



PALMERSTON NORTH CITY COUNCIL

AGENDA

**EXTRAORDINARY ARTS, CULTURE
AND HERITAGE COMMITTEE**

9AM, MONDAY 3 APRIL 2017

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



MEMBERSHIP

Rachel Bowen (Chairperson)

Jim Jefferies (Deputy Chairperson)

Grant Smith (The Mayor)

Brent Barrett

Susan Baty

Adrian Broad

Gabrielle Bundy-Cooke

Vaughan Dennison

Lew Findlay QSM

Leonie Hapeta

Lorna Johnson

Duncan McCann

Karen Naylor

Bruno Petrenas

Aleisha Rutherford

Tangi Utikere

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

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

Paddy Clifford

Chief Executive, Palmerston North City Council

Palmerston North City Council

W pncc.govt.nz | E info@pncc.govt.nz | P 356 8199

Private Bag 11034, 32 The Square, Palmerston North



EXTRAORDINARY ARTS, CULTURE AND HERITAGE COMMITTEE MEETING

3 April 2017

MEETING NOTICE

Pursuant to Clause 21 of Schedule 7 of the Local Government Act 2002, I hereby requisition an extraordinary meeting of the Arts, Culture and Heritage Committee to be held at 9.00am on Monday, 3 April 2017 in the Council Chamber, first floor, Civic Administration Building, 32 The Square, Palmerston North, to consider the business stated below.



MAYOR

ORDER OF BUSINESS

(NOTE: The commencement time for this meeting coincides with the commencement time for the Planning and Strategy Committee meeting. The format for the meeting will be that the Planning and Strategy Committee will open, take apologies and adjourn immediately to allow the Arts, Culture and Heritage Committee to consider its business. At 2.00pm the Planning and Strategy Committee meeting will resume to consider its 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. 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.)

4. Presentation - Centrepont Theatre

Page 7

5. Deputation - Passport to Play Palmy Page 9

6. Confirmation of Minutes Page 11

“That the minutes of the Arts, Culture and Heritage Committee meeting of 13 February 2017 Part I Public be confirmed as a true and correct record.”

7. Cultural CCOs Six Month Reports to December 2016 and Draft Statements of Intent 2017–2020 Page 17

Report, dated 20 March 2017 from the Community Funding Coordinator, Rebecca Hofmann and the Management Accountant, Matt Duxfield.

8. Committee Work Schedule Page 203

Committee Work Schedule dated April 2017.

9. Exclusion of Public

To be moved:

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

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

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

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

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

Chief Executive (Paddy Clifford), Chief Financial Officer (Grant Elliott), General Manager, City Enterprises (Ray McIndoe), General Manager, City Future (Sheryl Bryant), General Manager, City Networks (Ray Swadel), General Manager, Customer Services (Peter Eathorne), General Manager, Libraries and Community Services (Debbie Duncan), Human Resources Manager (Wayne Wilson) and Strategic Communications Manager (Mark Torley) because of their knowledge and ability to provide the meeting with advice on matters both from an organisation-wide context (being members of the Council's Management Team) and also from their specific role within the Council.

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

Governance and Support Team Leader (Kyle Whitfield) and Committee Administrators (Penny Odell and Rachel Corser), because of their knowledge and ability to provide the meeting with procedural advice and record the proceedings of the meeting.

< add officers who are authors of reports or their substitutes > because of their knowledge and ability to assist the meeting in speaking to their report and answering questions, noting that such officer will be present at the meeting only for the item that relate to their respective report.

<add third parties, e.g. authors of third party reports being considered>, because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].

PRESENTATION

TO: Arts, Culture and Heritage Committee

MEETING DATE: 3 April 2017

TITLE: Presentation - Centrepont Theatre

ITEM 4

RECOMMENDATION(S) TO ARTS, CULTURE AND HERITAGE COMMITTEE

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

SUMMARY

Mr Dan Pengelly will make a presentation regarding Centrepont Theatre.

ATTACHMENTS

Nil

DEPUTATION

TO: Arts, Culture and Heritage Committee

MEETING DATE: 3 April 2017

TITLE: Deputation - Passport to Play Palmy

RECOMMENDATION(S) TO ARTS, CULTURE AND HERITAGE COMMITTEE

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

SUMMARY

Heather Knox, Kate Parlane and Helen Page will make a deputation regarding the community led initiative 'Passport to Play Palmy'.

ATTACHMENTS

Nil

TO: Arts, Culture and Heritage Committee

MEETING DATE: 3 April 2017

TITLE: Confirmation of Minutes

ITEM 6

RECOMMENDATION(S) TO ARTS, CULTURE AND HERITAGE COMMITTEE

1. That the minutes of the Arts, Culture and Heritage Committee meeting of 13 February 2017 Part I Public be confirmed as a true and correct record.

ATTACHMENTS

1. Minutes 13 February 2017 [!\[\]\(e40bb48ad1470e3a14017c64c5673877_img.jpg\) !\[\]\(de28875f44a359ca6d30bbb1d9f6cdbd_img.jpg\)](#)

PALMERSTON NORTH CITY COUNCIL

Minutes of the Arts, Culture and Heritage Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 13 February 2017, commencing at 9.00am

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

When the meeting resumed The Mayor (Grant Smith) was not present. He was not present for clauses 2 to 8 inclusive.

When the meeting resumed Councillor Duncan McCann was not present. He was not present for clauses 2 to 8 inclusive.

Councillor Leonie Hapeta left the meeting at 11.51am during consideration of clause 6. She entered the meeting again at 12.01pm during consideration of clause 8. She was not present for clauses 6 and 7 inclusive.

1-17 **Apologies**

Moved Rachel Bowen, seconded Lorna Johnson.

The **COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

Clause 1.1 above was carried 16 votes to 0, the voting being as follows:

For:

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

The meeting adjourned at 9.03am

The meeting resumed at 10.58am

Note: when the meeting resumed The Mayor (Grant Smith) and Councillor Duncan McCann were not present.

2-17 Deputation - Manawatu Writers Festival 2017

Ms Rachel Dore and Mr Thom Conroy made a deputation regarding the Manawatu Writers' Festival planned for September 2017.

Ms Dore outlined that the event was quite different to previous events and catered to a wide range of people in the community. She advised that the main reason for making a deputation was to ask Council for its support for the event. Funding would be applied for but other support would be needed such as venue hire.

Ms Dore noted that the main event would be held in Feilding but that there was a solid programme for Palmerston North also. The two events would not conflict so that people could attend both if they wished.

Mr Conroy highlighted the broad nature of the event noting that there were many people involved including Massey University, various schools and freelance writers. He hoped that Council would support the event and believed that further events would grow from this, making the region more vibrant.

Moved Aleisha Rutherford, seconded Tangi Utikere.

The COMMITTEE RESOLVED

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

Clause 2.1 above was carried 14 votes to 0, the voting being as follows:

For:

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

3-17 Deputation - All Saints Church Heritage Building Upgrade

Rev John Hornblow, Rev Nigel Dixon and Mr Vince Neall made a deputation regarding the All Saints Church Heritage Building upgrade.

Rev Hornblow presented photographs to the Committee and outlined that the Church had been an integral part of the city for many years. He noted that the Church was first built in 1875, with the current building built in 1914. He added that there were few strong heritage buildings within the city and the building was loved by many. Many events and family celebrations had been held in the Church.

Mr Neall outlined the major issues facing the Church which included earthquake strengthening, a more friendly and covered street frontage, a more flexible interior, reduction of risk to the exterior, weather tightness and electrical improvements.

Rev Hornblow stated that \$5 million was needed and that the community would need to raise \$2.5 million before they could apply for government funding.

Moved Gabrielle Bundy-Cooke, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

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

Clause 3.1 above was carried 14 votes to 0, the voting being as follows:

For:

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

4-17

Confirmation of Minutes

Moved Rachel Bowen, seconded Lorna Johnson.

The **COMMITTEE RESOLVED**

1. That the minutes of the Arts, Culture and Heritage Committee meeting of 12 December 2016 Part I Public be confirmed as a true and correct record.

Clause 4.1 above was carried 14 votes to 0, the voting being as follows:

For:

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

5-17

CCO's joint marketing opportunities

Memorandum, dated 26 January 2017 from the General Manager - Libraries and Community Services, Debbie Duncan.

Moved Rachel Bowen, seconded Adrian Broad.

The **COMMITTEE RESOLVED**

1. That the update be received.

Clause 5.1 above was carried 14 votes to 0, the voting being as follows:

For:

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

6-17 2017 Festival of Culture Update

Memorandum, dated 27 January 2017 from the Manager - Community Engagement, Ian Littleworth.

Councillor Leonie Hapeta left the meeting at 11.51am

Moved Rachel Bowen, seconded Adrian Broad.

The **COMMITTEE RESOLVED**

1. That the memorandum entitled '2017 Festival of Cultures update' dated 27 January 2017 be received.

Clause 6.1 above was carried 13 votes to 0, the voting being as follows:

For:

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

7-17 Conference Opportunity - DX 2017 Driving Digital Transformation Conference 2017

Memorandum, dated 8 February 2017 from the Committee Administrator, Rachel Corser.

Moved Susan Baty, seconded Rachel Bowen.

The **COMMITTEE RESOLVED**

1. That the Committee approve the attendance of two elected members to attend, with expenses paid, to the DX Driving Digital Transformation Conference 2017 being held in Auckland on Wednesday 22 March 2017 and Thursday 23 March 2017.
2. That registrations of interest be invited from elected members wishing to attend, with expenses paid, and advise the Committee Administrator, Rachel Corser, by 12 noon Friday 17 February 2017.

Clause 7-17 above was carried 13 votes to 0, the voting being as follows:

For:

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

8-17 Committee Work Schedule

Committee Work Schedule dated February 2017.

Councillor Leonie Hapeta returned to the meeting at 12.02pm



ARTS, CULTURE AND HERITAGE COMMITTEE - PART I

13 FEBRUARY 2017

Moved Rachel Bowen, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Arts, Culture and Heritage Committee receive its Work Schedule dated February 2017.

Clause 8.1 above was carried 13 votes to 0, with 1 abstention, the voting being as follows:

For:

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

Abstained:

Councillor Leonie Hapeta.

The meeting finished at 12.02pm

Confirmed 3 April 2017

Chairperson

REPORT

TO: Arts, Culture and Heritage Committee

MEETING DATE: 3 April 2017

TITLE: Cultural CCOs Six Month Reports to December 2016 and Draft Statements of Intent 2017–2020

DATE: 20 March 2017

AUTHOR/S: Rebecca Hofmann, Community Funding Coordinator, Libraries and Community Services
Matt Duxfield, Management Accountant, City Corporate

ITEM 7

RECOMMENDATION(S) TO COUNCIL

1. That the six month report to December 2016 submitted by Caccia Birch Trust Board be received.
2. That the draft Statement of Intent 2017–2020 submitted by Caccia Birch Trust Board be received and either:
 - (a) That the request for an increase in the grant from PNCC be considered as part of the Annual Budget 2017/18 consultation process; or
 - (b) That the request for an increase in the grant from PNCC be declined.
3. That the six month report to December 2016 submitted by Globe Theatre Trust Board be received.
4. That the draft Statement of Intent 2017–2020 submitted by Globe Theatre Trust Board be received.
5. That the six month report to December 2016 submitted by The Regent Theatre Trust be received.
6. That the draft Statement of Intent 2017–2020 submitted by The Regent Theatre Trust be received.
7. That the six month report to December 2016 submitted by Te Manawa Museums Trust be received.
8. That the draft Statement of Intent 2017–2020 submitted by Te Manawa Museums Trust be received.

SUMMARY OF OPTIONS ANALYSIS FOR

ITEM 7

Problem or Opportunity	Council is required to monitor the performance of Council Controlled Organisations (CCOs). Presentation of their six month reports is an opportunity for the four cultural CCOs to report on their achievements and difficulties in comparison to their current Statements of Intent (SOI). This report also enables the Council to consider and to provide comment on the CCOs' draft Statements of Intent for 2017–2020 and their intended performance during that period.
OPTION 1:	<ol style="list-style-type: none"> 1. That the six month reports to December 2016 submitted by Caccia Birch Trust Board, Globe Theatre Trust Board, The Regent Theatre Trust and Te Manawa Museums Trust be received. 2. That the Committee consider the performance and contribution of each CCO. 3. That the draft Statements of Intent submitted by Caccia Birch Trust Board, Globe Theatre Trust Board, The Regent Theatre Trust and Te Manawa Museums Trust be received. 4. That the Committee consider the intended performance of each CCO as reflected in their draft SOI together with the grant funding requested from Council.
Contribution of Recommended Option to Council's Strategic Direction	Each CCO contributes to the achievement of Council vision and goals. The four cultural CCOs support Council's Arts and Heritage Strategies, and contribute to the goal of Palmerston North as a socially sustainable City.

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

- 1.1** The Council is required by the Local Government Act 2002 to regularly undertake performance monitoring of its Council-Controlled Organisations (CCOs). This is to evaluate their contribution to the achievement of the Council's objectives for the CCO; the achievement of the desired results as set out in the CCO's statement of intent; and the achievement of the overall aims and outcomes of the Council.
- 1.2** This report ensures the Council is meeting its obligation to monitor the performance and future direction of its four cultural CCOs: Caccia Birch Trust Board, Globe Theatre Trust Board, The Regent Theatre Trust, and Te Manawa Museums Trust.
- 1.3** Each year CCOs develop a Statement of Intent, which includes performance outcomes and targeted service levels for the coming three-year period. The process for developing the Statement of Intent each year is:
 - The CCO presents a draft Statement of Intent to the Council by 1 March.
 - The Council considers the draft Statement of Intent and provides comments back to the CCO by 1 May.
 - The CCO submits the final Statement of Intent by 30 June.
- 1.4** The presentation of the draft Statement of Intent provides the Council with an opportunity to have input into the services the CCOs deliver on behalf of Council. This report enables the Council to consider the draft Statements of Intent and provide comment to the CCOs. These comments will be considered by the CCO Boards prior to the submission to the Council of their final Statements of Intent by 30 June 2017.
- 1.5** In addition, the CCOs are required to provide six-monthly and annual reports on their progress against their current Statements of Intent. CCO Trust Boards are invited to present their reports to the Council and to speak to them. This report enables Council to consider the six month reports to December 2016 from the CCOs, and to provide comment.

2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

- 2.1** A CCO is an organisation in which one or more Councils own or control fifty per cent of voting rights, or has the right to appoint at least fifty per cent of the directors or trustees. In Palmerston North CCOs are set up to independently manage Council-owned facilities for a mixture of commercial and community purposes. Each CCO is governed by its own Board of Trustees. The management and operation of the facilities is determined by each Board, and carried out in accordance with the terms of their respective Trust Deeds.

- 2.2** Each board represents a collection of highly skilled and committed individuals with strong roots in the local community. The CCOs engender support and commitment from volunteer organisations, friend's societies, amateur performers, academics and historians as they come together to participate and give their time and energy to engage in strengthening the heritage, cultural and arts aspects of the City.
- 2.3** CCOs consider and align themselves with the Council's strategic direction when setting their own strategies through the Statement of Intent process. The services provided by the cultural CCOs align with Council's Arts Strategy in that they enhance the look and feel of the City, increase participation and involvement with the arts, and celebrate diversity of culture and creativity. CCOs also contribute to the Heritage Strategy by valuing and raising awareness of local history, and by conserving significant cultural and natural heritage.
- 2.4** Previous Council decisions:
- April 2016: Draft Statements of Intent for 2016–2019 were received by Council.
 - September 2016: Final Statements of Intent were received by Council.
 - December 2016: Annual reports of all cultural CCOS were received by Council.

3. OVERVIEW OF PERFORMANCE FOR THE SIX MONTHS TO DECEMBER 2016 AND DRAFT STATEMENTS OF INTENT

3.1 Caccia Birch Trust Board

3.1.1 Six month report to December 2016

During the reporting period Caccia Birch hosted 12 free open afternoons, exceeding the target of 10 for the year. These were well attended, attracting 20 to 60 people per event. In November 2016 Caccia Birch House again participated in Council's Local History Week, making the archive, gardens and parts of the main house available to visitors. . General occupancy rates for the period were affected by the requirement to close from early December 2016 until mid-January 2017 for exterior painting.

The Trust Board continues to manage the maintenance of the house and grounds to ensure that this heritage property is preserved for coming generations. The KPIs around the maintenance and enhancement of the building and grounds are well on track. Generous donations of furniture to Caccia Birch House continue to grow the aesthetic value of the property.

The Board notes that it is concerned about the high proportion of its budget spent meeting the cost of financial compliance and audit costs.

3.1.2 Financial Performance to December 2016

	Actual	YTD Budget
PNCC Funding	47,377	46,769
Net surplus / (deficit)	(15,955)	(16,845)
Cash operating surplus / (deficit)	(5,329)	(6,220)
Cash funding surplus / (deficit) after capital expenditure	N/A	N/A

For the six months ended 31 December 2016, Caccia Birch reported a net deficit of \$16k, compared to a budgeted deficit of \$17k. From an operating cash perspective, Caccia Birch has an operating deficit of \$5k, which is lower than the budgeted deficit of \$6k. Both revenue and expenses have been lower than budget.

Cash reserves cover 5% of annualised operating expenditure. Receivables have increased by 169% since June 2016 and payables have increased by 117% since June 2016.

3.1.3 Draft Statement of Intent July 2017 to June 2020

The Caccia Birch Trust Board has set out its plans and projects for the coming year to achieve the Board's vision of presenting an outstanding heritage property that remains valued and enjoyed by the community. Projects highlighted include the creation of a pre-European Settlement display for the Coach House Archive. . Local historian Val Burr has been approached to assist with this project. This aligns with Council's aim of conserving heritage and bringing local history alive for current and future generations, as outlined in Council's Heritage Strategy.

The Board wants to continue work on upgrading facilities, equipment and systems dependent on financial resources. Caccia Birch will also be promoted to the community through publically accessible events and open afternoons. The Trust Board plans to implement a bequest strategy which includes gifts of appropriate furniture and artefacts.

The draft Statement of Intent (SOI) includes a KPI on the installation of heritage/tourism road signs identifying the route to Caccia Birch House. The Board would appreciate it if Council would consider facilitating the achievement of this KPI.

The Board believes that a better balance of income and expenditure is required in order to meet the high cost of financial compliance and rising staff costs. As such the Board is requesting an increase of \$5,000 per annum in its Council operating grant to allow for a break even budget.

3.1.4 Financial Analysis – Draft Statement of Intent July 2017 to June 2020

	2017/18	2018/19	2019/20
PNCC Funding	101,080	102,495	103,930
Net surplus / (deficit)	(21,322)	(21,668)	(21,778)

Cash operating surplus / (deficit)	(80)	(126)	64
Cash funding surplus / (deficit) after capital expenditure	N/A	N/A	N/A

In the draft SOI, Caccia Birch has requested an additional PNCC grant of \$5,000 per year. Including this increase in the PNCC grants, Caccia Birch's draft SOI shows a net deficit of \$21k in 2017/18, with similar deficits in 2018/19 and 2019/20. Cash position from operations is close to break even in each year.

Cash reserves cover would be 23% of annual expenditure in 2017/18.

PNCC Annual Budget 2017/18 Grant Funding

	2016/17 (current)	2017/18
PNCC operating grant - MSL	67,376	68,319
Programme 1200 proposed increased operating grant	27,378	27,761
Total PNCC operating grant funding included in the Proposed Annual Budget	94,754	96,080

The PNCC proposed annual budget for 2017/18, assuming continuation of programme 1200, currently includes grants totalling \$96,080. Caccia Birch requests an additional \$5,000 per year in order to allow a break even outcome from a cash perspective each year and prevent further deterioration of their financial position.

3.2 Globe Theatre Trust Board

3.2.1 Six month report to December 2016

This reporting period has seen the Globe Theatre support the local art sector by hosting a variety of performances and productions. Highlights included Manawatu Theatre Incorporated's critically-acclaimed productions of "The Glass Menagerie" and "Silly Cow", Kane Parsons' comedy/music show "All the Right Notes", and a performance by Rodger Fox's Funkbone Experience. The Board-supported Sunday Matinee Concerts continue to be successful and to facilitate community access to the arts.

The Trust Board is pleased to report on the completion of the kitchen. The Board has also secured funding from Central Energy Trust for major refurbishment of technical and lighting equipment of Globe 1. However due to an investigation around spending this grant, potential issues with the theatre's rigging have been noticed. This is being investigated by a structural engineer who will obtain information to assist with any further action required.

The Globe has not yet been able to secure funding for the construction of an accessible walkway and improved access to Globe 1. This project has become more difficult due to the triggering of potential building compliance issues. The walkway continues to be a priority for the Board to ensure the entire community can participate in the arts at the Globe. The Trust Board would like to engage in further discussions with Council about this project.

The Globe is tracking well against its usage KPIs, with a total of 175 hire sessions in the first six months. 76% of hires are for community use which highlights the Globe's commitment to supporting community performing arts. The website for the Globe underwent a review in this reporting period, the success of which can be seen in the immediate use of the new Hire Enquiry portal by potential new clients.

The Globe Theatre continues to be a vibrant and vital part of the performing arts scene in the City, allowing the community to take advantage of a well-equipped venue.

3.2.2 Financial Performance to December 2016

	Actual	Full Year Budget
PNCC Funding	56,310	74,117
Net surplus / (deficit)	26,003	(16,234)
Cash operating surplus / (deficit)	42,495	15,788
Cash funding surplus / (deficit) after capital expenditure	38,099	15,788

For the six months ended December 2016, Globe Theatre Trust reported a net surplus of \$26k, compared to a full year budgeted deficit of \$16k. The cash operating surplus is \$42,495 which exceeds the full year SOI amount of \$15,788. These actual results are distorted as the PNCC grant applicable to the third quarter of \$18,770 is included in the Globe's 6 month result.

Revenue from Donations, Fundraising and other similar revenue has been \$24k, compared to a full year budget of \$146k. As grants have not been obtained, related expenditure has also been lower than budget. Cash reserves cover 30% of annualised operating expenditure.

3.2.3 Draft Statement of Intent July 2017 to June 2020

With the retirement of the theatre manager, the Globe Theatre Trust Board undertook an extensive operational review ensuring needs of both hirers and audiences are met. This resulted in the implementation of a new operational plan in early 2016. To allow this structure time to bed down, the Board's draft SOI largely rolls over the previous year's objectives and KPIs. The current operational plan is now under review to ensure it continues to meet the needs of the Globe Theatre.

The Trust Board's vision is to grow Palmerston North's diverse arts culture alongside the Globe's reputation as one of the busiest community theatres in New Zealand. To achieve its vision the Trust Board is focused on completing the theatre's redevelopment to offer hirers a quality resource; nurturing relationships and promoting partnerships; and achieving growth to meet KPIs around theatre usage and income. As part of the redevelopment objective the Board highlights its desire for ongoing discussions with Council around improved access to Globe 1. The technical refurbishment of Globe 1 is also a priority for the Board.

The Trust Board has identified three key issues for the 2017–2020 period: Developing new markets for successful growth in business for its complex; ensuring that staffing levels are sufficient for the complex; fostering of more co-operations between Council organisations and fundraising for capital projects.

3.2.4 Financial Analysis – Draft Statement of Intent July 2017 to June 2020

	2017/18	2018/19	2019/20
PNCC Funding	76,131	77,197	78,278
Net surplus / (deficit)	78,638	80,300	81,984
Cash operating surplus / (deficit)	124,438	136,100	147,784
Cash funding surplus / (deficit) after capital expenditure	5,775	15,775	25,775

The Globe’s draft SOI shows a net deficit in 2017/18 of \$40k (includes capital expenditure) which increases over the three years, largely due to increased capital expenditure leading to larger depreciation. Net surplus includes capital revenues, which are to be used for capital expenditure, so the cash funding surplus/(deficit) after capital expenditure reflects the expected available cash position.

There are cash operating surpluses in each of the 3 years, as all the capital expenditure is planned to be funded by capital grants spent within the same year. With this cash reserves will increase.

PNCC Proposed Annual Budget Grant Funding

	2016/17 (current)	2017/18
PNCC operating grant - MSL	54,800	55,567
Programme 1201 proposed increased operating grant	20,280	20,564
Total PNCC operating grant funding included in the Proposed Annual Budget	75,080	76,131

In the draft SOI, Globe Theatre Trust has included the same amount as in the PNCC Proposed Annual Budget for 2017/18, assuming continuation of programme 1201. With the level of free cash reserves, continuation of this level of grant appears reasonable.

3.3 The Regent Theatre Trust

3.3.1 Six month report to December 2016

The Regent Theatre has hosted a substantial and diverse range of events in this reporting period. The auditorium has been well utilised, with a 120 live nights recorded for the six months to December 2016. This is an increase of 15% on last year and an increase of 6% on

the previous year. Events hosted include the Imperial Russian Ballet with a production of “The Nutcracker” and the popular 7 Days Live Team.

The Trust Board aims to encourage the staging of a major musical production in April each year and in 2017 this has been made possible by the support of the Trust’s entrepreneurial account, Regent on Broadway Promotions. The Trust is looking forward to producing seven performances of the Broadway hit musical “A Chorus Line” as a fundraiser for Arohanui Hospice.

The Trust remains committed to ensuring the Regent is accessible to community groups, and sees its contribution to community productions as a vital investment in the development of the performing arts in the City. This is achieved through community pricing rates and by maintaining excellent relationships with local hirers and promoters. In this reporting period there has been considerable use from local hirers (88%).

The Friends of the Regent continue to be integral part of theatre operations. The Friends are currently holding funds in reserve to finance the foyer expansion project. This project to upgrade the theatre’s bar and hospitality facility is well underway, with construction work expected to be completed by April 2017.

3.3.2 Financial Performance to December 2016

	Actual	YTD Budget
PNCC Funding	107,881	107,881
Net surplus / (deficit) (excludes Regent on Broadway Promotions)	43,901	(49,874)
Cash operating surplus / (deficit)	83,901	(9,874)
Cash funding surplus / (deficit) after capital expenditure	50,340	N/A

For the six months ended 31 December 2016, The Regent reported a net surplus of \$44k (excluding Regent on Broadway Promotions), compared to a budgeted net deficit of \$50k. From a cash perspective, the Regent has a cash operating surplus of \$84k (excluding Regent on Broadway Promotions), compared to a budgeted deficit of \$10k. This is due to higher revenue combined with lower costs. The Regent forecasts this position to worsen in the last six months of the financial year, due to January and February being periods of low income.

Cash reserves cover 42% of operating expenditure. Between June and December 2016, receivables have decreased by 54% while payables have increased by 15%.

3.3.3 Draft Statement of Intent July 2017 to June 2020

The Regent Theatre Trust’s draft SOI is largely a continuation of the previous year’s formula. The Trust Board is committed to enhancing and maintaining the Regent on Broadway as a world-class heritage venue for a wide range of community and professional events, in order to achieve its vision of being New Zealand’s leading and most vibrant provincial theatre. This vision aligns with the City’s new Heritage Strategy and the current Arts Strategy.

To achieve this vision the Board is focused on nurturing relationships, providing a well-resourced amenity, and supporting productions through Regent on Broadway Promotions. Other areas of focus are encouraging non-arts events that are not catered for by the City's other facilities, and preserving the physical infrastructure of the building in respect to its heritage status.

