559
Advertising recoveries	3,150	2,506	6,545	2,586
Interest	2,448	827	1,450	2,636
Other room hire	3,455	5,220	6,545	4,173
Other recoveries and hireage	102,240	70,062	133,647	88,329
Theatre hireage	106,000	37,239	81,818	67,560
Ticketing Centre	17,500	20,012	42,000	15,136
PNCC operating grant	120,330	120,335	119,143	119,143
Wage Subsidy		68,852		
Resurgent Payments		13,304		
TOTAL INCOME	356,073	338,392	392,784	300,122
Expenditure: Theatre Operations				
Audit	28,000	0	24,320	26,846
Accounting	10,000	13,365	8,115	8,898
Insurance	0	0	0	0
General operating costs	37,500	43,995	47,955	46,723
Recoverable	62,496	43,578	61,091	58,325
Marketing	9,854	5,581	22,500	11,641
Office expenses	2,500	1,637	3,600	2,378
Personnel costs incl Front of House casuals	165,600	168,281	196,500	178,957
Ticket Centre				
Operating costs	4,050	4,901	5,400	3,934
Marketing	1,020	320	1,750	1,250
Personnel (wages)	26,400	23,111	28,500	26,760
Retail/Admin premises lease and rates	0	0	0	0
Conference Attendance	2,500	0		
TOTAL EXPENDITURE	349,920	304,769	399,731	365,712
Operations Surplus (Deficit)	6,153	33,623	-6,946	-65,590
Depreciation (principally donated assets)	69,500	69,500	69,500	69,500
Surplus (Deficit) after Depreciation for Theatre Operations	-63,347	-35,877	-76,446	-135,090
Other Income/Expense (Not included in annual budget)	0	0	0	0
	0	0	0	0
	0	0	0	0
TOTAL Surplus (Deficit) Regent Theatre Trust	-158,721	-35,877	-76,446	-135,090

Financial Position for the Half Year to 31 December 2020

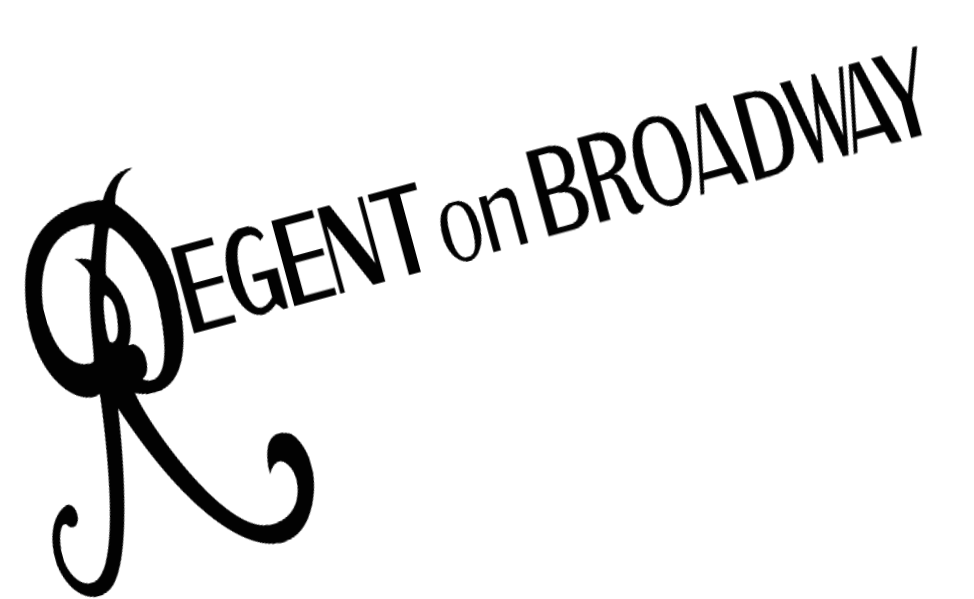
	Financial position to December 2021	Financial position to December 2020 (last year)
ASSETS		
Current Assets		
Chequing/Savings		
Total Chequing/Savings	388,531	299,987
Accounts Receivable		
Accounts Receivable	8,082	29,187
Total Accounts Receivable	8,082	29,187
Other Current Assets		
Seeding funding for PNOS	0	0.00
Accrued Revenue		0
Accounts Receivable - Other	66	66
Accrued Interest	1,973	1,973
Prepayments	10,169	10,169
Total Other Current Assets	12,208	12,208
Total Current Assets	394,616	341,382
Total Fixed Assets	484,611	615,205
TOTAL ASSETS	893,432	956,857

	Financial position to December 2021	Financial position to December 2020
LIABILITY AND EQUITY		
Current Liabilities		
Accounts payable	16,515	22,512
Total Accounts Payable	16,515	22,512
Other Current Liabilities		
COVID-19 Wage Subsidy		35,564
Audit and Accounting Accrual	31,515	31,515
GST Tax Payable	-7,868	-4,592
Holiday Pay Accrual	23,545	23,545
Income in Advance	22,200	26,928
PAYE Payable		9,642
Ticketek funds	1,120	1,002
Wages Payable	12,564	12,565
Total Other Current Liabilities	83,076	136,169
Total Current Liabilities	99,591	158,681
TOTAL LIABILITIES	99,591	158,681
EQUITY		
Maintenance Reserve	150,000	150,000
Piano Fund Equity	46,624	46,624
Regent on Broadway Promotions	91,405	91,405
Retained Earnings	639,895	803,918
Net Income	-34,492	-135,090
Total Equity	793,841	798,176
TOTAL LIABILITIES AND EQUITY	893,432	956,857

RegentTheatre Trust Board Statement of Forecast Cashflows For the year ended 30 June 2021 to 30 June 2025						
	Actual '2020-21	Budget '2021-22	Projected '2022-23	Projected '2023-24	Projected '2024-25	
OPERATING CASHFLOWS						
CASH INFLOWS						
Income Banked	855,730	634,602	442,364	469,665	492,835	
Interest Received	4,241	1,700	1,000	1,150	1,350	
Total Cashflow Inflows	859,971	636,302	443,364	470,815	494,185	
CASH OUTFLOWS						
Theatre Operations	279,128	277,426	150,909	153,927	157,005	
Employee related expenses	443,189	381,000	225,000	225,000	229,500	
Regent on Broadway promotions	155,296	-	33,103	43,125	43,700	
Event Ticketing Centre	8,760	9,775	5,463	5,750	5,750	
Total Cash Outflows	886,373	668,201	414,474	427,802	435,955	
Total Operating Cashflows	(26,402)	(31,899)	28,890	43,013	58,230	
NON OPERATING CASHFLOW						
Asset Purchases	9,552	-	-	49,594	35,794	
GST Paid IRD	(50,151)	37,761	32,885	29,114	31,898	
Total Non Operating Cashflows	(40,599)	37,761	32,885	78,708	67,692	
CHEQUE BANK ACCOUNT						
Opening Balance	171,154	185,351	115,691	111,696	76,002	
Savings and Investments Income	-	-	-	-	-	
Add Operating surplus / (deficit)	(26,402)	(31,899)	28,890	43,013	58,230	
Add Non-operating surplus / (deficit)	40,599	(37,761)	(32,885)	(78,708)	(67,692)	
Closing Balance	185,351	115,691	111,696	76,002	66,540	

Regent Theatre - 6 Month Performance: July - Dec 2021	Annual Target 2021-22	6- month performance as at 31/12/21	% of annual target at 6 month mark	Officer's comment
1. To be a venue for exciting community and performing arts experiences				
Total number of main auditorium hires annually	140	55	39%	Unlikely to achieve, due to the covid lockdown and ongoing restrictions making holding large shows uneconomic.
Total number of main auditorium national/international venue hirers annually	25	6	24%	Unlikely to achieve, due to the covid lockdown and ongoing restrictions making touring uneconomic.
Total number of events overall that held over all spaces in the theatre	296	136	46%	Target is still achievable as the Regent continues to hire out smaller rooms - which aren't affected by covid restrictions.
Secure the funding for the theatre's main auditorium sound system.	\$90-110,000	\$0	0%	Will be recorded at the end of year.
Additional capital expenditure funding for other projects from the Friends of the Regent or other funding providers	\$70,000	\$75,000	107%	Achieved target, though have relied on PNCC funding to do it, rather than seek external funders.
Outsource a research project for the Regent , pre European to present day	in development	N/A	-	Work in progress.
Run a tour of the Regent Theatre	1 Family tour	0	-	Still achievable now that covid restrictions have reduced.
2. To engage in effective collaboration with out stakeholders and clients, enabling the best customer experiences.				
Total number of variety type shows such as tribute concerts and professional performers	24	8	33%	Affected by Covid lockdown and restrictions.
Total number of tertiary graduations ceremonies held	7	0	0%	Unlikely to achieve due to Covid restrictions. Graduation ceremonies only occur in December and May. December ceremonies were cancelled.
Total number of local school concerts	8	3	38%	Affected by Covid lockdown and restrictions.
Total number of school prize-givings	14	3	21%	Affected by Covid lockdown and restrictions.
Total number of ethnically diverse concerts and productions (both community and professional)	4	6	150%	Achieved.
Investigate a simple customer experience device (to survey customers)	in development	N/A	-	Work in progress.
Signage to reflect Bi-Cultural nature of NZ and make the venue accessible	in development	N/A	-	Work in progress.
Upgrade External Lighting	\$10,000	N/A	-	
Upgrade CCTV	\$3,500	N/A	-	
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 attendance to all events held.	69,000	18,337	27%	Unlikely to achieve due to Covid restrictions. Measure is reliant on events being held.
Develop a website that will accommodate theatre operations	\$2-5,000	Complete	-	Achieved target.
Investigate with a view to purchasing electronic billboards	-	N/A	-	
				Not on track but still achievable.
				Not achieved due to external events outside of the CCO's control.
				On track/achieved

STATEMENT OF INTENT



2022 - 2025

THE REGENT THEATRE TRUST

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OUR DIRECTORY

Come and see us at:	53 Broadway Palmerston North New Zealand	
Mail, Phone us at:	PO Box 1723 Palmerston North Phone (06) 3502100	
Email and web addresses are:	manager@regent.co.nz www.regent.co.nz	
Registered office of the Trust:	c/- Palmerston North City Council Civic Administration Building The Square PO Box 11-034 Palmerston North	
Accountants	BDO Central (NI) Limited	
Legal Advisers	Fitzherbert Rowe Lawyers	
Bankers	ANZ Bank New Zealand Limited	
Auditors	Audit New Zealand on behalf of the office of the Auditor General	
General Manager	David Walsh	
Trust Board	David Lea (Chairperson) Mark Mabbett (Deputy Chairperson) Susan McConachy Neil Ulrich Tania Kopytko Tessa Lohead	Phil Payton Kane Parsons Natalie Rowney

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 2025 is to build on this success and, where possible, endeavor 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 and its variants has made the past couple of years challenging times. It is difficult to forecast the continuing future effects that this pandemic will have on our industry but, 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 2025, 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 the preferred local venue of choice for international, national and local performing arts experiences that cater to culturally diverse people of all ages.

The Regent on Broadway will be maintained and preserved as a valuable historic venue.

Purpose Statement

To manage, develop, promote, enhance and maintain the Regent on Broadway as a historic building and theatre so that it may be used and enjoyed by the people of the Manawatu region and wider.

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, policies and actions.
- **Innovation** - continuous improvement through responding to change in an agile and responsive Manner.
- **Customer focused service** - ensuring that our contact with clients and patrons is always welcoming and hospitable, signifying a genuine commitment to providing 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 nine 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 Manawātū 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. Within Goal 2, Council's Arts and Heritage Plan supports a creative and exciting city – A city that draws inspiration from the diversity within its culture and creates a vibrant urban environment that attracts creative and clever people, and nurtures creative talent.

The Regent on Broadway also contributes to Council's Culture and Heritage Plan 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 Manawātū 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.

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 Manawatū 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 and the variants of the worldwide Pandemic, International programming is difficult, but it remains a major Goal for the R.O.B)
- Enabling diversity of peoples to come together (within Government guidelines) for performing arts, cultural events, and community celebrations – such as commercial and community shows, graduations, arts, cultural and educational events.
- Ensuring that we support both inclusive and diverse community events, and that we create and deliver arts experiences for whanau, hapu and iwi with the support for Rangitanenuiarawa.
- To complete and publish a project for the Regent on Broadway, pre-European to present day with collaboration from Rangitāne and local Historians.
- To install signage to reflect Bi-Cultural nature of New Zealand and making the venue accessibility friendly.
- 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 to attract a wide range of performances and events to the city
- Ensuring that we continue to progressively improve and add to our current resources seeking funding from both the Friends of the Regent and/or other funding sources.
- Providing a specialised performance venue, which provides professional technical and Marketing advice and 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 CCO Managers steering group and with Council Officers to explore activities such as a one-stop front of House booking operation and collaborating with other CCOs before renewing any contractually agreements with ticketing services and develop an Economic Impact report for regional/nationally significant events.
- 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.

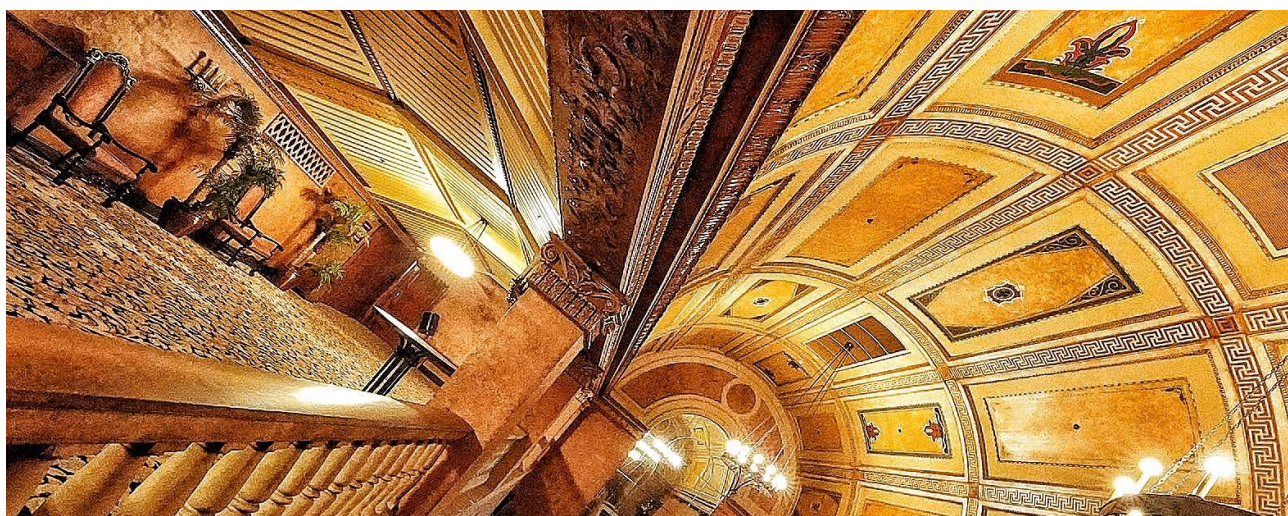
- Ensuring continued communication with diverse audiences
- Establishing and nurturing strong relationships with all local and regional theatre, dance, and entertainment groups in the view to supporting productions of significance and to maintaining and operating an entrepreneurial fund to procure these 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.
- Review the employees leave procedures to reduce the employees cost liabilities.
- Develop performance measures of contribution to environmental sustainability.
- Work with Council Officers to develop new performance measures and review the current Trust Deed.

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 and its variants 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	Target			
		2020/21	2021/22	2022/23	2023/24	2024/25
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 that the auditorium is used), to be not less than.	153	140	100	120	130
	Total number of main auditorium national/international venue hirers (actual live performances), to be not less than.	31	25	15	25	28
	Total number of events overall that are held over all spaces in the theatre.	356	310	280	300	320
	Further develop tours offered by the Regent, for schools, and community (to be not less than one)	-	1	6	8	10
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.	23	24	12	16	18
	Total number of tertiary graduation ceremonies held, not less than.	14	7	10	11	14
	Total number of local school concerts held, not less than	6	8	10	12	13
	Total number of school prize-giving held, not less than.	9	14	15	16	16
	Total number of ethnically diverse concerts and productions, both community and professionally produced, not less than.	8	4	7	8	9

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.	<p>Total attendances to all events held, not less than</p> <p>Due to Covid 19 and its variants the number of International/Commercial touring performances has greatly been reduced - however the Theatre is receiving some enquiries and pencil bookings - but is <u>very</u> dependent upon the development of Omicron. Particular attention will be given to attracting new promoters/touring productions and new ideas</p> <p>Total audience attendance split to all events Community 70%/Commercial 30%</p> <p>Number of seats sold per PNCC companion card</p>	<p>78,055</p> <p>68% community 32% commercial</p>	<p>69,000</p> <p>70/30</p> <p>0</p>	<p>75,000</p> <p>70/30</p> <p>10</p>	<p>82,000</p> <p>70/30</p> <p>15</p>	<p>85,000</p> <p>70/30</p>

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 to ensure the Regent on Broadway is meeting the needs of new marketing initiatives and progressive methodology in theatre operations, within the current restraints. The Trust continues to work 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.

The Regent will work in a collaborative manner with Council to ensure that the Regents policies and decisions represent the best interest of the Council and ultimately the ratepayers.

We will continue with ongoing engagement with the Council, both at a governance and operational level, to ensure that all parties are well-informed of each other's mandate and priorities. This may include engagement between Elected Members and the Trust and between senior managers in both organizations,

The Board will advise Council regularly of its performance, implications for future performance, and risks and opportunities faced by the organization (including Covid-19 related risks).

Adhering to a "no surprises" approach to communications ensuring that Council will be fully informed on all matters that are likely to attract significant public interest, or which may require a Council's response.

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

RegentTheatre Trust Board
Statement of Financial Performance
For the year ended 30 June 2021 to 30 June 2025

	Actual '2020-21	Budget '2021-22	Projected '2022-23	Projected '2023-24	Projected '2024-25
<u>TRADING ACCOUNT</u>					
Theatre Operations and Recoveries	405,755	153,500	290,000	330,000	364,140
Regent on Broadway Promotions	126,624	-	85,000	85,000	85,000
Event Ticketing Centre	59,676	25,500	65,000	66,300	70,000
Palmerston North City Council Funding	238,285	240,672	243,079	245,509	247,965
Donations and grants received for capital expenditure	-	50,000	86,250	90,000	90,000
Donations from Friends of the Regent	5,688	-	-	-	-
Government subsidy	35,564	82,156	-	-	-
Total Trading Income	871,592	551,828	769,329	816,809	857,105
Gross Income	871,592	551,828	769,329	816,809	857,105
<u>Add Other Income</u>					
Interest Received	2,712	1,700	2,000	2,300	2,700
Total Other Income	2,712	1,700	2,000	2,300	2,700
	874,304	553,528	771,329	819,109	859,805
<u>LESS EXPENSES</u>					
Theatre Operations	257,729	241,240	262,450	267,699	273,052
Employee related expenses	443,189	381,000	450,000	459,000	468,000
Regent on Broadway promotions	155,296	-	57,570	75,000	76,000
Event Ticketing Centre	8,760	8,500	9,500	10,000	11,000
	864,974	630,740	779,520	811,699	828,052
Surplus/(deficit) before depreciation	9,330	(77,212)	(8,191)	7,410	31,753
Less Depreciation	82,862	82,862	138,996	164,786	183,708
Surplus/(deficit) from trading	(73,532)	(160,074)	(147,187)	(157,376)	(151,955)
Taxation	-	-	-	-	-
Net Surplus/(deficit) after tax	(73,532)	(160,074)	(147,187)	(157,376)	(151,955)
Checksum:	Budget Balances				

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 person.

RegentTheatre Trust Board
Statement of Forecast Cashflows
For the year ended 30 June 2021 to 30 June 2025

	<u>Actual '2020-21</u>	<u>Budget '2021-22</u>	<u>Projected '2022-23</u>	<u>Projected '2023-24</u>	<u>Projected '2024-25</u>
<u>OPERATING CASHFLOWS</u>					
<u>CASH INFLOWS</u>					
Income Banked	855,730	634,602	884,728	939,330	985,671
Interest Received	4,241	1,700	2,000	2,300	2,700
Total Cashflow Inflows	859,971	636,302	886,728	941,630	988,371
<u>CASH OUTFLOWS</u>					
Theatre Operations	279,128	277,426	301,818	307,854	314,010
Employee related expenses	443,189	381,000	450,000	450,000	459,000
Regent on Broadway promotions	155,296	-	66,206	86,250	87,400
Event Ticketing Centre	8,760	9,775	10,925	11,500	11,500
Total Cash Outflows	886,373	668,201	828,948	855,604	871,910
Total Operating Cashflows	(26,402)	(31,899)	57,780	86,027	116,461
=====					
<u>NON OPERATING CASHFLOW</u>					
Asset Purchases	9,552	-	-	99,188	71,588
GST Paid IRD	(50,151)	37,761	65,770	58,228	63,797
Total Non Operating Cashflows	(40,599)	37,761	65,770	157,415	135,384
=====					
<u>CHEQUE BANK ACCOUNT</u>					
Opening Balance	171,154	185,351	115,691	107,701	36,313
Savings and Investments Income	-	-	-	-	-
Add Operating surplus / (deficit)	(26,402)	(31,899)	57,780	86,027	116,461
Add Non-operating surplus / (deficit)	40,599	(37,761)	(65,770)	(157,415)	(135,384)
Closing Balance	185,351	115,691	107,701	36,313	17,389
=====					

ACCOUNTANTS REPORT

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RegentTheatre Trust Board
Statement of Financial Position
For the year ended 30 June 2021 to 30 June 2025

	Actual '2020-21	Budget '2021-22	Projected '2022-23	Projected '2023-24	Projected '2024-25
CURRENT ASSETS					

Bank Trading Accounts	185,351	115,691	107,701	36,313	17,389
Accounts receivable	17,916	17,916	17,916	17,916	17,916
Prepayments	6,801	6,801	6,801	6,801	6,801
	210,068	140,408	132,418	61,030	42,106
INVESTMENTS	185,296	185,296	185,296	185,296	185,296
FIXED ASSETS	608,864	526,002	387,006	308,471	187,013
TOTAL ASSETS	1,004,228	851,706	704,720	554,796	414,414
CURRENT LIABILITIES					

GST balance	3,242	10,794	10,995	9,447	10,870
Accounts payable	98,962	98,962	98,962	107,962	118,112
Deposits in advance	17,615	17,615	17,615	17,615	17,615
	119,819	127,371	127,572	135,024	146,597
TOTAL LIABILITIES	119,819	127,371	127,572	135,024	146,597
NET ASSETS	884,409	724,335	577,148	419,772	267,817
=====					
Equity					

Opening balance	957,940	884,408	724,334	577,147	419,772
Income for the year	(73,532)	(160,074)	(147,187)	(157,376)	(151,955)
TOTAL SHAREHOLDER FUNDS	884,408	724,334	577,147	419,772	267,817
=====					

ACCOUNTANTS REPORT

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

MEMORANDUM

TO: Arts, Culture & Heritage Committee

MEETING DATE: 13 April 2022

TITLE: Te Manawa Museums Trust: Six Month Report 1 July - 31 December 2021 and Draft Statement of Intent 2022-25

PRESENTED BY: Hannah White, Democracy & Governance Manager

APPROVED BY: Sheryl Bryant, Assistant Chief Executive

RECOMMENDATIONS TO COUNCIL

1. That Council receive the Six-Month Performance Report 1 July - 31 December 2021 (Attachment 1) submitted by Te Manawa Museums Trust.
 2. That Council receive the draft Statement of Intent 2022-25 (Attachment 3) submitted by Te Manawa Museums Trust.
 3. That Council agree that the recommended comments on the draft Statement of Intent 2021-24 outlined in Table 3 be advised to Te Manawa Museums Trust.
-

1. ISSUE

- 1.1 Te Manawa Museums Trust (Te Manawa) has delivered its six-month report 1 July - 31 December 2021 and draft Statement of Intent 2022-25 (SOI). This report includes analysis of both documents, which are appended to this memorandum.
- 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.
- 1.3 The purpose of this report is to provide an opportunity for the Committee to give feedback to Te Manawa on their draft SOI.