The Trust Board has identified three key issues for the 2019–2020 period: Continue to maintain and grow the subscriber data base to an internally set target objective of 5% per year; improving the theatre patron visitation experience by increasing and improving the theatre's hospitality spaces; and improving the auditorium's technical capabilities by upgrading the auditorium sound system to a standard that would support 100% of all local theatre productions. This sound system upgrade is expected to be funded from sources outside Council.

3.3.4 Financial Analysis – Draft Statement of Intent July 2017 to June 2020

	2017/18	2018/19	2019/20
PNCC Funding	218,781	221,844	224,949
Net surplus / (deficit)	(80,756)	(82,417)	(90,583)
Cash operating surplus / (deficit)	(756)	(2,417)	(10,583)
Cash funding surplus / (deficit) after capital expenditure	N/A	N/A	N/A

The Regent's draft SOI (average estimate) shows a consistent net deficit over the next three years of between \$81k and \$93k, excluding Regent on Broadway Promotions.

From a cash perspective, there is an increasing deficit, moving from \$1k in 2017/18 to \$11k in 2019/20. This will require The Regent to use their existing cash reserves which were \$388k as at 31 December 2016.

PNCC Proposed Annual Budget Grant Funding

	2016/17 (current)	2017/18
PNCC operating grant – MSL	215,761	218,782
Total PNCC operating grant funding included in the Proposed Annual Budget	215,761	218,782

In the draft SOI, The Regent has assumed continuation of the 2016/17 grant plus interim inflation, which matches the amount included in the Proposed Annual Budget 2017/18. Given the December 2016 of free cash reserves, continuation of this level of grant appears reasonable.

3.4 Te Manawa Museums Trust

3.4.1 Six month report to December 2016

This was a busy reporting period for Te Manawa, with a mix of successful local and international exhibitions and events. Te Manawa is making good progress towards its goal of attracting a range of visitors from all over New Zealand to the region. General visitor numbers are strong, with 150% of the six-month target for online and in person visits achieved. This equates to almost 700 visits per day. Visitor satisfaction sits on target at 96%.

The high number of visits can be in part attributed to the *Dinosaur Encounter* exhibit from the Natural History Museum in London, which eclipsed the visitor numbers for any previous exhibit at Te Manawa. This also helped Te Manawa to perform strongly against its third-party revenue KPIs; revenue is currently sitting at 198% of target for the first six months, with a year-end forecast of 175% of target. However the KPIs for two Te Manawa-generated revenue streams, “front of house” revenue and touring exhibitions, have been identified as at risk.

Te Manawa continues to engage with the local community through a number of channels including partnerships with IHC, S+ART NZ Trust and the Massey University Bachelor of Māori Visual Arts programme. The Museums Aotearoa Conference in May 2017 will be a highlight for the year, bringing delegates to the City from all over New Zealand.

3.4.2 Financial Performance to December 2016

	Actual	YTD Budget
PNCC Funding	1,501,778	1,482,525
Net surplus / (deficit) (before collections movements)	(31,027)	(29,367)
Cash operating surplus / (deficit)	139,712	134,193
Cash funding surplus / (deficit) after capital expenditure	(88,164)	42,193

For the six months ended 31 December 2016, Te Manawa reported a net operating deficit before collections movements of \$31k, compared to a budgeted deficit of \$29k. From a cash perspective, Te Manawa has a deficit after capital expenditure of \$88k, compared to a budgeted surplus of \$42k. Both operating income and expenditure were well above budget, as was capital expenditure. This is forecast to continue for the second half of the year, and includes building of its signature touring show “Topp Twins”.

Cash reserves (prior to tagged funds) cover 17% of annualised operating expenditure. Since June 2016, receivables have decreased by 80% and payables have decreased by 6%.

3.4.3 Draft Statement of Intent July 2017 to June 2020

Te Manawa Museums Trust’s draft SOI sets out the Trust’s mission to partner with local communities to deliver engaging programmes and experiences. This mission supports Council’s Arts Strategy, especially the drivers of strengthening leadership and cooperation in the arts sector and celebrating the diversity of culture and creativity in the City.

The Trust's KPIs for 2017–2020 include an increase in physical and e-visits visits to Te Manawa, along with an increase in online reach. The Trust has identified three key priorities for the period: Strong Treaty partnerships; external revenue streams; new, safe and sustainable spaces; and world-leading exhibitions.

The museum's education programme has undergone a thorough review and Te Manawa will soon be able to offer a refreshed education experience to the community. The Trust also intends to create unique and experimental collections storage concepts, to maximise the opportunities available as a result of required seismic strengthening.

The Trust Board is looking forward to hosting locally developed and international exhibitions, and discussions will continue on a Cultural Centre concept in association with Rangitāne.

3.4.4 Financial Analysis – Draft Statement of Intent July 2017 to June 2020

	2017/18	2018/19	2019/20
PNCC Funding	3,045,605	3,088,243	3,131,479
Net surplus / (deficit) (before collections movements)	(28,258)	(14,363)	(3,747)
Cash operating surplus / (deficit)	354,809	231,866	263,359
Cash funding surplus / (deficit) after capital expenditure	67,509	(40,134)	(58,641)

Te Manawa's draft SOI shows a net operating deficit before collections movements in 2017/18 of \$28k, with the 2 subsequent years also having deficits of \$14k and \$4k respectively. Cash funding after capital expenditure is expected to be a surplus in 2017/18, moving to deficits in 2018/19 and 2019/20. This is due to increases in 2018/19 and 2019/20 in operational expenses and planned capital expenditure.

In 2017/18, cash reserves will cover 21% of operating expenditure, dropping to 18.5% in 2018/19 and 16% in 2019/20.

PNCC Proposed Annual Budget Grant Funding

	2016/17 (current)	2017/18
PNCC operating grant – MSL	3,003,555	3,045,605
Total PNCC operating grant funding included in the Proposed Annual Budget 2017/18	3,003,555	3,045,605

In the draft SOI Te Manawa has assumed continuation of the 2016/17 grant plus interim inflation, which matches the amount included in the Proposed Annual Budget 2017/18. With the level of free cash reserves, continuation of this level of grant appears reasonable.

4. CONCLUSION

- 4.1** The cultural CCOs provide the community with affordable access to high quality facilities for participating in a wide range of activities pivotal to the social, cultural, economic and educational life of the City. The CCOs contribute to Palmerston North being recognised as a vibrant and sustainable City.
- 4.2** By receiving the six month reports and draft Statements of Intent the Council will be meeting the requirement to regularly undertake performance monitoring of its four cultural CCOs.

5. NEXT ACTIONS

- 5.1** The Council will provide any comments to the CCOs Trust Boards by 1 May 2017 and receive the final Statements of Intent before 30 June 2017.
- 5.2** The CCOs will provide their annual reports to Council by 30 September 2017 and these will be brought to the Committee in due course.

COMPLIANCE AND ADMINISTRATION

<Enter text>

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

ATTACHMENTS

1. Caccia Birch - 6 month report to Dec 2016 [↓](#) 
2. Caccia Birch - Draft SOI 2017-2020 [↓](#) 
3. The Globe - 6 month report to Dec 2016 [↓](#) 
4. The Globe - Draft SOI 2017-2020 [↓](#) 
5. The Regent - 6 month report to Dec 2016 [↓](#) 
6. The Regent - Draft SOI 2017-2020 [↓](#) 
7. Te Manawa - 6 month report to Dec 2016 [↓](#) 
8. Te Manawa - Draft SOI 2017-2020 [↓](#) 

ITEM 7

Rebecca Hofmann
**Community Funding
Coordinator**

Matt Duxfield
Management Accountant

CACCIA BIRCH TRUST BOARD

July 2016 to December 2016.

Six Month Report To the Statement of Intent

PART I: PLANNED ACTIVITY



Key Strategic Goals	Annual Targets in current SOL	Specific Objectives in current SOL	Progress towards Objectives	KPI Achieved or On Target
<p>1.</p> <p>DEVELOPMENT</p> <p>To develop Caccia Birch House as a pre-eminent facility for Palmerston North.</p>	<p>i. The Board will focus on the development of the property.</p> <p>ii. The Board will work with other stakeholders and interested community groups to achieve this objective.</p>	<p>i. The strategic plan will be revised and updated.</p>	<p>i. The Trustees' annual review of their strategic plan took place in November. Planned developments for the house and grounds were assessed and prioritised. Two key projects are currently underway and subject to funding.</p> <p>A couple of proposals were relegated further down the list in favour of others. This will carry through to the next SOL.</p> <p>Discussion held with council officers regarding community events has taken place at CBH and we anticipate joint hosting a free community event in conjunction with Local History week November 2017. The current PNCC events schedule is full; however, the Trust endeavours to host more events. (As reported below)</p>	<p>i. Achieved</p>

Key Strategic Goals	Annual Targets in current SOL	Specific Objectives in current SOL	Progress towards Objectives	KPI Achieved or On Target
<p>2.</p> <p>PROMOTION</p> <p>Promote awareness of Caccia Birch House in the community.</p>	<p>i. Reviewing and updating the Marketing & Promotion Strategy.</p> <p>ii. Facilitating at least one promotional event to make the community more aware of the heritage value of CBH & Coachhouse as well as its value as a venue.</p> <p>iii. Encouraging PNCC to maximise the use of House and Grounds for all possible civic functions or events.</p> <p>iv. Promoting the Coach House Archive to the education sector and tourism groups..</p>	<p>a) Implement items from the annual Caccia Birch House Marketing & Promotion Strategy.</p> <p>b) Campaign for tourism road signs enroute to CBH.</p> <p>c) Facilitate 2 publically accessible events.</p>	<p>i. a) The marketing work plan is updated each year and consists of several repetitive items such as:</p> <ul style="list-style-type: none"> • Direct mail-out's to potential business clients. • Better promotion to casual visitors to visit the gardens and archive. • The website is the main source of function enquiries and new packages will be offered to hirers. • Our 'Survey Monkey' feedback questionnaire has not worked for us so we have returned to using a response form, placed on the conference tables of each meeting. A file of feedback emails is kept also. <p>b) Street signage – this is an ongoing discussion and not successful to date.</p> <p>c) CBH participated in the PNCC Local History week in early November, making the archive, gardens and parts of the main house (not in use) available to visitors. Approximately 20 people came though during the week. The Sunday open afternoon hosted around 60 people who took the opportunity to see the property and an art / sculpture and photography display by 4 local artists. Several people were from Horowhenua and Wairarapa. <ul style="list-style-type: none"> • Hammers and Horsehair (July 2016) Recital • NZ String Quartet (August 2016) Recital • Marion Arts (August 2016) Recital • A jazz event is planned for Sunday 19th March 2017. • Caccia Birch Bridal Fair is on Sunday 9th April 2017. </p>	<p>a) Partially Achieved & In Progress</p> <p>b) Not achieved</p> <p>c) Achieved & In Progress</p>



d) Implement a new display in the CoachHouse Archive for Local History Week

e) Report on number of weddings and conferences.

f) Report on building occupancy as a percentage of use.

d)

- Budgets and the plans to undertake the Pre-European Settlement display are complete. The very knowledgeable Val Burr will also provide the literary content after liaising with local iwi. The cost of approximately \$18,000.00 is higher than anticipated and the Trust is in the process of making applications for grants. We would like to have the initial stage completed by the end of June.

e) & f)

- Occupancy statistics are reported below, along with Wedding & Function / conference use figures. The average is lower than expected, in part due to an early December closure to allow painting contractors (with scaffold) to operate until mid to late January.

d)

Not Achieved

e) & f)

Achieved



v. Hold at least 10 free open afternoons per year making the entire property accessible.

Monthly Occupancy Rates & Use of Caccia Birch House 2016-2017										
	% Use	Total Days	Training	Community		Private	Events			
Month	Per month	Hired	Seminars	Meetings	Discounted	Weddings	Functions	Open Days		
July	61.3	19	8	9	4	0	3	5		
August	77.4	24	16	13	2	0	0	4		
September	56.7	17	11	14	2	0	1	0		
October	67.7	21	7	21	6	4	2	0		
November	77.4	24	16	12	5	2	4	3		
December	41.9	13	9	2	1	1	6	0		
Total	382.4	118	67	71	20	7	16	12		
Average	63.75%									

g) Hold 10 free public open afternoons.

g)

- To date 12 free publically accessible Open Afternoon were held during July, August and November. Attendance varied from 20 to 60 people per day. We use these afternoons as a vehicle to promote not only local history, but as a venue to be utilised.

g)

Achieved

<p>3. BUSINESS</p> <p>In order to provide continued community use and access, the Board needs to operate & maintain a successful business.</p>	<p>i. Providing an excellent quality venue and facilities at a rate affordable to the community.</p> <p>ii. Providing high quality service through well trained and knowledgeable staff.</p> <p>iii. Maintaining and developing sound business practices.</p> <p>iv. Ensuring the business operation serves the historic and heritage aspects of the property.</p> <p>v. Continue the policy of providing non-profit community groups with a discount on venue hire.</p> <p>vi. Replacing and upgrading the furniture and equipment to meet the community requirements and expectations.</p> <p>vii. Exploring options for new services and activities.</p>	<p>a) Purchase 10 conference tables as replacements.</p> <p>b) Purchase new Reservations Software.</p> <p>c) Replace at least one item of conference / event equipment.</p> <p>d) Furnish Nannestad Conservatory.</p>	<p>a) Funds are not currently available for the replacement of tables – this item is deferred to next year.</p> <p>b) Finding an affordable option that will integrate with Xero & existing systems appears impossible at this stage. However we are hopeful of finding an "add on" available in Xero.</p> <p>c) Current equipment remains serviceable , if revenue allows a large white board will be replaced</p> <p>d) One vintage dining table was donated for the Foyer conservatory and another vintage card table on loan. The hunt is on for appropriate vintage dining / kitchen style timber chairs.</p> <p>The Chairman, Grant O'Donnell donated 2 antique rimu hall tables to CBH and they furnish the foyer. Trish Keiller has donated a set of antique plates and various adornments for the Lord Plunket mantel, along with another 3 piece series of water colour paintings by Lydia Larden (Ethel Birch). We are very grateful for these items that make the house more homely.</p>	<p>a) Not Achieved</p> <p>b) Partially Achieved & In Progress</p> <p>c) Not Achieved</p> <p>d) Achieved</p>
---	---	---	--	---



<p>4. GOVERNANCE</p> <p>To provide effective Governance and maintain positive working relationships.</p>	<p>i. Ensuring and maintaining a heritage preservation focus in the Board's activities.</p> <p>ii. Continuing to maintain good governance practices through the annual review of the Governance manual.</p> <p>iii. Seeking and developing other funding sources to assist with preservation and development activities.</p> <p>iv. Maintaining a constructive and proactive relationship- with PNCC through regular meetings.</p>	<p>a) Implement a Bequest Strategy for gifts including appropriate furniture, paintings and photographs.</p> 	<p>a) Whilst this has been discussed a formal policy needs to be created for the Governance Manual. Donated items (as mentioned above) are listed on an inventory.</p> <p>ii) <i>The Governance policies are reviewed annually and revised accordingly. New policies will be added if they are a legislative requirement.</i></p> <p>iii) <i>Applications have been made to raise funds for the CoachHouse Archive project.</i></p> <p>iv.) <i>Regular meetings and correspondence take place between the relevant council officers and management regarding the operation of Caccia Birch House. Plans are made for Councillors Rachel Bowen and Jim Jefferies to meet with the Trust Board in January to discuss the vision and direction the Trust have for developing the Caccia Birch property for the community.</i></p>	<p>a) Not Achieved & In Progress</p> <p>ii) In Progress</p> <p>iii) In Progress</p> <p>iv) Partially Achieved & In Progress</p> 
---	--	---	--	---

<p>5. BUILDINGS & FACILITIES</p> <p>To preserve and enhance the historic nature of the House and CoachHouse.</p>	<p>i. Managing the Exterior Maintenance Program keeping both buildings in excellent condition.</p> <p>ii. Managing the Interior Maintenance Program cycle of regular refurbishment and maintenance to keep the building in excellent condition.</p> <p>iii. Ensuring that the venue continues to be well utilised by all sectors of the community for a wide variety of functions.</p> <p>iv. Ensuring earthquake strengthening work is undertaken as required.</p>	<p>a) Undertake (manage) any earthquake strengthening work as required</p> <p>b) Build a waste disposal & recycling facility with storage space.</p> <p>c) Investigate kitchen improvements, (replacements)</p> <p>d) Install a suitable honours board to recognise the financial contributors and past / present Trustees.</p>	<p>i. Exterior maintenance is up to date with 2 sides of the house repainted in December – January. The remainder of building washed. Some repairs to rotten timber were made during this time.</p> <p>ii. The interior work is ongoing and the house is kept in good order.</p> <p>iii. The occupancy table above shows the use.</p> <p>a) Caccia Birch House is low on the priority list for any earthquake strengthening at this stage.</p> <p>b) Suitable plans have been drawn up and permission is being sought from Historic Places NZ to rebuild the 'carport' overhang to accommodate this facility. This work will not be funded during the current financial year and has been deferred to 2017 to 2018 year.</p> <p>c) The 23 year old commercial dishwasher needs replacing as it keeps breaking down and we hope to procure a replacement soon.</p> <p>d) We aim to use recycled rimu timber from the house will be made into a suitable board later in the year.</p>	<p>i. Achieved</p> <p>ii. Achieved</p> <p>iii. Achieved</p> <p>a) In Progress</p> <p>b) In Progress</p> <p>c) In Progress</p> <p>d) In Progress</p>
---	---	---	--	--

<p>6. GROUNDS To preserve and enhance the historic nature of the grounds and garden.</p>	<p>i. Maintenance and replanting to a high standard. ii. Continued clean-up and further development of the Reserve Lagoon frontage in conjunction with PNCC. iii. Investigate the development of a stairway access to front lawn iv. Investigate the creation of a permanent outdoor wedding area. v. Improve facilities such as seating, drainage, signs and fencing. vi. Investigate the installation of feature focal points in the grounds.</p>	<p>a) Stage 2 replanting of Embankment. b) Commence planned rose garden rejuvenation and fencing. c) Commence outdoor ceremony feature planting and seek assistance, financial or in kind. d) Add new seating to the grounds. e) Investigate the creation of focal points in the garden for e.g. Covered pergola, seating, statues, dove cote.</p>	<p>a) This stage was completed in the winter / spring by Council as this is reserve land. The Trust Board's gardeners maintain the area at the Trusts expense in order to keep it tidy. b) This work was undertaken in July / August and completed. Very positive comments have been received by everyone using the space. c) This ambitious and exciting project has not been started yet as we expected summer planting would be detrimental. Funding is also being sought to assist in purchasing the plants. d) Benches will be added when we can afford to purchase. e) A simple footpath circumnavigating the grounds is being considered and features like seating added over time.</p>	<p>a) Achieved b) Achieved c) In Progress d) Not Achieved e) In progress</p>
--	---	--	--	---

PART 3: ANNUAL FINANCIAL STATEMENTS COMMENTARY.

The Financial Statements for the six months July 2016 to December 2016.

- Whilst the statements are showing a deficit, the figure is much less than originally forecast.
- Unfortunately the revenue is less than budgeted and the reduced deficit is only as a result of not spending on budgeted items unless necessary.
- It is a matter of concern that having regard to the relatively simple nature of the Board's operations that the cost of meeting financial compliance and audit requirements absorbs what appears to be an excessive proportion of the Board's income.
- Conference bookings for the next six months are good and as always, we would like to fill the gaps with more bookings.
- Weddings and function bookings are very low and this area continues to struggle with the zoning constraints.

GOVERNANCE STATEMENT

- > The Board has a Governance Manual and a committee that reviews it throughout the year.
- > The Trust Board's Governance committee undertake reviews regularly or as required by legislative changes.

PART 3: SIGNATURES

This Annual Report approved by Trustees

Mr. Grant O'Donnell :

Chairperson of Board



Profit & Loss
Caccia Birch Trust Board
For the month ended 31 December 2016

	YTD Actual <i>As at 31/12/16</i>	YTD Budget	Total Annual Budget
Income			
Catering Revenue	\$37,886.45	\$44,294.00	\$88,589.00
Event Revenue	\$0.00	\$0.00	\$4,004.00
Donation Received	\$5.00	\$0.00	\$0.00
Facilities Hireage	\$39,764.59	\$40,789.00	\$81,582.00
Function Servicing	\$404.35	\$0.00	\$0.00
Interest Received	-\$4.85	\$249.00	\$501.00
PNCC Operations Grant	\$47,377.02	\$46,769.00	\$93,538.00
Recoveries from Hireage	\$2,973.79	\$4,204.00	\$8,408.00
Visa Surcharge Fee	\$1.28	\$0.00	\$0.00
Total Income	\$128,407.63	\$136,305.00	\$276,622.00
Less Cost of Sales			
Catering Expense	\$35,992.05	\$42,081.00	\$84,159.00
Conference Expenses	\$353.00	\$0.00	\$0.00
Function Services	\$141.30	\$0.00	\$0.00
Wages - Catering	\$0.00	\$4,326.00	\$8,650.00
Total Cost of Sales	\$36,486.35	\$46,407.00	\$92,809.00
Gross Profit	\$91,921.28	\$89,898.00	\$183,813.00
Less Operating Expenses			
Accountancy Fees	\$1,999.98	\$2,003.00	\$4,004.00
Acct - Bookkeeping	\$2,304.00	\$1,922.00	\$3,844.00
Audit Fees	\$4,698.00	\$4,194.00	\$8,388.00
Freight & Courier	\$17.00	\$0.00	\$0.00
Payroll Administration Fees	\$234.06	\$210.00	\$420.00
Visa Service Charge	\$86.71	\$0.00	\$0.00
Xero Fees	\$231.00	\$240.00	\$480.00
Cleaning			
Cleaning - Consumables	\$1,168.16	\$990.00	\$1,980.00
Cleaning - Waste Disposal	\$622.74	\$812.00	\$1,624.00
Total Cleaning	\$1,790.90	\$1,802.00	\$3,604.00
Employee Costs			
Accident Compensation Levy	\$372.40	\$321.00	\$645.00
Employer Kiwisaver Contributio	\$356.45	\$510.00	\$1,021.00
Salary - Manager	\$31,774.98	\$31,774.00	\$63,550.00
Staff Hire	\$148.80	\$0.00	\$0.00
Staff Expense	\$0.00	\$88.00	\$178.00
Staff Training	\$406.48	\$229.00	\$459.00
Wages - Admin	\$2,865.29	\$1,534.00	\$3,069.00
Wages - Cleaner	\$7,881.88	\$6,150.00	\$12,301.00
Wages - Supervisor	\$10,144.97	\$8,973.00	\$17,947.00
Total Employee Costs	\$53,951.25	\$49,579.00	\$99,170.00
Financing Costs			
Bank Charges	\$65.00	\$60.00	\$120.00
Directlink Fees	\$245.25	\$240.00	\$480.00
Total Financing Costs	\$310.25	\$300.00	\$600.00

Office, Administration & Governance Expenses			
Advertising / Marketing	\$1,702.94	\$3,003.00	\$6,006.00
Computer Expenses	\$152.28	\$0.00	\$0.00
Equipment under \$500	\$148.13	\$1,500.00	\$3,000.00
Governance Expense	\$419.57	\$1,000.00	\$2,002.00
Office Expenses	\$1,043.45	\$0.00	\$0.00
Printing, Stamps & Stationery	\$372.65	\$2,503.00	\$5,005.00
Secretarial Costs	\$190.00	\$450.00	\$901.00
Subscriptions	\$60.00	\$0.00	\$0.00
Telephone, Tolls & Internet	\$1,023.59	\$1,050.00	\$2,102.00
Total Office, Administration &	\$5,112.61	\$9,506.00	\$19,016.00
Property Expenses			
Building - Anderson Electrical	\$273.41	\$0.00	\$0.00
Building - Other R & M	\$819.49	\$2,279.00	\$4,557.00
Grounds - Lawn Mowing	\$3,717.00	\$3,909.00	\$7,820.00
Insurance	\$1,422.60	\$3,564.00	\$7,132.00
Kitchen Expenses	\$964.23	\$977.00	\$1,950.00
Light Power & Heating	\$8,067.39	\$4,879.00	\$9,760.00
Rent - Plant & Equipment	\$529.48	\$519.00	\$1,041.00
Repairs & Maintenance - Furnitu	\$0.00	\$983.00	\$1,963.00
Security	\$2,755.25	\$2,753.00	\$5,506.00
Total Property Expenses	\$18,548.85	\$19,863.00	\$39,729.00
Repairs & Maintenance			
Repairs & Maintenance - Equip	\$80.00	\$0.00	\$0.00
Repairs & Maintenance - Groun	\$500.32	\$1,347.00	\$2,691.00
Wages - Grounds	\$7,385.81	\$5,152.00	\$10,300.00
Total Repairs & Maintenance	\$7,966.13	\$6,499.00	\$12,991.00
Total Operating Expenses	\$97,250.74	\$96,118.00	\$192,246.00
Net Profit	-\$5,329.46	-\$6,220.00	-\$8,433.00
Depreciation			
	\$10,626.00	\$10,625.00	\$21,250.00
NOTES:			
- The depreciation amount has been shown separately as this is not part of the normal operating budget			

Balance Sheet

Caccia Birch Trust Board As at 31 December 2016

31 Dec 2016

Assets

Bank	
Cash & Cash Equivalents	
Bank - Cheque Account	15,223
Bank - Credit Card	(88)
Cash Equivalent (750/01)	330
Cash Equivalent (753/01) (754/01)	12,639
Total Cash & Cash Equivalents	28,105
Total Bank	28,105
Current Assets	
Accounts Receivable	75,674
Prepayments	2,651
Total Current Assets	78,325
Fixed Assets	
Fixed Assets	136,828
Total Fixed Assets	136,828
Total Assets	243,258

Liabilities

Current Liabilities	
Accounts Payable (800)	(1)
Accounts Payable (800A)	10,732
Accrued Expenses	5,485
GST	9,214
Income in Advance - PNCC	47,377
Rounding	-
Secure Event Fee	1,500
Secure Wedding Balance	3,996
Secure Wedding Deposit	4,471
Employee Benefits	
Accrued Wages & Salary	2,707
Annual Leave	11,536
Total Employee Benefits	14,244
Total Current Liabilities	97,017
Total Liabilities	97,017
Net Assets	146,241

Equity

Current Year Earnings	(15,955)
-----------------------	----------



Balance Sheet

	31 Dec 2016
Retained Earnings	61,610
Retained Earnings9	100,586
Total Equity	146,241





CACCIA BIRCH TRUST BOARD

STATEMENT OF INTENT

2017 – 2018

2018 – 2019

2019 - 2020



28th February 2017

(Final)

CACCIA BIRCH HOUSE

130 Te Awe Awe Street

Palmerston North 4410

Tel: 06-3575363

fax 06-3548265

manager@caccia-birch.co.nz

www.caccia-birch.co.nz

<u>CONTENTS</u>	<u>PAGE</u>
➤ <i>Contact Details</i>	<i>2</i>
➤ <i>Chairperson's Introduction</i>	<i>3</i>
➤ <i>Background History</i>	<i>4</i>
➤ <i>Vision and Mission</i>	<i>5</i>
➤ <i>Caccia Birch Trust Deed Objectives</i>	<i>6</i>
➤ <i>Key Strategic Objectives</i>	<i>7</i>
➤ <i>Key Issues</i>	<i>8</i>
➤ <i>Key Performance indicators</i>	<i>9</i>
➤ <i>Planned Activities</i>	<i>11-15</i>
➤ <i>Governance Statements</i>	<i>15</i>
➤ <i>Signatures</i>	<i>15</i>
➤ <i>Budget Forecast For the Years Ended 30 June 2017, 2018 & 2019</i>	<i>16</i>
➤ <i>Notes to Budget.</i>	<i>17</i>

CONTACT DETAILS

Registered Office:	<i>Caccia Birch House</i>	Legal Status:	<i>Caccia Birch Trust Board is a Council-Controlled Organisation (CCO) for the purposes of the Local Government Act 2002 and operates as a charitable trust under the Charitable Trust Act 1957 and Charities Act 2005.</i>
	<i>130 Te Awe Awe St,</i>		
	<i>Palmerston North</i>		
Website:	<i>www.caccia-birch.co.nz</i>		
Phone:	<i>06 3575363</i>		
Email:	<i>manager@caccia-birch.co.nz</i>		
Main Contact:	<i>Nicky Birch</i>	Second Contact:	<i>Grant O'Donnell</i>
Role in CCO:	<i>Manager</i>	Role in CCO:	<i>Chairperson</i>
Address:	<i>As Above</i>	Address:	<i>As Above</i>
Phone:	<i>0274 389 366</i>	Phone:	<i>06 3567754 / 0274 424395</i>
Email:	<i>manager@caccia-birch.co.nz</i>	Email:	<i>home@odonnell-law.co.nz</i>
Fax:	<i>06 3548265</i>	Fax:	



CACCIA BIRCH HOUSE

130 Te Awe Awe Street
Palmerston North 4410
ph 06-3575363 fax 06-3548265
e-mail : manager@caccia-birch.co.nz
www.caccia-birch.co.nz

Chairperson's Introduction

Caccia Birch House is one of the City's assets which has a greater value than simply the price of its land and buildings or its income earning potential.

It has heritage value - cultural, environmental and historical significance.

The Board's role is to maximise the expression of that heritage value by promoting to the community the utility, both civic and commercial, and the accessibility, of Caccia Birch House.

This Statement of Intent sets out the Board's plans and projects which are intended to achieve that goal, and the progress that has been made is identified in the six monthly and annual reports to Council.

The financial information annexed records the difficulties, in the face of rising costs and wages and competition that the Board faces as a commercial (non-profit) entity in overcoming a perennial deficit.

Accordingly the Board, in its budget, is seeking a better balance of income and expenditure. This cannot be achieved solely through its business activities or charitable grants.

The Board believes that with the cooperation and enthusiasm of Councillors and Council Staff it can continue to make real progress in achieving the goals set out in this Statement.

Grant O'Donnell
Chairperson

Caccia Birch House

Caccia Birch Trust Board's Statement of Intent will provide Palmerston North City Council with the strategic direction that the Trust Board wants to adopt for the next 3 years and beyond.

The PNCC annual grant allows the Trust Board to manage the property, its preservation, protection and community access to the city's Category 1 listed Heritage NZ property.

The history of Caccia Birch House is well documented and attached on a separate page of this document.

The Trust Board's vision is to enhance the facilities and the amenity value of the property for the whole community to be proud of, use and promote within their communities.

The Board's future projects involving the CoachHouse Archive along with garden developments including the lagoon embankment (Council Reserve) are part of the long term vision for the property.

Our aim is to link the Caccia Birch property to the PNCC's vision of enhancing the river recreational area and a 'river-facing' focus. This can be achieved by providing additional visitor attractions to the area and reinstating the original outlook of this property for better promotion.

To support the Trust's aforementioned vision it is important to remember that the Hokowhitu Lagoon area was initially part of the Caccia Birch House property title until it was sold to PNCC around 1940.

Caccia Birch House (then called "Hokowhitu") was designed and built to overlook the lagoon and towards the river and ranges beyond.

By that time all of the large trees had been felled for milling and only low-lying native bush remained.

A boatshed and jetty once stood at the base of the embankment in front of the house and prior to the lagoon excavation several years ago, jetty posts remained. Rowboats and punts were commonly used on the waterway.

By 1993 all of the immediate work on the house restoration was completed and the Trust Board of the day had a massive task in finishing the landscaping and saving the dilapidated CoachHouse.

This work, coupled with establishing a revenue stream by renting the spaces out has truly saved the property from becoming an expensive white elephant!

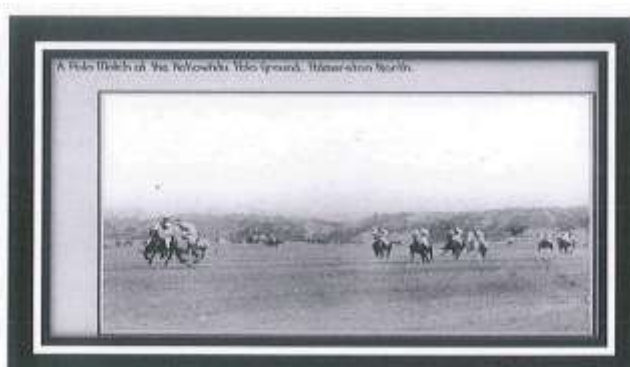
Twenty Four years later we have a valuable community asset that has the hard work completed.

There is a good level of community use, whether that be community meetings and social events or local and national corporate business and training seminars; the building is in use most days.

The property is ready for the next stage of enhancements and development.

The Caccia Birch Trust Board is a group of volunteers who have a passion to ensure this jewel remains one of the city's most significant assets.

The Trust Board in partnership with the Council has an on-going responsibility to ensure Caccia Birch House is not only preserved for the citizens of Palmerston North and District but also actively participates in the daily life of the community.



The first objective in the Trust Deed is:

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

The Trust Board's primary focus and the purpose of Council funding is to continue to protect, maintain and promote Caccia Birch House in keeping with its status as a category 1, under section 35 (1) (b) of the Historic Places Act 1980 and Category 1 listed property under Cultural Heritage in the Palmerston North City Council District Plan.

VISION

To be an outstanding historic property valued and enjoyed by the community.

MISSION

Ensuring the House and gardens are maintained, promoted and developed in recognition of the heritage value for the use and enjoyment of the community.

THE TRUST BOARD VALUES

The heritage aspect of the property.
The provision of a safe and welcoming environment.
High ethical standards.
An excellent relationship with key stakeholders.
The provision of high quality services.
Our staff.

The Board's strategic direction also contributes to the PNCC Community Outcomes - either directly or indirectly:

Palmerston North is recognised as a vibrant, caring, innovative, and sustainable city."

City Goals:

Palmerston North is a socially sustainable city where people want to live because of its safe and easy lifestyle and its many social, cultural, and recreational opportunities.

Palmerston North is a leading city in the quest to become environmentally sustainable.

Palmerston North is an economically sustainable city which attracts, fosters and retains businesses and jobs to create a prosperous community.

Organisational Goals:

Palmerston North City Council is financially responsible and residents are satisfied that they get value for money from their rates.

Palmerston North City Council understands the diverse views of the City's people, makes prudent decisions, and ensures that people know what it is doing and why

KEY STRATEGIC OBJECTIVES FOR: 2017-18, 2018- 2019 & 2019 - 2020

Caccia Birch Trust's six strategic priorities for the planning period are:

1. DEVELOPMENT

Develop the Caccia Birch property as a pre-eminent facility for Palmerston North & Districts.

This will be achieved annually by the following actions:

i.	The Board will focus on the development of the property through the planned projects and its business within the scope of the operational budget attached.
ii.	The Board will work with other stakeholders and with interested community groups to achieve this objective.

2. PROMOTION

Promote awareness of Caccia Birch House in the community.

This will be achieved annually by the following actions:

i.	Reviewing and up-dating the Marketing & Promotion Plan.
ii.	Facilitating at least one promotional event to make the community more aware of the heritage value of Caccia Birch House and CoachHouse as well as its value as a venue.
iii.	Encouraging PNCC to maximise the use of the House and Grounds for all possible staff, civic functions or community events.
iv.	Promoting the CoachHouse Archive and Gardens to the education sector and tourism groups.
v.	Hold at least 10 free public open afternoons per year making the entire property accessible.

3. BUSINESS

In order to provide continued community use and access, the Board needs to operate and maintain a sustainable operation.

This will be achieved annually by the following actions:

i.	Providing quality venue facilities, affordable services and well-trained staff.
ii.	Maintaining and developing sound business practices whilst ensuring rates are affordable to the community.
iii.	Ensuring the business operation serves the historic and heritage aspects of the property.
iv.	Continue the policy of providing non-profit community groups with a discount on venue hire.
v.	Ensuring that the venue continues to be well utilised by all sectors of the community for a wide variety of functions.
vi.	Exploring options for new services and activities that benefit the community.
vii.	Seek customer feedback and report on outcome.

4. GOVERNANCE

To provide effective governance and maintain positive working relationships.

This will be achieved annually by the following actions:

i.	Ensuring and maintaining a heritage preservation focus in the Board's activities.
ii.	Continuing to maintain good governance practices through annual review of the Governance manual.
iii.	Seeking and developing other funding sources to assist with preservation and development activities.
iv.	Maintaining a constructive and proactive relationship with PNCC.

5. BUILDINGS AND FACILITIES

To preserve and enhance the historic nature of the house and coach house.

This will be achieved annually by the following actions:

i.	Managing the exterior maintenance program keeping all buildings in excellent condition.
ii.	Managing the interior maintenance program cycle of refurbishment and maintenance to keep the building in excellent condition.
iii.	Develop the CoachHouse Archive to its full potential.
vi.	Manage any earthquake strengthening - as required in conjunction with PNCC.

6. GROUNDS

To preserve and enhance the historic nature of the grounds and gardens.

This will be achieved annually by the following actions:

i.	Development of the Lagoon reserve frontage bordering Caccia Birch House in conjunction with PNCC.
ii.	Install a new garden feature.
iii.	Install a new grounds facility.
iv.	Investigate further garden improvements.

KEY ITEMS FOR 2017- 2018, 2018-2019 & 2019 - 2020

i.	Developing a higher profile in the local community, leading to greater venue utilisation.
ii.	Completing significant grounds projects to enhance the property and encourage higher visitor numbers.
iii.	Growing the range of services available to the community and improve visitor satisfaction.
iv.	Managing any required seismic strengthening of the buildings in order to meet the legislative requirements, whilst maintaining the heritage features of the property.

PLANNED ACTIVITIES FOR 2017-2018, 2018-2019 AND 2019-2020.

1. DEVELOPMENT

TO DEVELOP CACCIA BIRCH AS A PRE-EMINENT FACILITY FOR PALMERSTON NORTH

Annual Targets:

1. The Board will focus on the development of the property.
2. The Board will work with other stakeholders and interested community groups to achieve this objective.

Outputs (KPIs)

2017/18	2018/19	2019/20
Strategic plan revised and updated	Strategic plan revised and updated	Strategic plan revised and updated
Undertake projects listed below.	Undertake project listed below	Undertake project listed below
Seek funding / sponsorship to facilitate projects.	Seek funding / sponsorship to facilitate projects.	Seek funding / sponsorship to facilitate projects.

2. PROMOTION

TO PROMOTE THE AWARENESS OF CACCIA BIRCH HOUSE IN THE COMMUNITY.

Annual Targets:

1. Reviewing and up-dating the Marketing & Promotion Plan.
2. Facilitating at least one promotional event to make the community more aware of the heritage value of Caccia Birch House and CoachHouse as well as its value as a venue.
3. Encouraging PNCC to maximise the use of the House and Grounds for all possible staff, civic functions or community events.
4. Promoting the CoachHouse Archive and Gardens to the education sector and tourism groups.
5. Hold at least 10 free public open afternoons per year making the entire property accessible.

Outputs (KPIs)

2017-2018	2018-2019	2019-2020
Implement items from the annual Caccia Birch House Marketing & Promotion Strategy.	Implement items from the annual Caccia Birch House Marketing & Promotion Strategy	Implement items from the annual Caccia Birch House Marketing & Promotion Strategy
Facilitate road signs enroute to CBH (Napier Rd /Fitzherbert Ave - brown /white tourism version)	Install large lagoon frontage sign.	Replace CBH road frontage sign
Facilitate 1 free community event in conjunction with PNCC.	Facilitate 1 free community event in conjunction with PNCC.	Facilitate 1 free community event in conjunction with PNCC.
Open stage one of a new display in the CoachHouse about the Tangata Te Whenua of Hokowhitu area prior to European settlement.	Open stage two of the new display in the CoachHouse.	Renew the original CoachHouse historical display and update with new information.
Hold at least 10 free public open afternoons.	Hold at least 10 free public open afternoons.	Hold at least 10 free public open afternoons.
Hold three publically accessible events.	Hold four publically accessible events.	Hold four publically accessible events.

6. BUSINESS

IN ORDER TO PROVIDE CONTINUED COMMUNITY USE AND ACCESS, THE BOARD NEEDS TO OPERATE AND MAINTAIN A SUSTAINABLE BUSINESS.

Annual Targets:

1. Providing quality venue facilities, affordable services and well-trained staff.
2. Maintaining and developing sound business practices whilst ensuring rates are affordable to the community.
3. Ensuring the business operation serves the historic and heritage aspects of the property.
4. Continue the policy of providing non-profit community groups with a discount on venue hire.
5. Ensuring that the venue continues to be well utilised by all sectors of the community for a wide variety of functions.
6. Exploring options for new services and activities that benefit the community.
7. Seek customer feedback and report on outcome.

Outputs (KPIs)

2017-2018	2018-2019	2019-2020
Renew conference tables & equipment	Renew conference tables & equipment	Renew conference tables & equipment
Review facility charges against market trends.	Review facility charges against market trends.	Review facility charges against market trends.
Add an item of appropriate vintage to furnish the house / CoachHouse.	Add an item of appropriate vintage to furnish the house / CoachHouse.	Add an item of appropriate vintage to furnish the house / CoachHouse.
Report on the number of days used, types of use and main room use.	Report on the number of days used, types of use and main room use.	Report on the number of days used, types of use and main room use.
Develop and implement a new service for clients.	Develop and implement a new service for clients.	Develop and implement a new service for clients.
Customer survey forms available in every room. Survey monkey link on each email.	Customer survey forms available in every room. Survey monkey link on each email.	Customer survey forms available in every room. Survey monkey link on each email.

4. GOVERNANCE

TO PROVIDE EFFECTIVE GOVERNANCE AND MAINTAIN POSITIVE WORKING RELATIONSHIPS.

Annual Targets:

1. Ensuring and maintaining a heritage preservation focus in the Board's activities.
2. Continuing to maintain good governance practices through annual review of the Governance manual.
3. Seeking and developing other funding sources to assist with preservation and development activities.
4. Maintaining a constructive and proactive relationship with PNCC.

Outputs (KPI'S)

2017-2018	2018-2019	2019-2020
Implement a Bequest strategy. Including gifts of appropriate furniture & artefacts.	Promote the bequest option.	Promote the bequest option.
Apply for funding for CoachHouse Archive displays.	Apply for funding or sponsorship of garden projects.	Apply for funding or sponsorship for special projects.
Regular meetings with Council officers and Councillors with portfolios relevant to CBH	Regular meetings with Council officers and Councillors with portfolios relevant to CBH	Regular meetings with Council officers and Councillors with portfolios relevant to CBH.

5. BUILDINGS & FACILITIES

TO PRESERVE AND ENHANCE THE HISTORIC NATURE OF THE HOUSE AND COACHHOUSE.

ANNUAL TARGETS

1. Managing the exterior maintenance program keeping all buildings in excellent condition.
2. Managing the interior maintenance program cycle of refurbishment and maintenance to keep the building in excellent condition.
3. Develop the CoachHouse Archive to its full potential.
4. Manage any earthquake strengthening - as required in conjunction with PNCC.

Outputs (KPIs)

2017-2018	2018-2019	2019-2020
Manage annual exterior and interior works in conjunction with the property asset officer and report on condition of buildings.	Manage annual exterior and interior works in conjunction with the property asset officer and report on condition of buildings.	Manage annual exterior and interior works in conjunction with the property asset officer and report on condition of buildings.
Build a waste disposal & Recycling facility at rear of house.	Install lighting in CoachHouse	Install heating in CoachHouse.
Install new display and investigate improved lighting and heating options.	Install new display and investigate improving original display.	Investigate the further development or use of the CoachHouse building e.g. café.
Undertake any earthquake strengthening work as required.	Undertake any earthquake strengthening work as required.	Undertake any earthquake strengthening work as required.

6. GROUNDS

TO PRESERVE AND ENHANCE THE HISTORIC NATURE OF THE GROUNDS AND GARDEN.

ANNUAL TARGETS

1. Further development of the Lagoon reserve frontage bordering Caccia Birch House in conjunction with PNCC.
2. Install a new garden feature.
3. Install a new grounds facility.
4. Investigate further garden improvements.

Outputs (KPIs)

2017-2018	2018-2019	2019-2020
Investigate cost of Prorata Design's proposal for stair (or ramp) access from embankment to lagoon edge.	Fundraise for the embankment access to the Lagoon. Plan / design for jetty or boardwalk.	Install ramp access and fundraise for jetty area at Lagoon edge.
Commence garden ceremony / contemplation area planting outline.	Continue feature planting and establish all-weather surface.	Continue development of feature and install seating.
Add new seating around the grounds.	Investigate the cost of installing a petanque piste with seating close by.	Install a petanque piste.
Create a plan for a new footpath to link with existing and circumnavigate the entire property.	Start footpath installation.	Investigate installing art / sculpture features along the walkway.

GOVERNANCE STATEMENTS

The Caccia Birch Trust Board is established and governed by the Caccia Birch Trust Deed (Updated 2006); available on request from the contact officer.

FINANCIAL STATEMENT AND BUDGET FORECAST.

Caccia Birch Trust Board has a unique operation from a CCO's perspective.
The Trust's main responsibility is to oversee the preservation and protection of the property.
Historically, developing the business model was a means to ensure the house was utilised and generate revenue.

The Trust and Management arrange and oversee all the property maintenance and repairs as well as operating the venue for clients, embracing tourism, visitors and planning new features.

The compliancy requirements increase annually, as do the costs associated with them, including additional insurance.

The wages of part time staff have risen in order to secure suitable people.

The cost of providing financial services to meet the high level of reporting required for Audit NZ / PNCC increases each year and has reached \$17,000 per year (and not including the Managers input / hours).

The Trust Boards previous SOI budget forecast produced a deficit each year going forward. Lower revenue from weddings and social functions means bridging the revenue gap is increasingly difficult. (The curfew being the main issue).

The Board's budget is seeking additional funds to allow a break even outcome each year.

SIGNATURES: This Statement of Intent was approved by Caccia Birch Trust Board on:

Date: 28/3/2017

Signed: 

Grant O'Donnell
Chairperson Caccia Birch Trust Board.

Caccia Birch Trust Board**Forecast Statement of Financial Performance****For Years Ended 30 June 2018, 2019 and 2020**

	2017-2018	2018-2019	2019-2020
	\$	\$	\$
Revenue			
Catering Revenue	90,000	92,000	93,500
Event Revenue	6,000	6,150	6,300
Facilities Hireage	82,000	84,000	86,000
Interest Received	506	526	546
PNCC Operations Grant	101,080	102,495	103,930
Recoveries from Hireage	6,000	6,150	6,300
Total Revenue	285,586	291,321	296,576
Expenses			
Accident Compensation Levy	700	750	800
Accountancy Fees	4,000	4,100	4,200
Acct - Bookkeeping	4,000	4,100	4,200
Advertising / Marketing	5,500	5,500	5,500
Audit Fees	9,500	9,750	10,000
Bank Charges	120	125	130
Building - Other R & M	4,000	4,250	4,500
Catering Expense	85,500	87,400	88,825
Cleaning - Consumables	2,000	2,050	2,050
Cleaning - Waste Disposal	1,600	1,700	1,800
Directlink Fees	500	525	550
Employer Superannuation Contributions	1,031	1,052	1,052
Minor Asset Replacement	3,000	3,100	3,200
Governance Expense	1,000	1,100	1,200
Grounds - Lawn Mowing	7,900	8,000	8,000
Insurance	4,250	4,350	4,450
Kitchen Expenses	2,200	2,250	2,300
Light Power & Heating	9,900	10,000	10,100
Payroll Administration Fees	425	435	445
Printing, Stamps & Stationery	4,000	4,250	4,500
Rent - Plant & Equipment	800	850	900
Repairs & Maintenance - Furniture & Fittings	1,900	1,950	2,000
Repairs & Maintenance - Grounds	2,700	2,800	2,900
Security	5,000	5,100	5,200
Staff-Related Expenses	500	550	550
Telephone, Tolls & Internet	2,100	2,150	2,200
Wages and Salaries	121,000	122,700	124,400
Xero Fees	540	560	560
Total Operating Expenses	285,666	291,447	296,512
Surplus (Deficit) Before Depreciation	(80)	(126)	64
Depreciation of Property, Plant, and Equipment	21,242	21,542	21,842
Total Expenses	306,908	312,989	318,354
Surplus (Deficit)	(21,322)	(21,668)	(21,778)

Caccia Birch Trust Board

Forecast Statement of Financial Position

As At 30 June 2018, 2019, and 2020

	2018	2019	2020
	\$	\$	\$
Assets			
Current Assets			
Bank Accounts and Cash	43,759	46,734	49,899
Debtors and Prepayments	15,908	16,067	16,228
Investments	12,000	12,000	12,000
Total Current Assets	71,667	74,801	78,127
Non-Current Assets			
Property, Plant & Equipment	107,971	89,429	70,587
Total Assets	173,638	152,230	130,714
Liabilities			
Current Liabilities			
Creditors	6,060	6,121	6,182
Accrued Expenses	6,666	6,733	6,800
ANZ Credit Card	101	102	103
Secure Venue Fee	2,020	2,040	2,061
GST	2,222	2,244	2,267
Accrued Salaries and Wages	2,828	2,856	2,885
Accrued Leave	6,060	6,121	6,182
Total Current Liabilities	25,957	26,217	26,479
Total Liabilities	25,957	26,217	26,479
Total Assets Less Total Liabilities	147,681	126,013	104,235
Trust Equity			
Accumulated Surpluses	147,681	126,013	104,235
Total Trust Equity	147,681	126,013	104,235

Page 13 of 14

Caccia Birch Trust Board

Forecast Statement of Cash Flows

For Years Ended 30 June 2018, 2019, and 2020

	2018	2019	2020
	\$	\$	\$
Cash Flows from Operating Activities			
Receipts from Council Operating Grants	101,080	102,495	103,930
Interest Receipts	506	526	546
Receipts from Other Revenue	196,092	188,141	191,939
Payments to Suppliers and Employees	(285,431)	(291,210)	(296,272)
GST(net)	22	22	22
Net Cash Flow from Operating Activities	12,269	(25)	166
Cash Flows from Investing and Financing Activities			
Receipts from Sale of Investments	12,990	12,000	12,000
Payments to Acquire Property, Plant & Equipment	3,000	3,000	3,000
Payments to Acquire Investments	(12,000)	(12,000)	(12,000)
Net Cash Flow from Investing and Financing Activities	3,990	3,000	3,000
Net Increase(Decrease) in Cash for the Year	16,259	2,975	3,166
Add Opening Bank Accounts and Cash	27,500	43,759	46,734
Closing Bank Accounts and Cash	43,759	46,734	49,899
	-	-	-
Operating Surplus	-21322	-21668	-21778
Depreciation	21242	21542	21842
Accounts Receivable Decrease/(Increase)	12092	-159	-161
Accounts Payable Increase/(Decrease)	235	237	240
Net GST Increase/(Decrease)	22	22	22
Total	12269	-25	165
Total per above	12,269	(25)	166
Difference	0	(0)	0



Handwritten signature



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

Six month report to Palmerston North City Council from the Globe Theatre Trust Board December 2016

CONTENTS

Chairperson's comments	3
Trust Details as at 31 December 2016	4
Statement of service performance - 6 months report (31 December 2016)	6
Statement of financial performance for 6 months ended 31 December 2016	12
Statement of Financial Position as at 31 December 2016	13
Statement of Changes in accumulated funds for 6 months ended 31 December 2016	13
Statement of Cash Flows for the 6 months ended 31 December 2016	14
Notes to the Financial Statements	14
1 Statement of Accounting Policies	14
2 Donations, Fundraising and other similar revenue	17
3 Council Funding	17
4 Sales of Goods and Services	17
5 Costs relating to providing goods and services	18
6 Employee Related Costs	18
7 Administration and Overhead Costs	18
8 Other Expenses	19
9 Bank Accounts and Cash	19
10 Debtors and Prepayments	19
11 Property, Plant and Equipment	20
12 Creditors and Accrued Expenses	20
13 Employee Costs Payable	20
14 Unused Donations and Grants with Conditions	20

CHAIRPERSON'S COMMENTS

The six months of this report has seen the Globe Theatre continue to positively support the art sector of our local community to showcase themselves in our beautiful theatre. The Globe has enjoyed hosting the following performances:

- Zookeeper Sam's Bad Day - Tall Poppies
- NZ Youth Jazz orchestra
- Dan Bolton
- Tracy Bundy
- Unity in Diversity – MUSA
- The Secret Garden – Michelle Robinson
- PNDA Dance Comps – Dance Schools
- Tahi80 – Warren and Virginia Warbrick
- Detective Alice – Tall Poppies

Highlights include Manawatu Theatre's productions of The Glass Menagerie and Silly Cow, quite different genres attracting a very different audience, however both much enjoyed by many, "All the right notes" – Hokozoo Productions Kane Parsons and Rodger Fox and the Funkbone Experience – Rodger Fox. All these various productions plus those listed above are a testament to the variety of performances and productions our beautiful theatre can support.

The completion of the kitchen is very welcomed by the Globe Theatre Trust Board. This project has taken a lot of the energy and time of two Board members in particular, Russell Harris and Phil Monk. We are very grateful to both those gentlemen for taking that time to get it right and to get it completed. The Manawatu Theatre Inc who predominately manages the café/bar are very pleased with the final result; a clean and well-presented area to provide food and drinks for patrons. I would also like to take this opportunity to thank the PNCC staff, and in particular John Brenkley, for their support and work in getting this project completed.

The Globe Theatre Trust Board will continue to keep the accessible walkway in its sights and also continue to search for funding opportunities that could hasten this very needed renovation of the theatre to ensure that all people in our community can access the theatre and view what it has to offer.

The Globe Theatre Trust Board has many challenges ahead, these include increasing its use by hirers, upgrading internal systems to meet the needs of compliance issues, accountability reports for happily received funding and the differing needs of users. These challenges will alter the way we have done things in the past to how we do things now. The Globe Theatre Trust Board enjoys the process of change, understanding that positive change leads to ensuring that the theatre remains vibrant and vital not just for the local community but nationally and internationally as well.

Maxine Dale
Chairperson
February 2017.