2. BACKGROUND

- 2.1 Te Manawa is a CCO, which was set up to 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.
- 2.2 The Council is required by the LGA to regularly undertake performance monitoring of its 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 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 SOI and the Council's objectives for the CCO. This six-month report covers the first six months of the SOI 2021-2024 which was approved by Council in June 2021.

2.4 Since 2020, the Covid-19 pandemic has significantly affected the performance of all of Council's cultural CCOs. Covid restrictions continue to affect attendance levels, the number of performances/touring shows and the financial situation for all cultural CCOs.

2.5 Te Manawa has adjusted their performance targets to reflect the detrimental effect Covid is having on the arts sector and to make goals achievable and relevant to work towards.

3. COUNCIL OBJECTIVES FOR TE MANAWA

3.1 In November 2021, Council agreed a new Statement of Expectation (SOE) 2022/23 for Te Manawa, to assist them in preparing their draft SOI.

3.2 Council's priorities under Goal 2: A creative and exciting city to which Te Manawa could contribute are:

- Celebrate the city's history and diversity and build on the strength of being a city of many cultures and languages.
- Be a creative city that nurtures and celebrates the arts
- Develop a national reputation as an exciting city with plenty to do at night and on weekends.

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

- A collaborative and future focused organisation
- Innovative experiences that attract visitors
- Enhanced learning and engagement

4. PERFORMANCE FOR THE SIX MONTHS JULY TO DECEMBER 2021

4.1 The reporting period started well with the first six weeks (1 July - 18 August 2021) allowing unrestricted attendance under Alert Level 1. However, for the rest of the period Te Manawa operated under stricter Covid restrictions. Te Manawa was closed during the lockdown and Alert Level 3 from 19 August until 7 September. It then re-opened on 8 September and operated under Level 2 restrictions, followed by the traffic light system for the remainder of the reporting period.

4.2 Highlights from Te Manawa's Six-month Report (Attachment 1) include the following:

- The Curious Contraptions exhibition was well received with record numbers over July, the exhibition period was extended until March 2022
- Palmerston North History Symposium programme
- Provided online learning for Auckland primary schools during the lockdown
- Received Gold Qualmark certification
- Episode of What Now filmed at Te Manawa
- Learning Outside the Classroom contract extended to June 2022

4.3 Te Manawa has invested substantial time during this reporting period to progress a number of plans and strategies to improve their understanding of their visitors' needs; and identify strategic partners and their economic and environment impact. This work will provide valuable information for Te Manawa to shape their future operations and performance targets.

4.4 All visitor and participation performance measures are down in this reporting period due to the attendance restrictions required under Alert Level 2. Third party revenue is also lower than expected.

4.5 The three-year comparison (Table 1) shows the significant effect Covid restrictions have had on participation and visitor numbers.

Table 1: Three Year Comparison

		Pre-Covid	Covid period		
		YTD 31 Dec 2019	YTD 31 Dec 2020	YTD 31 Dec 2021	3 Year Trend
Measure					
Visits to Te Manawa	Actual	71,050	75,463	45,683	↓
	Target*	85,000	75,000	75,000	
Visits to TM exhibitions at other venues	Actual	11,640	10,578	4,907	↓
	Target	25,000	25,000	12,500	
External revenue	Actual	238,545	274,625	196,615	↓
	Target	325,500	287,077	327,821	
Visitor satisfaction (TM surveys)	Actual	99%	99%	100%	→
	Target	>96%	>96%	>96%	
Participation in Learning programmes	Actual	Not measured	11,012	6,181	↓
	Target		15,000	12,000	

*Target is calculated as half of full year

Financial Performance for the six-month period

- 4.6 The Trust reported a surplus of \$18k which is in line with the expectation.
- 4.7 The Trust's cash balance has reduced by \$159k mainly due to a reduction in external revenue and asset purchases.
- 4.8 The Trust's current assets are more than double its current liabilities which indicated the Trust's ability to satisfy its current obligations. A summary of Te Manawa's financial information is shown in Table 2 below.

Table 2: Financial Information for Six Month Report

	July 2021 - December 2021			July 2020 - December 2020	
Summary Financials (\$000)	Actual	Budget	Variation	Actual	Variation
Financial Performance					
PNCC Grants	1,632	1,632	0	1,616	16
Total Revenue	1,833	2,005	(172)	1,921	(88)
Total Expenses	1,815	2,000	185	1,596	(219)
Net Surplus (Deficit)	18	5	13	325	(307)
Financial Position					
Current Assets	1,181	1,158	23	1,483	(302)
Total Assets	19,102	18,899	203	17,790	1,312
Current Liabilities	565	615	(50)	606	(41)
Total Liabilities	568	619	(51)	609	(41)
Equity	18,533	18,144	389	17,180	536
Cash Flows					
Total Net Cash Flows	(159)	(239)	80	502	(661)
Opening Cash	576	660	(84)	694	(118)
Closing Cash	417	420	(3)	1,196	(779)

*when compared to the same period 12 months ago

5. DRAFT STATEMENT OF INTENT 2022-2025

- 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 Te Manawa's SOI with Council's Statement of Expectation

Statement of Expectation	Te Manawa's Draft SOI 2022-25	Comments + Recommendations for Final SOI 2022-25
Develop contributions to the actions in the Arts & Heritage and Events & Festivals chapters of the Creative and Liveable City Strategy of the 2021-31 10 Year Plan.	The Board demonstrates a clear link between its strategic objectives and Council's strategic direction.	No comment.
Focus on engaging local communities in relevant and meaningful learning experiences.	Highlighted in Objective 3: Curiosity focused learning and engagement experiences. Actions include increasing the impact of learning programmes and activities through the Te Rangahau Curiosity Centre, and implementing a communication and marketing plan for learning activities.	No comment.
Focus on developing and growing use of and access to collections.	Actions to increase access to collections is outlined in Objective 2. These include developing an implementation plan for collections online and making collections more accessible.	No comment.
Focus on attracting visitation and external funding.	Actions to attract visitation is outlined in Objective 2. These include implementing a high-profile international exhibition that encourages visitors from across the country and developing one innovative experience to attract visitor numbers. Actions to attract external funding by developing short	No comment.

Statement of Expectation	Te Manawa's Draft SOI 2022-25	Comments + Recommendations for Final SOI 2022-25
	and long-term fundraising projects. 'Visitor Numbers' and External Revenue are also performance measures.	
Develop a thorough and evolving understanding of the community.	Te Manawa plans to undertake visitor and market research (Objective 1) to better market Te Manawa's exhibitions.	No comment.
Continue to work on stakeholder engagement. Activities should include: <ul style="list-style-type: none"> • applying the Strategic Relationship Strategy • maintaining a strong relationship with Rangitāne – through activity-based approaches • Strengthening the partnership with the New Zealand Rugby Museum • working with Te Manawa's founding trusts to address shared objectives. 	<p>Listed as actions under Objective 1: A collaborative and future-focussed organisation.</p> <p>Te Manawa plans to: Implement the Strategic Relationship Strategy</p> <p>Maintain strong relationship with Rangitāne at governance levels and through activities.</p> <p>Not mentioned.</p> <p>Not mentioned.</p>	<p>No comment.</p> <p>No comment.</p> <p>Recommendation Include action to strengthen the partnership with the New Zealand Rugby Museum.</p> <p>Te Manawa and the Arts Society have recently agreed an MOU.</p> <p>Recommendation Include possible action to work with Te Manawa's founding trusts.</p>
Activities to include in Performance Measures: <ul style="list-style-type: none"> • support for inclusive and diverse community events; • support for whānau, hapū 	<p>Te Manawa has reviewed its performance measures, to be:</p> <p>Visitor numbers TM Experiences off-site Online Experience Engagement</p>	<p>It would be useful to define the performance measures and how they are to be measured by adding more detail in the table.</p> <p>Recommendation</p>

Statement of Expectation	Te Manawa's Draft SOI 2022-25	Comments + Recommendations for Final SOI 2022-25
<p>and iwi to create and deliver arts experiences</p> <ul style="list-style-type: none"> support for Rangitānenuiarawa (all from the Arts Chapter of 2021-2031 Art and Heritage Plan). 	<p>External Revenue Target</p> <p>Audience Satisfaction</p> <p>There is no mention of the performance measures suggested by Council.</p>	<p>Consider adding a performance measure around: support for whānau, hapū and iwi to create and deliver arts experiences/ support for Rangitānenuiarawa.</p>
<p>Outline approach to: good governance practices – consider intention to reflect the diversity of Palmerston North in the membership of the Board.</p>	<p>Te Manawa has outlined its governance practices in the Statement of the Board's approach to governance section.</p> <p>There is no specific mention of Board membership.</p>	<p>The Te Manawa Trust Board already has two permanent representatives from Rangitāne o Manawatū on it. It also has the ability to co-opt two trustees annually.</p> <p>Recommendation</p> <p>Add a sentence to the Board's Approach to Governance section (pg 7) saying the Board will aim to reflect the diversity of Palmerston North.</p>
<p>Develop performance measures of contribution to environmental sustainability.</p>	<p>An action under objective 1 is to: Trial and review one environmentally focused project by end of 22/23.</p> <p>There is no performance measure linked to environmental sustainability.</p>	<p>In its six-month report 2021, Te Manawa measured its baseline carbon emission. They may wish to continue this measure.</p> <p>Recommendation</p> <p>Consider adding a performance measure that contributes to environmental sustainability.</p>
<p>Identify ongoing environmental control issues preventing the Art Gallery from hosting touring exhibitions.</p> <p>Developing a proposal including budget and timeline to resolve these issues.</p>	<p>Under Objective 2, Te Manawa plans to discuss and identify with PNCC the current risks and problems with the art gallery building which are stopping it from meeting the minimum standard for climate control, display, infrastructure, storage and security.</p>	<p>No comment.</p>

Financial Commentary

- 5.2 The budgeted financial performance is set to break even for the next 3 years.
- 5.3 Of note, one of the sizable revenue streams is fundraising and sponsorship which has been budgeted at much higher level - 160% at least.
- 5.4 The steady decrease in cash reflects Te Manawa's commitment to investing in activities including converting cash into short term deposit.

Table 4: Te Manawa's SOI Summary Financials

	Forecast	SOI		
Summary Financials (\$000)	21/22	22/23	23/24	24/25
Financial Performance				
PNCC Grant	3,264,227	3,329,511	3,396,101	3,464,023
Total Revenue	3,918,972	4,276,691	4,438,408	4,426,382
Total Expenses	3,926,823	4,291,488	4,452,371	4,440,530
Net Collection Movements	15,000	15,000	15,000	15,000
Net Surplus (Deficit)	7,149	203	1,037	852
Financial Position				
Current Assets	1,021,613	819,232	630,239	589,118
Total Assets	18,763,353	18,960,567	18,897,599	18,902,688
Current Liabilities	615,683	768,171	704,366	708,603
Total Liabilities	618,949	771,437	707,632	711,869
Equity	18,144,404	18,189,130	18,189,967	18,190,819
Cash Flows				
Total Net Cash Flows	(1,023,982)	(663,089)	(96,138)	(144,524)
Opening Cash	1,308,407	1,064,963	401,874	305,736
Closing Cash	284,425	401,874	305,736	161,212
Financial Indicators				
Current Ratio	1.66	1.07	0.89	0.83
Working Capital	405,930	51,061	(74,127)	(119,485)




6. NEXT STEPS

- 6.1 Any Committee comments on the draft SOI agreed by Council will be communicated in writing to Te Manawa.
- 6.2 Te Manawa will deliver their final SOI to Council on 29 June 2022.

7. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual	No
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 2: A Creative and Exciting City	
The recommendations contribute to the achievement of action/actions in the Arts and Heritage	
The action is: to support CCOs to achieve the objectives of the Arts and Heritage Plan.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Receiving the six-month report allows the Council to have oversight against the previously agreed SOI. Providing comments on the draft Statement of Intent is a mechanism for Council to provide guidance and direction to Te Manawa Museums Trust Board.

ATTACHMENTS

1. Te Manawa_Six Month Performance_1 July - 31 December 2022 [↓](#) 
2. Te Manawa_Performance Measures [↓](#) 
3. Te Manawa_Draft Statement of Intent 2022-2025 [↓](#) 



6 Month Report Against the Statement of Intent

1 July 2021 - 31 December 2021

Te Manawa Museums Trust

Goals:

1. Collaborative and future focused organisation
2. Innovative experiences that attract the visitor
3. Enhanced learning and engagement

1. Collaborative and future focused organisation

Performance Measures	2021/2022 Target	Status	Result	Comments
Strength of relationship with strategic partners	Strategic relationships defined and identified as part of the Strategic Relationship Strategy. Relationship principles developed in conjunction with strategic relationship partners.	Completed	Relationship Strategy finalised and approved	Relationship Strategy developed, and quality measures identified. A strategy team has been formed to develop an implementation plan with key milestones.
Revenue secured from sources outside PNCC	\$655,641	At risk	External Revenue to date \$196,615(29.98% of target) (2020/21 achieved \$672,709 full year)	Manager Sustainable Funding and Innovation recruited. Commenced 16 September. Funding and Operation Revenue Strategy has been drafted along with the supporting documents of Funding Procedures for Staff, Third Party Funding Plan 2021-2022, and Operational Revenue Increase Plan 2021-2022. Additional Donation points installed Online experiences for Airbnb Commenced
Develop measures towards reduction of carbon emissions	Measure baseline carbon emissions	Completed	Enviro report completed by Event Insights Qualmark Gold status achieved Environmental Sustainability Policy in development	

2. Innovative experiences that attract visitors

Performance Measures	2021/2022 Target	Status	Result	Comments
Likelihood of visitors to positively endorse Te Manawa to others	Highly likely	Completed	Measure incorporated in visitor feedback questions 111 surveys completed. 98% were mostly, very often or always likely to recommend Te Manawa as a place to visit.	Economic Impact Report presented to councillors at August 2021 ACH meeting Morris Hargreaves McIntyre report assessing Te Manawa's position in the cultural market (national and local contexts) completed Data collection, which was scheduled to commence in August 2021 commenced in December 2021. Reported result is for the month of December 2021.
In-person visits to Te Manawa	150,000	At risk	45,683 (6-month target 75,000 (61%)). (2020/21 Not Achieved: 135,817 due to impact of COVID-19 alert levels during August 2020 and June 2021).	An analysis of visitation patterns over last 7 years projecting out to 30 June 2022 and factoring in Covid19 impacts on visitation was completed in November. This predicted visitation of just over 100,000 in FY2122, if more typical patterns returned in Feb 2022, after vaccination targets were reached, and there were lessening of restrictions and subsequent increased public confidence in visiting public venues. But with Covid19 Omicron at the door we recommend a reduction of the visitor number target to 80,000. All short-term exhibitions planned to open in the period 1 Jul to 31 Dec (x9) were opened with some date changes. However, Level 2 restrictions continued to limit access to visitor experiences and opening hours, from 8 September 2021. Restrictions slightly eased under the new traffic light system, introduced in early December. Te Manawa has become a 'My Vaccine Pass' venue and presentation of a valid vaccination certificate is now a condition of entry.
Visits to Te Manawa experiences off-site	25,000	At risk	4,907 (6-month target 12,500 (39.2%)) (2020/21 Not Achieved: 38,715 against a target of 50,000)	This shows total visitor numbers to off-site events and exhibitions. Overall performance against this KPI was partly affected by Level 2 Delta conditions and the cancellation of a significant number of community events. <u>Note: the result does not include digital visits.</u>

Performance Measures	2021/2022 Target	Status	Result	Comments
				<p>There are currently no Te Manawa exhibitions touring nationally or internationally.</p> <p>Digital offerings for schools were developed and delivered to Auckland schools during their Alert Level 3. These were well attended with four sessions weekly. Topics included:</p> <ol style="list-style-type: none"> 1. Live Feeding 2. Curious Contraptions and Simple Machines 3. Cabinet of Curiosities 4. Simple Science at Home <p>New digital resources were made available to download from Te Manawa's website. These were expanded for the October school holidays to include three new learning packs:</p> <ol style="list-style-type: none"> 1. Automata 2. 1960s Kitchen 3. 1918 Recipes (Kitchen Curiosity)

3. Enhanced learning and engagement

Performance Measures	2021/2022 Target	Status	Result	Comments
Visitor satisfaction (good/ very good/ excellent)	>96%	On track	100% to December 2021 (for the months measured) (2020/21 Achieved: 99.95% against a target of >96%)	Results reflect respective periods of closure across August and September 2021, and reduced visit experience offerings to December 2021.
Participation in learning programmes	24,000	At risk	6,181 (6- month target 12,000 (51.5%) including digital visits) (2020/21 22,551 - (99% of the revised target of 22,750)	Results affected by respective periods of closure across August and September 2021, and reduced visit experience offerings through to December 2021.
In person visits to Rangimārie activities	5,000	At risk	139 (6-month target 2,500 (20%))	Achieving results is dependent on refurbishment of Te Rangi Whenua Gallery. A project steering team has been set up to manage the project forward. A small amount of seed funding has been secured by Rongomau Productions to support the project.

COVID-19 Statement

Please note: Due to the impact of COVID-19 our visitor number targets will be revised down from 150,000.00 to 80,000.00 to end of June 2022

1-7 September - level 3

8 September until end of September (and ongoing) - Level 2 Delta version

29 Nov- COVID-19 Protection Framework/ traffic light system. Manawatū in Orange.

3 Dec- Te Manawa moves to vaccine pass requirement- ongoing

Other Progress/ Highlights

- Curious Contraptions has been well received with record numbers over July. Extended the exhibition period and moved to the Atrium in November.
- Palmerston North History Symposium Programme - Opening plus 'Publishing our stories – the written word' held at Te Manawa. Our Collections Manager Cindy Lilburn presented.
- Manawatū Wildlife Photography competition, run in association with *Wildlife Photographer of the Year* exhibition, winners selected, notified, and winning images loaded on TM website.
- Employed a part time Manager Sustainable Funding and Innovation.
- Gold Qualmark certification. Integral to that is a report on the environmental impact of Te Manawa led by Event Insights, completed in September 2021.
- Provided online learning for Auckland primary schools, during COVID-19 level four lockdown, based on exhibitions and programmes [Palmerston North museum reaches beyond boundaries to help Auckland schools with online learning | Stuff.co.nz](#)
- Economic Impact Report produced by Events Insights based on survey conducted on WPY exhibition attendees (see attached) and presented to Council
- Enviro survey carried out.
- Trialling Palmerston North Community Card as an initial trial with the other CCO's
- Draft 10 Year Business Plan presented to TM Board
- Statement of Intent 2022-24 presented and approved by Palmerston North City Council
- LEOTC Contract extended to June 2022. New tender round expected to commence late September 2021
- Stakeholder interview with Lucy O'Connor from ARUP
- Episode of *What Now* filmed at Te Manawa
- Inclusion in arts and culture precinct workshops
- John Fowke - Civic Award 2021
- Leadership NZ training.
- Te Tiriti training. Centrepont staff included.
- Morris Hargreaves McIntyre visitor and market research report delivered to inform Te Awa development and upgrade, and analysis of Te Manawa's place in the national and local culture market
- Te Manawa Visitation report July 2015 – June 2022 produced by Event Insights
- New staff recruited – Nina Mercer to Programme Developer role, Talei Langley to Collection Manager Humanities (Arts)
- Exhibitions opened – *Curious Contraptions* (2 venues at museum); Lauren Lysaght - *Kutarere Sunrise*; Jack Trolove *Keening*; *Town and Country - Stitched*; Te Manawa Art Society exhibition from Te Manawa art collection *Locals*; Wananga o Aotearoa's *Naku te kaupapa, Mau e Taniko*; UCOL's BCM graduate exhibition for 2021; Massey university BMVA programme graduate exhibition *Matatau* 2021.
- Te Manawa received a further bequest of \$20k from the George Dear estate

Collections

- Launched the restored *Falling Waters* sculpture with PNCC and the Palmerston North Public Sculpture Trust. Creator of the work Fred Graham participated.
- Five pou whenua carved by John Bevan Ford in the collection conserved and restored; funded in part by a Lottery Board Grant.
- 420 items approved for acquisition by Te Manawa Trust Board. Highlights include Collinson and Cunninghame archives, collection of historic microscopes, huia beak brooch, World War II archives of Walter Gulliver and related objects, a hand blower for a World war II gas-powered car, artworks by John Ritchie, portrait of Joan Richardson by HL Richardson, a rāpaki titled *Hū, the stillness and peace found within* by Brenda Tuuta, and *Architect* painted by Jack Trolove.
- Loans of 4 artworks to other galleries – Pātaka, Whirinaki Expressions, Dunedin Public Art Gallery, and KW Institute of Contemporary Art, Berlin.
- Incoming loan of moa (two species) and other bird (adzebill and N.I. Goose) bones recovered from a site on the new highway Te Ahu-a-Tūranga. TM was kaitiaki until a decision was made as to their final resting place. Scientific analyses undertaken before the bones were returned to a site near the highway and reburied in December.

- Visit by Prime Television film crew to art collection store for forthcoming programme on contemporary visual art by tangata whenua (to be screened about June 2022). At Te Manawa the focus was on Greg Semu's *Kupapa Wars* photographic print, and Fiona Pardington's *Captive female huia*, which features a mounted female huia specimen and huia bird beak brooch in TM heritage collection.