TRUST DETAILS AS AT 31 DECEMBER 2016

Nature of Business	Theatre
Establishment Date	15 April 2002
Trustees	M Dale (Chairperson) S Fisher (until 21 September 2016) R Harris G Hudson (from 21 September 2016) J McDonald (until 21 September 2016) M May P Monk D Servante
Treasurer	D Servante
Secretary	M May
Address	312 Main Street PO Box 132 Palmerston North Telephone: (06) 351 4409
Bankers	Bank of New Zealand
Solicitors	Cooper Rapley
Registered Office	C/ Palmerston North City Council Civic Administration Building The Square Palmerston North
Incorporation Number	1206039
Inland Revenue Number	43-006-495

STATEMENT OF SERVICE PERFORMANCE - 6 MONTHS REPORT (31 DECEMBER 2016)

1. Continue with the Theatre's Redevelopment Plans to ensure that the Theatre remains a first class Theatre for hire, providing a quality and accessible resource for community and professional hirers				
Planned activities	Outputs (KPIs)			
	2015/16 target	Outcome	2016/17 target	Interim result
2016 and 2017: On-going fundraising for outstanding priorities.	Café/Bar and Piano Box completed. Funding in place for Accessible Walkway	Partly achieved. Piano Box completed. Funding in place for café/bar to be completed in 2016/17. Funding still being sought to match Council's contribution to an Accessible Walkway.	Dependent upon success in 2015/16, funding in place for accessible walkway.	Not achieved: Funding has not been secured for the accessible walkway. A review of the project means that more extensive redevelopment is needed. This project needs to be led from PNCC.
			Working with partners to secure funding for refurbishment of Globe 1 (technical equipment) and marketing bollard.	On track: Funding has been secured from Central Energy Trust for major refurbishment of technical and lighting equipment.
2016 and 2017 Review and monitor the technical inventory to prioritise further development	Ongoing implementation of the outcome of the review	Achieved. Inventory for Globe 1 and outstanding items requiring attention have been listed for Board consideration during 2016/17 and 2017/18.	Input into fundraising plans for refurbishment of Globe 1, ensuring future-proofing the investment	On track: Ongoing discussions with PNCC over the maintenance and renewal of the fabric of Globe 1. Resulting from a CET grant issues with the rigging have arisen and PNCC advised. This is being investigated by a structural engineer who will obtain information to assist in what further action required.

1. Continue with the Theatre's Redevelopment Plans to ensure that the Theatre remains a first class Theatre for hire, providing a quality and accessible resource for community and professional hirers				
Planned activities	Outputs (KPIs)			
	2015/16 target	Outcome	2016/17 target	Interim result
2016 Prepare the Business Plan 2017 Prepare the Business Plan for 2018/28 onwards	Monitoring of Business Plan as necessary.	Achieved. Operational review has been completed. Business Plan for 2016/17 has been submitted to PNCC as part of the SOL. Reports via staff team to be considered during 2016/17 for input into 2018/28 onwards.	Monitoring of Business Plan as necessary.	On track: Draft SOL for 2017/18 in process, Information being gathered to inform Business Plan for 2018-28

2. Develop the relationship with key stakeholders to promote partnerships; increase the usage of the Theatre; ensuring the Theatre is accessible, inclusive and user-friendly				
Planned activities	Outputs (KPIs)			
	2015/16 target	Outcome	2016/17 target	Interim result
2016 and 2017 Continue to renew and develop the Memorandum of Understanding with the Manawatu Theatre Incorporated	Maintenance of Memorandum of Understanding, continued bookings from the Manawatu Theatre Incorporated	Achieved. MTS put on six shows during 2015/16: The Vicar of Dibley, Muppet Mayhem, Borscht, Quilt, Kiwi Bop and Corpsing.	Maintenance of Memorandum of Understanding, continued bookings from the Manawatu Theatre Incorporated	Completed: MOU in place, MTI put on two shows: The Glass Menagerie and Silly Cow - both to critical acclaim.
2016 and 2017 Develop a Memorandum of Understanding arrangement with regular users and key community groups	Maintenance of Memorandum of Understanding arrangements, increasing the number as opportunities arise	Achieved. All regular users have maintained their use of the theatre. The MOU arrangement has not extended beyond MTS. Some issues over tailoring the MOU to meet needs of individuals groups.	Develop individual MOU arrangements to capture bookings early for regular users.	On track: Systems in place to review hire procedures and rates to reflect regular users needs.
2015 and 2016 Seek additional hirers for the Theatre, including a wider customer base related to the new auditorium space	Capturing the details of the users, both existing and new, on the Theatre's hirer database	Achieved. Updating of hirers details through Xero is ongoing. Booking forms are in the process of being transferred to the quotes facility in Xero.	Total number of hirers, number of new hirers (cumulative)	From 1 July – 31 Dec, 20 returning hirers booked single or multiple dates; 17 new hirers held events (including recurring hires such as a the 'Ted-style Talk' series which took place in Globe 2.) Many of these new hirers chose to hold their events in the Globe 2 auditorium, while returning hirers were more likely to use Globe 1.
2017 Customer satisfaction - hirers	N/A	N/A	Establish benchmark and targets for future years	Not started. A focus for January - June 2017
2017 Customer satisfaction - audiences	N/A	N/A	Establish benchmark and targets for future years	Not started. A focus for January - June 2017

3. Achieve growth to meet usage/performance nights and rental income targets					
Planned activities	Outputs (KPIs)				
	2015/16 target	Outcome	2016/17 target	Interim result	
2016 and 2017 Fostering a sense of community by usage encouraging youth, assisting amateurs and promoting participation, delivering outstanding customer service	At least 60% community by usage	Achieved. 93% community use.	At least 60% community usage	On track: Based on a definition of whether or not the performers are paid, 76% of hires are for community use. Hire for non performing events are generally considered to be professional use since the primary function of the theatre (to support performing arts, and community performing arts in particular) is not a factor. The change in percentage reflects increased use for one-off events of this nature.	
2016 and 2017 Delivering all services to the agreed budget	Services delivered within +10% variance	Achieved. Overall income at \$155,041 was 99.8% of budgeted income and overall expenditure at \$169,186 was 94% of budgeted expenditure. Variations within budget headings are described within note 21 to the accounts.	Services delivered within +10% variance	Not achieved (pro rata) Reforecasting indicates that overall income will be about 13% down on budget and expenditure will be about 8% down. The overall result is likely to be a deficit of \$25,000 compared to a budgeted figure of \$16,000. Setting aside a provision for depreciation (which the Trust Board traditionally does not fund), the cash position is forecast to improve by \$7,000 compared to budget figure of \$16,000. Within budget headings, variation is more extreme as the new structure beds in and the changes in operational costs are realised.	

3. Achieve growth to meet usage/performance nights and rental income targets				
Planned activities	Outputs (KPIs)			
	2015/16 target	Outcome	2016/17 target	Interim result
2016 and 2017 Ongoing promotion and monitoring of usage	150 performance nights and 230 usage nights	Achieved. 151 performance nights and 246 usage nights. Note: A performance night refers to events where an audience comes to watch a production of performing arts. A usage night refers to all other uses and includes rehearsals, set-up time, dark nights (when the theatre is set up for a production so that no-one else can hire it but no performance takes place) meetings and exhibitions.	165 performance nights and 250 usage nights	On track. Usage to end of December 2016 is 175 hire sessions (day/night), including at least 72 performance sessions.
2016 and 2017 Computerised database of Theatre necessary hirers, including details of technical requirements etc	System developed as Theatre necessary	Partly achieved/ongoing. Systems still being developed and implemented.	System further developed as necessary	Ongoing: the introduction of quote in Xero stores details of all chargeable extras, such as technician or use of the projector/screen. Where equipment is included in the hire fee, it is noted as part of the hire agreement to be provided on the day. There is still work to be done to link these systems.
2016 and 2017 Computerised database of Theatre patrons on the database audience/patrons	Increase in the number of patrons on the database	Achieved: 1,217 names and email addresses captured by Patronbase 122 "Friends of the Globe" Total: 1339	Increase in the number of theatre-goers on the database, and increasing satisfaction of these theatre-goers with the Globe Theatre	On track: 373 individual entries in Globe Newsletter database; 158 "Friends of the Globe". Good response to monthly Mail Chimp mail-outs to the database, with an 'open' rate of 41.5% (to give context, the overall average 'open' rate for list emails is 34.7% and the Industry average – Entertainment and Events – is 15.9%). 755 Facebook friends, 744 following.

3. Achieve growth to meet usage/performance nights and rental income targets				
Planned activities	Outputs (KPIs)			
	2015/16 target	Outcome	2016/17 target	Interim result
2016 and 2017 Website includes computerised booking and ticketing functions	Monitoring and review of website to ensure it meets needs of users and management	Partly achieved/ongoing Monitoring and review of website is underway.	Review and update website to ensure it meets needs of users and management	Website underwent comprehensive structural overhaul and redesign, new version launching in November 2016. Immediate (within 24 hours) use of new Hire Enquiry portal by potential new clients. Ongoing improvements and additions planned.
2016 and 2017 Continue to organise and promote one-off events to market through the Trust Board	At least two events organised and promoted through the Trust Board	Achieved The Trust Board organised the annual Globe Awards on 26 February 2016 and sponsored the Globe Series of Sunday concerts (monthly from 21 Feb).	At least two events organised and promoted through the Trust Board	Achieved; The Globe Series of Sunday concerts has put on 3 events during the first half of 2016/17 and 4 are planned for the second half. The Globe Awards will take place in late February.

STATEMENT OF FINANCIAL PERFORMANCE FOR 6 MONTHS ENDED 31 DECEMBER 2016

	Notes	Dec-16 (unaudited)	Jun-17 SOI	Jun-16 (audited)	Jun-15 (audited)
Income					
Donations, Fundraising and other similar revenue	2	24,484	146,000	14,617	46,332
Council Funding	3	56,310	74,117	74,043	53,614
Investment Revenue		56	178	141	357
Sales of Goods and Services	4	31,560	82,265	66,240	57,217
Total revenue		112,410	302,559	155,041	157,520
Expenditure					
Costs related to providing goods and services	5	2,164	11,586	7,805	23,024
Employee related costs	6	35,658	71,357	64,595	-
Grants and Donation		-	140,000	-	-
Administration and Overhead	7	26,400	42,599	39,900	43,606
Other Expenses	8	5,694	21,230	24,287	72,183
Depreciation		16,492	32,022	32,599	34,886
Total Expenditure		86,407	318,794	169,186	173,699
Net Surplus/(Deficit)		26,003	(16,234)	(14,144)	(16,179)

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Notes	31-Dec-16 (unaudited)	30-June-16 (audited)	30-June-15 (audited)
Assets				
Current Assets				
Bank Accounts and Cash	9	53,667	18,362	25,543
Debtors and Prepayments	10	4,687	11,443	6,369
Total Current Assets		58,355	29,806	31,912
Non-Current Assets				
Property, Plant and Equipment	11	231,785	243,315	260,195
Total Non-Current Assets		231,785	243,315	260,195
Total Assets		290,140	273,121	292,107
Liabilities				
Current Liabilities				
Creditors and Accrued Expenses	12	3,905	12,384	15,619
Employee costs payable	13	2,889	3,395	-
Unused Grants and Donations with Conditions	14	-	-	5,000
Total Current Liabilities		6,794	15,779	20,619
Non-Current Liabilities				
Total Non- Current Liabilities		-	-	-
Total Liabilities		6,794	15,779	20,619
Net Assets		283,346	257,343	271,488
Trust Equity				
Contributed capital		100	100	100
Retained surpluses		283,246	257,243	271,388
Total Trust Equity		283,346	257,343	271,488

STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR 6 MONTHS ENDED 31 DECEMBER 2016

	Notes	31-Dec-16 (unaudited)	30-June-16 (audited)	30-June-15 (audited)
Accumulated Surpluses/(Deficit)		257,343	271,488	287,667
Current Period Surplus/(Deficit)		26,003	(14,144)	(16,179)
Balance		283,346	257,343	271,488

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS FOR THE 6 MONTHS ENDED 31 DECEMBER 2016

	Notes	31-Dec-16 (unaudited)	30-June-16 (audited)	30-June-15 (audited)
Cash Flows from Operating Activities				
Receipts of Council Grants		56,310	74,043	47,985
Donations, Fundraising and other similar revenue		24,466	8,799	55,751
Receipts from sale of goods and services		70,004	59,244	56,952
Interest Received		56	141	358
Payments to Suppliers		(110,803)	(132,007)	(178,635)
Goods and Services Tax (net)		(333)	(1,681)	6,717
Net Cash Flows from Operating Activities		39,701	8,539	(10,873)
Cash Flows from Investing & Financing Activities				
Purchase of Fixed Assets		(4,396)	(15,720)	(86,850)
Net Cash Flow from Investing & Financing Activities		(4,396)	(15,720)	(86,850)
Net Increase/(Decrease) in Cash				
		35,305	(15,720)	(97,723)
Opening Cash Balance		18,362	25,543	123,266
Closing bank accounts and cash	7	53,667	18,362	25,543

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1 Statement of Accounting Policies

REPORTING ENTITY

The financial statements for the Trust are for the 6 months ended 31 December 2016.

BASIS OF PREPARATION

The Trust has elected to apply PBE SFR-A (P5) 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*

The Trust transitioned on 1 July 2014 from preparation of financial information in accordance with New Zealand International Reporting Standards to Public Benefit Entity Simple Format Reporting on an Accrual Basis (PBE-SFR-A) and comparative information for the year ended 30 June 2014 has been restated to comply with the new standard.

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.

Revenue

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

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 donation 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 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 as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Income Tax

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

Accumulated Funds

Accumulated Funds are measured through the following components:

- Retained Earnings;
- Contributed Capital;

Budget figures

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

Tier 2 PBE Accounting Standards applied

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

Grant expenditure

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

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

2 Donations, Fundraising and other similar revenue

Donations and Fundraising Revenue	Actual to 31 Dec 2016 (unaudited)	Budget SOI 2017	Actual 2016 (audited)	Actual 2015 (audited)
Donations and Fundraising	459	6,000	1,151	10,443
Creative Communities		-	1,500	-
Central Energy Trust (via PNCC)		-	8,646	-
Central Energy Trust		-		33,389
Community Organisation Grants Scheme	-	-	2,500	2,500
Mainland Foundation	5,000			
Pub Charity Ltd	6,207			
Infinity Trust	5,000			
NZ Guardian Trust	2,900			
Lion Foundation	4,918			
Other		140,000	820	-
Total Donations and Fundraising Revenue	24,484	146,000	14,617	46,332

3 Council Funding

Grant Revenue	Actual to 31 Dec 2016 (unaudited)	Budget SOI 2017	Actual 2016 (audited)	Actual 2015 (audited)
PNCC Grant	56,310	74,117	74,043	53,614
Total Grants Revenue	56,310	74,117	74,043	53,614

4 Sales of Goods and Services

Recoverable Expenses

The Board began a review of its charging structures during the first half of 2016/17. A major change was to include power and cleaning charges in the hire fee. This has impacted on the income from recoverable expenses.

	Actual to 31 Dec 2016 (unaudited)	Budget SOI 2017	Actual 2016 (audited)	Actual 2015 (audited)
Theatre Rental	24,567	43,425	38,193	29,769
Tickets (nett)	3,599	18,740	13,060	11,000
Recoverable expenses	2,548	19,252	14,541	16,078
Other Sales	846	848	446	371
Total Sales Revenue	31,560	82,264	66,240	57,217

5 Costs relating to providing goods and services

	Actual to 31 Dec 2016 (unaudited)	Budget SOI 2017	Actual 2016 (audited)	Actual 2015 (audited)
Shows Expenses	2,164	11,586	7,805	23,024
Total Costs of Goods Sold	2,164	11,586	7,805	23,024

6 Employee Related Costs

	Actual to 31 Dec 2016 (unaudited)	Budget SOI 2017	Actual 2016 (audited)	Actual 2015 (audited)
Salaries and wages	34,603	69,939	60,635	-
Increases/(decreases) in employee cost payable	-	-	2,855	-
KiwiSaver Employer Contributions	1,054	1,418	1,104	-
Total Employee Related Costs	35,658	71,357	64,595	-

7 Administration and Overhead Costs

	Actual to 31 Dec 2016 (unaudited)	Budget SOI 2017	Actual 2016 (audited)	Actual 2015 (audited)
Cleaning	1,790	2,073	1,785	3,421
Hire of Plant and Equipment	427	97	208	-
Light, heating and power	6,809	7,041	7,841	10,630
Marketing	2,707	5,050	3,785	5,079
Repairs and Maintenance	9,429	3,121	3,313	4,693
Office Costs	1,587	4,415	5,476	-
Postage, Printing and Stationery	347	604	971	1,132
Recoverable expenses	2,159	17,877	14,165	16,502
Telephones and Internet	1,145	2,322	2,355	2,149
Total Administration and Overheads Costs	26,400	42,599	39,900	43,606

8 Other Expenses

	Actual to 31 Dec 2016 (unaudited)	Budget SOI 2017	Actual 2016 (audited)	Actual 2015 (audited)
Audit Fees	47	7,590	6,971	6,769
Bank Charges	50	139	226	134
Consulting and Accountancy	1,922	3,409	3,374	2,445
General Expenses	811	768	1,107	938
Insurance	1,720	3,277	2,438	2,044
Legal expens	-	-	-	-
Secretarial costs es	-	104	4,125	44
Manager's Fee	-	-	-	25,778
Assistant Manager's Fee	-	-	-	24,793
Professional Development	-	505	52	207
Project Expenses	-	-	1,122	1,177
Provision for impairment	-330	-	330	-
Security	362	624	651	1,005
Subscriptions and compliance costs	525	90	731	1,087
Technician	-	1,675	1,211	3,342
Travel	-	1,259	715	1,375
Waste Disposal	588	1,788	1,234	1,044
Total Other Expenses	5,694	21,230	24,287	72,183

9 Bank Accounts and Cash

	Actual to 31 Dec 2016 (unaudited)	Actual 2016 (audited)	Actual 2015 (audited)
Cash on hand	458	458	458
Non-profit current	51,257	16,246	16,058
Rapid Save (donations)	1,952	1,658	9,027
Total Cash and Cash Equivalents	53,667	18,363	25,543

10 Debtors and Prepayments

	Actual to 31 Dec 2016 (unaudited)	Actual 2016 (audited)	Actual 2015 (audited)
Accounts Receivable	7,344	10,528	5,977
Provision for impairment	-	(330)	-
GST Receivable	(3,080)	-	-
Prepayments	423	1,065	392
Sundry Debtors Accruals	-	180	-
Total Debtors and Other Receivables	4,687	11,443	6,369

11 Property, Plant and Equipment

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

12 Creditors and Accrued Expenses

	Actual to 31 Dec 2016 (unaudited)	Actual 2016 (audited)	Actual 2015 (audited)
Accrued Expenses	-	8,511	8,223
Income in advance	-	880	-
PAYE payable	1,345	1,341	-
Creditors	2,979	1,156	6,502
GST Payable	(419)	496	894
Total Creditors and Other Payables	3,905	12,384	15,619

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 Costs Payable

	Actual to 31 Dec 2016 (unaudited)	Actual 2016 (audited)	Actual 2015 (audited)
Holiday pay liability	2,855	2,855	-
Wages accrual	34	540	-
Total Employee Costs Payable	2,889	3,395	-

14 Unused Donations and Grants with Conditions

Grants received in advance relate to funding received for the provision of specific development where conditions of the grant have not yet been satisfied at year end (30 June 2017). It is anticipated that all grants will have been fully expended by year end.



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 Board Statement of Intent For 2017/18, 2018/19 and 2019/20

Version: 1

Date: 26/02/2017

Prepared by: Globe Theatre Trust Board

CONTENTS

CONTACT DETAILS	3
INTRODUCTION.....	4
NATURE AND SCOPE OF ACTIVITIES OF THE TRUST BOARD	5
VISION	5
MISSION STATEMENT	5
OUR VALUES/ASPIRATIONS	6
KEY ISSUES FOR 2017/18, 2018/19 AND 2019/20	6
KEY STRATEGIC OBJECTIVES 2017/18, 2018/19 AND 2019/20	7
KEY PERFORMANCE INDICATORS FOR 2017/18, 2018/19 AND 2019/20	8
PLANNED ACTIVITIES FOR 2017/18, 2018/19 AND 2019/20	8
GOVERNANCE STATEMENTS.....	12
INFORMATION TO BE PROVIDED TO PALMERSTON NORTH CITY COUNCIL	12
BUDGET FOR THE YEARS ENDED 30 JUNE 2018, 2019, 2020	13
FORECAST FINANCIAL STATEMENTS	15
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	17

CONTACT DETAILS

Registered Office:	PO Box 132	Legal Status:	The Globe Theatre Trust is a Council Controlled Organisation for the purposes of the Local Government Act 2002 and operates as a Charitable Trust under the Charitable Trusts Act 1957 and Charities Act 2005.
	Cnr Pitt St and Main St		
	Palmerston North		
Website:	www.globetheatre.co.nz		
Phone:	06 351-4409		
Email:	theglobe@inspire.net.nz		
Main Contact:	Maxine Dale	Second Contact:	Denise Servante
Role in CCO:	Chairperson	Role in CCO:	Treasurer
Address:		Address:	86 Kingsdale Park Drive
			RD1
			Palmerston North
Phone:		Phone:	027 353 0664
Email:	maxine@rch.org.nz	Email:	hairymartian@xtra.co.nz

INTRODUCTION**Globe Theatre Trust Board
2017/18 Statement of Intent****Board Commentary**

During 2015 the Globe Theatre Trust Board undertook an extensive operational review to ensure that we continued to meet the needs of both our hirers and our audiences. As a result a new staff and operational structure was put in place during the latter half of the 2015/16 financial year and this is currently being assessed for its effectiveness. The Board considers that it will take 12-18 months to settle in and therefore does not propose to make any significant changes to its statement of intent from last year. This draft version basically rolls over the key strategic objectives and planned activities carried forward from the Statement of Intent 2016/17. The Board intends in the coming 6-9 months to fully review its business plan alongside the planning process that Council will undertake to develop the 2018-28 Long Term Plan.

Globe Theatre Trust Board
February 2017

NATURE AND SCOPE OF ACTIVITIES OF THE TRUST BOARD

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

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

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

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

VISION

The Globe Theatre Trust Board embraces its responsibility to ensure that the Globe Theatre continues into the future with its solid reputation as one of the busiest community Theatres in New Zealand reflecting Palmerston North's diverse arts culture.

Our vision is to ensure this by providing a unique, dynamic and user friendly Theatre, with continued excellent customer service, functional, current technology in good working order for hirer's use, and to provide 'added value'. We aim to ensure that hirers not only enjoy their experience at the Globe but that they come back for future bookings.

The Board is proud to present the community with a choice of two performance spaces. These are attracting returning, new and other community hirers. Hirers have the choice of two very different performance spaces, and the building is able to be used by multiple hirers at one time. A Café/ Bar within the complex ensures that the Globe is able to offer an enhanced theatre going experience to patrons.

The Board's aim is to continue to grow the Theatre's business.

MISSION STATEMENT

The Globe Theatre Trust Board is committed to providing a stimulating, well-resourced venue for hire which will foster participation, and pride, in our community.

OUR VALUES/ASPIRATIONS

"The Globe Theatre Trust Board provides a multi-purpose venue that enables its clients to provide memorable experiences for their audiences."

"In the wider community the Globe Theatre is talked about as a venue of excellence with memorable and exciting performances."

"The Globe Theatre provides the opportunity for everyone in our community to star in any aspect of the Theatre."

"Our friendly staff provide hassle-free hireage that will exceed your expectations."

OBJECTIVES OF GLOBE THEATRE TRUST DEED

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

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

KEY ISSUES FOR 2017/18, 2018/19 AND 2019/20

Key issues for the planning period are:

- Developing new markets for successful growth in business for the complex
- Ensuring that staffing levels are sufficient for the complex and the roles are appropriate for the operations
- The fostering of more co-operation between Council Organisations
- Fundraising for Capital Projects

KEY STRATEGIC OBJECTIVES 2017/18, 2018/19 AND 2019/20

The Globe Theatre Trust's strategic priorities for the planning period are:

1. Complete the Theatre's redevelopment to ensure that the Theatre remains a first class Theatre for hire, providing a quality and accessible resource for community and professional hirers.

This will be achieved by:

- Ongoing discussions with Palmerston North City Council about accessibility of the theatre to meet modern building standards and social codes
- Fundraising for refurbishment of Globe 1, marketing bollard and renewal of assets
- Maintenance programme in place and delivered

2. Develop the relationship with key stakeholders to promote partnerships; increase the usage of the Globe Theatre Complex; ensuring it is accessible, inclusive and user-friendly.

This will be achieved by:

- Maintaining the Memoranda of Understanding with key stakeholders, particularly the Manawatu Theatre Inc, ensuring high community use of the theatres meeting the needs of all parties
- Continuing to seek additional future users, including a wider customer group than traditional theatre/performance groups.
- Developing the customer base to maintain a predominance of community productions, working to maximise the revenue from professional organisations, and maximising audience numbers where possible through the effective implementation of the marketing plan.
- Increase in collaboration with other Council Organisations to contribute to the cultural life of the city

3. Achieve growth to meet usage/performance nights and rental income targets

This will be achieved by implementing the marketing plan focusing on:

- Increase the range and commitment of clients through marketing and through excellent customer service, including
- Support to increase in audience numbers through maintaining a high profile within the community (direct marketing of the theatre and events through a database of supporters, patrons and theatre goers, community advertising, access radio etc.)
- Fundraising for a) capital projects and b) developing new services for our clients, including organisation and promotion of one-off events to raise money for the Trust Board

KEY PERFORMANCE INDICATORS FOR 2017/18, 2018/19 AND 2019/20

See below under planned activities.

PLANNED ACTIVITIES FOR 2017/18, 2018/19 AND 2019/20

1. Complete the Theatre's Redevelopment Plans to ensure that the Theatre remains a first class Theatre for hire, providing a quality and accessible resource for community and professional hirers.			
Planned activities	Outputs (KPIs)		
	2017/18	2018/19	2019/20
On-going fundraising for outstanding priorities.	Working with partners to secure funding for refurbishment of Globe 1 (technical equipment) and marketing bollard.	Ongoing for small renewals etc as required	Ongoing for small renewals etc as required
Review and monitor the technical inventory to prioritise further development	Monitor refurbishment of Globe 1 technical inventory. Ongoing review and implementation	Ongoing review and implementation	Ongoing review and implementation
Prepare the Business Plan for 2018/28 onwards	Develop new Business plan for input into 2018-28 Long Term Plan.	Review and Monitor Business Plan as necessary.	Review and Monitor Business Plan as necessary.

2. Develop the relationship with key stakeholders to promote partnerships; increase the usage of the Theatre; ensuring the Theatre is accessible, inclusive and user-friendly				
Planned activities	Outputs (KPIs)			2019/20
	2017/18	2018/19	2019/20	
Continue to renew and develop the Memorandum of Understanding with the Manawatu Theatre Society	Maintenance of Memorandum of Understanding, continued bookings from the Manawatu Theatre Society	Maintenance of Memorandum of Understanding, continued bookings from the Manawatu Theatre Society	Maintenance of Memorandum of Understanding, continued bookings from the Manawatu Theatre Society	Maintenance of Memorandum of Understanding, continued bookings from the Manawatu Theatre Society
Develop a Memorandum of Understanding arrangement with regular users and key community groups	Maintenance of Memorandum of Understanding arrangements, increasing the number as opportunities arise	Maintenance of Memorandum of Understanding arrangements, increasing the number as opportunities arise	Maintenance of Memorandum of Understanding arrangements, increasing the number as opportunities arise	Maintenance of Memorandum of Understanding arrangements, increasing the number as opportunities arise
Seek new and regular hirers for both Theatres.	Total number of hirers, number of new hirers (cumulative)	Total number of hirers, number of new hirers (cumulative)	Total number of hirers, number of new hirers (cumulative)	Total number of hirers, number of new hirers (cumulative)
Customer satisfaction - hirers	NOTE: Benchmark to be established during January - June 2017 for final SOI	NOTE: Benchmark to be established during January June 2017 for final SOI	NOTE: Benchmark to be established during January June 2017 for final SOI	NOTE: Benchmark to be established during January June 2017 for final SOI
Customer satisfaction - audiences	NOTE: Benchmark to be established during January - June 2017 for final SOI	NOTE: Benchmark to be established during January June 2017 for final SOI	NOTE: Benchmark to be established during January June 2017 for final SOI	NOTE: Benchmark to be established during January June 2017 for final SOI

3. Achieve growth to meet usage/performance nights and rental income targets				
Planned activities	Outputs (KPIs)			
	2017/18	2018/19	2019/20	
Fostering a sense of community by encouraging youth, assisting amateurs and promoting participation, delivering outstanding customer service	At least 60% community usage	At least 60% community usage	At least 60% community usage	
Delivering all services to the agreed budget	Services delivered within +10% variance	Services delivered within +10% variance	Services delivered within +10% variance	
Ongoing promotion and monitoring of usage	165 performance nights and 250 usage nights	165 performance nights and 250 usage nights	165 performance nights and 250 usage nights	
Computerised database of Theatre hirers, including details of necessary technical requirements etc	System further developed as necessary	System further developed as necessary	System further developed as necessary	

4. Achieve growth to meet usage/performance nights and rental income targets				
Planned activities	Outputs (KPIs)			
	2017/18	2018/19	2019/20	
Computerised database of Theatre audience/patrons	Increase in the number of theatre-goers on the database, and increasing satisfaction of these theatre-goers with the Globe Theatre	Increase in the number of theatre-goers on the database, and increasing satisfaction of these theatre-goers with the Globe Theatre	Increase in the number of theatre-goers on the database, and increasing satisfaction of these theatre-goers with the Globe Theatre	
Website includes computerized venue booking and ticketing functions	Review and update website to ensure it meets needs of users and management	Review and update website to ensure it meets needs of users and management	Review and update website to ensure it meets needs of users and management	
Continue to organise and promote one-off events to market the theatre to existing and new user groups	At least two events organised and promoted through the Trust Board	At least two events organised and promoted through the Trust Board	At least two events organised and promoted through the Trust Board	

GOVERNANCE STATEMENTS

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

INFORMATION TO BE PROVIDED TO PALMERSTON NORTH CITY COUNCIL

The Globe Theatre Trust Board will provide reports to the City Council at 6 and 12 months as required by the Local Government Act 2002. Both these reports will contain a narrative with highlights that have occurred during the period under review. The 6 month report will contain limited, interim unaudited financial statements and an interim assessment of the statement of service performance. The 6 month report will also contain a forecast of the performance for the second 6 months of the year in question.

The Annual Report will contain audited financial statements for the full 12 months, including an audited statement of service performance, and will comply with the requirements of the Local Government Act 2002.

Signature

This Statement of Intent was approved by the Globe Theatre Trust Board on:

Date:

17/3/2017

Signed:



Maxine Dale, Chairperson, Globe Theatre Trust Board

BUDGET FOR THE YEARS ENDED 30 JUNE 2018, 2019, 2020

	Note	Indicative Jun-17	Reforecast Jun-17	Indicative Jun-18	Indicative Jun-19	Indicative Jun-20
Income						
Interest Income		\$178	\$113	\$115	\$116	\$118
Donations and Fundraising		\$6,000	\$6,000	\$6,084	\$6,169	\$6,256
PNCC Grant	1	\$74,117	\$75,080	\$76,131	\$77,197	\$78,278
Capital Grants	2	\$140,000	\$117,025	\$118,663	\$120,325	\$122,009
Total Fundraising		\$220,295	\$198,218	\$200,993	\$203,807	\$206,660
Other Revenue						
Sales		\$848	\$1,692	\$1,715	\$1,739	\$1,764
Total Other Revenue		\$848	\$1,692	\$1,715	\$1,739	\$1,764
Theatre Hire						
Globe 1 Theatre Hire		\$27,240	\$30,802	\$31,233	\$31,670	\$32,114
Globe 2 Theatre Hire		\$11,983	\$11,553	\$11,715	\$11,879	\$12,045
Foyer Income		\$4,202	\$4,213	\$4,271	\$4,331	\$4,392
Ticket Sales (nett)		\$18,740	\$9,599	\$9,733	\$9,870	\$10,008
Recoverable income		\$19,252	\$5,096	\$5,167	\$5,239	\$5,313
Total Theatre Hire		\$81,417	\$61,262	\$62,119	\$62,989	\$63,871
Total Income		\$302,559	\$261,171	\$264,828	\$268,535	\$272,295
Costs relating to providing goods and services						
Show expenses		\$11,586	\$5,164	\$5,236	\$5,309	\$5,384
Less Operating Expenses						
Depreciation	3	\$32,022	\$32,983	\$45,800	\$55,800	\$65,800
Capital expenses	2	\$140,000	\$117,025	\$118,663	\$120,325	\$122,009
Administration and overheads						
Cleaning		\$2,073	\$3,579	\$3,629	\$3,680	\$3,732
Hire of Plant & Equipment		\$97	\$853	\$865	\$877	\$889
Light, Power, Heating		\$7,041	\$13,619	\$13,809	\$14,002	\$14,199
Marketing		\$5,050	\$5,050	\$5,121	\$5,192	\$5,265
Repairs and Maintenance		\$3,121	\$12,429	\$12,603	\$12,780	\$12,959
Office Expenses		\$4,415	\$3,174	\$3,218	\$3,263	\$3,309
Printing, Post & Stationery		\$604	\$694	\$704	\$714	\$724
Recoverable Expenses		\$17,877	\$4,319	\$4,379	\$4,441	\$4,503
Telephone & Internet		\$2,322	\$2,290	\$2,323	\$2,355	\$2,388
Total administration and overheads		\$42,599	\$46,007	\$46,651	\$47,305	\$47,967

Employee Related Costs					
Salaries	\$69,939	\$69,207	\$69,899	\$70,598	\$71,304
KiwiSaver	\$1,418	\$2,109	\$2,130	\$2,151	\$2,173
Total Employee Related Costs	\$71,357	\$71,316	\$72,029	\$72,749	\$73,476
Other expenses					
Audit Fees	\$7,590	\$7,590	\$7,666	\$7,743	\$7,820
Bank Fees	\$139	\$139	\$141	\$142	\$144
Consulting & Accounting	\$3,409	\$2,292	\$2,315	\$2,338	\$2,361
General Expenses	\$768	\$1,621	\$1,637	\$1,654	\$1,670
Insurance	\$3,277	\$2,220	\$2,242	\$2,265	\$2,287
Provision for impairment	\$0	-\$230	-\$232	-\$235	-\$237
Legal expenses	\$104	\$103	\$104	\$105	\$106
Professional Development	\$505	\$0	\$0	\$0	\$0
Security	\$624	\$724	\$731	\$738	\$746
Subscriptions & Compliance	\$90	\$675	\$682	\$688	\$695
Technician	\$1,675	\$0	\$0	\$0	\$0
Travel - National	\$1,259	\$0	\$0	\$0	\$0
Waste Management	\$1,788	\$1,176	\$1,188	\$1,200	\$1,212
Total other expenses	\$21,230	\$16,311	\$16,474	\$16,638	\$16,805
Total Operational Costs	\$307,208	\$283,642	\$299,617	\$312,817	\$326,057
Net Profit	4	-\$16,234	-\$27,634	-\$40,025	-\$49,590
					-\$59,146

Notes:

1. Inflation rate of 1.4% applied to all budgets from 2017/18. To be confirmed by PNCC
2. Capital income and expenditure subject to confirmation and necessary fundraising. All capital fundraising is assumed to have been spent in the same financial year.
3. Depreciation is included in the budget but is unfunded.
4. The Net Profit figure is less than depreciation in each year. Hence overall cashflow is positive.

FORECAST FINANCIAL STATEMENTS

Statement of Financial Position

	Actual	Forecast	Indicative	Indicative	Indicative
	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20
Assets					
Bank					
Cash and Cash Equivalents	18,362	24,514	31,155	38,296	45,948
Total Bank	18,362	24,514	31,155	38,296	45,948
Current Assets					
Accounts Receivable	10,528	10,633	10,740	10,847	10,955
Provision for impairment	-330				
Accrued Revenue	0	0	0	0	0
GST Receivable	0	0	0	0	0
Prepayments	1,065	1,076	1,086	1,097	1,108
Sundry debtor accruals	180				
Total Current Assets	29,805	36,223	42,981	50,240	58,012
Fixed Assets					
Property, Plant and Equipment					
Computer Equipment	6,226	6,226	6,226	6,226	6,226
Less accumulated depreciation on computer equipment	-2,929	-3,849	-4,769	-5,689	-6,609
Furniture and fittings	33,413	57,438	23,810	23,810	23,810
Less accumulated depreciation on furniture and fittings	-5,144	-7,544	-12,424	-17,304	-22,184
Theatre Equipment	420,126	513,126	631,789	752,114	874,123
Less accumulated depreciation on theatre equipment	-208,380	-238,717	-278,717	-328,717	-388,717
Total Property Plant and Equipment	243,318	326,680	365,916	430,440	486,649
Total Fixed Assets	243,318	326,680	365,916	430,440	486,649
Total Assets	273,123	362,903	408,896	480,680	544,661

	Actual	Forecast	Indicative	Indicative	Indicative
	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20
Liabilities					
Current Liabilities					
Creditors and Other Payables					
Account payable	1,156	1,076	1,086	1,097	1,108
Income in advance	880	0	0	0	0
Grants in advance	0	0	0	0	0
Accrued Expenses	8,511	9,279	9,372	9,465	9,560
PAYE Payable	1,341	1,354	1,368	1,382	1,395
GST	496	0	0	0	0
Total Creditors & Other Payables	12,384	11,709	11,826	11,944	12,064
Employee Costs Payable					
Holiday pay liability	2,855	2,884	2,912	2,942	2,971
Wages accrual	540	0	0	0	0
Total Employee Costs Payable	3,395	2,884	2,912	2,942	2,971
Total Current Liabilities	15,779	14,592	14,738	14,886	15,035
Total Liabilities	15,779	14,592	14,738	14,886	15,035
Net Assets	257,344	348,310	394,158	465,795	529,627

Statement of Changes in Accumulated funds

	Actual	Forecast	Indicative	Indicative	Indicative
	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20
Opening balance as at 1 July	271,488	257,344	348,310	394,158	465,795
<i>Comprehensive Income</i>					
Surplus/(Deficit)	-14,144	90,966	45,848	71,637	63,832
Balance at 30 June	257,344	348,310	394,158	465,795	529,627

Cashflow

	Actual	Forecast	Indicative	Indicative	Indicative
	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20
Cash Flows from Operating Activities					
Donations and Fundraising	8,799	123,025	124,747	126,494	128,265
Receipts from Council grants	74,043	75,080	76,131	77,197	78,278
Receipts from sale of goods and services	62,922	62,954	63,835	64,729	65,635
Interest Received	141	113	115	116	118
Payments to Suppliers	-	-	-140,390	-142,001	-143,632
	136,011	138,797			
Goods and Services Tax (net)	-1,355	802	866	931	998
Net Cash Flows from Operating Activities	8,539	123,177	125,304	127,466	129,661
Cash Flows from Investing Activities					
Purchase of Fixed Assets	-15,720	-	-118,663	-120,325	-122,009
		117,025			
Sales of Fixed Assets	0	0	0	0	0
Net Cash Flow from Investing Activities	-15,720	-	-118,663	-120,325	-122,009
		117,025			
Net Increase/(Decrease) in Cash and Cash Equivalents	-7,181	6,152	6,641	7,141	7,652
Cash and Cash Equivalents at the start of the Year	25,543	18,362	24,514	31,155	38,296
Cash and Cash Equivalents at the End of the Year	18,362	24,514	31,155	38,296	45,948

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Changes in Accounting Policies

The Trust transitioned on 1 July 2014 from preparation of financial information in accordance with New Zealand International Reporting Standards to Public Benefit Entity Simple Format Reporting on an Accrual Basis (PBE-SFR-A) and comparative information for the year ended 30 June 2014 was restated to comply with the new standard.

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.

Revenue

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

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 donation 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 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 as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Income Tax

The 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.

Regent Theatre Trust Board

Report for the half year ended 31 December 2016

Executive summary

The Regent on Broadway continues to live up to the reputation as the premier entertainment centre of the city. In this first half of the new reporting year the theatre has hosted a substantial and diverse range of events from top class ballet with the Royal New Zealand Ballet production of "Giselle" and the Imperial Russian Ballet with a production of "The Nutcracker" through to the hilarious Naked Samoans and the popular 7 Days Live Team. Other great entertainment came to us by way of the world famous "Postmodern Jukebox" production with their unique brand of music and the popular UK production "Beyond the Barricade" which featured popular song from the great musicals. Irish dance and a mix of magical illusion featured on the Regent stage with the outstanding production "Celtic Illusion" and Palmerston North audiences were once again able to enjoy one of the favourite musicals of all time with the touring production of "Grease". Our young patrons were not left out and were entertained with the crazy antics of the "Trash Test Dummies" with their mix of buffoonery and clever acrobatics plus the wonders of science with New Zealand's own "Nano Girl". The very young were also not left out with a return of rock stars for the pre-schoolers "The Wiggles".

In respect to events in the Auditorium there has been a marked improvement on last year's totals with 120 live nights recorded for this half year reporting period. This is an increase of 15% on our last year and an increase of 6% on the previous year. This understandably has had an impact on attendances with an 8% increase on last year and a 3% increase on the previous year.

Forward bookings are positive with an excellent range of events being proposed. If all events that are currently pencil bookings are confirmed, the final programme of shows for this reporting year could result in a record year of entertainment.

What's been happening?

A brief glance at the list below indicates that for this half year period there were an excellent variety of shows for the young to the young at heart and in between, plus good use of the theatre for end of year awards ceremonies and Dance School productions:

July

Smokefree Rock Quest
College St School Concert
Chamber Music NZ – Suyeon Kang
Ali Harper presents Doris Day
NZ Highland Dance Championships
Miss Manawatu

Manawatu Multicultural Concert
Pasifika Fusion2016
Hipnotize Bellydance: Mid-Winter Hafla 2016
Brethren Church Conference
The Wiggles
A Wedding Ceremony

August

Cats (12 performances)

September

DanceNZmade: Interschool Regionals
New Zealand Symphony Orchestra
Somerset Kindy: Bride of the Year
PN Chinese Students Concert
St Peters College Arts Evening
Capital E Children's Theatre - Hinepau

Hokowhitu School Concert
Post Modern Juke Box Production
Royal New Zealand Ballet – Giselle
Northern Cluster Schools Concert
DanceNZmade: National Competitions
Menopause the Musical



Wellington G&S – *The Merry Widow*

Beyond The Barricades

October

DanceNZmade: Dance Exchange

State Highway 48. The musical

C3 Church

Performing Arts Competitions 2016

P N Girls High School: Sports Awards

Ali Harper – Legendary Divas

Trash Test Dummies

The Gruffalo

Chamber Music NZ – London Conchord Ensemble

Dean McKerras School Dance Production: 2 Perf

November

Awatapu College Awards Ceremony

P N Girls High School Awards Ceremony

Manawatu Regional Kapa Haka Festival

Central Normal School Arts Showcase

Manawatu Digi Awards

The Laughing Samoans: Island Time

St Mary's School End of Year Ceremony

Manukura School Awards Ceremony

The Nutcracker Ballet: Imperial Russian Ballet

Celtic Illusion

ABBAsolutley

Massey University Graduations

Grease. The musical

December

7 Days Live

Maureen Ax School of Dance: 2 Perf

Freyberg High School Senior Awards

P N Intermediate Normal Awards Ceremony

Ross Intermediate School Awards Ceremony

Milson School End of Year Ceremony

Te Kura Kaupapa Maori O Manawatu Primary School Awards Ceremony

Winchester School End of Year Ceremony

Whakarongo School End of Year Ceremony

St Peters College End of Year Ceremony

DanceWorks: 2 performances

Freyberg High School Junior Awards Ceremony

Nano Girl: Live on Stage

As demonstrated in the above list, the theatre is being well utilised with a good balance of shows and events. We have experienced considerable use from our local hirers with 88% of all events held in the theatre coming from the local community.

Our local dance schools are an important community user who have presented 7 productions so far this period and are responsible for 15.3% of all attendances for this half year.

Working with our Friends

Contributions made by the Friends of the Regent over the years have provided the theatre with significant resources which has maintained the theatres ability to give excellent service to its hirers. Contributions to the Theatre in the last financial year and this reporting period have been lower than in previous years due to The Friends holding funds in reserve to finance the foyer expansion project. The Friends have agreed to contribute \$70,000.00 to this project. The Friends are very much an integral part of theatre operations, providing skilled ushering and front of house services. Patrons and hirers of the Regent on Broadway are able to enjoy a well-resourced theatre thanks to the generosity of the Friends of the Regent. We are indebted to the Friends for their valuable support.

Co-operation with community events.

The theatre continues to support local theatre groups. The Trust expects again to be supporting the Abbey Musical Theatre in August this year with a production that is yet to be decided. The Trust has also been instrumental in producing a production in April in support of Arahonui Hospice. This is to be 7 performances of the Broadway hit musical "A Chorus Line" which was a huge success in the 1970's and the longest running show on Broadway until being pipped at the post by the Andrew Lloyd Webber phenomenon of "Cats" and his other productions. Both the April and August productions are

being made possible through the financial support of the Trust's entrepreneurial account, Regent on Broadway Promotions.

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. Community use remains strong and excellent relations continue with our local hirers and promoters. The standard of events being presented by our community hirers is extremely innovative and professional, largely due to the state-of-the-art equipment the venue is able to provide and the high level of skill, advice and assistance given by Regent theatre staff. The Regent on Broadway Management and Trust Board see the contribution to these productions as a vital investment in the development of the performing arts in our city.

Although it is reported that 88% of all events held are from our community hirers, there has been no attrition of commercial shows or available dates for commercial shows due to community use.

Theatre use and patronage.

Following are statistical trends for this half year reporting period and the last 4 years.

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

Half year ended 31 December	Total
This half year (31 December 2016)	59,670
Last half year (31 December 2015)	54,919
Prior half year (31 December 2014)	58,007
Three years ago (31 December 2013)	58,095
Four years ago (31 December 2012)	51,424

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

Half year ended 31 December	Total
This half year (31 December 2016)	120
Last half year (31 December 2015)	104
Prior half year (31 December 2014)	113
Three years ago (31 December 2013)	134
Four years ago (31 December 2012)	106

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

Half year ended 31 December	Total
This half year (31 December 2016)	219
Last half year (31 December 2015)	223
Prior half year (31 December 2014)	273
Three years ago (31 December 2013)	287
Four years ago (31 December 2012)	247

Regent on Broadway Auditorium Occupancy Statistics - by total days

Based upon 308 operational days per year

(Approximately 57 dark days for annual leave, maintenance and the traditional seasonal dark days)

2015 - 2016 Year Statistics**Half Year totals**

Total days auditorium usage 104

Total days auditorium is availab 154

Professional event: 17 16.3%

Professional events 17 11.0% 0.72 Events per week 3.14 Events per month

Community events 87 83.7%

Community events 87 56.5% 3.69 Events per week 16.05 Events per month

Available days 50 32.5% 19.19 Total Events per month**Full Year totals**

Total days auditorium usage 162

Total days auditorium is availab 308

Professional event: 35 21.6%

Professional events 35 11.4% 0.74 Events per week 3.23 Events per month

Community events 127 78.4%

Community events 127 41.2% 2.69 Events per week 11.71 Events per month

Available days 146 47.4% 14.93 Total Events per month**2016 - 2017 Year Statistics****Half Year totals**

Total days auditorium usage 120

Total days auditorium is availab 154

Professional event: 26 21.7%

Professional events 26 16.9% 1.10 Events per week 4.80 Events per month

Community events 94 78.3%

Community events 94 61.0% 3.99 Events per week 17.34 Events per month

Available days 34 22.1% 22.14 Total Events per month**Full Year totals**

Total days auditorium usage 0

Total days auditorium is availab 308

Professional event: 0 0.0%

Professional events 0 0.0% 0.00 Events per week 0.00 Events per month

Community events 0 0.0%

Community events 0 0.0% 0.00 Events per week 0.00 Events per month

Available days 308 100.0% 0.00 Total Events per month

Financial Position.

The financial performance for this half year period is positive with an overall surplus before depreciation of \$83,901. This higher than normal surplus is partially due to good ticket sales to the Cats production in August and all ticketed events in the months of September, October and November, and also due to the non-replacement of a budgeted for staff member. At this point in the operational year we endeavour to be in a reasonably robust financial position so as to cover expenses during the periods of least income, being the months of January, February and the beginning of March. Average monthly expenses to cover basic operational costs over the year are approximately \$35,000 per month.

As mentioned, theatre hireage income for January and February will be low due to the traditional festive and holiday season shut down period and the historical lack of available events for those months. The commercial sector is more focused on large outdoor venues during this time such as wineries and large estates. These venues are available at low cost plus the capacities are much greater which understandably will generate better returns from ticket sales. Lack of activity during this time is also a factor with community hirers as local groups, schools, and other like institutions have no need for a large capacity venue until further into the academic or business year. The theatre is not encumbered this year by the International Arts Festival which occurs in Wellington from February to May every two years and which had a significant impact on the commercial sector considering bringing shows to Palmerston North during that period last year.

As already mentioned, bookings for commercial events in the latter half of the calendar year are positive. Bookings from our local community hirers remain constant throughout the year. The budget forecast for year end is a deficit for theatre operations of (\$21,248) before depreciation.

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

	2015-16 Half year Actual	2016-17 Half year Budget	2016-17 Half year Actual
Income from hire and cost recoveries	321,238	320,053	344,295
Expenses	393,803	437,808	368,275
Surplus (Deficit) before Council grant	(72,565)	(117,755)	(23,980)
Operating Grant from Council	118,261	107,881	107,881
Surplus/(deficit) after Council Grant	\$45,696	(\$9,874)	\$83,901

The above summary is exclusive of depreciation. Depreciation for this half year period is budgeted at \$40,000.

The outlook

The Regent Theatre Trust Board and Management continue to invest in future shows through Regent on Broadway Promotions. We are working closely with all New Zealand promoters and theatre companies plus maintaining good relations with many international promotional companies. The number and quality of shows for the remainder of the 2016 – 2017 year looks to be excellent with variety that will appeal to all sections of our community.

Regent Theatre Trust Inc
Performance outcomes for Key Performance Indicators.

Reporting period 2016/2017: Half year results.

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

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

	2016/17 full year KPI's	Half year result To Dec 2015	Half year result To Dec 2016
Attendances			
Percentage attendance's to commercial events in respect to total attendances: Not less than	30%	26.78%	34.37%
Percentage attendance's to community events in respect to total attendances: Not less than	60%	73.22%	65.63%
Total attendances over year for all events: No less than	100,000	54,919	59,670
Increase subscriber numbers of data base: Not less than	5%	No Data Available	No Data Available
Events			
Live nights at full commercial rates: Not less than	40	17	26
Auditorium hireage from commercial use: Not less than	55%	40.55%	51%
Cultural Festivals, concerts and ceremonies; days of use: No less than	4	2	4
Use of auditorium for school prize-givings; days of use: No less than	8	11	12
Tertiary Graduations; days of use: No less than	10	4	3
Accommodating community generated requests to hire: minimum %	95%	100%	99%
Partnership programme with local theatre groups: Least number of events	1	1	1
Partnership programme with professional groups: Least number of events	1	2	3
Usage of Regency Room; number of functions: No less than	35	23	12
Usage of the Rehearsal Room; days of use: No less than	100	112	87
Total live nights for the year: No less than	160	104	120
Financial			
Additional capex funding from the Friends of the Regent and other external providers of charity funding: no less than	\$40k	No Data Available	No Data Available
Communitrak Survey			
The 2 yearly Communitrak survey for visitor satisfaction: Not less than	90%	No survey has been conducted for this reporting period	No survey has been conducted for this reporting period

Regent Theatre Trust Financial outcome.

Theatre Operations.