Objective 1: A collaborative and future-focused organisation		Expected Completion
• Review scope of existing strategic partnerships	Completed	Sept 2021
• Complete the relationships strategy (by end of 21/22)	Completed	Nov 2021
• Develop concept for a partner-based exhibition of national significance (by end of 22/23) (Murray Ball)	Concept proposed/ in progress	Jun 2022
• Develop short and long-term funding strategies that source sustainable external funding for programmes and exhibitions	Completed. New funding position employed	Nov 2021
Objective 1: A collaborative and future-focused organisation		Expected Completion
• Develop an environmental impact framework that drives environmentally focused projects. (by end of 22/23)	Completed. Te Awa review completed to inform redevelopment	Sept 2021
• Establish Future Museum principles - three examples to use and test concepts	In progress: 1- Rongomau- implemented 2- On line experiences-implemented 3- Interactive Learning Experiences – in development	April 2021
• Publish a 10-year Business Plan	Completed	Sept 2021

<p>Objective 2: Innovative experiences that attract visitors</p> <ul style="list-style-type: none"> Develop and implement an Exhibition Strategy that includes development of touring exhibitions Short form exhibition strategy completed; detailed strategy in progress Develop a Digital Strategy to support online experiences In progress Develop economic impact reporting for major exhibitions hosted by Te Manawa VMR report for WPY (Aug 2021) will feed into this. Morris Hargraves McIntyre report completed 	<p>Expected Completion</p> <p>Nov 2021 April 2022</p> <p>Nov 2021</p> <p>By end of 21/22 Engaged Event Insights. First report completed for Wildlife Photographer of the Year exhibition</p>
<p>Objective 3: Enhanced learning and engagement</p> <ul style="list-style-type: none"> Implementation of phase 1 of 4 in the Te Rangimarie project, a dual venue cultural tourism project undertaken by Te Rangimarie Marae Trustees Phase 1- includes training of FOH staff and co-creation of activities linked to Te Rangi Whenua. Phase 2- te Rangi Whenua gallery refresh project commencing Aug 2021 to be scoped and set up. Increase the impact of learning programmes and activities in formal and informal environments through Te Rangahau Curiosity Centre Implement a comms and marketing plan for learning activities (21/24) Completed Evaluate success of two creative projects Completed 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 (21/23) Ongoing 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>



Financial Report
(Six monthly Report against SOI)
31 December 2021

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Financial Reports for Te Manawa Museums Trust Board

Statement of Financial Performance

Two versions of the Statement of Financial Performance have been presented to provide different views of the same data. The Activity Report is based on internal Management Reports and provides summary income and expenditure information for each reporting area.

The Income/Expenditure Category Report adopts a more traditional view detailing income and expenditure by category, which follows on to the Statement of Financial Position and Cash flows, providing information on the sources of income and expenditure relating specifically to the type of revenue or cost.

Statement of Financial Position

The Statement of Financial Position provides information about the assets, liabilities and equity of the Trust for the current reporting period and current year end forecast and the relationship of these elements to each other at a point in time.

Statement of Cash flows

The Statement of Cash Flows reflects the Trust's cash receipts and cash payments during the period and provides information about the Trust's activities in generating cash from operations, investing and financing activities.

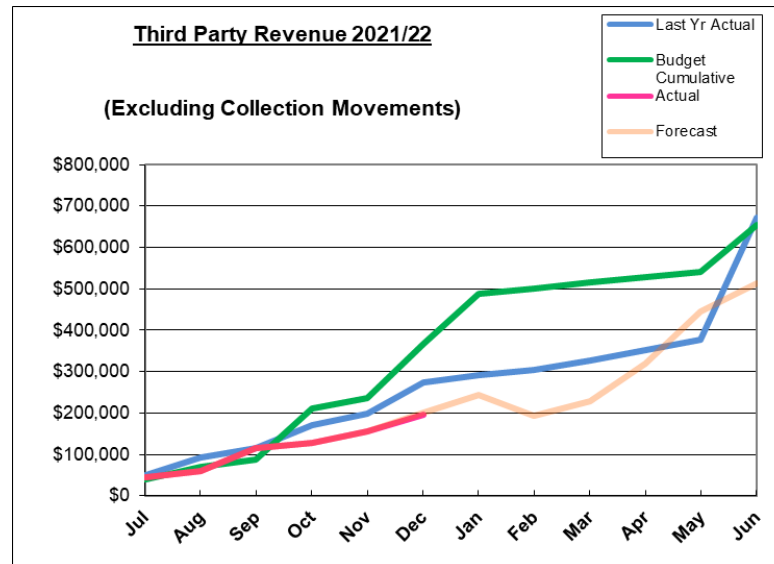
EXECUTIVE SUMMARY

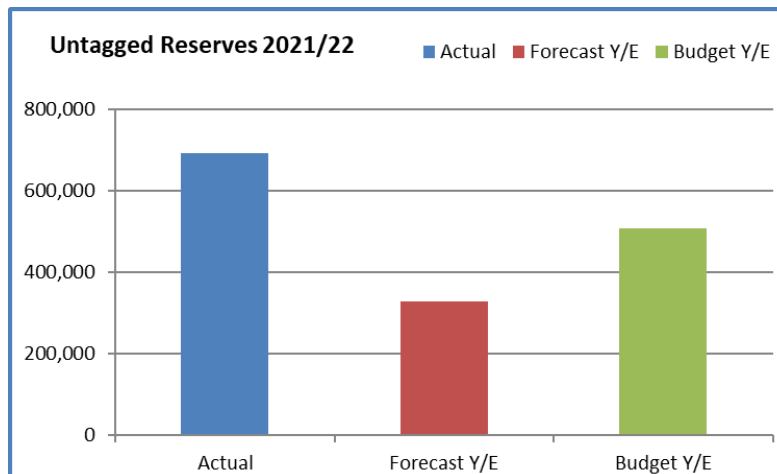
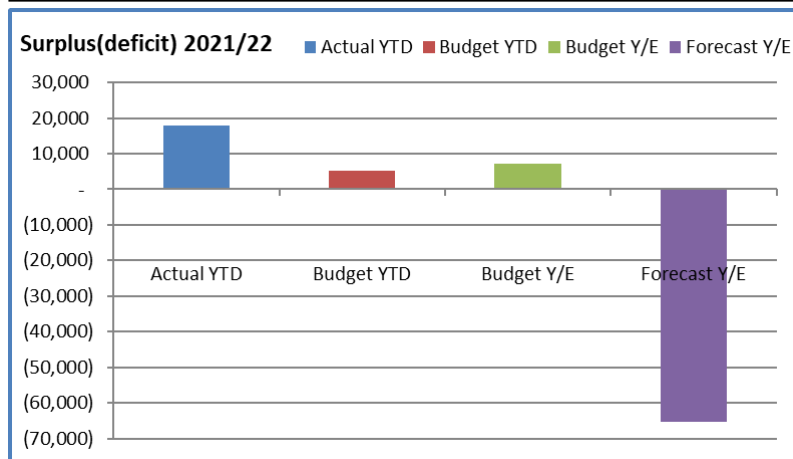
The operating surplus, after Collection Movements, for the six months ended 31 December, is **\$17,809** compared with the budgeted surplus of **\$5,088**. Year to date revenue is below budget by **\$170,635**. Income from Customer services (shop sales, venue hire etc) is down by **\$25,727** and budgeted Sponsorship/ Fundraising **is down by \$215,000**. These reductions are offset by gains in Learning (extended LEOTC) and Collections. Expenditure is currently below budget by \$184,891. Savings come from payroll \$89,163, operating expenses \$85,428, and depreciation \$10,298. Some of the operating expenses, especially in Exhibitions and Collections, are timing differences rather than expected savings.

The forecast deficit for yearend is currently tracking towards **\$65,426**. Forecast revenue from Customer Services income has been reduced, as has income from Fundraising. Even so, the current forecast position is totally dependent on achieving forecast fundraising revenue between now and June 2022. As previously indicated, budget managers are working to identify savings so that the forecast deficit can be reduced.

Te Manawa Museums Trust										
Summary Statement of Financial Performance for December 2021										
		A	B	C	D	E	F	G		I
		Dec-21			Year to Date (December 2021)			Year End		
		Actual	Budget	Variance A - B	Actual	Budget	Variance D - E	Forecast	Budget	Variance H - G
		\$	\$	fav/(unfav)	\$	\$	fav/(unfav)	\$	\$	
Operating Income	1	298,481	410,670	(112,189)	1,828,728	1,999,363	(170,635)	3,776,540	3,919,873	(143,333)
Operating Expenditure	2	319,331	427,211	107,880	1,815,384	2,000,275	184,891	3,853,528	3,927,724	74,195
Surplus/(Deficit) before Collection Movement		(20,850)	(16,541)	(4,309)	13,344	(912)	14,256	(76,989)	(7,851)	(69,138)
Collection Movement Income		36	1,500	(1,464)	4,462	6,000	(1,538)	11,562	15,000	(3,438)
Collection Movement Expense		-	-	-	-	-	-	-	-	-
Net Collection Movements		36	1,500	(1,464)	4,462	6,000	(1,538)	11,562	15,000	(3,438)
Surplus/(Deficit) Including Collection Movements		(20,814)	(15,041)	(5,773)	17,806	5,088	12,718	(65,426)	7,149	(72,576)

Key Result Indicators as at 31 December 2021





Te Manawa Museums Trust

Statement of Comprehensive Revenue and Expenditure

(classification of expenses by function)

for the Month Ended 31 December 2021

Note	Actual YTD 31-Dec-21 Unaudited \$	Budget YTD 31-Dec-21 \$	Variance \$	Last year 31-Dec-20 Unaudited \$	Forecast 30-Jun-22 \$	Budget 30-Jun-22 (SOI) \$	Variance \$	30 June 2021 12 Months \$
Operating Revenue								
PNCC Grants	1,632,114	1,632,114	-	1,615,954	3,264,228	3,264,228	-	3,231,908
MDC Grant	20,000	20,000	-	20,000	20,000	20,000	-	20,000
Interest Received 1	2,821	2,700	121	4,096	6,361	5,400	961	6,922
Other Income 2	173,794	344,549	(170,755)	250,528	485,952	630,245	(144,293)	645,788
Total Operating Revenue	1,828,728	1,999,363	(170,635)	1,890,578	3,776,540	3,919,873	(143,333)	3,904,618
Total Operating Expenditure								
Collection & Knowledge	105,791	127,261	(21,470)	62,258	239,443	300,242	(60,799)	228,886
Corporate Services & Facilities	303,788	330,150	(26,362)	290,916	701,394	699,908	1,486	679,346
	409,580	457,411	(47,831)	353,174	940,837	1,000,150	(59,313)	908,232
Learning	113,812	125,527	(11,715)	140,563	249,601	251,584	(1,983)	254,018
Kaihautū	55,000	54,999	1	6,411	110,001	110,000	1	61,411
Communications	108,124	111,620	(3,496)	93,376	233,518	213,065	20,453	223,806
Public Programmes & Events	71,767	62,817	8,950	68,396	135,298	122,475	12,823	145,995
Sponsorship	31,459	28,785	2,674	-	70,806	71,346	(540)	-
Customer Services	233,275	216,016	17,259	203,948	487,023	431,720	55,303	434,920
Volunteers	-	360	(360)	264	400	760	(360)	264
	613,437	600,124	13,313	512,958	1,286,647	1,200,950	85,697	1,120,414
Concepts & Engagement	344,016	483,770	(139,754)	302,672	702,397	802,080	(99,683)	799,033
Executive	312,849	313,169	(320)	300,531	637,846	632,944	4,902	665,601
Depreciation 4	135,503	145,801	(10,298)	127,058	285,802	291,600	(5,798)	265,037
Asset Write Off	-	-	-	-	-	-	-	53,279
Total Operating Expenditure	1,815,384	2,000,275	(184,891)	1,596,393	3,853,528	3,927,724	(74,196)	3,811,596
Operating Surplus/(Deficit)	13,344	(912)	14,256	294,185	(76,989)	(7,851)	(69,138)	93,022
Collection Movement Income								
Custodial Assets	-	-	-	-	-	-	-	8,397
Donated Assets	4,462	6,000	(1,538)	33,942	11,562	15,000	(3,438)	36,294
Collection Movement Expense								
Custodial Assets Returned	-	-	-	-	-	-	-	3,478
Collection Assets Deaccessioned	-	-	-	3,478	-	-	-	1,209
Net Collection Movements	4,462	6,000	(1,538)	30,464	11,562	15,000	(3,438)	40,004
Net Surplus/(Deficit)	17,806	5,088	12,718	324,649	(65,426)	7,149	(72,575)	133,026
Other Comprehensive Revenue and Expense	-	-	-	-	-	-	-	-
Total Comprehensive Revenue and Expense	17,806	5,088	12,718	324,649	(65,426)	7,149	(72,575)	133,026

Te Manawa Museums Trust

Statement of Comprehensive Revenue and Expense
for the Month Ended 31 December 2021

	Note	Actual YTD 31-Dec-21 Unaudited \$	Budget YTD 31-Dec-21 \$	Variance \$	Last year 31-Dec-20 Unaudited \$
Operating Revenue					
PNCC Grants		1,632,114	1,632,114	-	1,615,954
MDC Grant		20,000	20,000	-	20,000
Interest Received	1	2,821	2,700	121	4,097
Other Income	1	173,794	344,549	(170,755)	250,528
Total Operating Revenue		1,828,728	1,999,363	(170,635)	1,890,579
Operating Expenditure					
Payroll	2	1,053,484	1,142,647	89,163	979,723
Other Operating Expenses		585,528	670,956	85,428	448,744
Interest		-	-	-	-
PNCC Leases & SLA's		40,869	40,871	2	40,869
Depreciation		135,503	145,801	10,298	127,058
Asset Write-offs		-	-	-	-
Total Operating Expenditure		1,815,384	2,000,275	184,891	1,596,394
Operating Surplus/(Deficit) Before Collection Items		13,344	(912)	14,256	294,185
Collection Movement Income					
Custodial Assets		-	-	-	-
Donated Assets	4	4,462	6,000	(1,538)	33,942
Collection Movement Expense					
Custodial Assets Returned		-	-	-	-
Collection Assets Deaccessioned		-	-	-	3,478
Net Collection Movements		4,462	6,000	(1,538)	30,464
Surplus/(Deficit) Including Collection Movements		17,806	5,088	12,718	324,649

Forecast 30-Jun-22 \$	Budget 30-Jun-22 (SOI) \$	Variance \$	30 June 2021 12 Months \$
3,264,228	3,264,228	-	3,231,908
20,000	20,000	-	20,000
6,361	5,400	961	6,922
485,952	630,245	(144,293)	645,788
3,776,540	3,919,873	(143,333)	3,904,618
2,206,754	2,320,661	113,907	1,965,073
1,279,233	1,233,721	(45,512)	1,446,471
-	-	-	-
81,740	81,742	2	81,738
285,802	291,600	5,798	265,037
-	-	-	53,278
3,853,528	3,927,724	74,196	3,811,597
(76,989)	(7,851)	(69,138)	93,021
-	-	-	8,397
11,562	15,000	(3,438)	36,294
-	-	-	3,478
-	-	-	1,209
11,562	15,000	(3,438)	40,004
(65,426)	7,149	(72,575)	133,025

Te Manawa Museums Trust
Statement of Financial Position
As at 31 December 2021

	Actual	Actual (Unaudited)	Budget	Variance	Actual-Unaudited
	30/06/2021	31/12/2021	31/12/2021		31/12/2020
	\$	\$	\$	\$	\$
Assets					
Current Assets					
Cash and Cash Equivalents 3	575,682	417,118	420,442	(3,324)	1,196,295
Stock of Merchandise	36,043	39,627	50,000	(10,373)	47,969
Debtors and Sundry Receivables	4,240	42	20,000	(19,958)	15,939
Interest Receivable	1,856	1,814	1,500	314	1,257
Prepayments	9,726	54,582	50,000	4,582	40,536
Short Term Deposits 3	665,728	668,172	615,688	52,484	181,396
Total Current Assets	1,293,275	1,181,355	1,157,630	23,725	1,483,392
Non-Current Assets					
Intangible Assets	8,346	6,361	140,112	(133,751)	10,331
Property Plant & Equipment:				-	
Computer Hardware	54,662	45,870	70,726	(24,856)	30,990
Exhibitions	349,181	288,223	436,348	(148,125)	244,399
Furniture & Fittings	67,259	71,694	58,678	13,016	51,319
Leasehold Improvements	50,203	44,473	46,094	(1,621)	56,697
Plant & Equipment	261,390	435,527	319,859	115,668	286,890
Work in Progress	223,149	12,106	30,000	(17,894)	185,591
Collection Assets - Owned	7,941,927	7,972,041	8,374,712	(402,671)	7,357,229
Collection Assets - Custodial	9,044,116	9,044,114	8,265,209	778,905	8,082,886
Total Non-Current Assets	18,000,233	17,920,408	17,741,738	178,670	16,306,333
Total Assets	19,293,508	19,101,763	18,899,368	202,395	17,789,725

Te Manawa Museums Trust
Statement of Financial Position
As at 31 December 2021

	Actual 30/06/21 \$	Actual (Un audited) 31/12/21 \$	Budget \$	Variance \$	Last Year 31/12/21 \$
Current Liabilities					
Creditors, Provisions & Payables	411,325	158,922	328,823	(169,901)	138,372
Employee Liabilities	241,226	265,026	201,860	63,166	241,070
Provisions	-	-	-	-	-
GST Payable (Receivable)	(22,881)	48,996	55,000	(6,004)	54,518
Income received in advance	130,975	92,186	30,000	62,186	171,664
Total Current Liabilities	760,645	565,130	615,683	(50,553)	605,624
Non-Current Liabilities					
Employee Benefit Liabilities	3,254	3,256	3,266	(10)	3,464
Total Non-Current Liabilities	3,254	3,256	3,266	(10)	3,464
Total Liabilities	763,899	568,386	618,949	(50,563)	609,088
Equity					
Trust Equity	10,664,369	10,797,394	10,715,074	82,320	10,706,889
Retained Surplus Current Year	146,758	17,806	7,149	10,657	324,649
Asset Revaluation Reserve	7,326,968	7,326,663	7,073,191	253,472	5,800,107
Specific Reserves 5	380,641	380,641	338,114	42,527	338,118
Endowment Funds 6	10,873	10,873	10,874	(1)	10,874
Total Equity	18,529,609	18,533,377	18,144,402	388,975	17,180,637
Total Equity & Liabilities	19,293,508	19,101,763	18,763,351	338,412	17,789,725

Te Manawa Museums Trust

Statement of Cash flows

As at 31 December 2021

Description	Actual 30/06/2021	Actual Year-to-Date 31/12/2021 \$	Budget Year-to-Date 31/12/2021 \$	Variance \$	Last Year 31/12/2020 \$
Cash Flows from Operating Activities					
Cash was provided from:					
PNCC and MDC Grants	3,231,908	1,652,114	1,652,114	-	1,615,954
Other Revenue	720,174	173,794	364,549	(190,755)	270,528
Interest	7,088	2,821	2,700	121	4,097
Cash was disbursed to:					
Payroll	1,963,631	1,053,484	1,142,647	(89,163)	940,280
Suppliers	1,439,707	626,397	826,104	(199,707)	448,745
Interest	-	-	-	-	-
Net GST Outflow (Inflow)	(69,127)	29,886	3,000	26,886	8,182
	3,334,211	1,709,767	1,971,751	(261,984)	1,397,206
Net Cash Flows from Operating Activities	624,959	118,961	47,612	71,349	493,373
Cash Flows from Investing Activities					
Cash was provided from:					
Sale of Assets	0	-	-	-	-
Cash was disbursed to:					
Purchase of Intangible Assets - Software	-	-	24,000	24,000	-
Purchase of Property Plant & Equipment	452,878	254,014	213,300	(40,714)	183,806
Purchase of Collection Assets	100,735	25,955	50,000	24,045	82,813
Net reduction of short term deposit	51,483	(2,444)	-	2,444	(275,378)
Total	605,096	277,525	287,300	9,775	(8,760)
Net Cash Flows from Investing Activities	(605,096)	(277,525)	(287,300)	(9,776)	8,759
Cash was disbursed to:					
Net Cash Flows from Financing Activities					
Net Increase/(Decrease) in Cash Held	(118,481)	(158,564)	(239,688)	81,124	502,132
Foreign Exchange movements	-	-	-	-	-
Opening Cash Balances	694,163	575,682	660,130	(84,448)	694,163
Closing Total Cash Balances 2&3	575,682	417,118	420,442	(3,324)	1,196,295

1. External Revenue

Analysis of External Revenue for the Year ending 30 June 2022

3rd Party Revenue	Actual Month	Budget Month	Actual YTD	Annual Budget	Last Year	Comments
Grants Distributions - Heritage	-	-	42,500	-	52,000	Recognise Lotteries Grant for completion of John Bevan Ford pou project.
LEOTC Contract	5,010	5,009	30,057	30,057	60,114	MOE has finally confirmed that it will continue to fund LEOTC until the end of this financial year. A revised tendering process will be in effect from that date.
Other Education programmes	2,502	600	23,499	29,300	64,074	
Public programmes & Events	395	1,208	3,013	14,500	20,581	As a result of Covid restrictions few of the budgeted paid public events have been held during the reporting period.
Public programmes - Education Led	-	-	-	-	-	
Touring Revenue	92	-	2,963	-	-	Donations Curious Contraptions
Admission Fees	-	-	-	-	-	
Donations	5,003	16,000	6,306	16,000	19,691	General donations and Santa's cave. Santa's cave donations this year amounted to \$5,973 compared with \$12,473 for Christmas 2020.
Fundraising (Grants- no restriction No C	-	-	-	430,000	178,500	
Grants	2,421	-	4,770	-	55,861	
Front of House Revenue, including Shop Sales and Venue Hire (Not including front of house donations)	8,886	14,300	30,872	97,388	92,381	Front of House revenue is highly dependent on the demand for venue hire, shop sales and birthday parties. This revenue has been impacted by COVID.
Inhouse donation received	107	500	1,195	6,000	4,906	These are received at Front of house.
Interest Revenue	541	450	2,821	5,400	6,922	As rates are rising slightly the forecast has been increased
Sundry Income	1,491	584	28,619	6,996	97,678	Monthly rent from Darkroom , and bequest from the estate of G Dear.
Grant MDC	-	-	20,000	20,000	20,000	
Total Third Party Revenue (excluding Collection Donations)	26,447	38,651	196,615	655,641	672,708	

2. Payroll

Te Manawa Museums Trust
Payroll Analysis
As at 31 December 2021

Payroll Analysis	Actual 31 December 2021	Budget 31 December 2021	Variance Actual from Budget	Forecast 30 June 2022	Budget 30 June 2022	Variance Annual Forecast from Annual Budget	Comments	Actual FTE's	2021/22 Budget FTE's	Variance Actual from Budget
Finance and Facilities	83,707	87,244	3,537	183,642	179,082	(4,560)		2.48	3.75	(1.27)
Collections	42,545	81,395	38,850	111,470	192,176	80,706	Some of savings to date will be used to fund the marketing assistant.	2.00	3.00	(1.00)
Learning	122,119	112,607	(9,512)	236,226	225,214	(11,012)	After the 2021/22 Budgets were finalised Te Manawa was awarded some funds (\$30,000) towards the Poutama Project. There is one additional employee on an 8 month fixed term contract which accounts for budget variance.	4.53	3.00	1.53
Events	45,818	42,113	(3,705)	92,906	85,115	(7,791)	The hours for one of the Event Team were increased after the budget was completed. This was probably unfortunate, in hindsight, as the any increased activity that was anticipated has been negated by the changes in alert levels.	1.65	1.50	0.15
Visitors' Engagement	203,531	188,977	(14,554)	430,213	377,957	(52,256)	This includes Santas, elves and casual Christmas staff on short term contracts which have since finished.	9.75	6.28	3.47
Communications	59,887	59,182	(705)	142,476	118,365	(24,111)	The forecast includes the engagement of an additional marketing assistant as outlined in the business plan. This role will be funded from the budgeted Digital	1.69	1.69	-
Concepts & Engagement	181,213	253,320	72,107	352,879	490,890	138,011	Savings to date to be repurposed for additional hire fee for Curious Contraptions. There will also be savings from October and some of November until the new recruits commence.	5.00	7.60	(2.60)
Fundraising	23,099	20,785	(2,314)	54,163	50,808	3,355		1.07	-	1.07
Executive	263,451	258,579	(4,872)	525,313	524,164	(1,149)	Includes salary of EA and reduction of People and partnerships role to .85 of FTE.	4.85	5.00	(0.15)
Plus Annual Leave movement in provision and KiwiSaver Employer's contribution	28,114	38,445	10,331	77,466	76,890	(576)				-
Total Operational Payroll	1,053,484	1,142,647	89,163	2,206,754	2,320,661	120,618	The Actual to date and Forecast payroll includes the	33.02	31.82	1.20