Report for half year performance to Dec 2016

Report for half year performance to Dec 2016	Forecast Budget for year ending June 2017		Forecast Budget for half year to December 2016		Actual Outcome for half year to December 2016		Actual Outcome for half year to December 2015	
<u>Income: Theatre Operations</u>								
Theatre Operations								
Commissions	3,000		1,636		2,311		1,330	
Advertising recoveries	33,000		18,000		5,761		7,795	
Interest	6,000		3,000		2,756		3,659	
Other room hire	14,000		7,636		7,415		7,588	
Other Recoveries and Hireage	226,500		123,545		134,816		123,757	
Sundry	200		100		61		-	
Theatre hireage	190,000	472,700	103,636	257,553	117,108	270,228	108,533	252,662
EventTicketingCentre	125,000		62,500		74,067		68,576	
Operating Grant from PNCC	215,760		107,881		107,881		118,261	
Total Income	813,460		427,834		452,176		439,499	
<u>Expenditure: Theatre Operations</u>								
Theatre Operations								
Total Audit	19,500		12,010		12,010		19,465	
Total Accounting	8,000		7,448		7,448		7,987	
Total Insurance	12,000		-		-		92,903	
Total general operating costs	94,500		45,123		37,875		-	
Total Recoverables	167,700		91,473		93,047		47,569	
Total marketing	50,000		28,000		13,276		20,620	
Total office expenses	10,050		5,025		4,291		3,197	
Total personnel costs incl FOH Casuals	329,985	891,735	177,243	366,322	151,245	319,192	148,372	340,114
EventTicketingCentre	18,000		9,000		11,532		10,041	
Operating Costs	13,530		6,765		5,240		5,679	
Marketing	80,942		40,471		31,601		28,162	
Personnel (salaries)	-	112,473	-	56,236	-	48,373	6,896	50,579
Retail/Admin premises lease and rates	-		-		-		-	
Audience Development	24,500		12,250		-		-	
Personnel	5,000		2,500		-		-	
Promotion and Marketing	1,000		500		710		480	
Website upgrade - Stage 2	-	30,500	-	15,250	-	710	2,631	3,111
Showroom premises lease and rates	-		-		-		-	
Total Expenditure	834,708		437,808		368,275		393,803	
Operations Surplus (Deficit)	(21,248)		(9,874)		83,901		45,696	
Depreciation (principally donated assets)	80,000		40,000		40,000		40,000	
Surplus (Deficit) after depreciation for Theatre Operations	(101,248)		(49,874)		43,901		5,696	
<u>Other Income (Not included in annual budget)</u>								
Donations: Friends of the Regent (Donated Assets)					174		130	
Regent on Broadway Promotions:					6,988		29,969	
TOTAL Surplus (Deficit) Regent Theatre Trust					51,062		35,795	

Regent on Broadway

Balance Sheet

Financial period July 1st 2016 - December 31st 2016

ASSETS

Current Assets

Chequing/Savings

Current account	58,187.27
04 On-Call Account	72,261.61
Term Deposit Tktek - No 19	17,386.55
Term Deposit - No 20	81,614.84
Term Deposit - No 23	64,328.85
Term Deposit - No 25	80,000.00
03 Ticketek Account	<u>13,892.86</u>

Total Chequing/Savings 387,671.98

Accounts Receivable

Accounts Receivable	<u>8,447.77</u>
---------------------	-----------------

Total Accounts Receivable 8,447.77

Other Current Assets

Seeding funding for PNOS	32,692.76
Accounts Receivable - Other	66.1
Accrued Interest	762.05
Prepayments	<u>7,752.15</u>

Total Other Current Assets 41,273.06

Total Current Assets 437,392.81

Fixed Assets

Fixed Assets

51 Broadway	35,518.02
Accumulated Depreciation	-1,387,003.06
Assets at cost	972,824.90
CentrePort Bar ventilation	1,443.23
Other	3,923.00

Purchase of Assets

Friends purchases	122,818.12
Purchase of Assets - Other	<u>308,743.01</u>

Total Purchase of Assets 431,561.13

Reg Rm tech upgrade 1,609.19

Retail Development

Data Installation	5,774.43
Electrical	2,085.23
Security	56.97
Retail Development - Other	<u>94,458.98</u>

Total Retail Development 102,375.61



Sale of Fixed Assets	-6,896.40
Stage Sound upgrade	1,150.31
Understairs storage	2,125.57
Fixed Assets - Other	69,918.86
Total Fixed Assets	228,550.36
Total Fixed Assets	228,550.36
TOTAL ASSETS	665,943.17
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	45,910.69
Total Accounts Payable	45,910.69
Other Current Liabilities	
Audit and Accounting Accrual	16,823.00
GST Tax Payable	6,061.98
Holiday Pay Accrual	24,637.21
Income in Advance	9,613.04
Paye Payable	7,611.06
Ticketek funds	531
Wages Payable	14,952.27
Total Other Current Liabilities	80,229.56
Total Current Liabilities	126,140.25
Total Liabilities	126,140.25
Equity	
Maintenance Reserve	150,000.00
Piano Fund Equity	46,623.89
Regent on Broadway Promotions	91,405.00
Retained Earnings	200,711.90
Net Income	51,062.13
Total Equity	539,802.92
TOTAL LIABILITIES & EQUITY	665,943.17



STATEMENT OF INTENT FOR THE REGENT THEATRE TRUST 2017/18 – 2019/20

Version: Version 10

Date: 20th February 2017

Prepared by: Charles Forbes, General Manager
Maurice Rowe, Chairman, Regent Theatre Trust

CONTENTS

	PAGE
➤ Contact Details	2
➤ Introduction	3
➤ Vision and Mission	4
➤ The Regent Theatre Trust Deed Objectives	4
➤ Key Strategic Objectives	5
➤ Key Issues	9
➤ Key Performance indicators	9
➤ Planned Strategies	10
➤ Governance Statements.....	17
➤ Signatures	17
➤ Budget: For the Years Ended 30 June 2017, 2018, 2019 & 2020	18

CONTACT DETAILS

Registered Office:	C/- Palmerston North City Council	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 It is a not for- profit CCO
	Civic Administration Building		
	The Square, Palmerston North		
Website:	www.regent.co.nz		
Phone:	(06) 35 02100		
Email:	enquiries@regent.co.nz		
Main Contact:	Charles Forbes	Second Contact:	Maurice Rowe
Role in CCO:	General Manager	Role in CCO:	Chairman
Address:	The Regent Theatre Trust	Address:	c/- The Regent Theatre Trust
	PO Box 1723		PO Box 1723
	Palmerston North		Palmerston North
Phone:	(06) 350 2100	Phone:	(06) 351 4710
Email:	manager@regent.co.nz	Email:	M.Rowe@fitzrowe.co.nz
Fax:	(06) 350 2108	Fax:	(06) 351 4719

INTRODUCTION

Chairperson's Commentary

This Statement of Intent is prepared for adoption by the Board of The Regent Theatre Trust for the purpose of recording the Board's principal objectives for the theatre's financial years ending June 2018, 2019 and 2020 with a view to finalising Annual Plans for each year of the period reflecting the Board's long term Strategic Plan and this Statement of Intent.

The principal objectives of the Board's long term Strategic Plan which provide the general direction of the Board's activities are as follows:

- a) To maintain the architectural and historical significance of the Regent on Broadway for future generations.
- b) To be an exciting live performing arts venue and multipurpose theatre.
- c) To be recognised as the Palmerston North Civic Auditorium and to operate in a complimentary role to the City's other conference venues and theatres.
- d) To be professionally operated and financially efficient.
- e) To develop audiences now and for the future and to seek opportunities to introduce performing arts to the youth of the region by encouraging use of the theatre by schools and children's groups.
- f) To create or bring new events or theatre to the region.

VISION

To be New Zealand's leading and most vibrant provincial Theatre.

MISSION

That the Regent on Broadway shall continue to be a vibrant and unique live theatre and major performing arts centre renowned for its heritage value and creating exciting opportunities for future performers and audiences as well as fulfilling the role of Palmerston North's principal civic auditorium

OUR VALUES

An appreciation of:

- The architectural and historical value of the Regent on Broadway for the community and future generations.
- The value of live performing arts in fostering cultural and community well-being.
- The social benefits of nurturing and promoting an appreciation of cultural and artistic values in the community generally and particularly the youth of the region.
- The unique world-class qualities of the venue compared with comparable venues elsewhere, both nationally and internationally, enabling our city to provide and be known for hosting world-class theatre-going experiences.
- The value of unique amenities such as the Regent on Broadway to the image and external perception of Palmerston North.
- The value of a first class amenity such as the "big stage" Regent in bringing on and developing the array of local talent in the community.
- The importance of maintaining a professionally operated and financially efficient venue as a means of promoting and securing these values.

OBJECTIVES OF THE REGENT THEATRE TRUST DEED

The Regent Theatre Trust is governed by its Trust Deed, which lists as the purposes of the Trust 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 including:

- I. Securing the future of the Theatre.
- II. Preparing in consultation with Council a three yearly Strategic Plan and an Annual Plan for attaining the purpose.



KEY STRATEGIC OBJECTIVES FOR 2017/18, 2018/19 AND 2019/20

The Regent Theatre Trust's strategic priorities for the planning period are:

Objective	Action
1. To nurture and encourage relationships with New Zealand's key national cultural icons (such as the Royal New Zealand Ballet, the New Zealand Symphony Orchestra and Chamber Music NZ) and to source and encourage national and international promoters to bring quality productions to the city.	To communicate and liaise on a regular basis, with all national/international, commercial /professional event providers who have the potential to bring events to the Regent Theatre.
2. To provide a well-resourced and well-equipped amenity which attracts a wide range of performances and events to the city.	Liaising with the Friends of the Regent and encouraging the Friends in their activities of theatre assistance, event hosting, ushering and fund-raising. Liaising with funding providers to augment/update the regent's equipment.
3. To host Pacifica, Maoritanga and other cultural festivals (i.e. Pasifika Fusion, junior, intermediate and senior regional and national kapa haka festivals, The International Festival of Cultures).	To regularly communicate to all local/regional Maori, Polynesian, Asian and other cultures the benefits of hosting their festivals, ceremonies and concerts at the Regent.
4. To host the majority of primary and intermediate school prize-givings and end of year concerts, secondary school and tertiary institutions prize-givings and award and graduation ceremonies. Also to be the key host for all local dance school end-of-year productions and locally created concerts and variety shows.	To regularly communicate to all local/regional education providers performing arts groups the benefits of hosting their ceremonies and concerts at the Regent.
5. To consider and/or participate in encouraging local productions of major stage shows and musical events	Maintaining and operating an entrepreneurial fund to enable financial assistance to be provided where considered appropriate to support major musical/theatrical productions from local theatre groups to be performed at the Regent Theatre.

Objective	Action
6. To encourage and facilitate various non-arts events (such as seminars, and celebratory events e.g. weddings). To attract conferences which are not catered for by other city amenities	Invest in promotional campaigns as required to promote the value of the Regent as a functions venue and to support the city's reputation as a conferencing destination.
7. To consider and/or participate in encouraging national/international artists and productions.	Maintaining and operating an entrepreneurial fund to enable financial assistance to be provided where considered appropriate to secure shows and performances for the Regent Theatre.
8. To provide an exciting and innovative programme of cultural and community events with broad appeal	Liaise with marketing and key entrepreneurial personnel to identify and source product for the Regent
9. To invest in an expansion of operations in order to meet the aspirations of the Trust Board and the City Council for maximising the use of the Theatre in a balance of civic, community and commercial uses.	To invest in skilled staff and quality resources so as to operate an efficient well managed functions and performing arts venue. Operating and promoting a street-front event ticketing facility for events at the Regent and elsewhere so as to become known as a principal event ticketing outlet in the City.
10. To contribute to the City's cultural heritage by maintaining and preserving the physical infrastructure of the building and its fixtures and fittings as a recognised heritage amenity.	Encouraging continuing appreciation of the heritage aspects of the Regent and overseeing the maintenance and preservation of such aspects to prevent degradation.

Summary of Strategic Direction

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

To:

- Operate, develop, enhance and maintain the Regent on Broadway as a recognised heritage building and world-class 1,400 seat performing arts venue and civic auditorium.
- Source and coordinate activities and events which promote the use of the Regent as an operational amenity valued by the community.
- Liaise with the Council as landlord over the programming of asset management and development.
- Contribute to the Council's City Vision that: "Palmerston North is recognized as a vibrant, caring, innovative, and sustainable city."
- Encourage and foster the development of current and future audiences for the Regent (with emphasis on the youth of the region) with a view to ensuring that the Regent on Broadway will continue to be one of New Zealand's leading and most vibrant provincial theatres.

KEY ISSUES FOR 2017/18, 2018/19 AND 2019/20

Key issues for the planning period are:

- To continue the maintenance and growth of the subscriber data base to an internally set target objective of 5 percent per year.
- Improving the theatre patron visitation experience by increasing and improving the theatre's hospitality spaces.
- Improving the Auditorium technical capabilities by upgrading the Auditorium sound system to a standard that would support 100 percent all local theatre productions.

PLANNED STRATEGIES FOR 2017/18, 2018/19 AND 2019/20

<p>1. To nurture and encourage relationships with New Zealand's key national cultural icons (such as the Royal New Zealand Ballet, the New Zealand Symphony Orchestra and Chamber Music NZ) and to source and encourage national and international promoters to bring quality productions to the city.</p>	<p>Planned strategy</p> <p>To communicate and liaise on a regular basis, with all national/international, commercial /professional event providers who have the potential to bring events to the Regent Theatre.</p>	<p>Outputs (KPIs)</p>		
		2017/18	2018/19	2019/20
		That not less than 55% of the Regent's auditorium hireage revenue is generated from commercial (non-community) use for this year.	That not less than 55% of the Regent's auditorium hireage revenue is generated from commercial (non-community) use for this year.	That not less than 55% of the Regent's auditorium hireage revenue is generated from commercial (non-community) use for this year.
		That there are at least 40 live nights for this year in respect of the theatre's main auditorium at the theatre's full commercial (non-community) hireage rate.	That there are at least 40 live nights for this year in respect of the theatre's main auditorium at the theatre's full commercial (non-community) hireage rate.	That there are at least 40 live nights for this year in respect of the theatre's main auditorium at the theatre's full commercial (non-community) hireage rate.
		That a minimum of 30% of the total attendance numbers for all events at the Regent is in respect of commercial (non-community) events held in the theatre's auditorium.	That a minimum of 30% of the total attendance numbers for all events at the Regent is in respect of commercial (non-community) events held in the theatre's auditorium.	That a minimum of 30% of the total attendance numbers for all events at the Regent is in respect of commercial (non-community) events held in the theatre's auditorium.

2. To provide a well-resourced and well-equipped amenity which attracts a wide range of performances and events to the city.			
Planned strategy	Outputs (KPIs)		
	2017/18	2018/19	2019/20
Liaising with the Friends of the Regent and encouraging the Friends in their activities of theatre assistance, event hosting, ushering and fund-raising. Liaising with funding providers to augment/update the regent's equipment.	That at least \$40,000 of capex funding is sourced/obtained for this year from sources such as the Friends of the Regent and other external providers of charity funding.	That at least \$40,000 of capex funding is sourced/obtained for this year from sources such as the Friends of the Regent and other external providers of charity funding.	That at least \$40,000 of capex funding is sourced/obtained for this year from sources such as the Friends of the Regent and other external providers of charity funding.

3. To host Pacifica, Maoritanga and other cultural festivals (i.e. Pasifika Fusion, junior, intermediate and senior regional and national kapa haka festivals, The International Festival of Cultures).			
Planned strategy	Outputs (KPIs)		
	2017/18	2018/19	2019/20
To regularly communicate to all local/regional Maori, Polynesian, Asian and other cultures the benefits of hosting their festivals, ceremonies and concerts at the Regent.	That there are at least 4 days use of the theatre's auditorium this year for cultural festivals, ceremonies and concerts.	That there are at least 4 days use of the theatre's auditorium this year for cultural festivals, ceremonies and concerts.	That there are at least 4 days use of the theatre's auditorium this year for cultural festivals, ceremonies and concerts.

4.

To host the majority of primary and intermediate school prize-givings and end of year concerts, secondary school and tertiary institutions prize-givings and award and graduation ceremonies.
Also to be the key host for all local dance school end-of-year productions and locally created concerts and variety shows

Planned strategy	Outputs (KPIs)		
	2017/18	2018/19	2019/20
	That there are at least 8 days use of the theatre's auditorium this year for school prize-givings.	That there are at least 8 days use of the theatre's auditorium this year for school prize-givings.	That there are at least 8 days use of the theatre's auditorium this year for school prize-givings..
	That there are at least 10 days use of the theatre's auditorium this year for tertiary graduation ceremonies.	That there are at least 10 days use of the theatre's auditorium this year for tertiary graduation ceremonies.	That there are at least 10 days use of the theatre's auditorium this year for tertiary graduation ceremonies.
	That a minimum of 60% of the total attendance numbers for all events at the Regent is in respect of community (non-commercial) events held in the theatre's auditorium.	That a minimum of 60% of the total attendance numbers for all events at the Regent is in respect of community (non-commercial) events held in the theatre's auditorium.	That a minimum of 60% of the total attendance numbers for all events at the Regent is in respect of community (non-commercial) events held in the theatre's auditorium.
	That the Regent accommodates at least 95% of community generated requests for the use of Regent amenities.	That the Regent accommodates at least 95% of community generated requests for the use of Regent amenities.	That the Regent accommodates at least 95% of community generated requests for the use of Regent amenities.

5. To consider and/or participate in encouraging local productions of major stage shows and musical events			
Planned strategy	Outputs (KPIs)		
	2017/18	2018/19	2019/20
Maintaining and operating an entrepreneurial fund to procure events (by production participation) that would not otherwise come to the Regent Theatre and/or to enable financial assistance to be provided where considered appropriate to support major musical/theatrical productions from local theatre groups to be performed at the Regent Theatre.	That there is at least 1 season of a major musical/theatrical production presented this year by a local theatre group at the Regent Theatre.	That there is at least 1 season of a major musical/theatrical production presented this year by a local theatre group at the Regent Theatre.	That there is at least 1 season of a major musical/theatrical production presented this year by a local theatre group at the Regent Theatre.

<p>6. To encourage and facilitate various non-arts events (such as seminars, and celebratory events e.g. weddings). To attract conferences which are not catered for by other city amenities</p>			
Planned strategy	Outputs (KPIs)		
	2017/18	2018/19	2019/20
Invest in promotional campaigns as required to promote the value of the Regent as a functions venue and to support the city's reputation as a conferencing destination.	That there are at least 35 functions held this year in the Regency Room and/or Mezzanine area.	That there are at least 35 functions held this year in the Regency Room and/or Mezzanine area.	That there are at least 35 functions held this year in the Regency Room and/or Mezzanine area.
	That there are at least 100 days use this year in respect of the rehearsal room.	That there are at least 100 days use this year in respect of the rehearsal room.	That there are at least 100 days use this year in respect of the rehearsal room.
<p>7. To consider and/or participate in encouraging national/international artists and productions.</p>			
Planned strategy	Outputs (KPIs)		
	2017/18	2018/19	2019/20
Maintaining and operating an entrepreneurial fund to procure events (by production participation) that would not otherwise come to the Regent Theatre and/or to enable financial assistance to be provided where considered appropriate to secure shows and performances for the Regent Theatre.	That there is at least 1 professional national/international artist or production presented this year at the Regent Theatre.	That there is at least 1 professional national/international artist or production presented this year at the Regent Theatre.	That there is at least 1 professional national/international artist or production presented this year at the Regent Theatre.

8. To provide an exciting and innovative programme of cultural and community events with broad appeal				
Planned strategy	Outputs (KPIs)			
	2017/18	2018/19	2019/20	
	Liaise with marketing and key entrepreneurial personnel to identify and source product for the Regent	That there are at least 160 live nights for this year in respect of the theatre's main auditorium.	That there are at least 160 live nights for this year in respect of the theatre's main auditorium.	That there are at least 160 live nights for this year in respect of the theatre's main auditorium.
		That total attendance numbers for Regent events are at least 100,000 for this year.	That total attendance numbers for Regent events are at least 100,000 for this year.	That total attendance numbers for Regent events are at least 100,000 for this year.
		That the Communitrak Survey will confirm the continuing contribution of the Regent to the city's economic and cultural well-being.	That the Communitrak Survey will confirm the continuing contribution of the Regent to the city's economic and cultural well-being.	That the Communitrak Survey will confirm the continuing contribution of the Regent to the city's economic and cultural well-being.

<p>9. To invest in an expansion of operations in order to meet the aspirations of the Trust Board and the City Council for maximising the use of the Theatre in a balance of civic, community and commercial uses.</p>			
Planned strategy	Outputs (KPIs)		
	2017/18	2018/19	2019/20
	<p>To invest in skilled staff and quality resources so as to operate an efficient well managed functions and performing arts venue.</p> <p>Operating and promoting a street-front event ticketing facility for events at the Regent and elsewhere so as to become known as a principal event ticketing outlet in the City.</p>	<p>That the Council's Communitrak Survey will confirm visitor satisfaction ratings of over 90% for this reporting year.</p> <p>To developing future audiences, through a data base management programme; to increase the theatre's data base by 5% for this year.</p>	<p>That the Council's Communitrak Survey will confirm visitor satisfaction ratings of over 90% for this reporting year.,</p> <p>To developing future audiences, through a data base management programme; to increase the theatre's data base by 5% for this year.</p>
<p>10. To contribute to the City's cultural heritage by maintaining and preserving the physical infrastructure of the building and its fixtures and fittings as a recognised heritage amenity.</p>			
Planned strategy	Outputs (KPIs)		
	2017/18	2018/19	2019/20
	<p>Encouraging continuing appreciation of the heritage aspects of the Regent and overseeing the maintenance and preservation of such aspects to prevent degradation.</p>	<p>To invest in a maintenance fund not greater than \$150,000 to meet general maintenance obligations as required by the Trust Deed.</p>	<p>To invest in a maintenance fund not greater than \$150,000 to meet general maintenance obligations as required by the Trust Deed.</p>

SUMMARY of KEY PERFORMANCE INDICATORS FOR 2017/18, 2018/19 AND 2019/20

	2017/18	2018/19	2019/20
1. To nurture and encourage relationships with New Zealand's key national cultural icons (such as the Royal New Zealand Ballet, the New Zealand Symphony Orchestra and Chamber Music NZ) and to source and encourage national and international promoters to bring quality productions to the city.			
Percentage of revenue from auditorium hireage from commercial use: Not less than	55%	55%	55%
The number of live nights at full commercial rates: Not less than	40	40	40
Percentage of attendances to commercial events in respect to total attendances: Not less than	30%	30%	30%
2. To provide a well-resourced and well-equipped amenity which attracts a wide range of performances and events to the city.			
Additional capex funding from the Friends of the Regent and other providers of charity funding: No less than	\$40k	\$40k	\$40k
3. To host Pacifica, Maoritanga and other cultural festivals (i.e. Pasifika Fusion, junior, intermediate and senior regional and national kapa haka festivals, The International Festival of Cultures).			
Days of use for cultural festivals, concerts and ceremonies: No less than	4	4	4
4. To host the majority of primary and intermediate school prize-givings and end of year concerts, secondary school and tertiary institutions prize-giving's and award and graduation ceremonies. Also to be the key host for all local dance school end-of-year productions and locally created concerts and variety shows			
Days the auditorium is used for school prize-giving's: No less than	8	8	8
Days the auditorium is used for tertiary graduation ceremonies: No less than	10	10	10
Percentage of attendances to community events in respect to total attendances: Not less than	60%	60%	60%
Accommodating community generated requests for the use of Regent amenities: Not less than	95%	95%	95%

5.	To consider and/or participate in encouraging local productions of major stage shows and musical events				
	Major productions by local theatre groups: Least number of shows	1	1	1	1
6.	To encourage and facilitate various non-arts events (such as seminars, and celebratory events e.g. weddings). To attract conferences which are not catered for by other city amenities				
	Number of functions/events held in the Regency Room: No less than	35	35	35	35
	Number of functions/events held in the Rehearsal Room: No less than	100	100	100	100
7.	To consider and/or participate in encouraging national/international artists and productions.				
	Major productions by professional theatre groups: Least number of shows	1	1	1	1
8.	To provide an exciting and innovative programme of cultural and community events with broad appeal				
	Total live night for the year	160	160	160	160
	Total attendances over the year for all events	100,000	100,000	100,000	100,000
	The Council's communitrak survey confirms the continuing contribution to the city's economic and cultural wellbeing				
9.	To invest in an expansion of operations in order to meet the aspirations of the Trust Board and the City Council for maximising the use of the Theatre in a balance of civic, community and commercial uses.				
	The two yearly communitrak survey for visitor satisfaction: Not less than	90%	90%	90%	90%
	To add new subscribers to the Regent database : Not less than	5%	5%	5%	5%
10.	To contribute to the City's cultural heritage by maintaining and preserving the physical infrastructure of the building and its fixtures and fittings as a recognised heritage amenity.				
	To invest in a maintenance fund to meet general maintenance obligations: No more than	\$150k	\$150k	\$150k	\$150k

GOVERNANCE STATEMENTS


The Regent Theatre Trust.

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

SIGNATURES

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

Date: 7th March 2017

Signed: 

Maurice Rowe, Chairman, The Regent Theatre Trust



The Regent Theatre Trust

Forecast Budget
3 Years to 30 June 2020

OPERATIONS BUDGET

	Actual Year end Jun-14	Actual Year end Jun-15	Actual Year end Jun-16	Forecast Budget for year end - 2016			Forecast Budget for year end - 2017			Forecast Budget for year end - 2018			Forecast Budget for year end - 2019			Forecast Budget for year end - 2020		
				Forecast Budget Year End Jun-17	Forecast Budget Year End Jun-18	Forecast Budget Year End Jun-19	Forecast Budget Year End Jun-20	Forecast Budget Year End Jun-21	Forecast Budget Year End Jun-22	Forecast Budget Year End Jun-23	Forecast Budget Year End Jun-24	Forecast Budget Year End Jun-25	Forecast Budget Year End Jun-26	Forecast Budget Year End Jun-27	Forecast Budget Year End Jun-28	Forecast Budget Year End Jun-29	Forecast Budget Year End Jun-30	Forecast Budget Year End Jun-31
				Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Income																		
Theatre Operations																		
Commission	5,020	2,788	2,607	3,000	2,650	3,000	3,150	2,650	3,000	3,150	2,650	3,000	3,150	2,650	3,000	3,150	2,650	3,000
Auditorium hireage	219,433	200,201	184,420	190,000	180,500	190,000	199,500	180,500	190,000	199,500	180,500	190,000	199,500	180,500	190,000	199,500	180,500	190,000
Other room hire	14,030	12,481	13,366	14,000	13,820	14,500	17,000	14,000	15,000	17,000	14,000	15,000	17,000	14,000	15,000	17,000	14,000	15,000
Advertising recoveries	26,854	36,954	25,989	33,000	33,600	35,000	36,750	33,600	35,000	36,750	33,600	35,000	36,750	33,600	35,000	36,750	33,600	35,000
Other Recoveries and Hireage	220,411	213,731	201,522	226,500	232,000	232,000	243,500	232,000	232,000	243,500	232,000	232,000	243,500	232,000	232,000	243,500	232,000	232,000
Interest	7,477	7,569	8,196	6,000	5,900	6,000	9,000	5,900	6,000	9,000	5,900	6,000	9,000	5,900	6,000	9,000	5,900	6,000
Sundry	114	29	128	200	150	200	500	150	200	500	150	200	500	150	200	500	150	200
Operating Grant from PNCC	229,040	234,643	235,521	215,760	216,781	216,781	218,781	216,781	216,781	218,781	216,781	216,781	218,781	216,781	216,781	218,781	216,781	216,781
Total Theatre Operations Income	724,379	708,385	652,741	688,460	630,301	599,481	728,281	630,301	599,481	728,281	630,301	599,481	728,281	630,301	599,481	728,281	630,301	599,481
Event/Ticketing/Centre	116,749	121,276	107,610	125,000	110,000	125,000	145,000	110,000	125,000	145,000	110,000	125,000	145,000	110,000	125,000	145,000	110,000	125,000
Total Theatre Income	841,148	829,661	760,351	813,460	740,301	724,481	873,281	740,301	724,481	873,281	740,301	724,481	873,281	740,301	724,481	873,281	740,301	724,481
Expenditure																		
Theatre Operations																		
Total personnel costs and FCH Casuals	394,444	404,376	387,444	420,485	428,304	428,304	428,304	420,485	428,304	428,304	420,485	428,304	428,304	420,485	428,304	428,304	420,485	428,304
Total office expenses	9,871	8,988	5,637	10,050	9,000	9,100	11,500	9,000	9,100	11,500	9,000	9,100	11,500	9,000	9,100	11,500	9,000	9,100
Total operating costs	139,865	139,365	126,932	127,300	116,200	116,200	116,200	127,300	116,200	116,200	127,300	116,200	116,200	127,300	116,200	116,200	127,300	116,200
Total marketing including recoverable advertising	85,532	81,022	49,815	80,000	70,300	74,000	77,700	70,300	74,000	77,700	70,300	74,000	77,700	70,300	74,000	77,700	70,300	74,000
Total general expenses	54,761	49,626	55,434	53,900	52,700	52,700	52,700	53,900	52,700	52,700	53,900	52,700	52,700	53,900	52,700	52,700	53,900	52,700
Total Theatre Operations	664,262	663,367	546,253	691,735	678,504	692,304	688,404	691,735	692,304	688,404	691,735	692,304	688,404	691,735	692,304	688,404	691,735	692,304
Event/Ticketing/Centre	25,530	23,362	23,177	18,000	17,000	23,800	20,000	17,000	23,800	20,000	17,000	23,800	20,000	17,000	23,800	20,000	17,000	23,800
Operating Costs	11,035	10,380	11,112	13,530	12,846	13,666	14,759	12,846	13,666	14,759	12,846	13,666	14,759	12,846	13,666	14,759	12,846	13,666
Marketing	78,505	66,196	55,985	80,942	74,477	74,477	74,477	80,942	74,477	74,477	80,942	74,477	74,477	80,942	74,477	74,477	80,942	74,477
Rent/Admin premises lease and rates	17,245	13,956	13,253	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Event/Ticketing/Centre	132,315	113,653	103,567	112,473	104,323	111,943	109,236	112,473	104,323	111,943	109,236	112,473	104,323	111,943	109,236	112,473	104,323	111,943
Audience Development																		
Personnel	-	9,080	-	24,500	24,980	24,980	24,980	24,500	24,980	24,980	24,500	24,980	24,980	24,500	24,980	24,980	24,500	24,980
Promotion and Marketing	20,371	-	-	5,000	4,700	5,000	5,400	4,700	5,000	5,400	4,700	5,000	5,400	4,700	5,000	5,400	4,700	5,000
Website upgrade	6,957	1,360	3,310	1,000	940	1,000	1,080	940	1,000	1,080	940	1,000	1,080	940	1,000	1,080	940	1,000
Showroom premises lease and rates	6,775	5,498	5,222	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Audience Development	34,142	15,939	8,532	30,500	30,630	30,980	31,470	30,630	30,980	31,470	30,630	30,980	31,470	30,630	30,980	31,470	30,630	30,980
Total Expenditure	830,721	783,288	738,362	834,708	813,456	825,236	829,110	813,456	825,236	829,110	813,456	825,236	829,110	813,456	825,236	829,110	813,456	825,236
Operations Surplus (Deficit)	10,427	36,373	21,989	(21,248)	(73,156)	(756)	(44,171)	(21,248)	(73,156)	(756)	(44,171)	(21,248)	(73,156)	(756)	(44,171)	(21,248)	(73,156)	(756)
Non-Operational Depreciation (principally donated assets)	75,966	85,002	97,181	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Surplus (Deficit) after depreciation	(65,539)	(48,629)	(75,192)	(101,248)	(153,156)	(80,756)	(35,329)	(101,248)	(153,156)	(80,756)	(35,329)	(101,248)	(153,156)	(80,756)	(35,329)	(101,248)	(153,156)	(80,756)
Regent on Broadway Promotions Budget 12 month to 30th June 2018																		
Income - Ticket sales from ROB productions	125,140	9,196	55,554	50,000	60,000	60,000	60,000	50,000	60,000	60,000	50,000	60,000	60,000	50,000	60,000	60,000	50,000	60,000
Expenses - Production costs for ROB productions	172,891	9,450	35,940	45,000	58,000	55,000	55,000	45,000	58,000	55,000	45,000	58,000	55,000	45,000	58,000	55,000	45,000	58,000
Surplus (Deficit)	(47,751)	(354)	19,614	5,000	2,000	5,000	5,000	5,000	2,000	5,000	5,000	5,000	2,000	5,000	5,000	5,000	5,000	2,000