3. Cash and Cash Equivalents

Te Manawa Museums Trust

Details of Cash & Cash Equivalents

As at 31 December 2021

Short Term Deposits	Interest Rate	31 December 2021
Term Investment - BNZ0001 CCE	3/03/2022	0.60%
Westpac Cheque Account		\$136,139
Westpac Online Saver Account		\$9,378
BNZ Cheque Account		\$269,997
Petty Cash / Cash Floats		\$11
		\$1,593
		\$417,119

Short Term Deposit	Interest Rate	31 December 2021
Term Investments	Maturity date	
Short Term Deposits - Westpac 0022	44650	0.80%
Term Investment - WP0025	44610	0.55%
Term Investment - Westpac 0023 CCE	44596	0.80%
Term Investment - Westpac 0024 CCE	4/02/2022	0.80%
		\$182,418
		\$203,388
		\$156,742
		\$125,624
		\$668,172

4. Fixed Asset and Intangibles Additions – at 31 December 2020

Asset Description	Closing Book Value 30 JUNE 2021 / Opening Book Value 01 July 2021	Additions to 31 December 2021	Disposals	Depreciation / Amortisation	Impairment Losses	Closing Book Value 31 December 2021
Information Technology	55,447	3,560	-	13,137	-	45,870
Exhibitions	335,447	1,280	- 0	48,504	-	288,223
Furniture & Fittings	67,257	13,417	- 0	8,980	-	71,694
Leasehold Improvements	50,203	-	-	5,730	-	44,473
Plant & Equipment	260,608	232,086	-	57,167	-	435,527
Work in Progress	223,149	3,672	214,715	-	-	12,106
Total Property, Plant & Equipment Assets	992,111	254,014	214,715	133,517	-	897,892
Collections						
- Collection Assets - Owned	7,941,928	30,417	-	-	-	7,972,041
- Collection Assets - Custodial	9,044,114	-	-	-	-	9,044,114
Total Collection Assets	16,986,042	30,417	-	-	-	17,016,155
Intangibles	8,346	-	10,000	1,985	-	6,361
Work in Progress	-	-	-	-	-	0
Total Intangible Assets	8,346	-	10,000	1,985	-	6,361
Total Fixed Assets	17,986,499	284,431	224,715	135,503	-	17,920,408

5. Specific Reserves

Specific Reserves

	Balance at 01/07/21	Transfers from Retained Earnings	Disbursements / Release of Funds	Balance as at 31 December 2021	Forecast transfers in/(out)	Year-End Forecast Balance	Comments
Specific Reserves							
Collection Development Fund - General	26,023	-		26,023	-	26,023	These are funds tagged for art and/or heritage collection items purchases.
Historical Building Maintenance	22,082		-	22,082	-	22,082	
Exhibition Revitalisation/Development Fund	332,526		-	332,526		332,526	
Total Specific Reserves	380,631	-	-	380,631	-	380,631	

6. Endowment Funds

	Balance at 01/07/21	Additional Endowments	Disbursements / Release of Funds	Balance as at 31 December 2021	Forecast transfers in/(out)	Year-End Forecast Balance
Endowment Fund						
*Clevely Fund	10,874	-	-	10,874	-	10,874
Total Endowment Funds	10,874	-	-	10,874	-	10,874

1 Statement of Accounting Policies

REPORTING ENTITY

Te Manawa Museums Trust (the Trust) is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 1957 and is domiciled in New Zealand. The Trust is controlled by Palmerston North City Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint more than 50% of the Board of Trustees.

The Trust was incorporated on 27 January 2022. From that date, the Trust assumed responsibility for art works and heritage assets transferred to its care but held on behalf of others. From 1 July 2000 the Trust commenced leasing the premises and managing the institution under agreements entered into with the Palmerston North City Council. The principal place of business is 326-336 Main Street, Palmerston North.

The primary objective of the Trust is to provide interactive experience in art, science and history through acquiring, conserving, researching, developing, communicating and exhibiting material evidence of people and their environment, rather than making a commercial return. Accordingly, the Trust has designated itself as a public sector public benefit entity for the purposes of Public Benefit Entity Accounting Standards (PBE Standards), in accordance with the Financial Reporting Act (2013).

The financial statements of the Trust are for the six months ended 31 December 2021 and were approved by the Board of Trustees on 24 February 2022.

BASIS OF PREPARATION

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

Statement of Compliance

The financial statements of the Trust have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

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

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

Measurement Base

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

Functional and Presentation Currency

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Revenue**

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

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

Revenue from Non-exchange transactions

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

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

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

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

Grants

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

Revenues from non-exchange transactions with Council/other government/non-government entities are measured at fair value and recognised when the event occurs and the asset recognition criteria are met, if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Trust and can be measured reliably.

To the extent that there is a related condition attached that would give rise to a liability to repay the amount if conditions of the grant are not met, deferred income is recognised instead of revenue, and recognised as revenue when conditions of the grant are satisfied.

Rendering of services

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

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

Vested or donated physical assets

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

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

'In Kind' Sponsorship

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

Volunteer Services

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

Revenue from Exchange transactions

Sales of goods

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

Interest Income

Interest income is recognised using the effective interest method.

Advertising Costs

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

Borrowing Costs

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

Depreciation and amortisation

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

Leases

Finance Leases

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

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

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

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

Operating Leases

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

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

Cash and cash equivalents

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

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

Debtors and other receivables

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

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

Financial Assets

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

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

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

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

a) Financial Assets at Fair Value through Surplus or Deficit

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

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

b) Loans and Receivables

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

c) Held to Maturity Investments

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

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

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

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

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

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

Impairment of financial assets

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

Loans and receivables, and held-to-maturity investments

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

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

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

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

Inventories

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

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

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

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

Property, Plant and Equipment

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

Additions

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

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

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are presented net in the surplus or deficit.

Work in Progress

All assets constructed by the 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.

(a) Collection Assets

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

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

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

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

Revaluation

The Art Collection assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by *Art + Object* Auckland as at March 2021. Trust's policy is to revalue the Art Collection assets every three years.

The Heritage Collections assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by *Ashley and Associates*, Auckland as at May 2020. Trust's policy is to revalue the Heritage Collection assets every five years to ensure that their carrying amount does not differ materially from fair value.

All other asset classes are carried at depreciated historical cost.

Accounting for Revaluations

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

Intangible Assets*Recognition and measurement*

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

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

Software acquisition and development

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

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

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

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

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

Subsequent expenditure

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

Amortisation

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

The estimated useful lives are as follows:

Software	1 to 7 years
Website	3 to 5 years

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

Impairment of property, plant and equipment and intangible assets

For the purpose of impairment of Property, plant and equipment and intangible assets, which are carried at cost less accumulated depreciation and impairment losses, the Trust classifies its items of property plant and equipment and intangibles as non-cash generating assets, as these are not held with the primary objective of generating a commercial return, but rather for service delivery purposes and to deliver to Trust's public benefit objectives. Property, plant, 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 that are subject to specific conditions accepted as binding by the Trust and which may not be revised by the Trust without reference to the Courts or a third party (i.e. endowment funds). Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

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

Budget figures

The budget figures are derived from the Statement of Intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board of Trustees in preparing these financial statements

Critical Accounting Estimates and Assumptions

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

Property, Plant and Equipment Useful Lives and Residual Values

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

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

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

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

Critical Judgements in applying the Trust's accounting policies

There have been no specific areas requiring management or Trustees to exercise critical judgement in applying the Trust's accounting policies for the period ended 31 December 2021.

Te Manawa - 6 Month Performance: July - December 2021	Annual Target 2021-22	6- month performance as at 31/12/21	% of annual target at 6 month mark	Comments
1.A collaborative and future-focussed organisation				
Strength of relationships with strategic partners	Strategic relationships defined and identified as part of the Strategic Relationship Strategy.	Complete	-	Identified strategic relationships will form the basis for activities and measures in the the draft SOI 2022-25.
Third party revenue	\$655,641	\$196,615	30%	Several funding applications were cancelled when the accompanying event was postponed due to covid restrictions/lockdown. Ongoing Covid restrictions also contributed to a reduction in shop sales.
Develop measures towards reduction of carbon emissions	Measure baseline carbon emissions	Complete	0%	Baseline carbon emission will be XX
2. Innovative experiences that attract visitors				
Likelihood of visitors to positively endorse Te Manawa to others	Highly likely	98%	-	n = 111 surveys. Very low survey result due to fewer visitors
In-person visits to Te Manawa	150,000	45,683	30%	Unlikely to achieve due to the lockdown and ongoing covid restrictions (level 2) limiting visitor numbers.
Visits to Te Manawa experiences off-site	25,000	4,907	20%	Unlikely to achieve due to the lockdown and ongoing covid restrictions (level 2) limiting visitor numbers and the cancellation of a number of community events.
3. Enhanced learning and engagement				
Visitor satisfaction	>96%	100%	-	On track to achieve
Participation in Learning programmes	24,000	6,181	26%	Unlikely to achieve due to the lockdown and ongoing covid restrictions. There were fewer visit experiences offered throughout December.
In-person visits to Rangimarie activities	5,000	139	3%	These are visits with content specifically relating to heritage and Rangimārie Marae, and/or Rangitāne stories as told in Te Rangi Whenua Gallery, delivered in conjunction with Rongomau Productions. The project to refurbish Te Rangi Whenua Galley has been delayed until funding is secured.

	At risk of not achieving
	Not achieved due to external events outside of the CCO's control.
	On track/achieved

Te Ara Hihiri

Statement of Intent

2022/23 – 2024/25

TE MANAWA MUSEUMS TRUST

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



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Contact details

Address	Te Manawa Museums Trust Private Bag 11055 Palmerston North	Legal Status	Te Manawa Museums Trust is a Council-Controlled Organisation (CCO) for the purposes of the Local Government Act 2002 and operates as a charitable trust under the Trusts Act 2019. It is a not-for-profit CCO.
Website	www.temanawa.co.nz		
Phone	(06) 355-5000		
Email	enquiries@temanawa.co.nz		
Main Contact	Catherine Parsons	Charities Registration number	CC38836
Role in CCO	Finance Manager	Trustees	John Fowke - Chair Geoffrey Jameson Nuwyne Te Awe Awe-Mohi Adrian van Dyk Caroline Tate Evan Greensides Alana Crooks Terry Hapi James Etuale
Phone	06 351-4492		
Email	catherine.parsons@temanawa.co.nz		

Introduction

Last year we noted the second year dealing with the reality of COVID-19. At that time, we looked forward to the future believing that we had successfully negotiated the first battle and would similarly get through COVID 2.0.

As we now move forward into 2022 and beyond, it would be a brave person who would predict the end of this journey, and in fact, we are now organised in to separate 'pods' so we can maintain a level of service while keeping our team safe. Our team continues to use their skills and imagination to do just that while preparing for the next phase of what may well become 'living with COVID'.

The future will now be guided in part by the PNCC plan for the long-term development of the Cultural Precinct, allied to the city's Arts Strategy. These give us good signposts to follow as we move forward.

As signalled last year, our partnership with Rangitāne has deepened; the establishment of Rongomau Productions within the Te Manawa campus is already delivering added value. The history of Papaioea is beginning to be explored and taught as we open up to the rich past of our region, its river and landscape and the people that have stood here before us.

Our increased emphasis on the challenge of climate change and the visibility of our collections will continue to reflect and respond to the societal and economic changes within our communities.

Our exhibition strategy, while limited in the early part of 2022, will continue to reflect our core foci of Art, Science and Heritage, but with increasing emphasis on the cooperation and collaboration with our societies. These relationships remain key to our success and reflect the unique nature of Te Manawa in bringing together disciplines in imaginative ways. Further development of interactives and on-line experiences will inevitably increase but physical experiences will remain at the heart of our activities.

This SOI maps out a forward-looking exhibition plan developed around our key PNCC goals that we believe will enrich, engage, educate and broaden the mind. Our team will continue to deliver this with skill and commitment. As always, we thank our team, our key funders PNCC, our societies and sponsors and Rangitāne, our Iwi for, their support and guidance.



John Fowke
Chair, Te Manawa Museums Trust
28 February 2022

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 at Te Manawa.

The Board of up to nine 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 meetings 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
- Be a creative city that nurtures and celebrates the arts
- Develop a national reputation as an exciting city with plenty to do at night and at weekends

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-focused 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 reduce carbon emissions. 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: Audience-focused experiences that attract and engage 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: Curiosity focused learning and engagement experiences**

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.

Te Manawa Statement of Intent 22/23 – 24/25		
Strategic Goal 1 A collaborative and future-focused organisation: <ol style="list-style-type: none"> 1. Continue to maintain strong relationships with Rangitāne at governance levels and through activity-based approaches, such as Te Rangi Whenua redevelopment,. 2. Develop and implement a partner-based exhibition designed to tour nationally 3. Develop short and long-term fundraising projects to realise the goal of sustainable external funding for programmes and experiences (2022-24). 4. Trial and review one environmentally-focused project by end of 22/23. [project foci: solar or wind power; biodiverse garden] 5. Develop a business continuity plan that responds to public health crises and the effects of climate change, and identifies their impacts on Te Manawa strategic objectives. 6. Undertake visitor and market research (VMR) so observed patterns of visitation on site, via digital channels, and off-site can inform audience-focussed experience development and scheduling, and marketing approaches. [FY2022-25] 7. Care for, add to and make accessible Te Manawa collections so Te Manawa enhances reputation as trustworthy, & collections development responds to societal changes in Manawatū. (FY23-24 oral history project, FY24-25 childhood in museums project & outputs) - SG 2 8. Implement the Relationship Strategy 	Strategic Goal 2 Audience-focused experiences that attract and engage visitors: <ol style="list-style-type: none"> 1. Complete redevelopment of <i>Te Awa</i> long-term exhibition (June 2023) (contributes to SG a, b) 2. Implement high profile international exhibition that drives local and national visitation and results in economic benefit to Manawatū (2023-24) (contributes to SG a, b) 3. Commence development of new Te Manawa-developed touring experience (2023-24) (contributes to SG a, c) 4. Develop 5-year implementation plan for Collections online platform including option of shared hosting with Manawatu Heritage for specific themes and media (2022-23) (SG a, c) 5. Implement collections online (2022-25) (SG a, c) 6. Evaluate success of Exhibitions Strategy and application of ‘Culture segments’ or similar audience development programme (2023-24 (SG a) 7. Develop two new digital creative projects (by end of 2022/23 – SG a, b), and two more by end of 2023/24. (SG a, c) Te Urungi Project 8. Develop one innovative experience that will enhance either visitor numbers or community wellbeing (SG a - c) [alpacas] 9. Re-open discussions with PNCC to address previously identified risks and problems to ensure the art gallery building is brought up to minimum international standards for climate control, display infrastructure, storage and security by 24/25 	Strategic Goal 3 Curiosity focused learning and engagement experiences: <ol style="list-style-type: none"> 1. Increase the impact of learning programmes and activities in formal and informal environments through Te Rangahau Curiosity Centre (2022-24). 2. Implement a communications and marketing plan for learning activities (2022-23). 3. Deliver two creative Te Rangahau Curiosity Centre linked events (by end of 2022/23). 4. Trial a curiosity-based outreach learning offer in a formal education setting. 5. Evaluate our learning response to regional and national priorities including NZ Histories and Matariki 6. 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. 7. Evaluate digital education offerings against barrier reduction objectives

Targets	22/23	23/24	24/25
Visitor Numbers	130,000	140,000	140,000
TM Experiences Off-Site	25,000	30,000	30,000
Online Experience Engagement	1,000	2,000	4,000
External Revenue Target	\$947,180	\$1,075,602	\$1,029,938

KPI's
FY22-25: 95% audience satisfaction
FY22-23: 130,000 visitors onsite; 25,000 visitors offsite; 1,000 online experience engagement
FY23-24: 140,000 visitors onsite; 30,000 visitors offsite; 2,000 online experience engagement
FY24-25: 140,000 visitors onsite; 30,000 visitors offsite; 4,000 online experience engagement

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

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 24 February 2022

A handwritten signature in blue ink, appearing to read 'J Fowke', with a long horizontal flourish extending to the right.

John Fowke, Chair, Te Manawa Museums Trust Board

Te Ara Tahua

Statement of Intent (Financials)

BUDGET FOR THE YEARS ENDED 30 JUNE 2023, 2024 AND 2025
TE MANAWA MUSEUMS TRUST

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Budget Assumptions and Comments:

Revenue

1. Palmerston North City Council (PNCC) Funding:

PNCC Operating Grant

2022/23: \$3,329,511 (2021/22 plus 2.0%)

2023/24: \$3,396,101 (2022/23 plus 2.0%)

2024/25: \$3,464,023 (2023/24 plus 2.0%)

2. Interest Revenue:

Interest Income has been based on average bank balances remaining between \$519k and \$742k (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 2021/22 budget, with higher targets for fundraising and sponsorship as the result of the appointment of a role with responsibility for increasing external revenue.

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 2023/24 financial year, and the next Heritage Collection revaluation is to take place during the 2024/25 financial year. The revaluation of the art collection conducted during the 2020/21 year resulted in an increase in the value of the art collection of \$1,526,862

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 2.5% 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 2022/23 (\$0.20k) 2023/24 (\$1.03k) and 2024/25(\$0.84k)

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 \$519k and \$742k. 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**

Endowment Fund	Balance 1/7/20	Actual at 30/06/21	Budget transfers in/(out)	2021/22 Budget	Budget transfers in/(out)	Budget transfers in/(out)	2022/23 Budget
Clevely Fund	10,874	10,874	-	10,874	-	-	10,874
Total Endowment Funds	10,874	10,874	-	10,874	-	-	10,874

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.

Specific Reserves	Balance 1/7/20	Actual at 30/06/21	Budget transfers in/(out)	2021/22 Budget	Budget transfers in/(out)	Budget transfers in/(out)	2022/23 Budget
Collection Development	16,362	26,023		16,362	-	-	26,023
Historical Building Maintenance	22,081	22,081	-	22,081	-	-	22,081
Semi-Permanent Exhibition Development Reserve	299,674	332,535		332,535	-		332,535
Total Specific Reserves	338,117	380,639	-	370,978	-	-	380,639

Te Manawa Museums Trust**Prospective Statement of Revenue and Expenses**

For the Three Years Ended 30 June 2023, 2024 & 2025

	Actual	Budget	Budget	Budget	Budget
	2020/2021	2021/2022	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$
Revenue					
PNCC Operational Grant	3,231,908	3,264,227	3,329,511	3,396,101	3,464,023
MDC Grant	20,000	20,000	20,000	20,000	20,000
Interest Received	6,922	5,400	8,400	7,930	7,858
Fundraising & Sponsorship		320,000	537,050	646,865	695,421
Other Revenue	645,788	309,345	381,730	367,512	239,080
Total Revenue	3,904,618	3,918,972	4,276,691	4,438,408	4,426,382
Expenditure					
Personnel Costs	1,965,076	2,373,074	2,403,587	2,431,799	2,460,802
Museum Activities	1,278,177	915,423	1,142,445	1,271,663	1,222,968
Occupancy Costs	169,841	266,988	279,168	286,384	289,686
PNCC Leases & SLA's	79,738	79,738	81,738	81,738	81,738
Depreciation/Amortisation	265,037	291,600	302,550	298,788	303,336
Assets Written Off	53,728	-	-	-	-
Total Operating Expenditure	3,811,597	3,926,823	4,291,488	4,452,371	4,440,530
Operating Surplus/(Deficit) Before Collection Movements	93,021	(7,851)	(14,797)	(13,963)	(14,148)
Collection Movement Income					
Custodial Assets	8,397	-	-	-	-
Donated Assets	36,294	15,000	15,000	15,000	15,000
Collection Movement Expense					
Custodial Assets Returned	-	-	-	-	-
Collection Assets Deaccessioned	(4,687)	-	-	-	-
Net Collection Movements	40,004	15,000	15,000	15,000	15,000
Net Surplus/(Deficit) Before revaluation	133,025	7,149	203	1,037	852
Other Comprehensive Revenue and Expenses	1,526,862	-	-	-	-
Total Comprehensive Revenue and Expense	1,659,887	7,149	203	1,037	852

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 2023, 2024 & 2025

Notes	Actual	Budget	Budget	Budget	Budget
	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$
Assets					
<i>Current Assets</i>					
Cash & Cash Equivalents 11	575,682	284,425	401,874	305,736	161,212
Short Term Deposits	665,728	615,689	340,358	255,003	358,306
Stock of Merchandise	36,043	50,000	32,000	32,000	32,000
Receivables	27,121	20,000	18,000	20,000	20,000
Interest Receivable	1,856	1,500	2,000	2,500	2,600
Prepayments	9,726	50,000	25,000	15,000	15,000
Total Current Assets	1,316,156	1,021,614	819,232	630,239	589,118
<i>Fixed Assets</i>					
Information Technology	54,662	70,726	43,708	48,516	44,722
Property Plant & Equipment					-
Exhibitions	335,455	436,348	490,814	472,540	452,770
Furniture & Fittings	67,259	58,678	70,097	76,123	76,591
Leasehold Improvements	50,203	46,094	46,555	46,555	47,021
Plant & Equipment	261,390	319,859	452,144	512,415	534,570
Collection Assets (Owned)	7,941,927	8,374,712	7,975,767	8,030,385	8,095,385
Collection Assets (Custodial)	9,044,116	8,265,209	9,044,114	9,044,114	9,044,114
Work in Progress	223,149	30,000	12,105	15,000	15,000
Total Fixed Assets	17,978,161	17,601,627	18,135,304	18,245,648	18,310,172
<i>Other Non-Current Assets</i>					
Intangible Assets - Software	8,346	140,112	6,029	21,712	3,397
Total Non-Current Assets	17,986,507	17,741,739	18,141,333	18,267,360	18,313,569
Total Assets	19,302,663	18,763,353	18,960,567	18,897,599	18,902,688
<i>Current Liabilities</i>					
Payables Under Exchange Transactions	411,325	328,823	419,552	423,747	427,984
Income Received in Advance)	130,975	30,000	30,000	30,000	30,000
Provisions	-	-	-	-	-
Employee Benefits	241,229	201,860	260,619	195,619	195,619
Interest Payable	-	-	-	-	-
GST Payable (Receivable)	-	55,000	58,000	55,000	55,000
Current Portion of Term Liabilities	-	-	-	-	-
Total Current Liabilities	783,529	615,683	768,171	704,366	708,603
<i>Non-Current Liabilities</i>					
Employee Benefits	3,255	3,266	3,266	3,266	3,266
Total Non-Current Liabilities	3,255	3,266	3,266	3,266	3,266
Total Liabilities	786,784	618,949	771,437	707,632	711,869
Equity					
Trust Equity	10,664,372	10,715,074	10,722,223	10,724,226	10,725,263
Retained Surplus Current Year	133,025	7,149	2,203	1,037	852
Asset Revaluation Reserve	7,326,968	7,073,190	7,073,190	7,073,190	7,073,190
Specific Reserves 13	380,640	338,117	380,640	380,640	380,640
Endowment Funds 13	10,874	10,874	10,874	10,874	10,874
Total Trust Funds	18,515,879	18,144,404	18,189,130	18,189,967	18,190,819
Total Liabilities and Trust Funds	19,302,663	18,763,353	18,960,567	18,897,599	18,902,688