TE MANAWA MUSEUMS TRUST

SIX MONTH REPORT JULY – DECEMBER 2016

Contents

6 Month Report 2016/17

1. To expand and diversify partnerships and relationships
2. To clarify, develop and promote an organizational model which will support the realization of the strategic plan
3. To clarify and develop the programmes offered in response to a better understanding of our communities
4. To professionally manage and maintain all assets
5. To consolidate and build the separate and collective capability of staff, governance and core stakeholders
6. To maintain, grow and diversify revenues sources

REPORTING AGAINST THE STATEMENT OF INTENT

PLANNED ACTIVITIES 2016/17

Summary

Two major international exhibitions *Frida Kahlo: Her Photos* (from La Casa Azul (Frida Kahlo Museum) in Mexico which attracted around 13,000 visitors, and *Dinosaur Encounter* from the Natural History Museum in London, (around 32,000 visitors to end December) opened in the second quarter and drew people from Bluff to Kaitiaki (and even from Australia) to Palmerston North. Last December in the six monthly report I wrote that Te Manawa was intent on bringing more visitors from all over New Zealand to the region. The results of Frida Kahlo: Her Photos and Dinosaur Encounter as well as data from other smaller exhibitions we have opened over the past few years, provide evidence to support the notion that people will make the effort to come from outside of the Manawatu to experiences at Te Manawa. Future international exhibitions are now the pipe line and Te Manawa and the New Zealand Rugby Museum have a great as yet undeveloped opportunity to develop packages together as most visitors to The New Zealand Rugby Museum within Te Manawa are from out of the region and international. NZRM attracts 8,000 visitors per year to Palmerston North.

Inspired By, an exhibition by artists with disabilities responding to works in the Te Manawa collection, opened in gallery 1 of the Art Gallery and was very well received by local, national and international visitors. Based on this concept I was invited to speak at 'Communicating the Museum' an international museums conference in Berlin in July. Our relationship with IHC Idea Services has moved to a new level with IHC contributing 15,000 to Te Manawa for ongoing work around the inclusive open studio (NOA) concept currently on offer in the main foyer. A short exhibition by Idea Services users was opened in the Atrium in December to complement the Natural History Museum of London's replica Maiasaur skeleton.

A first for New Zealand art museums, the Visible Sculpture Store opened in the Art Gallery and this has been widely appreciated along with *Nova- New Additions to the Collection* – an exhibition of items acquired into the collection over the past 5 years.

Other significant exhibitions and events held over the 6 months: *Ato- A Third Reflection* by Bob Jahnke and toured by Pātaka Art Museum along with the work by Israel Birch *Ara-I- Te Uru* recently purchased for the Te Manawa collection, opened in December together with the Bachelor of Māori Visual arts exhibition Matatau for its 21st year. The importance of Te Manawa's relationship with Massey Māori Visual Arts and the significance of regional New Zealand art museums in terms of assisting to promote Māori visual artists cannot be underestimated in this global world.

A number of collection items were acquired by Te Manawa over the period including the Shane Cotton commission *River Diamond Blue*; which was completed and delivered to Te Manawa in November, the result of several years' work.

To note also over the period - *Visible: 60 women at 60* by Wellington Photographer Jenny O' Connor, *The Human Expression* by Dannevirke based artist John Lawrence, *Reflections*- the national exhibition of New Zealand Porcelain Artists association, *The Generous Heart* - works by infamous local retired Art teacher Bruce Rennie in November with hundreds of former students, colleagues and family attending from the Manawatu and all over the country.

Sunlight Ihi Komaru opened at Rotorua Museum and was appreciated by thousands of visitors. In November the exhibition was prepared for its journey to the Waikato Museum and MOTAT has confirmed for May 2017.

As well as all of this we installed a new interactive into Kids TM with more planned for next financial year.

The education service at Te Manawa has been reviewed under the guidance of Talent Central's Kelly Gay and a new strategy is being developed that will see future museum education product soar.

Janet Ellery joined the team as People and Partnerships leader and Amber AhMu as Project Delivery Manager. They are already starting to make a real difference in terms of process development, planning and internal communication.

Work continued on the Cultural Centre concept as well as the Art Gallery which turns 40 next year. The Te Manawa Art Gallery has a reputable collection of modernist art that is known throughout New Zealand. Te Manawa will be showing much of this collection in the coming year in the form of a long term installation. This will enable us to focus on the redevelopment of the museum's semi- permanent exhibitions.

Even though the 100 year old carousel was out of action for the first time this year due to engineering certification work, Santa's Cave saw more than 13,000 visitors this year with almost \$12,000 in donations, the highest recorded since it opened in Dec 2011.

Preparations for the national Museums conference MA17, Waitangi Day and International Women's day puppet making took place. The Rangiwhāia Environmental Arts Centre Trust received funding from UNESCO to make International Women's day puppets in Wellington and other parts of the country based on what started in the Manawatu 5 years ago.

Visitor numbers for the period are above target (150%) and fundraising for the period is almost double the original target due to the *Dinosaur Encounter* exhibition.

Te Manawa thanks the Iwi, Te Manawa Art Society, Science Centre Inc, the Museum Society and the Collections Committee for their work and support over these past 6 months.

We are also very grateful to the Palmerston North City Council, the Manawatu District Council for and the many community groups that work with us for their support as we work through the next phase of Te Manawa to include seismic strengthening, a cultural centre and redevelopment of the art gallery.

Andy Lowe

Chief Executive

Six Month Report against SOI – December 2016

	2016/17 Budget	Status	Result	Comments
Te Manawa Experience				
Number of visits to TM	170,000	On Track	127,214 (95,682 visits in person Total e-visits: 31,532) against a target of 85,000	150% Achieved
Number of visits to TM exhibitions at other venues	100,000	On Track	(2015/2016: total visits of 213,541, of which 169,318 in person and e-visits of 44,223) 47,628 (2015/2016: achieved 350,360)	Sunlight: - Rotorua 24,032 Forewell Zealanda - Waiouru 23,596
On line reach	158,000	Achieved	319,527 (including e-visits) (2015/2016: achieved. Total reach: 449,312(including e-visits)	Dinosaurs extremely popular and accessible. Working with sponsors' social media as part of campaign has allowed greater sharing to a wider audience.
Total visits to TM Experience	428,000			
Financial				
Third party revenue	\$546k	On track	Q2:\$553k actual versus budget of \$280k (2015/2016: achieved \$792k versus budget \$655k)	Year-end forecast provides for a total of \$956k versus budget of \$546
Satisfaction				
Visitor satisfaction (TM surveys)	>96%	On Track	96% (2015/2016: Achieved 97%)	
Community satisfaction (PNCC Communitrak survey)	85%	Not achieved	84% (+/- 5%)	Results of survey of 400 residents- 12th-21 st Aug 2016. (Margin of error 5%)

1. To maintain, clarify, expand and diversify partnerships and relationships

Planned Activities	2016/17	Status	Result	Comments
Develop a Te Manawa partnership and relationship strategy and plan- including social, cultural, economic and environmental sectors – and supporting protocols and processes	Annual review of relationships and partnerships undertaken	In Progress	Scheduled to commence in February 2017	
Prioritised partnerships & relationships developed and progressed	1 new prioritised partnership developed	In progress	New partnerships with IHC, and S+ART NZ Trust (2015/16 achieved)	The education partnership trial with Active Minds Aotearoa ended by agreement in Dec 2016 Delivery of the NOA Open Art Studio commenced in October 2017. This initiative has subsequently received grant funding from IHC. Te Manawa has agreed to work with S+ART NZ Trust to further aligned aims and activities around Science, Technology and Art
	95% of external partners recognise benefit from their relationship with Te Manawa	In progress	Scheduled to commence in February 2017 (2015/16 Not achieved)	Investigating change of measurement method
Consolidate and increase the value of Te Manawa to Council and vice versa	Assess existing MOU against main KPIs and develop 1 additional MOU	In progress	(2015/16 Not achieved)	TM is now part of City Vibrancy working group
Consolidate and expand Rangitāne partnership and relationship across social, cultural, economic and environmental sectors	MOU in place with social and cultural development outcomes 1 major partnership project reviewed and 1 new project based on outcomes confirmed with Rangitāne	In progress	2 projects with Rangitāne (2015/16 Achieved)	Cultural Centre development MA17 Conference/ Kaitiaki hui May 22 nd 2017
Facilitate partnerships with other iwi / Māori across social, cultural, economic and environmental sectors	Review outcomes of 2015/16 with a focus on 'making a difference' with/ for Māori communities	On Track	Robotics education Annual Awards (2015/16 Achieved)	Rangitāne education team Cultural Centre Business case development continues

	Review existing and develop MOU with 1 additional Kaupapa Māori based organisation to advance Kaupapa Māori based Te Manawa outcomes	In Progress	Rangitāne O Manawatu Education (2015/16 Achieved)	Working on new developments with schools
Maintain and expand the value of Te Manawa to educational agencies and vice versa (including LEOTC, UCOL, Wānanga, schools, pre-schools etc.	100% compliance with Ministry of Education LEOTC contractual agreement (with additional outputs reported in all key activities)	In Progress	Revised Te Manawa Education offer developing new strategy for 2016/17 year (2015/16 not achieved)	<p>The Education service has undergone significant change since September 2016. A site visit by NZCER resulted in a positive being to the Ministry of Education. The report acknowledged the transitional state of the service. Some issues were highlighted, and these now have action plans in place.</p> <p>The Milestone5 LEOTC contract report was submitted as required</p> <p>End of year target volumes are on track being met, subject to reorganising of resourcing post AMA departure.</p> <p>Establishment work in preparation for a 2017 technology funding round was also achieved.</p> <p>The development of new programmes, marketing and reporting systems with LEOTC is under way</p>
	<p>Deliver 1 new educational project partnership to expand Te Manawa's learning outcomes</p> <p>Confirm revised portfolio/ foci in relationship with evolving LEOTC options and/ or evolving Te Manawa value proposition.</p>	On Track	<p>S.T.E.A.M. (science, technology, engineering, art, mathematics) programmes at Te Manawa (Including: Robotics After School; Coding After School; Te Reo Māori)</p> 	

Contribute to connecting Te Manawa and Massey University to Palmerston North and the wider region.	Work with Massey University to develop, preserve and present its products, research, stories and collections.	In progress	Waitangi Day 2017 Jumpstart Innovation Hub (Massey Business School) 2016/ 17 New kpi	Massey School of Humanities Massey Business School STEAM@TM includes links to Massey science and engineering
--	---	-------------	--	--

2. To clarify, develop and promote the Te Manawa organisational model and the Te Manawa point of difference				
Planning Activities	2016/17	Status	Result	Comments
Develop an environmental strategy and incorporate sustainable practices across all activities	1 partnership project with environmental sustainability party	In progress	Urban Eels (2015/2016: Achieved)	Project being spearheaded by Fiona Gordon Consultancy with Te Manawa support
	1 major initiative to improve Te Manawa environmental performance	Achieved		Replacement glass roof in Atrium completed. Double glazing provides extra insulation and protection from UV light.
	Awards scoped and entry requirements considered against Te Manawa values and priorities	In progress	(2015/16 achieved)	
Ensure the Te Manawa story/brand is strategic and clear, and is effectively communicated and promoted	1 innovative online 'Te Manawa story' initiative is liked and/ or followed by 3,000 people	Achieved	(2016/17 new kpi)	Dinosaur encounter blogs
	The 'Te Manawa Story' is featured on 3 front-page stories in the local print media, 2 national print media stories and 1 prime time TV story	On Track	(2015/20116: Achieved)	<i>Dinosaur Encounter</i> <ul style="list-style-type: none"> - Featured TVNZ1 Seven Sharp - Front cover Manawatu Standard Sept 16 - Front cover Tribune Sept 16 - Substantia Jones story - National

3. To clarify and develop the Te Manawa programme offer and approach in response to better understanding communities				
Planning Activities	2016/17	Status	Result	Comments
Better understand the needs, preferences and values of the communities	Develop visitor market research strategy Partnership with a leading customer service organisation supports Te Manawa staff development	In Progress	(2016/ 17 new kpi) Service IQ and National Services Te Paerangi -Te Papa	Development of a visitor market research strategy is planned to commence April 2017 Schools are being targeted to develop customer service career days with students as part of the education programme 'STAR'. In future this may provide TM with a source of potential volunteers or staff
Develop a range of experience products (including exhibition, virtual, online, events, education etc)	Implement digital strategy	In progress	Vernon collection on line browser installed in July 2016 2015/2016:" develop digital strategy" Not Achieved	On-line "display" of collection items is work in progress and very much dependent on available resources Education: a collaboration with schools around digital exhibitions is being investigated
	A minimum of 20,000 visitors participate in activities during the year, and participation in two events attracting at least 3,500 visitors	On Track	(2015/2016: Achieved)	The two large events for 2017 are Festival of Cultures and Waitangi day, both of which are expected to attract at least 2000 visitors each. Both of these events are targeted at families.
	Develop new educational product	On Track	Robotics After School Coding After School Home School (2015/16 achieved)	Anticipated to be available from February 2017
	Total formal education visits achieve 23,150	On Track	Achieved 58% of total visits year to date (2015/2016: not achieved)	Balance of anticipated visits is expected to be achieved, subject to reorganising of resourcing post AMA departure.

Review and replenish all long term galleries	Concepts for long term galleries prepared	In Progress	(New kpi 2016/ 17) Visible Sculpture store opened (2015/2016: Achieved)	Journeys Manawatu exhibition community consultation for concept development has been held; further planning for concept development for refresh in FY 2017-18 is underway Completed one new interactive in Kids TM as at end of second Quarter; Ball Race Wall was installed in Kids TM in December 2016
Increase access to the collections both physically and virtually	A minimum of two (2) temporary exhibitions from Te Manawa collection are held to reflect the distinctive characteristics of our community and its collections	Achieved	2016/17 –achieved – NOVA & Inspired By (2015/2016: Achieved)	Concept development of collections based exhibitions –Super Nova- an extension of the Nova exhibition based on acquisitions over the last five years Joint exhibition project 'Inspired by' with Creative Journeys utilises 24 works from Te Manawa art collection
	Review of innovative interpretive engagement initiatives to identify best options for a signature Te Manawa approach	In Progress	2016/17 'review of...' is a new kpi'	Guidelines for review of interpretative initiatives are in train for completion in Q3 & 4
Upgrade art gallery	Scope art gallery/ cultural centre opportunities	On Track	(2016/ 17 new kpi)	Strategic projects committee has been established

4. To professionally manage and maintain all Te Manawa assets					
Planning Activities	2016/17	Status	Result	Comments	
Ensure appropriate collection development, management and research standards are achieved and maintained	All items are acquired in accordance with TM policy and processes	On Track	All collection items were acquired during first quarter in accordance with TM policy and processes (2015/2016: Achieved)		
	Quality of care and preservation of collections in TM's care demonstrated by no irreparable losses or damages caused as a result of handling by staff, and minimal (<5) cases of irreparable damage occurring as a result of public access	On Track	No incidents recorded (2015/2016: Achieved - No incidents recorded)		
Develop and manage the facilities in a way that optimises community value, access, safety and use while meeting all mandatory standards	Develop in conjunction with PNCC, a staged plan around seismic strengthening	In Progress	(2016/2017: new kpi)	Plans to ensure creative opportunities take advantage of seismic work e.g. interactive/experiential collections storage	
Develop and manage Human Resources systems in a way that aligns with and supports the new Te Manawa model and culture	All appropriate staff have annual Performance Reviews and agreed Development Plans for 2016/17 in place by 15 September 2016	Not achieved by date	70% of Performance reviews were in place by 15 th Sep 2016 (2015/2016: Not Achieved)		
	Annual staff workplace survey undertaken	On Track	Achieved. Survey completed in November 2016 (2015/2016: Not Achieved)	Action plan to address outstanding issues is now being formulated	

5. To consolidate and build the separate and collective capability of staff, governance and core stakeholders				
Planning Activities	2016/17	Status	Result	Comments
Build staff capability to deliver and build the value of the new Te Manawa model	90% of priority one development plans achieved	On Track	2016/17 Te Reo and Kaupapa Māori focus (2015/2016: Achieved)	Waiata sessions and Te Reo group (Ngutu)
Enhance bicultural practices across all activities	All staff attend a bicultural training programme New staff attend bicultural development training and one other key training	On Track	(2015/2016: Achieved)	Te Wānanga O Aotearoa, PNCC and internal groups/ classes
Consolidate and build the value of Te Manawa to the Societies and vice versa	Ensure involvement by societies in one project	On Track	2016/17 TMAS - 40 year Gallery anniversary and start of new gallery project Science Centre - Dino Encounter Museum Society - Collections on line and Santa's cave (2015/ 16 : achieved)	
Develop the volunteer base	Review strategy and process for volunteer involvement at Te Manawa	In Progress	Build Volunteer capacity increase volunteer numbers 2016/17 new kpi	Working on software for management of volunteer bookings Working on better recognition of volunteers

6. To maintain, grow and diversify the revenue sources				
Planning Activities	2016/17	Status	Result	Comments
Develop and implement a fundraising strategy that secures ongoing funding for Te Manawa activities	Annual strategy, plan and budgets are developed and agreed by 1 st March 2017	Achieved	Draft Statement of Intent and Budget for the next three financial years completed (2015/2016: Achieved)	Budget process commenced in October '16 and completed within statutory deadlines
Develop and implement Fundraising strategy	Fundraising strategy developed and implemented	On track	(2015/2016: Not measured)	New staff transitioning in
Consolidate and grow income from current funders	Initiate funder partnership strategy to maximise relationship, awareness of value and potential to increase funding and/ or deliver greater value	In Progress	ComputerCare and UCOL sponsorship continuation confirmed for next 3 years (2015/2016: Achieved)	A number of sponsors have come on board to support the exhibition <i>Dinosaur Encounter</i> and now looking at more general sponsorship
Ensure fundraising and sponsor-partnership is integrated into operational planning and priorities	1 sponsor of single project moved to being multiple project partnership	Achieved	16/17 ComputerCare sponsorship of <i>Dinosaur Encounter</i> exhibition, Robotics programme as well as existing Cosmodome sponsorship (2015/2016: Achieved)	
	Sponsorship and fundraising budgets are met	On Track	Actual six months of \$113k versus budget of \$50k (2015/16: Achieved actual \$200k versus budget \$100k)	Forecast of \$195k versus budget of \$100k
	Sponsorship and fundraising revenue is secured across a range of activities including exhibitions, events and capital expenditure	On Track	<i>Dinosaur Encounter</i> exhibition secured \$96k in sponsorship and fundraising to date Visible Sculpture Store project secured \$14,280 grant from CET Waitangi Day Event funded by PNCC (\$21k) and Ministry of Culture & Heritage (\$6.3k) <i>Frida Kahlo</i> closing exhibition event funded by the Embassy of Mexico (2015-16: Achieved)	

Maximise the value of Te Manawa generated revenue-producing projects and products	Retail, Venue hire and other Front of House charges including criteria for free-of-charge use reviewed to achieve 2% increase on 2015/16 budget	At risk	\$55.6k actual revenue from Front of House compared to the target of \$60.6k 2015/16: Not achieved. Actual shop sales revenue of \$49k against a target of \$56k. Actual venue hire revenue of \$10k against a target of \$24k	Year –end forecast provides for \$90.3k compared to last year's budget of \$102.6k.
	Touring exhibition revenue targets are met and exceed 2015/16 actual results	At risk	Actual revenue from Touring for the first quarter of \$38.0k versus budget of \$100k (2015/2016: Achieved)	Nelson Museum and Canterbury Museum have delayed taking Sunlight as Nelson Museum is under new Directorship and Canterbury museum redevelopment. Other venues are being pursued in Australia as well as NZ. MOTAT is confirmed to take Sunlight from late May-July 2017
	2% increase in programme revenue from 2015/16 actual results	On Track	Actual of \$18.1k compared to \$10.2k for the first six months last year i.e. an increase by \$77% and compared to \$10k against current budget (2015/2016: Not achieved)	\$21.2k forecast for year- end versus a budget of \$19.5k and actual last year of \$20.8k i.e. 1.02% increase by 1.02% from last year's actuals
Ensure costs are effectively managed to ensure the high value use and minimal waste of resources	Create capacity to fund assets renewal/ growth	On Track	Very much dependent on the net operating result at year end. (2015/2016: Achieved)	



FINANCIAL REPORT

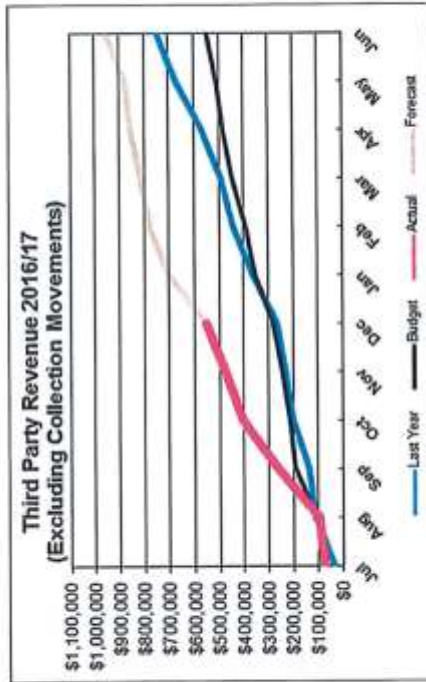
for six months ended

31 December 2016

Contents	Page Number
Financial Commentary	2
Statement of Comprehensive Revenue and Expense (<i>classification of expenses by nature</i>)	3
Statement of Comprehensive Revenue and Expense (<i>classification of expenses by function</i>)	4
Statement of Financial Position	5
Statement of Cash Flows	7
Notes to Interim Financial Statements	8
Statement of Accounting Policies	13

Financial Commentary

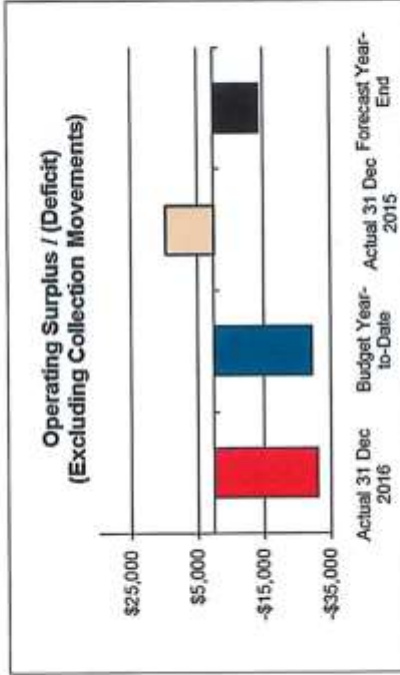
Key Result Indicators as at 31 December 2016



Third Party Revenue (excluding Collection Movements):

Year-to-date Operating Third Party Revenue sits at \$553.5k being over the budget by \$273.2k. This is the result of a significant increase in revenue from fundraising activities and admission fees. There is an increase in the corresponding exhibitions costs as a result of the *Dinosaurs Encounters* show. There has been a significant increase in shop sales slightly offset by a decrease in revenue from touring exhibitions.

Year-end forecast includes additional revenue from sponsorship - with new multi-year sponsorship contracts and community grants, revenue from Te Manawa touring exhibitions, and admission fees from future shows such as *Rembrandt Remastered* (March – April 2017) and *Topp Twins* – a Te Manawa developed exhibition.



Operating Surplus/(Deficit) (excluding Collection Movements):

Year-to-date net deficit is the direct result of the increase in costs incurred earlier in the year with developing a new Te Manawa signature exhibition the *Topp Twins* show, additional costs incurred with various public programmes and events (*Frida Kahlo* and *Dinosaurs Encounters*), increase in advertising costs and increase in the annual leave provision.

Year-end operating net deficit is within the budgeted deficit.