Te Manawa Museums Trust

Prospective Statement of Cash Flows

For the Three Years Ended 30 June 2023, 2024 & 2025

Notes	Actual	Budget	Budget	Budget	Budget
	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$
Cash Flows from Operating Activities					
Cash was provided from:					
PNCC Grants	3,231,908	3,264,227	3,329,511	3,396,101	3,464,023
Fundraising Activities	5,000	320,000	537,050	646,865	695,421
Other Revenue	720,174	279,454	381,730	367,512	259,080
MDC Grants	20,000		20,000	20,000	20,000
Interest	7,088	5,400	8,400	7,930	7,858
	3,984,170	3,869,081	4,276,691	4,438,408	4,446,382
Cash was disbursed to:					
Payroll	1,439,707	2,373,074	2,403,587	2,421,799	2,460,802
Suppliers	1,963,631	1,270,809	1,503,283	1,717,590	1,672,154
Interest	-	-	-	-	-
GST	-69,217	-	58,000	50,000	50,000
Net Change in working Capital	-	-	-	-	-
	3,334,121	3,643,883	3,964,870	4,189,389	4,182,956
Net Cash Flows from Operating Activities*	650,049	225,198	311,821	249,020	263,426
Cash Flows from Investing Activities					
Cash was provided from:					
Sale of Assets	-	-	-	-	-
Cash was disbursed to					
Change in short Term Investments	51,483	600,000	500,000	-	75,000
Purchase of Intangible Assets - Software	0	120,000	-	24,000	25,000
Purchase of Leasehold Improvements	2,431	30,000	5,000	5,000	5,000
Purchase of Information Technology	35,525	56,770	40,000	25,600	27,000
Purchase of Exhibitions	430,055	185,000	201,000	200,000	200,000
Purchase of Furniture & Fittings	25,915	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	100,735	78,500	50,000	25,000	50,000
Work in Progress		-	-	-	-
	768,530	1,249,180	974,910	345,158	407,950
Net Cash Flows from Investing Activities	(768,530)	(1,249,180)	(974,910)	(345,158)	(407,950)
Net Increase/(Decrease) in Cash Held	(118,481)	(1,023,982)	(663,089)	(96,138)	(144,524)
Opening Cash Balances	694,163	1,308,407	1,064,963	401,874	305,736
Closing Total Cash Balances	575,682	284,425	401,874	305,736	161,212

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 are the years ending 30 June 2023, 30 June 2024 and 30 June 2025. 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 offsets 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 24 February 2022. 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: 13 April 2022

TITLE: The Globe Theatre Trust: Six Month Report 1 July - 31 December 2021 and Draft Statement of Intent 2022-25

PRESENTED BY: Hannah White, Democracy & Governance Manager

APPROVED BY: Sheryl Bryant, Assistant Chief Executive

RECOMMENDATIONS TO COUNCIL

1. That Council receive the Six-Month Performance Report 1 July - 31 December 2021 (Attachment 1) submitted by the Globe Theatre Trust.
 2. That Council receive the draft Statement of Intent 2022-25 (Attachment 3) submitted by the Globe Theatre Trust.
 3. That Council agree that the recommended comments on the draft Statement of Intent 2021-24 outlined in Table 3 be advised to the Globe Theatre Trust Board.
-

1. ISSUE

- 1.1 The Globe Theatre Trust (the Globe) has delivered its six-month report 1 July - 31 December 2021 and draft Statement of Intent (SOI). This report includes analysis of both documents, which are appended to this memorandum.
- 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.
- 1.3 The purpose of this report is to provide an opportunity for the Committee to give feedback to the Globe 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.
- 2.2 The Council is required by the LGA to regularly undertake performance monitoring of its 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 SOI; and
- the overall aims and outcomes of the Council based on the six-month report.

2.3 Six-month performance reports allow Council to track a CCO's progress against their SOI and the Council's objectives for the CCO. This six-month report covers the first six months of the SOI 2021-2024.

2.4 Since 2020, the Covid-19 pandemic has significantly affected the performance of all of Council's cultural CCOs. Covid restrictions continue to affect attendance levels, the number of performances/touring shows and the financial situation for all cultural CCOs.

2.5 The Globe has adjusted their performance targets to reflect the detrimental effect Covid is having on the arts sector and to make goals achievable and relevant to work towards.

3. COUNCIL OBJECTIVES FOR THE GLOBE THEATRE

3.1 In November 2021, Council agreed a new Statement of Expectation (SOE) 2022/23 for the Globe, to assist them in preparing their draft SOI.

3.2 Council's priorities under Goal 2: A creative and exciting city to which the Globe could contribute are:

- Celebrate the city's history and diversity and build on the strength of being a city of many cultures and languages
- Be a creative city that nurtures and celebrates the arts
- Develop a national reputation as an exciting city with plenty to do at night and on weekends.

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

- Ensure that there are more and more visible arts and activities at the Globe that contribute to the Council's aspiration for Palmerston North to be a creative and exciting city.
- 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.
- 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.

4. PERFORMANCE FOR THE SIX MONTHS JULY TO DECEMBER 2021

4.1 The reporting period started well with the first six weeks (1 July - 18 August 2021) allowing full audience attendance under Alert Level 1. However, for

the rest of the period The Globe operated under stricter Covid restrictions. The Globe was closed during the lockdown and Alert Level 3 from 19 August until 7 September 2021. It then re-opened on 8 September and operated under Level 2 restrictions, followed by the traffic light system for the remainder of the reporting period.

- 4.2 Alert Level 2 restricted the size of events it could host to 100 people and required social distancing measures to be in place. The Globe was able to put on several shows under Alert Level 2 by using the larger Globe 1 to accommodate the social distancing requirements. However, there was an impact on future shows as performers were unable to rehearse, which meant shows had to be cancelled or postponed.
- 4.3 Highlights from the Globe's Six-Month report (Attachment 1) include the following:
 - Manawatū Youth Theatre performed Disney's Aladdin Jr: 13 performances and over 2,600 audience members.
 - Daniel Champagne – Australian musician had two sold out shows.
 - Levin's Little Theatre performed Calendar Girls.
 - Carson Taare – local musician performed in August.
 - Shortlisted for the Small Venue of the Year 2021 Awards.
 - Re-scheduled shows: The Rose Academy of Dance performed two shows in December that were affected by the August lockdown.
 - Staff worked tirelessly with promoters, performers and hirers to determine if shows could be performed under Alert Level 2 restrictions or could be rescheduled.
 - Strengthened relationship with hirers and patrons through the well managed way that staff communicated changes with patrons/hirers, and refunded tickets to cancelled shows.
- 4.4 Most of the Globe's performance measures are on track to achieving their target (see Attachment 2). Commentary is provided below on the measures that are behind target.
- 4.5 The number of usages is down due to the Globe being closed during the lockdown and Alert Level 3 for four and a half weeks and the flow-on effect of operating under Alert Level 2. Not all cancelled shows during this period were able to be re-scheduled or run under Alert Level 2 restrictions. A total of 128 bookings were cancelled during this period, of which 39 were performances.
- 4.6 The cancellation or postponement of 59 shows adversely affected the number of audience members in attendance. Audience attendance was also affected by the Alert Level 2 limits of 100 people.

- 4.7 As a result of the New Zealand border being closed to foreign nationals, the Globe has actively encouraged community use of the venue. Community use of the Globe has increased significantly over the last few years – from 31% (year-end) in 2019 to 77% in (first six months) 2021. This is substantial for the objective of supporting the local performing arts community but has had a detrimental effect on the Globe's finances as community groups are charged a lower rate than professional hirers.
- 4.8 The three-year comparison table (Table 1) shows the difficulty of trying to set meaningful performance targets during such an uncertain time. At December 2020, Audience Numbers and Number of Usages significantly exceeded the target set, the target was adjusted to match last year's result and now both have not met the target.

Table 1: Three-year comparison for the first six months of the financial year

		Pre-Covid	Covid Years		
Measure		YTD 31 Dec 2019	YTD 31 Dec 2020	YTD 31 Dec 2021	3 Year trend
% of overall usage from community groups	Actual	20%	52%	77%	↑
Number of usages	Actual Target*	383 275	309 190	263 325	↓
Number of performances	Actual Target	190 93	151 95	112 110	↓
Number of national and international visiting productions performing at the Globe	Actual Target	11 5	10 6	12 7	↑
Number of discrete participants	Actual Target	1156 700	1970 578	902 875	↓
Number of visitors / audience members	Actual Target	12,635 11,000	13,079 6,318	9,643 13,000	↓

*Target is for the six-month mark

Financial Performance for the six-month period

- 4.9 The Trust reported a small surplus of \$32k for the six-months' end. While the café sales were 34% less than the same period 12 months ago, both theatre hire and ticket sales have out-performed the last period.
- 4.10 The operation has generated \$23k of cash, of which \$17k has been spent on asset renewal. Therefore, the net cash inflow was \$5k.

4.11 The Trust has a strong cash reserve - six times more than its liabilities. A summary of the Globe's financial information is shown in Table 2 below.

Table 2: Financial Information for Six Month Report

	July 2021 - December 2021		July 2020 - December 2020	
Summary Financials (\$000)	Actual	Budget (full year)	Actual	Variation
Financial Performance				
PNCC Grants	59,038	118,075	58,428	611
Total Revenue	173,025	243,425	163,849	9,176
Total Expenses	140,234	257,411	144,618	(4,384)
Net Surplus (Deficit)	32,791	(13,986)	19,231	13,560
Financial Position				
Current Assets	191,386	165,037	135,261	56,125
Total Assets	488,791	458,762	454,792	33,999
Current Liabilities	29,815	18,200	51,934	(22,119)
Total Liabilities	35,501	18,200	51,934	(16,433)
Equity	453,290	440,562	402,858	50,432
Cash Flows				
Total Net Cash Flows	5,342	34,803	24,939	(19,597)
Opening Cash	186,044	112,034	104,362	81,682
Closing Cash	191,386	146,837	129,301	62,085

*when compared to the same period 12 months ago

5. DRAFT STATEMENT OF INTENT 2022-2025

- 5.1 The Board has presented a draft SOI that aligns with Council's strategic direction and addresses the SOE, as outlined in Table 3 below.
- 5.2 In collaboration with Council Officers, the Globe has reviewed their performance measures for 2022. The SOE requested economic impact reporting be conducted and national/regional events opportunities be identified.

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

Statement of Expectation	Globe Draft SOI 2022-25	Comments + Recommendations for Final SOI 2022-25
Develop contributions to the actions in the Arts & Heritage and Events & Festivals chapters of the Creative and Liveable City Strategy of the 2021-31 10 Year Plan.	The Board demonstrates a clear link between its strategic objectives and Council's strategic direction.	No comment.
<p>Activities to include in Performance Measures:</p> <ul style="list-style-type: none"> support for inclusive and diverse community events; support for whānau, hapū and iwi to create and deliver arts experiences support for Rangitānenuiarawa (all from the Arts Chapter of 2021-2031 Art and Heritage Plan) 	<p>The Globe states under the Nature and Scope of Activities Objective 2 that it will undertake community outreach and work with community hirers to support them to showcase their events.</p> <p>The Globe has a new performance measure:</p> <ul style="list-style-type: none"> support for whānau, hapū and iwi to create and deliver arts experiences <p>which it aims to develop a vision and actions for the next year.</p> <p>In the How we Operate section, the Trust Board 'acknowledges the importance of partnering with local iwi and recognising tangata whenua in the region.'</p>	<p>The Globe discusses that they will support community hirers to enable cultural and performing arts heritage but do not specify mana whenua.</p> <p>Recommendations</p> <p>Support for Rangitānenuiarawa could be included in the new performance measure: support Maori to create and deliver art experiences.</p> <p>A fourth action could be added in the activities section for Objective 3: To investigate with Rangitāne the incorporation of art in the Globe Café.</p>
Outline approach to: good governance practices – consider intention to reflect the diversity of Palmerston North in the membership of the Board.	<p>The Globe has outlined its governance practices in the How we Operate section.</p> <p>There is no specific mention of Board membership.</p>	<p>In accordance with the trust deed, The Globe Trust Board has the ability to co-opt two trustees annually.</p> <p>Recommendation</p> <p>Add a sentence to the Structure and Governance section (pg 5) saying the Board will aim to reflect the diversity of Palmerston North.</p>

Statement of Expectation	Globe Draft SOI 2022-25	Comments + Recommendations for Final SOI 2022-25
Develop performance measures of contribution to environmental sustainability.	The Globe has added an environmental sustainability target to upgrade all the lighting in the Globe to LEDs in the following years. Environmental sustainability efforts are also discussed in the How we Operate section.	No comment.
Complete evaluation of Council Priava booking system.	Mentioned in the Foreword of the SOI.	No comment.
Review ticketing arrangements with a view to collaborating with the other CCOs before renewing any contracting agreements.	Mentioned in the Foreword of the SOI.	The Globe mentions in the foreword (and throughout its 6-month report) the importance of having control of its own inhouse ticketing arrangements to its success at being able to swiftly reimburse and communicate quickly with its customers and hirers.
Identify your regionally/nationally significant events based on current delivery and explore a stretch target.	Not mentioned.	Officers suggest that this objective be put on hold until the Covid pandemic has passed. Covid restrictions have severely affected the capacity and willingness of event organisers to tour.
SOI should include the Economic Impact reporting model.	Not mentioned.	Work with Council Officers is progressing through the CCO Managers steering group.

Financial Commentary for the draft SOI 2022-25

- 5.3 The Trust is anticipating a much smaller sales revenue for the next three years.
- 5.4 When compared to the 2021 actual and 2022 forecast, the administration and overhead costs are forecasted more than double, however this can be covered within the budget.
- 5.5 Cash position is forecast to remain strong for the next three years - sitting above \$310k.

Table 4: The Globe's SOI Summary Financials

	Forecast	SOI		
Summary Financials (\$000)	21/22	22/23	23/24	24/25
Financial Performance				
PNCC Grant	118,076	119,257	120,449	121,654
Total Revenue	322,621	301,607	224,449	225,654
Total Expenses	280,470	279,234	279,331	279,331
Net Surplus (Deficit)	42,151	22,373	(54,882)	(53,677)
Financial Position				
Current Assets	260,174	322,547	317,665	313,988
Total Assets	534,380	556,753	501,871	448,194
Current Liabilities	71,727	71,727	71,727	71,727
Total Liabilities	71,727	71,727	71,727	71,727
Equity	462,653	485,026	430,144	376,467
Cash Flows				
Total Net Cash Flows	74,130	62,373	(4,882)	(3,677)
Opening Cash	186,044	260,174	322,547	317,665
Closing Cash	260,174	322,547	317,665	313,988
Financial Indicators				
Current Ratio	3.63	4.50	4.43	4.38
Working Capital	188,447	250,820	245,938	242,261

6. NEXT STEPS

- 6.1 Any Committee comments on the draft SOI agreed by Council will be communicated in writing to the Globe Trust Board.
- 6.2 The Globe will deliver their final SOI to Council on 29 June 2022.

7. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
If Yes quote relevant clause(s) from Delegations Manual	
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 achievement of action/actions in Arts and Heritage Plan		
The action is: Carry out regular performance monitoring and reporting of the Globe Theatre Trust.		
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 Trust Board.</p>	

ATTACHMENTS

1. Globe Theatre_ Six Month Report 1 July - 31 December 2021 [↓](#) 
2. Performance Chart 1 July - 31 December 2021 [↓](#) 
3. Globe Theatre_Statement of Intent 2022-25 [↓](#) 

Six Month Report to Palmerston North City Council

THE GLOBE THEATRE TRUST BOARD
DECEMBER 2021



address: PO Box 132, 132 Main Street
Palmerston North
website: www.globetheatre.co.nz
email: info@globetheatre.co.nz
phone: 06 351 4409

Six Month Report to Palmerston North City Council from the Globe Theatre Trust Board December 2021

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Trust Details as at 31 Dec 2021	
Nature of Business	Theatre
Establishment Date	15 April 2002
Trustees	J Adams (Chairperson) M May R Harris C Wilson N Cross R Sheppard
Treasurer	N Cross
Secretary	M May
Address	312 Main Street PO Box 132 Palmerston North Telephone: (06) 351 4409
Bankers	Bank of New Zealand
Accountants	AboutTime Accounting Services Ltd
Solicitors	Cooper Rapley
Registered Office	C/ Palmerston North City Council Civic Administration Building The Square Palmerston North
Incorporation Number	1206039
Inland Revenue Number	43-006-495



FRI 10 DEC & SAT 11 DEC, 8PM

EXTRA SHOW ADDED SAT 11 DEC, 6PM

\$37

Tickets available at the Box Office or online at www.globetheatre.co.nz **globe** theatre

CHAIRPERSON'S REPORT

The Globe Theatre had an excellent start to the new financial year in July with sold out shows from the Manawatu Youth Theatre's "Aladdin Jr" and Australian musician Daniel Champagne.

August saw the first of the lockdowns for the year which continued through September. These lockdowns put a huge strain on the theatre with 59 performances affected. While 20 of these performances were able to be re-scheduled, 39 were unfortunately cancelled. These postponements and cancellations meant there was a huge amount of work required to communicate with both the hirers, to try and organise new dates, and audience members, to keep them informed of what is happening and the process to follow for refunds. A positive to come out of this was that because of the way the staff handled issues over this time, it added and developed the positive relationship the theatre has with its hirers and patrons.

A knock on effect of the lockdowns meant that October and November were not as busy as expected, but December usage picked up again with a number of end-of-year dance performances and rescheduled shows.

It has been good to welcome three new board members, Nathan Cross and Chris Wilson, appointed by PNCC, and Ralph Sheppard, a long-serving volunteer, seconded by the Board. This brings our board membership to 6 members. From a board perspective we are looking ahead with a somewhat conservative approach considering the uncertainty within the arts sector. There are currently no international acts arriving and national tours are constantly being put on hold, creating some challenges for the theatre. As a theatre for hire we have very little control over what shows are produced,

We are very much looking forward to the backstage renovations starting in January 2022. These are expected to enhance our facilities considerably.

I would like to thank the PNCC and staff for their willingness to work cooperatively with the theatre and my fellow board members for their willingness to be involved and their positive approach to the tasks at hand. My thanks in particular to Gerry Keating, our theatre manager, and his staff, for all they do, but especially for their dedication and resolve throughout the ongoing pandemic and related issues. Much appreciated.

John Adams
Chairperson
January 2022

MANAGER'S REPORT

June to December 2021 was looking to be a busy time for the theatre. We had a wide range of shows and events booked, and we were ready to go. The previous 6 months were busy, so we were just continuing the recent growth the theatre had experienced which of course was great to see considering we were now in to our second year with COVID hanging over us.

JULY 2021

July is always an exciting month as the Manawatu Youth Theatre takes over the Globe. This year their production was Disney's Aladdin Jr and with two weeks to go to the opening night, ticket sales were sitting on 80-85% sold. And we were not to be disappointed. Thirteen performances and over 2,600 audience members ensured that our new financial year started with a bang. Include two sold out shows from Australian musician Daniel Champagne, a trip up the road from the Levin Little Theatre and Calendar Girls and the wonderful Ali Harper and her Burt Bacharach show, The Look of Love, and July was a great start to the financial year.

AUGUST 2021

August started off with the wonderful Carson Taare back at the theatre followed by Wellington band French For Rabbits. And then lockdown. With the country going in to Lockdown Level 4 from August 18th to 31st, Level 3 from September 1st to 7th and Level 2 from September 8th to 21st, we knew we were going to have a large number of shows either cancelling or postponing. Suddenly, our expected theatre usage dropped. By the end of August, we knew September & October were going to be quiet. August theatre usage dropped from 43 to 12 and performances from 27 to 7.

SEPTEMBER/OCTOBER 2021

Moving in to Level 2 on September 8th, allowed us to reopen the theatre. We had already seen the September & October usage drop from 152 to 90 and performances from 67 to 28. At Lockdown Level 2 we were limited to a capacity of 100 in each theatre with social distancing. While not an ideal situation for any show, we were able to move shows to Globe 1 which allowed us to maximise the capacity while still observing social distancing. One of the downsides of a lockdown is the impact it has on future shows. Performers cannot rehearse which means shows have to be cancelled or postponed.

NOVEMBER 2021

Prior to the lockdown, the expected usage of the theatre for the month of November was 105 with 25 performances. At the end of the month, the usage was 71 and performances 25. While we lost some bookings during the month, the planned performances went ahead.

DECEMBER 2021

December is usually a quiet month as performers & groups start to look ahead to the Christmas/New Year break. However, a quiet December allowed us to accommodate a number of the postpone shows from the previous months. We were fortunate to have the Rose Academy of Dance, an ex MOU of the theatre, bring their two shows Winder Wonderland and The Mystery of the Silver Slippers to the stage. These shows were initially planned for August and were rescheduled to October and finally took place in December.

As with the previous lockdowns in 2020 and early 2021, we continued to collaborate with our promoters, performers & hirers. Could shows be rescheduled? Could they still go ahead with a maximum capacity of 100? We also had to look at potential dates to reschedule shows and try to accommodate them, if possible, before the years end. I applaud the show organisers, promoters & performers who worked with us to keep their

shows on the stage. The last thing they wanted to do was cancel or postpone and I feel very encouraged by how we all worked together to find the best possible outcome.

We also had to communicate with our ticket holders. Keeping them up to date with what was happening with their shows and organising refunds. Thankfully, we had become somewhat of an expert at doing this. The previous lockdowns gave us ample opportunity to hone our skills. In this respect, we were extremely fortunate that the majority of the ticket holders, whose shows had been postponed, were happy to wait until the show was rescheduled. This level of support for both the theatre and the performers was very heartening.

For the July to December period, theatre usage went from 391 to 263. A drop of 32%. While performances went from 171 to 112. A drop of 35%. Of the 59 performances that could not go ahead on their initial date, 20 were rescheduled and 39 cancelled.

The Globe Theatre prides itself on being a Community Theatre. We "Showcase Our Community." The fact that we have complete control over our ticketing system, I believe, has increased our reputation as a Community Theatre or a Theatre That Cares. There were no delays in organising refunds. Most refunds, once announced and communicated to the ticket holders, were completed within 7 days. As a Community Theatre, this is important to us. When a show gets cancelled, the ticket holder needs to have faith that their money will be returned in a timely manner. And if they need to communicate with us, there is a straightforward process to do so.

The theatre was also nominated for the Small Venue of the Year at the EVANZ (Events Association of New Zealand) 2021 Awards. We were shortlisted along with Toitū – Hawke's Bay Arts and Events Centre and Haere-Roa (University of Canterbury). Unfortunately, we lost out to Toitū, but we will be back in 2022.

We are looking forward to renovation work finally starting on the Globe 1 backstage toilets. The theatre will also be getting a makeover with internal painting work scheduled for early 2022.

Looking ahead to 2022, we will once again, face the year with excitement and trepidation. COVID is still on the scene and having endured the sudden lockdown in August & September 2021, we know that things can change at any time. We will continue to work to put shows on stage. But we are very conscious of the fact that the arts community faces another year of uncertainty. We will be heading in to our third year with COVID and the desire and willingness to create new shows may not be as ample as it previously was. But our hirers and performers know that we are there for them and we will do our utmost to make their shows a success.

Gerry Keating
Manager
January 2022

PERFORMANCE MEASURES - 6 MONTHS TO 31 DEC 2021

DEFINITIONS

USER GROUPS

MOU – has an MOU arrangement with the Globe Theatre, may be a community group or professional group

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

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

School – the hirer is an educational facility, where the usage is delivered by/for students, may or may not be performance based

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 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

Comedy Performance – a comedy 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

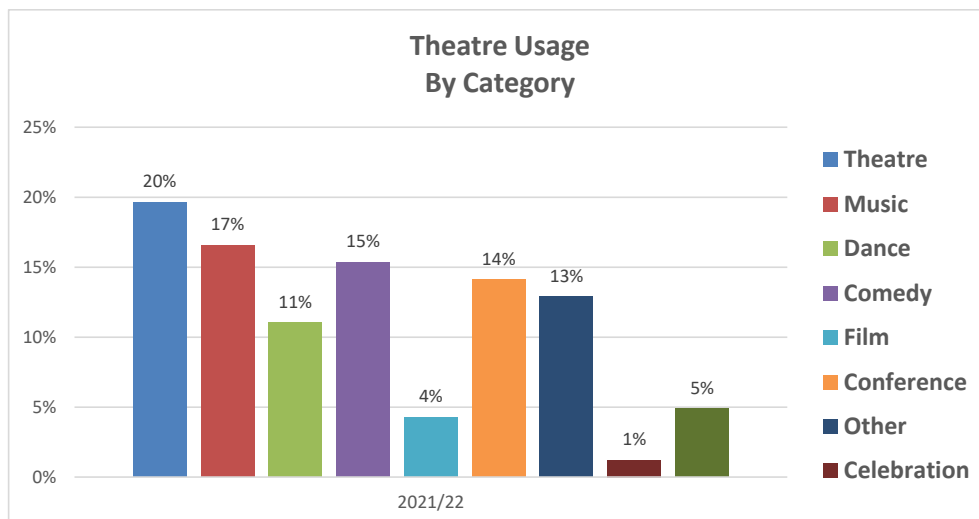
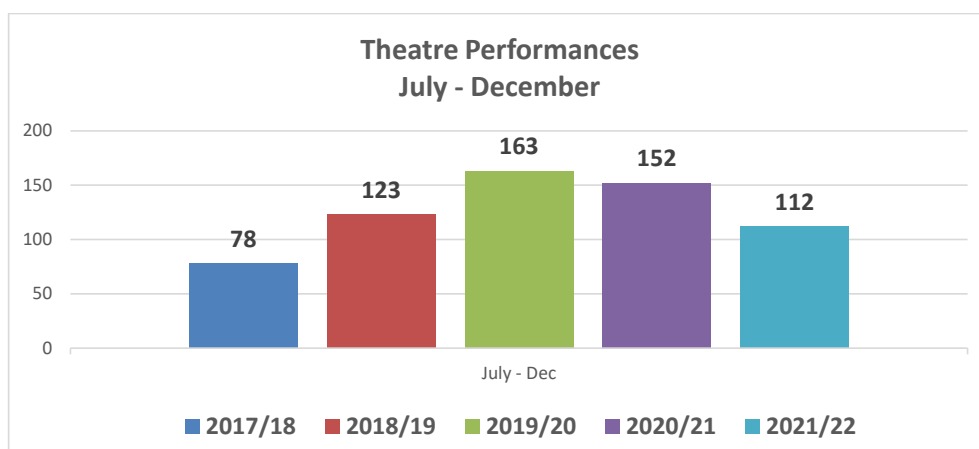
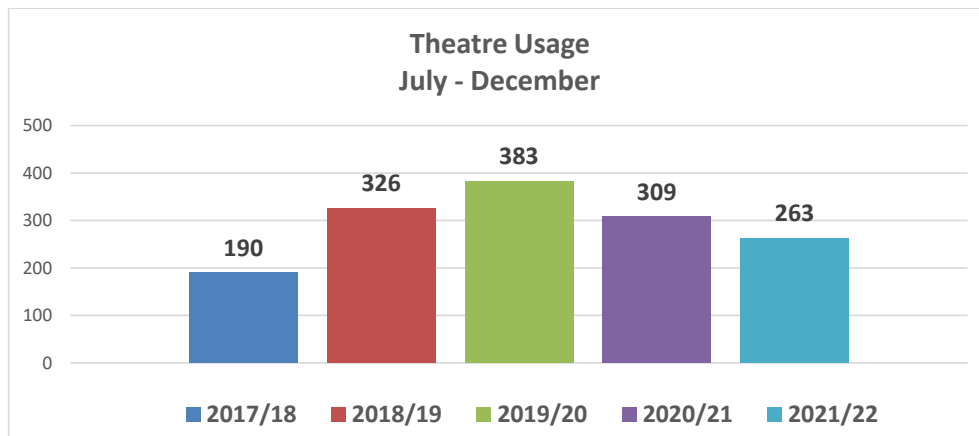
Dance Performance – a dance performance on stage to an audience, open to the public, may be ticketed or not, or a rehearsal towards a performance in front of an audience

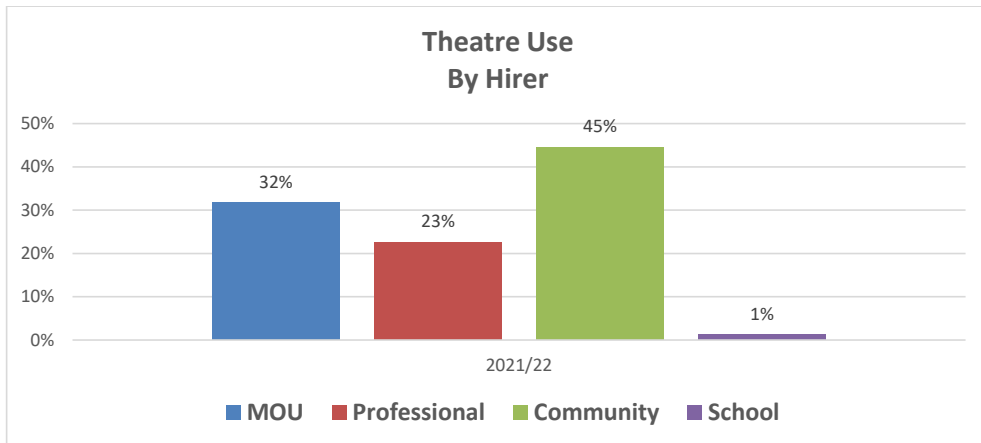
Film Performance – a film shown to an audience, open to the public, may be ticketed or not

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





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Heart*

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globe
theatre

Strategic priorities and performance monitoring for 2021/22

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 2021 SOI	Result at December 2021 (6 months)
Number of usages	650	On track: 263 usages (discreet bookings for exclusive use of a space)
Number of performances	220	On track: 112 performances (with an audience of any description)
Hours of use by hirers	2,600	On track: 1,191 (does not include box office or café opening hours)
No. discreet participants	1,750	On track: 902 participants involved in a show as organiser/performer/speaker/back stage
No of audience members	26,000	Achieved: 9,643 (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.)
Maintain or improve satisfaction ratings of hirers	Provide annual result	15 post hire surveys have been completed. Experience of hiring the Globe 100% Recommend the Globe 100% Factors that influenced assessment: Booking Process 100% Promotion 73% Tech Support 87% Equipment Available 94% Box Office 67% Completing Your Hire 67% Completing Paperwork 53%
Maintain or improve satisfaction ratings of visitors (audiences)	Provide annual result	Ongoing

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 2021 SOI	Result at December 2021 (6 months)
Number of national and international visiting productions performing at the Globe	15	<p>On Track: 12 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)</p> <p>National: Aroha String Quartet Ben Crellin – The MAN The Glamaphones Ali Harper French For Rabbits (70/30 split) Lucien Johnson (70/30 split) The Going Bananas Show Crows Feet Chamber Music NZ Frank Talbot (70/30 split)</p> <p>International: Daniel Champagne Graeme James</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 2021 SOI	Result at December 2021 (6 months)
Proportion of use that is driven through MOU arrangements and is performance based	70%	On track: 10 MOU arrangements are currently in place: Alliance Francaise, Michelle Robinson School of Dance, Manawatu Theatre Society, Sunday Matinee Series, Tall Poppies, The Comedy Hub, Equippers Church, Ian Harman, Manawatu Youth Theatre and DIY Comedy. These organisations accounted for 30% of usage.
Proportion of MOU-driven use that is performance-based	95%	On track: 48% of usage by MOU groups was performance based.
Proportion of overall usage from community groups	Provide annual result	On track: 77% of theatre use is from community groups
Proportion of overall usage from new community groups	Provide annual result	On track: 7% of use from new community groups. 18 new community groups with 18 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 2021 SOI	Result at December 2021 (6 months)
Carry out capital development programme	Globe 1: New roller door for backstage area	On track
Funding capital renewal programme from depreciation fund	60% depreciation costs available for capital renewal	Not calculated as at 31 December. Capitalisation of assets purchased will be completed at year-end.



CARSON
LIVE AT
THE GLOBE

THURS 5
AUGUST, 7PM

TICKETS: \$32

Tickets available at the Box Office or online at www.globetheatre.co.nz **globe** theatre

THE GLOBE THEATRE TRUST FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 DEC 2021

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 2021

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.

Levin Little Theatre
Presents:

Calendar Girls

Tues 27 & Wed 28 July
7.30PM
Tickets: \$25



Tickets available at the Box Office or online at www.globetheatre.co.nz

globe
theatre

Women & Business Monthly Meeting
With Guest Speaker: Shiloh Dobie from Shiloh Dobie Design





Tues 22 June
5.30pm-7pm
\$25
(ENTRY By ticket only)
Tickets available from:
www.womenandbusiness.nz

globe
theatre

Statement of Financial Performance for The Six Months To 31 Dec 2021

	Note	Unaudited December 2021	SOI Budget June 2022	Actual December 2020
Revenue				
Donations, fundraising and other similar income	3	5,266	25,000	5,938
COVID-19 Wage Subsidy		23,431	0	11,230
Council funding	2	59,038	118,075	58,428
Investment income		163	350	131
Sales of Goods and Services	4	85,128	100,000	88,123
Total Revenue		173,025	243,425	163,849
Expenditure				
Costs related to providing goods and services	5	18,189	30,000	25,600
Administration and Overhead Costs	6	14,234	20,000	14,028
Employee, Trustee and Contractor Costs	7	65,997	126,944	68,000
Other Expenses	8	12,821	21,678	9,530
Asset Write offs		0	0	0
Depreciation		28,994	58,789	27,461
Total Expenditure		140,234	257,411	144,618
Net surplus/(Deficit)		32,791	-13,986	19,231

Statement of Financial Position for the Six Months to 31 Dec 2021

	Note	Unaudited December 2021	SOI Budget June 2022	Actual December 2020
Current Assets				
Bank accounts and cash	9	191,386	146,837	129,764
Debtors and prepayments	10	0	18,200	5,496
Total Current Assets		191,386	165,037	135,261
Non Current Assets				
Property, Plant and Equipment	11	297,406	293,725	319,532
Total Non Current Assets		297,406	293,725	319,532
Total Assets		488,791	458,762	454,792
Liabilities				
Current Liabilities				
Creditors and Accrued Expenses	12	18,225	17,000	42,054
Employee Costs Payable	13	11,590	1,200	9,006
Unused Grants and Donations with Conditions	14	0	0	874
Total Current Liabilities		29,815	18,200	51,934
Non-Current Liabilities				
Non-Current Liabilities		5,687	0	0
Total Non Current Liabilities		5,687	0	0
Total Liabilities		35,501	18,200	51,934
Net Assets		453,290	440,562	402,858
Trust Equity				
Contributed Capital		100	100	100
Retained Surpluses	15	453,190	440,462	402,758
Total Retained Equity		453,290	440,562	402,858

Statement of Changes in Accumulated Funds for The Six Months To 31 Dec 2021

	Note	Actual 2021	SOI Budget June 2021	Actual December 2020
Opening balance as at 1 July		420,499	454,548	383,628
Current Period Surplus /(Deficit)		32,791	-13,986	19,231
Balance at 31 December		453,290	440,562	402,858

Statement of Cash Flows for the 6 Months To 31 Dec 2021

	Note	Unaudited December 2021	SOI Budget 2022	Actual 2020
Cash Flows from Operating Activities				
Donations and Fundraising		6,449	25,000	6,881
Receipts from Council grants		59,038	118,075	87,641
Receipts from sale of goods and services		163,808	100,000	164,172
COVID-19 Wage Subsidy		23,431	0	11,230
Interest Received		163	350	131
Payments to Suppliers & staff		-222,401	-198,622	-248,843
Goods and Services Tax (net)		-7,262	0	1,338
Net Cash Flows from Operating Activities		23,224	44,803	22,551
Cash Flows from Investing Activities				
Purchase of Fixed Assets/Renewals		-17,883	-10,000	2,851
Sales of Fixed Assets		0	0	0
Net Cash Flow from Investing Activities		-17,883	-10,000	2,851
Net Increase/(Decrease) in Cash and Cash Equivalents		5,342	34,803	25,402
Cash and Cash Equivalents at the start of the Year		186,044	112,034	104,362
Cash and Cash Equivalents at the End of the Year		191,386	146,837	129,764

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 2021 and were approved by the Board of Trustees on 21st February 2022.

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 December 2021	Actual December 2020
PNCC Grant	59,038	58,428
Total Donations and Fundraising Revenue	59,038	58,428

3 Donations & Fundraising Income

	Unaudited December 2021	Actual December 2020
Donations and Fundraising	266	938
Other	5,000	5,000
Total Donations and Fundraising Revenue	5,266	5,938

4 Sales of Goods and Services

	Unaudited December 2021	Actual December 2020
Cafe Sales	23,459	31,450
Donations for Venue Hire	1,183	1,271
Foyer Rental	0	160
Theatre Hire	41,351	39,452
Recoverable Income	2,546	2,672
Sales	0	0
Ticket Sales (commission and shows)	16,590	13,118
Total Donations and Fundraising Revenue	85,128	88,123

5 Costs relating to providing goods and services

	Unaudited December 2021	Actual December 2020
Café Expenses	11,207	17,072
Project Expenses	0	0
Recoverable Expenses	1,916	2,101
Show Expenses	5,065	6,427
Total Costs of Goods Sold	18,189	25,600

6 Administration & Overheads Costs

	Unaudited December 2021	Actual December 2020
Advertising	0	81
Cleaning	1,728	2,795
Hire of Plant and equipment	90	0
Light, Heating and Power	6,742	7,073
Marketing	2,591	1,651
Office Costs	1,126	357
Postage, Printing and Stationery	561	487
Telephone and Internet	1,395	1,585
Total Administration and Overhead Costs	14,234	14,028

7 Employee, Technician & Trustee Remuneration Costs

	Unaudited December 2021	Actual December 2020
Salaries, Wages and Employment Related Costs	55,632	56,738
Contractor Costs	6,021	7,070
Trustee Remuneration	2,635	2,550
KiwiSaver Employer Contributions	1,709	1,643
Total Employee Related Costs	65,997	68,000

8 Other Expenses

	Unaudited December 2021	Actual December 2020
Audit Fees	0	1
Bad Debts	333	0
Bank Charges	252	552
Consulting and Accountancy	782	430
General Expenses	393	617
Insurance	2,895	2,821
Legal Expenses	0	0
Professional Development	0	750
Repairs and Maintenance	5,937	2,578
Security	377	326
Subscriptions and Compliance Costs	1,057	539
Travel - National	0	0
Waste Disposal	795	917
Total Other Expenses	12,821	9,530

9 Bank Accounts and Cash

	Unaudited December 2021	Actual December 2020
Cash on Hand	395	658
Non Profit Current	14,372	42,937
Rapid Save (donations)	176,618	86,170
Total Cash and Cash Equivalents	191,386	129,764

10 Debtors and Prepayments

	Unaudited December 2021	Actual December 2020
Accounts receivable	0	2,263
GST Receivable	0	3,233
Total Creditors & Other Payables	0	5,496

11 Property, Plant and Equipment

	Unaudited December 2021	Actual December 2020
Computer Equipment	44	44
Furniture & Fittings	27,714	24,543
Theatre Equipment	286,988	294,945
Total Cash and Cash Equivalents	314,746	319,532

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 December 2021	Actual December 2020
Accrued Expenses	9,034	0
PAYE Payable	3,349	2,071
Creditors	5,117	6,386
GST Payable	724	0
Income in Advance	0	33,596
Unpaid Expense Claim	0	0
Total Creditors & Other Payables	18,225	42,054

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

13 Employee and Contractor Related Costs Payable

	Note	Unaudited December 2021	Actual December 2020
Holiday Pay Liability		10,056	5,005
Wages Accrual		1,535	4,001
Total Employee Costs Payable		11,590	9,006

14 Unused Donations and Grants with Conditions

	Unaudited December 2021	Actual December 2020
Lions Club of Middle Districts	0	500
Donations for future Matiness	0	374
NZCT	0	0
Total Unused Grants and Grants with Conditions	0	874

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 December 2021	Actual December 2020
Balance at 1 July	420,499	383,628
Current Period Surplus/(Deficit)	32,791	19,231
Balance at 30 June	453,290	402,858

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 approx. 43% above budget.

1. COVID 19 Subsidies of \$23,431
2. Strong ticket sales for MYTH Aladdin Jr and Daniel Champagne

EXPENDITURE

Operating expenses are 9% over budget

1. Increased theatre usage results in increased cleaning, waste disposal and repairs & maintenance

BALANCE SHEET

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

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.



address: PO Box 132, 132 Main Street
Palmerston North
website: www.globetheatre.co.nz
email: info@theglobe.co.nz
phone: 06 351 4409

Globe Theatre Trust Statement of Intent For the three years to 30 June 2025

Version: Draft V3

Date: 25/03/2022

Prepared by: Globe Theatre Trust Board

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Trust Details as at 30 June 2022

Nature of Business	Theatre
Establishment Date	15 April 2002
Trustees	J Adams (Chairperson) M May R Harris C Wilson N Cross R Sheppard
Treasurer	N Cross
Secretary	M May
Theatre Manager	G Keating
Address	312 Main Street PO Box 132 Palmerston North
Telephone	(06) 351 4409
Website	www.globetheatre.co.nz
Email	info@globetheatre.co.nz
Bankers	Bank of New Zealand
Accountants	AboutTime Accounting Services Ltd
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 2022 to June 2025. The past two years have been a tough time for the theatre and for the arts community locally and nationwide. The COVID pandemic has drastically changed how the theatre operates and this has only been emphasised further with the move to the COVID Protection Framework (CPF/Traffic Light System) in December 2021. While the theatre can function “as normal” under the Green & Orange settings, a move to the Red setting has a huge negative impact as capacity will be reduced to 100 audience members with a social distancing of 1 metre.

Over the past two years, the theatre has strived to operate as best as it can. While there have been many restrictions placed on the theatre due to COVID and the various levels/settings, the theatre has been a shining light for the arts community of Palmerston North & Manawatu as the figures below illustrate.

	Theatre Usage	Theatre Performances	Audience	Participants/Performers	Hours of Use
2020/21	534	285	23225	3351	2207
2019/20	533	221	15393	2801	1988
2018/19	680	253	21409	1843	2544

The theatre’s size and ability to adapt has been at the forefront of the past two years. The collaboration and communication between theatre management and the various hirers, performers, and promoters, has seen the theatre keep its doors open when other theatres have closed theirs. This collaboration squarely fits the theatres Core Purpose, Vision and Aim.

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

The theatre has also gained an incredible amount of “goodwill” from the community with its communication with ticket holders and the swift response to any queries regarding refunds. Having ownership of our ticketing system allows the theatre to organise refunds as required and to deal directly with the customer. Theatre management will continue to evaluate the current ticketing system with a view to collaborating with other CCO’s if appropriate. Theatre management is also in the process of evaluating the Council Priava booking system.

The Board remains committed to growing theatre business. The Board believes a conservative approach over the next three years is the correct strategy for the theatre considering the huge uncertainty in the arts community, both locally and nationwide.

Globe Theatre Trust Board
March 2022

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 (five appointed by Palmerston North City Council and up to two 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 co-operatively 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 five priorities for Goal 2: A creative and exciting city. The Globe Theatre Trust contributes primarily to Priority 3: Be a creative city that nurtures and celebrates the arts, and to a lesser but still significant extent, Priority 4: Develop a national 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.

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 in developing Palmerston North as a creative and exciting city 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 a creative and exciting city.

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

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

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

To achieve its objectives, the Trust Board aims to:

1. Increase the number of events that take place at the Globe Theatre and the number of people who are involved in these events (actively organising or participating in a performance or performing art).
This will entail:
 - Providing a seamless, customer-focused hire service that is responsive to the needs of hirers and is enabling and supportive.
 - Ensuring that there are friendly, helpful, and knowledgeable staff/volunteers who can support our hirers in delivering a successful event, whether it is negotiating an appropriate contract, advising on promotion, securing front of house/ushering volunteers, or providing technical support.
 - Encouraging national and international visiting productions and artists to perform at the venue.
2. Maximize the use of the venues by local community performing arts groups and events and to represent the diversity of the Palmerston North community.
This will entail:
 - Undertaking community outreach and collaborating with other agencies and organisations to demonstrate how the Globe may contribute to their aspirations to showcase and develop their cultural heritage.
 - Working particularly with community hirers to support them to showcase their cultural and performing arts heritage, ensuring that the venues are available and accessible for them and encouraging them to become regular users of the theatres.
3. Maintain the fixtures, fittings, and theatre equipment to ensure it continues to offer a professional experience to all its clients/customers/users.
This will entail:
 - Working with the local performing arts community to identify future needs and advancing technologies to support developing performing arts practice.
 - Working closely with PNCC as the building owner, local suppliers with theatre specialisms and local philanthropic organisations which contribute necessary funding.
 - Encouraging and supporting PNCC as the building owner, working closely with local suppliers with theatre specialisms and local philanthropic organisations, to incorporate low carbon choices.

Performance Measures

DEFINITIONS

USER GROUPS

MOU Group – has an MOU arrangement with the Globe Theatre. May or may not be performance based

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

School – is performance based, where the performance is delivered by students whether the organisation is a commercial company

Other – none of the above. May include weddings, birthdays, meetings, etc.

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

USEAGE DEFINITIONS:

Theatre – a dramatic 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

Dance – a 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

Music – 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

Comedy – a comedy 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 – a film shown to an audience, open to the public, may be ticketed or not

Conference – a workshop, presentation, etc. to an audience, may be private or open to the public, may be ticketed or not

Other – none of the above. May include weddings, birthdays, meetings, etc.

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 ten participants is only counted as ten 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 2022/23, 2023/24, 2024/25

Strategic Priority 1: Ensure that there are more, and more visible, arts and activities at the Globe that contribute to the Council's aspirations for Palmerston North to be a creative and exciting city. *All measures are subject to the various COVID restrictions that may be in place

Performance Measures	Actual		Target		
	2020/21	at 31 December 2021	2022/23	2023/24	2024/25
Number of usages	535	263	675 (500)	675 (500)	500
Number of performances	285	112	240	240	240
Hours of Use by Hirers	2,207	1,191	2,800 (2,000)	2,800 (2,000)	2,000
No. of discreet participants	3,351	902	1,850	1,850	1,850
No. of audience members	23,225	9,643	27,000 (18,000)	27,000 (18,000)	18,000
Number of national/international visiting productions performing at the theatre	17	12	17	17	17
Number of collaborated performances (box office splits) <i>(New measure for 2022/23)</i>	17	9	15	15	15

Strategic Priority 2: Support the local performing arts community to showcase their diverse talents at the Globe and working to ensure our users represent the diversity of the Palmerston North community. *All measures are subject to the various COVID restrictions that may be in place					
Performance Measures	Actual		Target		
	2020/21	at 31 December 2021	2022/23	2023/24	2024/25
% of total theatre usage attributed to MOU group (New measure for 2022/23)	31%	32%	35%	35%	35%
% of total theatre usage attributed to Community group (New measure for 2022/23)	44%	45%	45%	45%	45%
Support for whānau, hapu & iwi to create and deliver arts experiences (New measure)			Develop a vision and actions steps for implementation	Implement agreed action steps from 2022/23	Implement agreed action steps from 2022/23

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. *All measures are subject to the various COVID restrictions that may be in place					
Performance measure	Actual		Target		
	2020/21	at 31 December 2021	2022/23	2023/24	2024/25
Carry out capital development programme	Globe 1: New projector & screen	Globe 1: New roller door	Investigate digital signage options	Upgrade sound systems in Globe 1 and Globe 2	Upgrade Rehearsal Room
Contribution to environmental sustainability (New measure for 2022/23)			All Globe stage lighting to be LED	All theatre lighting to be LED	Investigate solar panels on theatre roof

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 a creative and exciting city 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 ratepayer. 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 Tāngata 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 s66 of the Local Government Act 2002. The report will include the following information:

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

ANNUAL REPORT

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

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

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

This Statement of Intent was approved by the Globe Theatre Trust Board on 21st February 2022.

Signed:

John Adams, Chairperson, Globe Theatre Trust Board

Forecast financial statements

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDED 30 JUNE 2023, 2024, 2025

	Actual 2021	Forecast 2022	Indicative 2023	Indicative 2024	Indicative 2025
Revenue					
Donations, fundraising and other similar income	32,655	10,532	100,000	15,000	15,000
COVID-19 Wage Subsidy	11,230	23,431	0	0	0
Council funding	116,855	118,076	119,257	120,449	121,654
Investment income	259	326	350	400	400
Sales of Goods and Services	153,505	170,256	82,000	88,600	88,600
Total Revenue	314,504	322,621	301,607	224,449	225,654
Expenditure					
Costs related to providing goods and services	44,811	36,378	16,150	16,800	16,800
Administration and Overhead Costs	27,289	28,468	64,462	62,111	62,111
Employee, Trustee and Contractor Costs	128,350	131,994	126,944	128,308	128,308
Other Expenses	21,915	25,642	21,678	22,112	22,112
Asset Write offs	0	0	0	0	0
Depreciation	55,268	57,988	50,000	50,000	50,000
Total Expenditure	277,633	280,470	279,234	279,331	279,331
Net surplus/(Deficit)	36,871	42,151	22,373	-54,882	-53,677

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 2023, 2024 and 2025 financial years. The Globe Theatre Trust has traditionally not funded depreciation but is moving towards partially funding depreciation through this SOI period.

STATEMENT OF FINANCIAL POSITION FOR THE YEARS ENDED 30 JUNE 2023, 2024, 2025

	Actual 2021	Forecast 2022	Indicative 2023	Indicative 2024	Indicative 2025
Assets					
Bank					
Cash and Cash Equivalents	186,044	239,269	301,642	291,760	288,083
Total Bank	186,044	239,269	301,642	291,760	288,083
Current Assets					
Accounts Receivable	3,991	4,000	4,000	4,000	4,000
Provision for impairment	0	0	0	0	0
Accrued Revenue	0	0	0	0	0
GST Receivable	0	0	0	0	0
Prepayments	0	0	0	0	0
Sundry debtor accruals	0	0	0	0	0

Total Current Assets	190,035	243,269	305,642	295,760	292,083
Fixed Assets					
Property, Plant and Equipment					
Value of equipment purchased	701,901	701,901	731,901	741,901	741,901
Less accumulated depreciation	-399,709	-457,697	-507,697	-557,697	-607,697
New Capital purchase		30,000	10,000	0	0
Total Property Plant and Equipment	302,192	274,204	234,204	184,204	134,204
Total Fixed Assets	302,192	274,204	234,204	184,204	134,204
Total Assets	492,227	517,473	539,846	479,964	426,287
Liabilities					
Current Liabilities					
Creditors and Other Payables					
Accounts payable	7,360	7,360	7,360	7,360	7,360
Income in advance	36,905	20,000	20,000	15,000	15,000
Grants in advance	0	0	0	0	0
Accrued Expenses	9,034	9,034	9,034	9,034	9,034
PAYE Payable	1,839	1,839	1,839	1,839	1,839
Unpaid Expense Claim	0	0	0	0	0
GST	2,525	2,525	2,525	2,525	2,525
Total Creditors & Other Payables	57,663	40,758	40,758	35,758	35,758
Employee Costs Payable					
Holiday pay liability	9,486	9,486	9,486	9,486	9,486
Wages accrual	4,578	4,578	4,578	4,578	4,578
Total Employee Costs Payable	14,064	14,064	14,064	14,064	14,064
Unused Grants/Donations with conditions					
COVID-19 Wage Subsidy Extension	0	0	0	0	0
Grants/Donations	0	0	0	0	0
Total Unused Grants/Donations with conditions	0	0	0	0	0
Total Current Liabilities	71,727	54,822	54,822	49,822	49,822
Total Liabilities	71,727	54,822	54,822	49,822	49,822
Net Assets	420,500	462,651	485,024	430,142	376,465

STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR THE YEARS ENDED 30 JUNE 2023, 2024, 2025

	Actual 2021	Forecast 2022	Indicative 2023	Indicative 2024	Indicative 2025
Opening balance as at 1 July	383,629	420,500	462,651	485,024	430,142
<i>Comprehensive Income</i>					
Surplus/(Deficit)	36,871	42,151	22,373	-54,882	-53,677
Balance at 30 June	420,500	462,651	485,024	430,142	376,465

STATEMENT OF CASHFLOW FOR THE YEARS ENDED 30 JUNE 2023, 2024, 2025

	Actual 2021	Forecast 2022	Indicative 2023	Indicative 2024	Indicative 2025
Cash Flows from Operating Activities					
Donations and Fundraising	33,475	10,532	100,000	15,000	15,000
Receipts from Council grants	116,855	118,076	119,257	120,449	121,654
Receipts from sale of goods and services	367,900	153,342	82,000	83,600	88,600
COVID-19 Wage Subsidy	11,230	23,431	0	0	0
Interest Received	259	326	350	400	400
Payments to Suppliers & staff	-442,422	-222,482	-229,234	-229,331	-229,331
Goods and Services Tax (net)	2,609				
Net Cash Flows from Operating Activities	89,906	83,225	72,373	-9,882	-3,677
Cash Flows from Investing Activities					
Purchase of Fixed Assets	-8,224	-30,000	-10,000	0	0
Sales of Fixed Assets	0	0	0	0	0
Net Cash Flow from Investing Activities	-8,224	-30,000	-10,000	0	0
Net Increase/(Decrease) in Cash and Cash Equivalents	81,682	53,225	62,373	-9,882	-3,677
Cash and Cash Equivalents at the start of the Year	104,362	186,044	239,269	301,642	291,760
Cash and Cash Equivalents at the End of the Year	186,044	239,269	301,642	291,760	288,083

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.

MEMORANDUM

TO: Arts, Culture & Heritage Committee

MEETING DATE: 13 April 2022

TITLE: Caccia Birch Trust Board: Six Month Report 1 July - 31 December 2021

PRESENTED BY: Hannah White, Democracy & Governance Manager

APPROVED BY: Sheryl Bryant, Assistant Chief Executive

RECOMMENDATIONS TO COUNCIL

1. That Council receive the Six-Month Performance Report 1 July - 31 December 2022 (Attachment 1) submitted by Caccia Birch Trust Board.

1. ISSUE

- 1.1 Caccia Birch Trust Board ('the Trust') has delivered its six-month report 1 July - 31 December 2021 (Attachment 1).
- 1.2 This six-month report was created by Council Officers based on information collected by the former Manager of Caccia Birch and their accountants.
- 1.3 This is the last six-month performance report from the Trust. The delivery of Caccia Birch House and Gardens was transferred to Council in December 2021. The Trust Board remains to oversee any remaining legal requirements of the Trust as a Council Controlled Organisation (CCO), until the transition period ends on 1 July 2022.

2. BACKGROUND

- 2.1 Caccia Birch Trust Board is a CCO set up to independently manage and promote Caccia Birch House and Gardens. The Trust was responsible for overseeing the running of the House from 1 July - 19 December 2021 until managing the homestead was transferred to Council on 20 December 2021. This six-month report outlines the last period managed by the Trust.
- 2.2 The Council is required by the Local Government Act 2002 (LGA) to regularly undertake performance monitoring of its CCOs. 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 2021-2024.
- 2.3 Since 2020, the Covid-19 pandemic has significantly affected the performance of all of Council's cultural CCOs. Covid restrictions continue to

impact corporate and private bookings and the financial performance of Caccia Birch.

3. PERFORMANCE FOR THE SIX MONTHS JULY TO DECEMBER 2021

- 3.1 The reporting period started well with the first six weeks (1 July - 18 August 2021) allowing full visitor attendance under Alert Level 1. However, for the rest of the period the Trust operated under Covid restrictions. Caccia Birch House was closed during the lockdown and Alert Level 3 from 19 August until 7 September 2021. It then re-opened on 8 September and operated under Level 2 restrictions, followed by the traffic light system for the remainder of the reporting period.
- 3.2 Alert Level 2 restricted the size of events it could host to 100 people and required social distancing measures to be in place. This caused the cancellation of many corporate and private bookings. In their place, Caccia Birch has done well to attract more community group events.
- 3.3 Highlights from the Trust's six-month report (Attachment 1) include the following:
 - Increased occupancy by 8% compared to the same period in 2020. The property was used for 132 days compared to 114 in July - December 2020.
 - Hosted a large group of artists for the Manawatū Art Trail in October (500 in total).
 - Focus has been on hosting community events; a free open afternoon was held in November with approximately 30 people attending.
 - Completed the recycling and storage area project, enabling greater capacity to recycle and have installed LED lights to 75% of fixtures.
- 3.4 Several of the Trust's performance measures (Table 1) are on track to achieving their target. Commentary is provided below on the measures that are behind target.
- 3.5 'Visitor Numbers to Open Days' is down due to Caccia Birch being closed during the lockdown and Alert Level 3 for four and a half weeks and the flow on effect of operating under Alert Level 2. There was only one open day with 30 attendees over this period, which is well below the maximum attendance of 100 people under Alert Level 2. Despite the small open day statistic, total attendance is higher than the same reporting period in 2020, 5087 to 4224 attendees respectively.
- 3.6 'Income from Venue Hire and Catering' has also been adversely affected by the Covid lockdown and restrictions. A total of 91 bookings were cancelled during this six-month period, 32 more cancellations than the same period in 2020.

Table 1: Six Month Performance Measures

Caccia Birch - 6 Month Performance: July - Dec 2021	Annual Target 2020-21	6- month performance as at 31/12/20	% of annual target at 6 month mark
Maintain and enhance the heritage values of the Caccia Birch House and Garden			
Planned capital new and renewal programme complete	100%	100%	N/A
Provide a range of opportunities for residents to experience the property			
No of Trust/Council & stakeholder operated publicly accessible events.	5	2	40%
No. of visitors to open days	580	30	5%
No. visitor experience surveys completed	100	29	29%
Manage the house and gardens as a venue for hire			
Number of hires	425	205	48%
No. of community groups hires	30	54	180%
Income from venue hire including net catering	\$85,000	\$24,369	29%
		On track/ achieved	
		Unlikely to achieve for reasons outside of CCO's control	

- 3.7 Community use of Caccia Birch has increased significantly over this period compared to the previous year. This contributes to the objective of encouraging access to the community but has a detrimental effect on the Trust's finances as community groups are charged a discounted rate.

Financial Commentary

- 3.8 The Trust was unable to provide a six-month budget for its financial position or cash flow. It was also noted during analysis that accounts receivable were overstated by \$54k and the 'Income in advance-PNCC' was also overstated by \$54k. The error was caused by inaccurately trying to recognise the unreceived portion of the Council grant for January-June. This will be corrected in the end-of-year accounts.

At 6-month end, the correct Current Assets value should be \$23,696 and the correct Current Liabilities should be \$80,490.

- 3.9 The Trust reported a loss of \$77k over this period compared to a surplus of \$11k 12 months ago.
- 3.10 Additional payments to suppliers and employees that have been incurred due to the change of the operation model affected net cash outflow.
- 3.11 The Trust's liabilities will be covered by Council as operations have moved in-house since December. Noting that 50% of liabilities were to Council itself, a loan from Council of \$40k will be settled by the Trust's fixed assets which are currently valued at \$60k.

Table 2: Financial Information for Six Month Report

	July 2021 - December 2021			July 2020 - December 2020	
Summary Financials (\$000)	Actual	Budget	Var.	Actual	Variation*
Financial Performance					
PNCC Grant	50,979	50,976	3	54,039	(3,060)
Total Revenue	128,418	146,820	(18,402)	169,807	(41,389)
Total Expenses	205,624	158,000	47,636	161,611	44,013
Net Surplus (Deficit)	(77,206)	(11,180)	(66,028)	11,226	(88,432)
Financial Position					
Current Assets	117,264			147,363	(30,099)
Total Assets	177,479			231,356	(53,877)
Current Liabilities	134,529			98,271	36,258
Total Liabilities	134,529			98,271	36,258
Equity	42,950			133,085	(90,135)
Cash Flows					
Total Net Cash Flows	(16,944)			4,394	(21,338)
Opening Cash	56,474			54,315	2,159
Closing Cash	39,530			58,709	(19,179)

*when compared to the same period 12 months ago

4. NEXT STEPS

- 4.1 Caccia Birch Trust Board's financial statements for 2021/22 will be presented to Council in November 2022.

5. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual	No
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 2: A Creative and Exciting City	
The recommendations contribute to the achievement of action/actions in the Arts and Heritage	
The action is: to support CCOs to achieve the objectives of the Arts and Heritage Plan.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Receiving the six-month report enables the Council to have oversight against the previously agreed SOI.

ATTACHMENTS

1. Caccia Birch Trust Board_Six Month Performance Report 1 July - 31 December 2021 [↓](#) 



CACCIA BIRCH TRUST BOARD

STATEMENT OF SERVICE PERFORMANCE

JULY 2021 to DECEMBER 2021

1. CONTENTS	PAGE
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2. CONTACT DETAILS	
Registered Office:	Caccia Birch House, 130 Te Awe Awe St, Palmerston North.
Website & Email	www.caccia-birch.co.nz / manager@caccia-birch.co.nz
Phone:	06 3575363
Email:	manager@caccia-birch.co.nz
Office Contact:	To December 17 2021, Nicky Birch. From December 20 2021, Brittany Adams
Role in CCO:	Manager
Address:	As Above
Chairperson:	Wendy Newport-Smith
Email:	W.Newport-Smith@massey.ac.nz
Phone:	021 423 757
Trustees	To November 30 2021, Grant O'Donnell, Cushla Scrivens, David Campbell, David Chapple, Wendy Newport-Smith, Latham Lockwood, Patricia Keiller. From November 30 2021, Wendy Newport-Smith, Latham Lockwood, Patricia Keiller, Grant Smith, Renee Dingwall.
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 herefo 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:

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

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

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

5. Strategic Objectives

HERITAGE RESPONSIBILITY:

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

6. What we have achieved this year:

A. Heritage Buildings

i	<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.
ii	<u>Work to make Caccia Birch House environmentally responsible and eco-friendly.</u>
	The Trust's long-planned recycling and storage area project was signed off as complete. The storage space allows for an effective recycling program. The new recycling program commenced in November with larger recycling bins and wheelie bins for glass recycling.
	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 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.
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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.
	Donations of heritage furniture and items to further enhance the property are an on-going project.

B. Heritage – Natural

i	<u>The listed notable trees are preserved and maintained.</u>
	Notable 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. Existing plants were relocated around the property to improve their growth and provide shelter in areas.
	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 was installed in the grounds, overlooking the main lawn.
	Information signage about the notable tree varieties, old camelias and numerous 'memorial' trees planted by the Manawatu Tree Trust on the property were installed.

C. Heritage – Cultural

i	<u>We will make the community more aware of the heritage value of Caccia Birch House.</u>
	The Coach House Archive and Gardens generally attract local and regional visitors, however with worldwide travel restrictions we have been entertaining visitors from around the region 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>The Coach House 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. Especially in regard to the new panels.</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.</p> <p>The CB Coach House 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>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. One free Open afternoon was held in November with approx. 30 people attending. It was great to see parents bringing their children along and teaching them about the history.</p>

D. Heritage – Cultural & Business.

i	<p>For the six months from 1 July to 31 December, we experienced a 64.3% occupancy. This was an 8% increase in occupancy for the same period in 2020 which was 59.5%.</p> <p>The impact of Covid-19 and movement restrictions on the hire business continues.</p> <p>Gratifyingly, several bookings from our 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 such as birthdays, weddings and anniversaries that were planned for the spring / summer were cancelled due to the on-going uncertainty round Covid-19. Only a few have re-booked their events. Refunds were given for bookings affected by the August/September lockdown. Covid-19 restrictions in Auckland mean bookings were cancelled from August through to December due to the travel restrictions. While there were many limiting factors to Caccia Birch House's use in the period, overall the house was utilised more than the same period for the previous year.</p> <p>Caccia Birch House hosted large groups of artists for the Manawatu Art Trail with around 500 attendees during an October weekend. Along with an Open Day these constituted the two public events for the 6 months.</p>
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Monthly Occupancy Rates & Use of Caccia Birch House July 2021 to December 2021								
	% Use Per month	Total Days USED	People Number	Corporate Meetings	Private Functions	Community Discounted	Public Events	Cancellations
July	74.19	23	713	19	6	7	0	5
August (Actual)	41.95	13	594	13	3	4	0	20
August (Before lockdown)	70.96	22	928	27	3	8	0	6
September (13 to 30/9)	60.00	18	386	13	3	7	0	14
October	58.00	18	893	12	0	10	1	19
November	73.30	22	887	29	4	11	1	16
December (to 22/12)	72.00	16	686	13	4	7	0	11
Six Month (Actual)	64.34	132	5087	126	23	54	2	91
July to December 2020	59.52	114	4225	104	18	11	8	59

Note: "August (Before Lockdown)" is not included in the final totals titled "Six Month (Actual)".

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 continued to comply with its governance policies during the period.
	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	Target 2020/21	Target 2021/22	Six months as at 31/12/2021	Target 2022/23	Target 2023/24
Maintain and enhance the heritage values of the Caccia Birch House and Gardens					
Planned capital new and renewal programme is completed	100%	100%	Work on the embankment is in progress.	100%	100%
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	5	5	2 (open day and art trail)	5	5
No. visitors to Open Days	Target 580	580	30	580	580
No. Visitor experience surveys completed (RBA see below)	100	100	29 (29%)	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	Target 425	425	205	450	500
No. of Community Groups hires	30	30	54	40	50
Income from venue hire incl net catering	Target: \$85,00	\$85,000	\$24,369	\$121,000	\$130,000

Visitor Experience Survey Responses

Objective	Outcome
Secure 100 surveys from a range of visitor activities at CBH	29 Surveys completed, on the open day and 2 other occasions.
Visitors who would recommend CBH to someone else	100% of visitors enjoyed their experience.
Visitors who report having learned something new	17% had previously visited Caccia Birch House 83% were new visitors and learnt about CBH
Visitors who would you visit another heritage property as a result of visiting CBH	76% 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.
Respondents who report feeling more connected to the City and its history	76% of visitors were interested in Heritage buildings and history.
Population outcome: Creative and Exciting City	59% of visitors were Palmerston North Residents – which means 41% of visitors were from out of town and made a special visit to the City & CBH
What else would you have liked to have seen/done during your visit to Caccia Birch House?	No comments.

8. How we operated during the six month period.

- a) In the context of the Council's decision to transition governance and management of Caccia Birch House to PNCC, and as a consequence of the retirement of four existing Trustees at the Annual General Meeting, two Council-appointed Trustees were appointed to the Board for a 6 month period.
- b) The Board meets monthly either in person or 'virtually' and members are in regular email or phone contact.
- c) 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.
- d) 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.
- e) The Board ensured that the operation of Caccia Birch House was managed responsibly until the handover to PNCC on 19 December 2021.
- f) The Board continued to devote a substantial amount of time to the Council's section 17A reviews, which was first initiated in 2019.
- g) With ongoing support from the Board, Palmerston North City Council commenced operation of Caccia Birch House on 19 December 2021.

Operations:

- a) The Board's plans to enhance its business operation model were placed on hold with the resurrected 17A review and Council's subsequent decision to move the management of Caccia Birch House to PNCC.

The Trust Board employed only one full time person - the Manager. This role ended on December 18 2021. Management of Caccia Birch House is now within PNCC, with a Team Leader seconded in this position. The team leader role 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.

- b) The Board employs a part-time gardener, mowing contractor, a part-time housekeeper and four part-time after-hours venue / function staff, working part-time variable hours. These roles were successfully moved into PNCC with employment of staff retained. The contracted secretarial role ceased with effect from the Annual General Meeting on 30 November 2021.
- c) 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. PNCC is now responsible for the operational decision making for Caccia Birch House.

Six Month Financial Statements 1st July to 31st December 2021

- Attached are the six-month financial statements.

CACCIA BIRCH TRUST BOARD**CHAIRPERSON**

WENDY NEWPORT-SMITH Wendy Newport-Smith



Profit and Loss

Caccia Birch Trust Board

For the 6 months ended 31 December 2021

	JUL-DEC 2021	BUDGET	JUL-DEC 2020
Trading Income			
Catering Revenue	24,369.15	42,000.00	34,378.65
Event Income	-	7,500.00	7,273.91
Facilities Hireage	31,439.09	38,754.00	26,989.16
Function Servicing	-	648.00	1,103.06
Interest Received	83.70	282.00	52.84
Miscellaneous Income	-	-	200.00
PNCC Operations Grant	50,978.52	50,976.00	50,978.52
Recoveries from Hire	3,516.12	3,600.00	3,490.00
PNCC - Meeting Grant	3,060.00	3,060.00	3,060.00
Total Trading Income	113,446.58	146,820.00	127,526.14
Cost of Sales			
Catering Expense	23,515.91	39,900.00	32,297.88
Conference Expenses	251.50	378.00	182.00
Event Expenses - Bridal Fair	238.14	1,500.00	2,763.55
Event Expenses - 125th	-	-	7,598.31
Event - Donation made	-	-	(180.00)
Total Cost of Sales	24,005.55	41,778.00	42,661.74
Gross Profit	89,441.03	105,042.00	84,864.40
Other Income			
Reimbursement - Covid 19 Wage Subsidy	9,580.00	-	42,280.46
Covid Resurgence Support Payment	5,391.30	-	-
Total Other Income	14,971.30	-	42,280.46
Operating Expenses			
Accountancy Fees	1,249.50	1,248.00	868.50
Acct - Bookkeeping	3,650.00	3,300.00	3,300.00
Audit Fees	4,972.98	4,974.00	4,252.48
Bad Debts	-	-	50.00
Licences & Registrations	44.44	-	-
Payroll Administration Fees	447.00	360.00	426.83
Xero Fees	274.50	270.00	270.00
Cleaning			
Cleaning - Consumables	719.46	1,998.00	1,235.30
Cleaning - Waste Disposal	654.27	-	386.27
Total Cleaning	1,373.73	1,998.00	1,621.57
Employee Costs			
Accident Compensation Levy	338.34	276.00	191.22
Employer Kiwisaver Contribution	436.32	498.00	585.54
Salary - Manager	104,024.86	34,307.00	35,493.79

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

	JUL-DEC 2021	BUDGET	JUL-DEC 2020
Staff Training & Expenses	-	306.00	669.23
Wages - Admin	1,797.05	2,600.00	3,437.72
Wages - Cleaner	8,721.04	8,417.00	10,966.98
Wages - Events	851.00	1,001.00	1,177.60
Wages - Supervisor	8,530.05	3,900.00	11,323.04
Staff Wages - Covid 19 lockdown	3,154.55	-	580.55
Total Employee Costs	127,853.21	51,305.00	64,425.67
Financing Costs			
ANZ Visa fees	8.09	60.00	40.65
Bank Charges	65.03	60.00	65.00
Directlink Fees	60.00	60.00	60.00
FastPay Bank Charges	52.90	162.00	132.25
Total Financing Costs	186.02	342.00	297.90
Office, Administration & Governance Expenses			
Advertising / Marketing	690.00	2,748.00	1,235.00
Governance Expense	861.51	498.00	60.87
Secretarial Costs	875.00	1,500.00	1,200.00
Trustee Remuneration	2,550.00	3,060.00	2,890.00
Office & Printing Expenses	2,462.61	2,250.00	2,178.01
Subscriptions	-	-	60.00
Telephone, Tolls & Internet	1,219.77	1,248.00	1,234.25
Total Office, Administration & Governance Expenses	8,658.89	11,304.00	8,858.13
Property Expenses			
Building - R&M	990.26	2,250.00	66.21
Grounds - Lawn Mowing	3,252.15	4,164.00	3,902.58
Equipment under \$500	78.24	1,752.00	250.00
Insurance	2,790.84	1,998.00	1,887.66
Kitchen & Chattel Expenses	76.38	252.00	319.35
Electricity & Gas	4,303.84	5,250.00	4,187.59
R&M - Furniture	-	252.00	227.23
Security & Compliance	2,363.13	3,000.00	2,221.45
Total Property Expenses	13,854.84	18,918.00	13,062.07
Repairs & Maintenance			
Grounds - Other Expenses	1,223.56	3,768.00	798.61
Grounds - Wages	6,044.36	8,067.00	8,608.74
Total Repairs & Maintenance	7,267.92	11,835.00	9,407.35
Building Compliance	-	-	500.00
Total Operating Expenses	169,833.03	105,854.00	107,340.50
Net Profit before Depreciation Adjustments	(65,420.70)	(812.00)	19,804.36
Depreciation			
Depreciation	11,784.50	10,368.00	11,609.00
Total Depreciation	11,784.50	10,368.00	11,609.00

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

	JUL-DEC 2021	BUDGET	JUL-DEC 2020
Net Profit After Depreciation	(77,205.20)	(11,180.00)	8,195.36
Project Funds			
Coach House Revenue	-	-	(3,300.00)
Donations Received Coach House	(27.00)	-	(15.00)
Coach House Archive	-	-	284.50
Total Project Funds	(27.00)	-	(3,030.50)
Net Profit After Depreciation and Project Funds	(77,178.20)	(11,180.00)	11,225.86

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

Statement of Financial Position

Caccia Birch Trust Board As at 31 December 2021

	31 DEC 2021	31 DEC 2020
Assets		
Bank		
Bank - Cheque Account	39,530.26	58,708.46
Total Bank	39,530.26	58,708.46
Current Assets		
Accounts Receivable ⁶	76,364.78	79,628.51
Accumulated Depreciation (732/04)	(3,561.00)	(3,561.00)
Accumulated Depreciation (734/04)	(1,789.00)	(1,789.00)
Cash Equivalent (753/01) (754/01)	-	14,812.34
GST Outputs	(521.00)	(521.00)
Prepayments	954.89	2,837.34
Purchases (736/02)	6,285.76	6,285.76
Total Current Assets	77,734.43	97,692.95
Fixed Assets		
Accumulated Depreciation P & E (740/04)	(298,235.51)	(274,992.13)
Awhina Project	62,270.62	62,270.62
Coach House	27,280.82	27,280.82
Fire Safety Upgrade	27,857.70	27,857.70
Fixed Assets B/Fwd Cost (740/01)	215,344.97	215,344.97
Plant & Equipment Capital Purchases (740/02)	14,071.15	13,671.15
Upstairs heating system	11,624.77	11,624.77
Total Fixed Assets	60,214.52	83,057.90
Total Assets	177,479.21	239,459.31
Liabilities		
Current Liabilities		
Accounts Payable (800)	0.04	0.04
Accounts Payable (800A)	8,422.05	22,054.50
Accrued Expenses	15,280.44	5,474.02
Annual Leave	-	11,073.54
GST	9,232.60	8,102.97
Income in Advance - Other	2,772.49	-
Income in Advance - PNCC	54,038.48	54,038.48
Secure Wedding Balance	1,304.36	4,347.82
Secure Wedding Deposit	3,478.25	1,282.59
Short Term Loan PNCC	40,000.00	-
Total Current Liabilities	134,528.71	106,373.96
Total Liabilities	134,528.71	106,373.96
Net Assets	42,950.50	133,085.35

Statement of Financial Position

	31 DEC 2021	31 DEC 2020
Equity		
Current Year Earnings	(77,178.20)	11,225.86
Retained Earnings	138,641.47	138,641.47
Retained Earnings ⁹	(18,512.77)	(16,781.98)
Total Equity	42,950.50	133,085.35

Statement of Change of Equity

Caccia Birch Trust Board

For the 6 months ended 31 December 2021

	JUL-DEC 2021	JUL-DEC 2020
Equity		
Opening Balance	120,128.70	121,859.49
Current Year Earnings	(77,178.20)	11,225.86
Total Equity	42,950.50	133,085.35

Statement of Cash Flows

Caccia Birch Trust Board

For the 6 months ended 31 December 2021

	JUL-DEC 2021	JUL-DEC 2020
Operating Activities		
Receipts from customers	147,607.79	139,865.78
Payments to suppliers and employees	(219,098.01)	(157,493.66)
Cash receipts from other operating activities	(5,832.98)	1,041.10
Net Cash Flows from Operating Activities	(77,323.20)	(16,586.78)
Investing Activities		
Payment for property, plant and equipment	(400.00)	(7,370.00)
Other cash items from investing activities	14,923.13	(193.17)
Net Cash Flows from Investing Activities	14,523.13	(7,563.17)
Financing Activities		
Other cash items from financing activities	45,855.62	28,543.93
Net Cash Flows from Financing Activities	45,855.62	28,543.93
Net Cash Flows	(16,944.45)	4,393.98
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	56,474.71	54,314.48
Net change in cash for period	(16,944.45)	4,393.98
Cash and cash equivalents at end of period	39,530.26	58,708.46

MEMORANDUM

TO: Arts, Culture & Heritage Committee

MEETING DATE: 13 April 2022

TITLE: Review of the City's 150th Celebrations Programme Delivery, Costs and Outcomes

PRESENTED BY: Luke McIndoe, Head of Events

APPROVED BY: Sheryl Bryant, Assistant Chief Executive

RECOMMENDATION(S) TO ARTS, CULTURE & HERITAGE COMMITTEE

1. That the Committee receive the memorandum titled 'Review of the City's 150th Celebrations Programme Delivery, Costs and Outcomes', presented to the Arts Culture & Heritage Committee on 13 April 2022.
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1. ISSUE

This memorandum reports on the review of the City's 150th year celebrations programme, cost and outcomes to the Arts, Culture & Heritage Committee.

2. BACKGROUND

In 2021, Palmerston North City commemorated a 150-year milestone. The year 1971 was recognised as the 100th year and Palmerston North spread events throughout this year rather than on one specific date on the calendar.

2021 was a year impacted from start to finish by Covid-19 disruptions and uncertainty with event planning. Most planned activations and community led initiatives were cancelled or rescheduled due to alert level changes and lockdowns. This resulted in a very disjointed and underwhelming recognition of the milestone.

2.1 Community Event Seed Fund

The 150 Year Community Event Seed Fund was a special one-off contestable fund designed to support a range of events and activities, led by the community, to celebrate the city's unique heritage, its community, and promote the bright future for the city. A total of 27 applications were received from a wide range of community groups. The assessment committee approved a total of 21 projects which met the criteria and intent of the seed fund. Three of these approved projects did not proceed past planning stage and funding was not utilised. In a year where large-scale events were almost non-existent, some of these small-scale projects were able to proceed and deliver tangible community benefit.

The remaining projects from this list have been seed-funded with expected delivery this financial year.

Project	Funding Awarded
Niuew Normal	\$1,000
Camera Club Celebrate our City	\$2,000
Green Hub Trust Exhibition	\$1,000
Woodworking Conference	\$1,000
Manawatunes*	\$1,000
PN Community Service Volunteer Night	\$2,000
Colin Hoare Mural	\$2,000
"Palmy Poetry: The 150 th Anniversary Anthology of Te Papaiōea/Palmerston North" **	\$2,000
PN 150 th Variety Performance	\$2,000
Squaring Up	\$1,000
Belonging [Hononga] [Pertencimento]	\$1,000
Telling Our Stories: Palmerston North's Histories - Symposium	\$2,000
Pistang Pilipino sa Palmerston North 2021	\$1,000
Yesterday, Today, Tomorrow – National Spring Rose Show and Convention Show and Convention	\$1,500
Puoro o te Ngakau – Music of the Heart	\$1,000
409 – Palmerston North 150 th	\$350.00
Profiling Pasifika Pioneers in Palmerston North City**	\$2,000
Who Are We?	\$1,000
Women in Palmerston North History*	\$1,000
UCOL Musical Showcase*	\$2,000

* = Event cancelled, funding returns or not paid out

** = Project yet to be delivered

2.2 Community Event – Explore Esplanade Day

A cake cutting ceremony was shared with the wider community at Explore Esplanade Day in April. The date of this event was moved due to Covid alert level changes and attendee numbers were considerably lower than previous years. Local historian, Professor Michael Roche, delivered an informative and well-received lecture about the history of Victoria Esplanade and the important role the park played during the growth of Palmerston North. While the intent was to deliver a discrete event for the community celebration, being able to recognise the milestone with the community at one of the biggest annual community events on the calendar was an achievement in 2021, where many large events suffered cancellation and postponements.

2.3 City Business and Stakeholder Dinner

This event took place the week of a regional alert level change in Wellington. Luckily, only a handful of guests and suppliers were affected with late re-allocation of tickets meaning a full house was able to enjoy the show. This event provided an opportunity for various businesses and city stakeholders to celebrate. Master of Ceremonies, Te Radar, took guests through a 'This is your Life' style entertainment showcase highlighting notable people, entities, and moments in time that have shaped our great city. It was a chance to celebrate, network and profile our city to a broad and high-profile audience. Guests enjoyed a bespoke curated performance specifically designed for this milestone and enjoyed distinctly local fare produced by Brew Union and UCOL hospitality students. Anecdotal feedback from attendees highlighted the importance of this event as a rare opportunity to network with other business owners and city stakeholders in a year where many similar events were cancelled. An archive recording of this show has been filmed and saved for heritage purposes.

2.4 Legacy Activation – Monopoly and Top Trumps

Council partnered with Winning Moves Pty in Australia to produce a customised Palmerston North version of the iconic board game, Monopoly. A local version of sister product, Top Trumps was also commissioned using the same collateral pulled together for the board game. Local landmarks and stakeholder venues were selected across the city to provide a snapshot of Palmerston North in 2021.

Pricing was set below recommended retail pricing to make purchase more accessible to a wider range of community members. Top Trumps also provided a custom Palmy product at a much lower price point.

A successful marketing and promotion campaign (detailed below) generated sizable interest in the game. The i-Site was selected as the exclusive retail channel for both games as this allowed Council to leverage an existing retail channel and utilise the large increase in foot traffic to

promote other services in the retail space in Te Marae o Hine – The Square. All available Monopoly board games were sold in the one month from game launch to Christmas with a number of Top Trumps units remaining and available for purchase. 2,500 units of each game were purchased for sale.

All marketing and production costs of this project were covered by the sale of the games with some surplus to be returned to Council operational budgets.

2.5 Marketing of 150th Programme

Officers ran an integrated marketing and communications campaign throughout the year, utilising both print and digital media. This campaign wasn't run as a traditional campaign. Officers were continuously weaving the 150th narrative into the work undertaken. The purpose of the campaign was to show residents where the city has come from and where it is now.

Palmerston North's bespoke Monopoly board was by far the crowning glory of the year. The marketing campaign with Mediaworks' Mike and Gareth was a hit and large volumes of people turned up to onsite activations, wanting to be part of the life size game despite alert level restrictions.

Social media

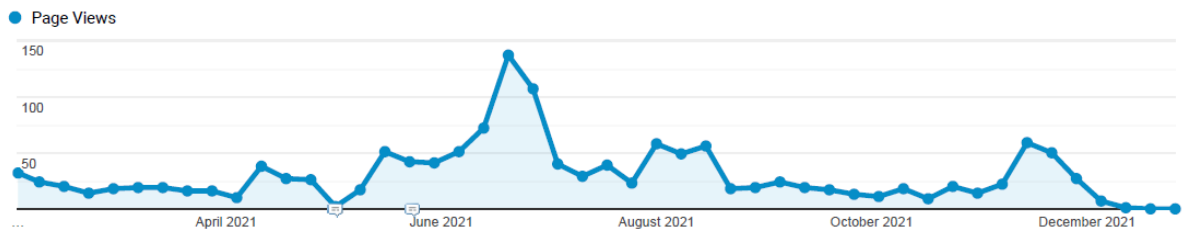
Over the course of the year Council's Facebook page featured a range of different posts. Council's inhouse photographer did an incredible job matching images of the city from the last 150 years with what present day looks like. These types of posts were the highest engaged throughout the year along with the cemetery videos. A total of 10 videos on Palmy's cemeteries were produced featuring a brief overview of their lives.

- Total reach: 126,490
- Total engagement: 11,904

Website

Council's website provided an overview on why the year was an important milestone for the city.

- Total page views: 1,372
- Users spent an average time of 2 minutes on the page
- Total of 11 media releases published on the website



Palmy Proud

Every Palmy Proud edition featured articles that referred to the 150th year. Standout articles included a feature on the book 'City at the Centre' and the scrapbook of the city's first Mayoress, Louisa Snelson.

General awareness

- Cross Street banners
- Flags in and around The Square
- Imagery on digital billboards throughout the year featuring rotating images
- Videos on city cemeteries, Deputy Mayor being filmed in the Chamber
- Throughout the year Central Energy Trust Arena and The Palmy Conference + Function Centre featured imagery of some of the great achievements/upgrades over the last 150 years, on Social Media and in the venue
- The 150th badge was used on most marketing collateral for the year. Community and major event organisers were able to use the 150th badge widely on marketing material

2.6 Monopoly Campaign and Activations

Awareness and anticipation

This was rolled out as an initial anticipation campaign by doing teaser advertising. Marketing material through this period was focused on small sections of the iconic Mr Monopoly or using tag lines such as 'Roll the dice this December'. After a month of teaser advertising, under the cover of darkness, life size Mr Monopoly cut-outs were placed at each location with a QR code pushing people to the website. After this simple tactic, a 35% increase in web traffic to the site was seen.

A presale registration form was developed where people who signed up were given the chance to hear exclusive release information before the rest of the public. A total of 1,500 registrations were received.

Rollout

Multiple influencer campaigns were undertaken during the promotional period, ranging from local radio stations and sporting influencers, to the stars of local community theatre shows. Palmerston North is a diverse community and it was important to Officers to showcase this diversity.

This strategy was about making the board accessible to those who have transited through Palmy in their lifetime, have a connection to Palmy or are the future of the city.

Mediaworks Promotional Campaign – Mike and Gareth's Palmerston North Monopoly Tour

Mediaworks/MoreFM were engaged to deliver a promotional campaign through Mike and Gareth's morning show. The following elements made up the promotional activity.

- 132x Promotional Trailers
- 26x Announcer Liners
- 5x Live Breakfast Shows by outside broadcast. This was at key locations at the board where people could come along and win prizes based on the site
- Part of the promotional campaign was lining up 10 key influential people in the city to speak to their favourite parts on the board. There were visitors from Cyclones, Manawatu Turbos, Centrepont cast (local theatre), Rugby Museum as well as Mayor Grant Smith
- 5x 3-hour promotional activations
- Digital engagement on Facebook Posts, Instagram and morefmmanawatu.nz

Tiktok influencer – Finding Huggie Campaign

- Utilised Youth Space to come in and undertake a golden ticket campaign. Finding Huggie involved hiding golden tickets around Youth Space, and encouraging youth to come in, check it out and play a few games
- Ran in person fan meets where youth came and played rounds of our Palmerston North Monopoly
- 28,500 views, 2,883 engagements

Palmerston North Parents Page

Officers worked with local Palmerston North Parents Facebook page to give away multiple games on their page. Winners were picked by encouraging people to identify what significant year this was for our city. We saw over 500 comments on their one Facebook post. The next day the iSite ran out of their stock on hand as people were walking out with arms full of boards.

Monopoly General Awareness Tactics

A range of general marketing techniques were utilised across campaigns and utilised throughout the year.

- Media Release
- Media interviews
- Radio advertising
- Social Media unpaid content and advertising including teaser posts
- Poster drop around city and at key sites
- Email signatures take-over
- Newspaper ads
- Internal comms: The Sauce, CEO email
- Billboards
- Bus advertising
- Presale registrations

2.7 Tree Planting

Support from Lion Foundation has been secured to provide a native tree with a plaque to be planted at 47 schools in Palmerston North to recognise the 150th milestone. A range of totara, matai, rimu and kahikatea trees have been selected for this project. The planting ceremonies have been delayed by alert level restrictions and plantings are expected to take place with Elected Member support in the next quarter.

2.8 External Sponsorship

Corporate sponsorship was secured to assist with delivery of the 150th Programme throughout the year. FMG, Higgins Family Holdings and Toyota New Zealand joined the programme as City Partners to assist with funding across the year. Some of this funding was utilised to top up the Community Seed Fund. Additional sponsors assisted Council for the business stakeholder

dinner: Sheffield, Simpson Grierson, WT Partnership and CLM. The tree planting project received external sponsorship from Lion Foundation.

2.9 Financial Summary

The successful Monopoly project as well as a full house at the business dinner event and additional sponsorship of \$45,000 resulted in a positive variance in the budget for this programme. These totals include all incomes from sales and sponsorship.

Programme 1161 - Te Papaioea History Celebration

Project	Initial Proposed PNCC Funding	Final
Community Event Seed Fund	20,000	26,300
Installations and Light Projection	20,000	14,548
Business Stakeholder Event	60,000	38,280
Community Event (Explore Esplanade additional)	20,000	19,253
Marketing	20,000	20,000
Monopoly	0	57,020 CR

2.10 Concluding Comments

2021 was a difficult year for large events in the country and unfortunately most planned activities in the programme were hampered by uncertainty and cancellations. Many local community and Council funded and delivered events did not take place or were severely restricted which resulted in a disjointed and underwhelming commemoration of the milestone. Some community members questioned the relevance of 1871 as a founding year with several other suggestions raised throughout the year which highlighted an interest in engagement for programmes that promote civic pride and celebration. Despite issues throughout the programme, Council was able to promote and deliver elements successfully and develop a number of legacy projects to develop a rich and vibrant heritage for Palmerston North.

3. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No

Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	No
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 achievement of action/actions in Arts and Heritage	
The action is: Council co-ordinates the delivery of the city's community and commemorative events and initiatives so Palmerston North has a full events calendar that caters well for different sectors of the city's population.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The 150 th celebrations enabled the community to celebrate its past achievements and milestones, showcase the present, reflect on its future, and build community pride.

ATTACHMENTS

Nil

COMMITTEE WORK SCHEDULE

TO: Arts, Culture & Heritage Committee

MEETING DATE: 13 April 2022

TITLE: Committee Work Schedule

RECOMMENDATION(S) TO ARTS, CULTURE & HERITAGE COMMITTEE

1. That the Arts, Culture & Heritage Committee receive its Work Schedule dated April 2022.

ATTACHMENTS

1. Committee Work Schedule_April 2022 [↓](#) 

ARTS, CULTURE & HERITAGE COMMITTEE

COMMITTEE WORK SCHEDULE – APRIL 2022

Item No.	Estimated Report Date	Period of Reporting	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
1.	2022		Report on resourcing required to ensure the city continues with two central city services for Anzac Day	Assistant Chief Executive	Funding for 2021/22 will be managed through the forecasting budget; Programme for \$11,500 will be submitted to the 2022/23 budget	Report not required
2.	13 April 2022	1 July 2022 – 30 June 2024	Draft Statements of Intent Globe Theatre Regent Theatre Te Manawa Note Final Statements of Intent will be presented to Council on 29 June 2021			
3.	13 April 2022	1 July 2021 – 31 December 2021	Six Monthly Reports Globe Theatre Regent Theatre Te Manawa			
4.	13 April 2022		Review of the City's 150th Celebrations Programme delivery, costs and outcomes	Assistant Chief Executive		17 February 2021 clause 5.2
5.	10 August 2022		Develop model to enable community involvement in the in-house service delivery of Caccia Birch House	Chief Customer Officer		
6.	10 August		Annual report on Maintenance and	Chief Infrastructure		25 June 2018

Oasis # 13973086

Item No.	Estimated Report Date	Period of Reporting	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
	2022		Renewal Plans and Budgets for Cultural Facilities	Officer		clause 19.2
7.	10 August 2022		Report on the future of the Artist in Residence scheme	Chief Customer Officer		17 February 2021 clause 6.3
8.	10 August 2022		Annual report from Palmerston North Public Sculpture Trust	Assistant Chief Executive		Council 29 April 2019 clause 36.4
9.	10 August 2022		Report on the establishment of a Heritage Advisory Panel Annual progress report on the development of a military heritage theme across Council programmes	Chief Planning Officer		17 November 2021 Clause 34-21
10.	November December	1 July 2021 – 30 June 2022	Annual Reports Globe Theatre Regent Theatre Te Manawa			
11.	June 2024		Development of conservation plan for Caccia Birch House and property, costed and included in the CBH Masterplan programme of work for 2023/24			
12.	June 2025		Review of in-house service delivery of Caccia Birch House			

CONFIDENTIAL DECISIONS RELEASED

Meeting date	Title	Released	Not Released

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