Te Manawa Museums Trust

Statement of Comprehensive Revenue and Expense (classification of expenses by nature)
For the six months ended 31 December 2016

	Note	Actual YTD 31-Dec-16 Unaudited \$	Budget YTD 31-Dec-16 \$	Variance \$	Last year 31-Dec-15 Unaudited \$	Forecast 30-Jun-17 (as at 31-Jan 2016) \$	Budget 30-Jun-17 (SOI) \$	Variance \$	30 June 2016 12 Months Audited \$
Operating Revenue									
PNCC Grants		1,501,778	1,482,525	-	1,481,043	3,003,554	2,965,049	38,505	2,962,088
MDC Grant		20,000	-	-	-	20,000	-	20,000	-
Interest Revenue	1	14,223	9,998	4,225	16,503	28,023	20,000	8,023	30,891
Other Operating Revenue	2	519,308	270,339	248,969	246,056	907,947	526,306	381,641	715,189
Total Operating Revenue		2,055,308	1,762,862	292,446	1,743,602	3,959,523	3,511,355	448,168	3,708,166
Operating Expenditure									
Payroll	3	960,533	1,041,405	(80,772)	1,045,815	2,024,149	2,141,194	(117,045)	2,108,766
Other Operating Expenses	4	920,073	546,396	373,677	483,255	1,535,092	990,100	544,991	1,034,282
Interest		-	-	-	-	-	-	-	88
PNCC Leases & SLA's		40,869	40,868	1	40,869	81,738	81,738	0	81,738
Depreciation	5	183,348	163,560	(212)	157,900	330,551	327,114	3,437	319,740
Asset Write-offs		1,412	-	1,412	1,207	1,412	-	1,412	2,352
Total Operating Expenditure		2,086,336	1,792,229	294,107	1,729,046	3,972,942	3,540,146	432,795	3,546,966
Operating Surplus/(Deficit) Before Collection Items		(31,027)	(29,367)	(1,660)	14,556	(13,419)	(28,792)	15,373	161,200
Collection Movement Income									
Custodial Assets		-	-	-	-	5,000	5,000	-	-
Donated Assets		7,391	-	7,391	8,643	21,342	20,000	1,342	45,884
Collection Movement Expense									
Custodial Assets Returned		-	-	-	-	-	-	-	-
Collection Assets Deaccessioned		-	-	-	-	-	-	-	-
Net Collection Movements		7,391	-	7,391	8,643	26,342	25,000	1,342	45,884
Net Surplus/(Deficit) Including Collection Movements		(23,636)	(29,367)	5,731	23,199	12,923	(3,792)	16,715	207,084

The accompanying notes form part of, and are to be read in conjunction with these financial statements.

Te Manawa Museums Trust

Statement of Comprehensive Revenue and Expense (classification of expenses by function)

For the six months ended 31 December 2016

	Note	Actual YTD 31-Dec-16 Unaudited \$	Budget YTD 31-Dec-16 \$	Variance \$	Last year 31-Dec-15 Unaudited \$	Forecast 30-Jun-17 (as at 31-Dec-2016) \$	Budget 30-Jun-17 (SOI) \$	Variance \$	30 June 2016 12 Months Audited \$
Operating Revenue									
PNCC Grants		1,501,778	1,482,525	-	1,481,043	3,003,554	2,965,049	-	2,962,096
MDC Grant		20,000	-	-	-	20,000	-	-	-
Interest Revenue	1	14,223	9,998	4,225	16,503	28,023	20,000	8,023	30,891
Other Operating Revenue	2	519,308	270,339	248,969	246,056	907,947	526,306	381,641	715,189
Total Operating Revenue		2,055,308	1,762,862	292,446	1,743,602	3,959,523	3,511,355	448,168	3,708,186
Total Operating Expenditure									
Assets & Systems		131,145	132,440	(1,295)	145,420	267,101	271,585	(4,484)	258,163
Collection & Knowledge		364,275	371,216	(6,941)	319,132	730,963	725,192	5,771	687,844
Corporate Services & Facilities		495,420	503,656	(8,236)	464,552	998,064	996,777	1,287	946,007
People & Partnership									
Learning		87,712	80,322	7,390	74,425	153,107	167,883	(14,576)	152,165
Communications		136,615	84,583	51,932	90,900	213,682	167,725	45,957	182,324
Public Programmes & Events		104,531	86,764	17,767	76,749	224,442	179,356	45,086	191,668
Sponsorship (includes Sponsorship in Kind)		5,000	-	5,000	3,000	15,000	-	15,000	16,000
Customer Services		173,438	135,695	37,742	144,230	331,944	277,732	54,212	317,267
Volunteers		902	574	328	268	1,152	1,150	2	455
Concepts & Engagement		508,758	388,039	120,719	391,572	939,337	793,646	145,690	859,879
Executive		631,014	441,232	189,782	425,504	1,109,790	823,621	286,169	839,078
Depreciation		286,943	285,742	(8,799)	288,317	593,788	598,988	(5,200)	579,910
Asset Write Off	5	163,348	163,560	(212)	157,900	330,551	327,114	3,437	319,740
		1,412	-	1,412	1,207	1,412	-	1,412	2,352
Total Operating Expenditure		2,086,336	1,792,229	294,107	1,729,046	3,972,942	3,540,146	432,795	3,546,966
Operating Surplus/(Deficit)		(31,027)	(25,367)	(1,660)	14,556	(13,419)	(28,792)	15,373	161,200
Collection Movement Income									
Custodial Assets		-	-	-	-	5,000	5,000	-	-
Donated Assets		7,391	-	7,391	8,643	21,342	20,000	1,342	45,884
Collection Movement Expense									
Custodial Assets Returned		-	-	-	-	-	-	-	-
Collection Assets Deaccessioned		-	-	-	-	-	-	-	-
Net Collection Movements		7,391	-	7,391	8,643	26,342	25,000	1,342	45,884
Net Surplus/(Deficit)	9	(23,636)	(25,367)	5,731	23,199	12,923	(3,792)	16,715	207,064
Other Comprehensive Revenue and Expense									
Total Comprehensive Revenue and Expense		(23,636)	(25,367)	5,731	23,199	12,923	(3,792)	16,715	207,064

The accompanying notes form part of, and are to be read in conjunction with these financial statements.

Te Manawa Museums Trust
Statement of Financial Position
As at 31 December 2016

Description	Notes	Actual YTD 31-Dec-16 Unaudited \$	Budget YTD 31-Dec-16 \$	Variance	Last year 31-Dec-15 Unaudited \$	Forecast 30-Jun-17 (as at 31 Jan 2017) \$	Budget 30-Jun-17 (SOI) \$	Variance	30 June 2016 12 Months Audited \$
Assets									
Current Assets									
Cash and Cash Equivalents	9	211,355	980,883	(769,328)	1,021,049	660,130	1,011,514	(351,384)	807,640
Stock of Merchandise		45,073	30,000	15,073	29,257	30,000	30,000	-	28,356
Debtors and Sundry Receivables (Non-Exchange)		12,042	41,500	(29,458)	54,014	25,700	41,500	(15,800)	97,949
Debtors and Sundry Receivables (Exchange)		7,903		7,903	2,286	3,500	700	2,800	2,612
Prepayments		230,675	-	230,675	34,604	147,610	-	147,610	189,603
Short Term Deposits	10	707,381	-	707,381	-	210,000	-	210,000	203,293
Total Current Assets		1,214,429	1,052,183	162,246	1,141,210	1,076,940	1,083,714	(6,774)	1,329,453
Non-Current Assets									
Intangible Assets									
Property Plant & Equipment:	5	30,739	25,572	5,168	19,769	27,077	42,992	(15,915)	17,152
Computer Hardware	5	26,603	19,386	7,218	26,831	20,327	21,370	(1,043)	26,231
Exhibitions		590,987	615,598	(24,612)	782,993	649,235	502,287	146,948	688,576
Furniture & Fittings		69,241	76,028	(6,786)	66,169	59,947	67,280	(7,333)	69,268
Leasehold Improvements		134,088	113,277	20,812	83,519	140,787	111,030	29,757	109,597
Plant & Equipment		183,104	167,034	16,070	121,580	178,321	148,678	29,643	154,635
Work in Progress		12,871	-	12,871	7,665	29,200	29,200	-	34,245
Collection Assets - Owned	6	7,479,217	7,377,985	101,232	7,345,271	7,493,168	7,464,985	28,183	7,389,043
Collection Assets - Custodial	6	7,156,806	7,161,805	(4,999)	7,156,806	7,161,806	7,166,806	(5,000)	7,156,806
Total Non-Current Assets		15,683,657	15,556,684	126,973	15,610,603	15,759,867	15,554,627	205,240	15,645,552
Total Assets		16,898,086	16,608,867	289,219	16,751,813	16,836,807	16,638,341	198,466	16,975,005

(Continued on the next page)

Te Manawa Museums Trust
Statement of Financial Position
As at 31 December 2016

	Notes	Actual YTD 31-Dec-16 Unaudited \$	Budget YTD 31-Dec-16 \$	Variance \$	Last year 31-Dec-15 Unaudited \$	Forecast 30-Jun-17 (as at 31 Jan 2017) \$	Budget 30-Jun-17 (SOI) \$	Variance \$	30 June 2016 12 Months Audited \$
Current Liabilities									
Creditors, Provisions & Payables		241,659	160,000	81,659	193,008	160,000	160,000	-	242,166
Employee Liabilities		163,870	167,000	(3,130)	137,381	163,991	167,000	(3,009)	185,882
GST Payable (Receivable)		58,652	42,000	16,652	63,171	58,000	42,000	16,000	65,020
Income received in advance		33,433	-	33,433	115,738	32,083	-	32,083	57,849
Total Current Liabilities		497,614	369,000	128,614	509,298	414,074	369,000	45,074	550,897
Non-Current Liabilities									
Employee Benefit Liabilities		2,009	-	2,009	4,302	3,009	-	3,009	-
Total Non-Current Liabilities		2,009	-	2,009	4,302	3,009	-	3,009	2,009
Total Liabilities		499,624	369,000	130,624	513,600	417,083	369,000	48,083	552,906
Equity									
Trust Equity		10,732,889	10,547,302	185,587	10,520,483	10,831,391	10,547,302	284,089	10,681,391
Retained Surplus Current Year		(23,636)	(29,367)	5,731	23,199	12,923	(3,793)	16,716	-
Asset Revaluation Reserve		5,397,292	5,397,292	-	5,397,292	5,397,292	5,397,292	-	5,397,292
Specific Reserves	7	281,043	313,131	(32,088)	286,630	167,044	316,131	(149,087)	332,543
Endowment Funds	8	10,874	11,509	(635)	10,609	11,074	12,409	(1,335)	10,873
Total Equity		16,398,462	16,239,867	158,595	16,238,213	16,419,724	16,259,341	150,383	16,422,099
Total Liabilities and Trust Funds		16,898,086	16,608,867	289,219	16,751,813	16,836,807	16,638,341	198,466	16,975,005

The accompanying notes form part of, and are to be read in conjunction with these financial statements.

For and on behalf of the Board


John Rowke
Chairman


Paul McElroy
Trustee

Date
23 February 2017

Te Manawa Museums Trust
Statement of Cash Flows for six months ended 31 December 2016

Description	Notes	Actual 31-Dec-16 Unaudited \$	Budget 31-Dec-16 \$	Variance \$	Last year 31-Dec-15 Unaudited \$	Forecast 30-Jun-17 (as at 31 Jan 2017) \$	Budget 30-Jun-17 (SOI) \$	Variance \$	30 June 2016 12 Months Audited \$
Cash Flows from Operating Activities									
Cash was provided from:									
PNCC Grants		1,501,778	1,482,525	19,253	1,481,043	3,003,554	2,985,049	38,505	2,982,086
Other Revenue		587,885	270,339	317,546	391,107	981,121	526,306	454,815	741,054
Interest		7,551	8,998	(2,447)	16,329	24,523	20,000	4,523	30,392
Cash was disbursed to:		2,097,214	1,762,862	334,352	1,888,479	4,009,197	3,511,355	497,842	3,733,532
Payroll		982,625	1,041,405	(58,780)	1,144,745	2,043,011	2,141,195	(98,184)	2,161,508
Suppliers		989,552	590,467	399,085	506,221	1,689,726	1,071,838	617,888	1,236,715
Interest		-	-	-	-	-	-	-	88
Net GST Outflow (Inflow)		(9,262)	-	(9,262)	(14,976)	7,020	-	7,020	(13,472)
Net Cash Flows from Operating Activities		1,952,916	1,631,872	331,044	1,635,990	3,739,758	3,213,033	526,724	3,384,839
Cash Flows from Investing Activities		134,298	130,990	3,308	252,489	269,439	298,321	(28,882)	348,693
Cash was provided from:									
Sale of Assets		-	-	-	-	-	-	-	-
Cash was disbursed to									
Purchase of Intangible Assets - Software		17,250	-	(17,250)	5,447	17,250	23,000	(5,750)	5,447
Purchase of Property Plant & Equipment		127,843	92,000	(35,843)	172,002	310,209	138,500	171,709	285,063
Purchase of Collection Assets		82,783	-	(82,783)	34,374	82,783	67,000	15,783	27,633
Net acquisition of short term deposit		502,707	-	(502,707)	-	6,707	-	6,707	203,293
Net Cash Flows from Investing Activities		730,583	92,000	(638,583)	211,823	416,949	228,500	188,449	521,436
Net Increase/(Decrease) in Cash Held		(730,583)	(92,000)	(638,583)	(211,823)	(416,949)	(228,500)	(188,449)	(521,436)
Opening Cash Balances		(596,285)	38,990	(635,275)	40,866	(147,510)	59,821	(217,331)	(172,743)
Closing Cash Balances		807,640	941,693	(134,053)	980,383	807,640	941,693	(134,053)	980,383
Closing Total Cash Balances	9	211,355	980,683	(769,328)	1,021,049	660,130	1,011,514	(351,384)	807,840

The accompanying notes form part of, and are to be read in conjunction with these financial statements.

Notes to the Interim financial statements

Selected Explanatory Notes (Commentary)

1. Interest revenue

Actual interest rate of 3.5% to 2.7% capitalised on short term deposits, compared to a budgeted 2.5%.

2. Other operating revenue

Year-to-date other income is over the budget due to significant increase in admission fees and sponsorship/fundraising received (i.e. \$96k) from various businesses, as well as community organisations that supported the *Dinosaurs Encounters* exhibition. Other areas that recorded increases from the budget are: shop sales, public programmes and events. Te Manawa has renewed two multi-year sponsorship agreements with UCOL and Computercare. We have also attracted funding from IHC Foundation for our new NOA art programmes and funding from Earle Trust for our new *Robotics* programmes. Manawatu District Council has contributed with \$20k in operating grant for the year.

3. Employee expenses

	Actual YTD 31-Dec-16 Unaudited \$	Budget YTD 31-Dec-16 \$	Variance \$	Last year 31-Dec-15 Unaudited \$	Forecast 30-Jun-17 (as at 31 Jan 2017) \$	Budget 30-Jun-17 (SOI) \$	Variance \$	30 June 2016 12 Months Audited \$
Total Salaries and Wages	927,867	1,007,905	(80,038)	1,043,705	1,965,202	2,080,694	(115,492)	2,070,7952
Employer Contributions to Kiwisaver	21,364	25,500	(4,136)	24,162	45,684	51,000	(5,316)	47,503
Employee Entitlements Increase/(Decrease)	11,382	8,000	3,382	(18,504)	13,263	9,500	3,763	(5,689)
less Direct payroll related to in- house developed/built capital projects (<i>Sunlight</i> project)	-	-	-	(3,548)	-	-	-	(3,548)
Total Employee Expenses	960,633	1,041,405	(80,772)	1,045,815	2,024,149	2,141,194	(117,045)	2,108,766

Actual to date and year end payroll costs forecast provide for a significant decrease in payroll costs from the budget. This is the direct result of a few positions not being filled during the period and due to budget providing for cleaners positions that have been contracted out.

4. Other operating expenditure

There has been a significant increase in operating expenses from budget due to costs incurred with bringing the "Dinosaurs Encounters" exhibition from the Natural History Museum in London, however the net operating result for this show is within the exhibition budget.

There have been additional costs incurred to date for developing a new Te Manawa signature exhibition "Topp Twins" and additional costs incurred with advertising, events, learning and public programmes.

5. Property, plant & equipment and intangible assets:

	Opening book value 1 July 2016	Plus additions	Less depreciation/ amortisation expense	Less impairment losses/assets written off	Closing net book value 31 December 2016
Computer Hardware	26,231	6,660	6,288	-	26,603
Exhibition	688,576	15,157	111,344	1,412	590,987
Furniture & Fittings	69,268	9,288	9,316	-	69,241
Lease Improvements	109,597	36,565	12,074	-	134,088
Plant & Equipment	154,635	49,143	20,664	-	183,104
Total Property Plant & Equipment	1,048,307	116,813	159,686	1,412	1,004,024
Intangibles	17,152	17,250	3,662	-	30,739
Total Depreciation and Amortisation Expense			163,348		

The value of work in progress as at 31 December 2016 amounts to \$12,871 and represents new interactives for the Kids Te Manawa semi-permanent exhibition space.

6. Collection Assets						
Collection Assets	Opening Balance 1 July 2016	Acquisitions	Donated/ Custodial Collection Assets	Revaluations	Deaccessions	Closing Balance 31-Dec-16
Art						
Owned	3,577,111	82,750	-	-	-	3,659,861
Custodial	5,780,714	-	-	-	-	5,780,714
Total Art Collection	9,357,824	82,750	-	-	-	9,440,574
Heritage						
Owned	3,811,932	33	7,391	-	-	3,819,356
Custodial	1,376,092	-	-	-	-	1,376,092
Total Heritage Collection	5,188,024	33	7,391	-	-	5,195,448
Total Collection Assets	14,545,848	82,783	7,391	-	-	14,636,022
Owned Collection Assets	7,389,043	82,783	7,391	-	-	7,479,217
Custodial Collection Assets	7,156,806	-	-	-	-	7,156,806
Total Collection assets	14,545,848	82,783	7,391	-	-	14,636,022

Valuation

Heritage Collection

The Trust's policy is to revalue the heritage collection every four years. The owned and custodial heritage collections were independently valued at 30 June 2015 at \$3,777,513 for the owned heritage collection and respectively at \$1,376,020 for the custodial heritage collection. The revaluation was undertaken by Webb's Auckland. The collection was valued based on fair value at the date of revaluation, by reference to price in an active market.

Art Collection

The Trust's policy is to revalue the art collection assets every three years. The owned and custodial art collections were independently valued at 30 June 2015 at \$3,511,035 for the owned art collection and respectively at \$5,780,714 for the custodial art collection. The revaluation was undertaken by Art+Object Auckland. The collection was valued based on fair value at the date of revaluation, by reference to price in an active market.

No Collection assets are pledged as security as at 31 December 2016 (2015: \$nil).

7. Specific Reserves

Specific Reserves	Opening Balance 1 July 2016	Transfers In/(Out) six months ended 31 Dec 2016	Balance as at 31 Dec 2016	Forecast Transfers In/(Out) 30 June 2017	Year-End Forecast Balance
Collection Development	76,461	(51,500)	24,961	-	24,961
Historical Building Maintenance	19,081	-	19,081	-	19,081
Exhibition Revitalisation/Development Fund	237,002	-	237,002	(114,000)	123,002
Total Specific Reserves	332,544	(51,500)	281,044	(114,000)	167,044

8. Endowment Funds

Endowment Fund	Opening Balance 1 July 2016	Transfers In/(Out) for six months ended 31 Dec 2016	Balance as at 31 Dec 2016	Forecast transfers In/(Out) 30 June 2017	Year-End Forecast Balance
*Cleveland Fund	10,874	-	10,874	200	11,074
Total Endowment Funds	10,874	-	10,874	200	11,074

*Roy E Cleveland Trust - 60% of net income per year for the general purposes of the Museum and in particular but without limitation for the acquisition of artefacts and materials including especially oral history recordings relating to pioneering and early development in the Manawatu-Rangitikei and neighbouring districts.

9. Cash and Cash Equivalents

Cash & Cash Equivalents	Interest Rate	31 December 2016
Petty Cash / Cash Floats		1,050
Cheque Account	0.15%	55,735
Online Business Account	0.55%	30,801
Term deposit (90 days)	2.75%	123,769
		211,355

10. Short Term Deposits

Short Term Deposit		31 December 2016
Term Investments	Maturity date	Rate
Short term deposit 1	13/03/2017	3.55%
Short term deposit 2	3/03/2017	3.50%
Short term deposit 3	10/02/2017	3.50%
		707,381

As per the Trust's financial investment policy, the term deposits are invested with commercial banks with a Standard & Poor's credit rating of at least A-.

Notes to the Interim Financial Statements

1 Statement of Accounting Policies**REPORTING ENTITY**

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

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

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

The financial statements of the Trust are for the six months ended 31 December 2016 and were approved by the Board of Trustees on 23 February 2017.

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

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

Debtors and other receivables

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

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

Financial Assets

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

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

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

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

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 as at 30 April 2015. Trust's policy is to revalue the Art Collection assets every three years.

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

All other asset classes are carried at depreciated historical cost.

Accounting for Revaluations

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

Intangible Assets

Recognition and measurement

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

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

Software acquisition and development

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

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

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

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

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

Subsequent expenditure

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

Amortisation

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

The estimated useful lives are as follows:

Software	1 to 7 years
Website	3 to 5 years

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

Impairment of property, plant and equipment and intangible assets

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

Value in use for non-cash-generating assets

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

Value in use for cash-generating assets

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

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

Creditors and Other Payables

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

Borrowings

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

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

Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects

current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in 'finance costs'.

Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

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

Equity

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

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

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Trust.

Restricted reserves include those subject to specific conditions accepted as binding by the Trust and which may not be revised by the Trust without reference to the Courts or a third party (i.e. endowment funds). Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

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

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 2016.

Te Manawa

art science history PALMERSTON NORTH

STATEMENT OF INTENT

for

**TE MANAWA MUSEUMS
TRUST**

2017/18 – 2019/20

DRAFT

CONTENTS

	Page
► Contact Details	2
► Introduction.....	3
► Our Vision, Mission and Values	4
► Te Manawa Trust Deed Objectives.....	6
► Key priorities	6
► Key Strategic Objectives.....	7
► Key Performance Indicators.....	8
► Planned Activities.....	9
► Governance Statements.....	15
► Signatures.....	15
► Board of Trustees composition	15
► Budget: for the years ended 30 June 2018, 2019, 2020.....	16

CONTACT DETAILS

Registered Office:	Palmerston North City Council	Legal Status	Te Manawa Museums Trust is a Council-Controlled Organisation (CCO) for the purposes of the Local Government Act 2002 and operates as a charitable trust under the Charitable Trust Act 1957. It is a not-for-profit CCO.
	Civic Administration Building		
	The Square, Palmerston North		
Website:	www.temanawa.co.nz		
Phone:	(06) 355-5000		
Email:	enquiries@temanawa.co.nz		
Main Contact:	Andy Lowe	Second Contact:	John Fowke
Role in CCO:	Chief Executive	Role in CCO:	Chairman
Address	Te Manawa Museums Trust	Address:	c/- Te Manawa Museums Trust
	Private Bag 11055		Private Bag 11055
	Palmerston North		Palmerston North
Phone:	06 351-4492	Phone:	021 466 425
Email:	andy.lowe@temanawa.co.nz	Email:	John.fowke@toyota.co.nz
Fax:	(06) 358-3552	Fax:	n/a

INTRODUCTION

Te Manawa is focussed on sustainability in the widest sense - sustainability of our treaty partner relationships, sustainable external revenue streams, new, safe and sustainable places for our activities and a sustainable programme of world leading exhibitions.

The *Frida Kahlo: Her Photos* exhibition showed that we continue to attract an audience from within and outside our core region - the 'Frida Carload' showed this in great style. Frida proved to be a great image leader for us and further cemented our reputation, prompting TVNZ to remark with some surprise that Frida was only visiting Palmerston North.

As we head towards 2020 our exhibition programme will continue to deliver on this promise. We have some exciting plans for locally developed and international exhibitions and discussions have started on a cultural centre concept in association with Rangitāne.

PNCC are working with us on the seismic strengthening of our facilities and we will be taking the opportunity to add to the sustainability of our structures, enhancing our entrances as well as providing more access to our collections in the style of our recent visible sculpture store - taking our collections to our population in new ways.

Later this year our Board will take the opportunity to refresh our objectives and key to this will be our contribution to a prosperous city. Our strategic intent to lead the sector in our region will lead to increasing contact with other regional cultural institutions such as the Sargeant and Puke Ariki.

We will host the Museums Aotearoa conference this year in a major coup for Te Manawa - Rangitāne are assisting us, enabling us to showcase the history and cultural values of our region as well as the vision for the future of the museum sector- inclusion.

In continuing our programmes of activities we are appreciative of the ongoing support from PNCC and MDC, councillors and officers, Iwi, Societies, the Team at Te Manawa and the community as they continue to encourage and support our programmes and exhibitions and overall growth.



John Fowke
Chairman, Te Manawa Museums Trust
Feb 28th 2017

OUR VISION

A museum for art science and history
without boundaries



MISSION

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

Te Manawa will make a difference by:

- ▶ Connecting people with each other and unlocking the riches of our taonga/treasures, mātāuranga/knowledge and kōrero/stories;
- ▶ Incubating ideas through collaboration and experimentation;
- ▶ Presenting knowledge of our region and beyond; providing a mirror for our communities and a lens to the world;
- ▶ Amplifying possibilities and potential, with and for our communities;
- ▶ Challenging boundaries, and responding proactively to change.



OUR VALUES

Kaitiakitanga

We are passionate about the taonga/ 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

Established 30 August 1999

- ▶ To provide governance of an organisation which is a regional museum complex, advancing interest in art, heritage and science (including interactive science)
- ▶ To provide study, educational and enjoyment opportunities through acquiring, conserving, researching, communicating and exhibiting material evidence of people and their environment
- ▶ To develop, promote, enhance and maintain collections to make them relevant to the peoples of the 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

KEY PRIORITIES FOR 2017/18, 2018/19 and 2019/20

- Strong Treaty partnerships
- External revenue streams
- New, safe and sustainable spaces
- World-leading exhibitions

KEY STRATEGIC OBJECTIVES FOR 2017/18, 2018/19 and 2019/20

1. **To maintain, clarify, expand and diversify partnerships and relationships**
 - Develop a Te Manawa partnership and relationship strategy and plan – including social, cultural, economic and environmental sectors
 - Develop and progress prioritised partnerships and relationships
 - Consolidate and increase the value of Te Manawa to Palmerston North City, Manawātū and the wider region
 - Consolidate and expand Rangitāne and other Iwi partnerships and relationships across social, cultural, economic and environmental sectors
 - Maintain and expand the value of Te Manawa to educational agencies and vice versa, including LEOTC (learning and education outside the classroom), Massey University, UCOL (Universal College of Learning), Te Wānanga o Aotearoa, Kura Kaupapa Māori, Institute of the Pacific United New Zealand (IPU New Zealand), schools, Kōhanga, pre-schools, etc.
2. **To clarify and develop the Te Manawa programmes and approach in response to better understanding the communities**
 - Better understand the needs, preferences and values of communities
 - Ensure the Te Manawa story and brand is strategic and clear, and is effectively communicated and promoted
 - Develop a range of innovative experience products (including exhibition, virtual, online, events, education, etc.) that ensure the focused and strategic use and activation of the Te Manawa collections
 - Review and replenish long-term galleries to increase physical and virtual access to collections
3. **To professionally manage and maintain all Te Manawa assets**
 - Ensure appropriate collection development, management and research standards are achieved and maintained
 - Develop and manage the facilities in a way that optimises community connection, access, safety and use while meeting mandatory standards
 - Plan and implement collections movements in line with seismic strengthening of collections storage areas
 - Upgrade art gallery
4. **To consolidate and build the separate and collective capability of staff, governance and core stakeholders**
 - Build staff capability to deliver and build the value of the Te Manawa model
 - Enhance bicultural practices across all activities
 - Consolidate and build the value of Te Manawa to the kindred Societies and volunteer base

5. To maintain, grow and diversify the revenue sources
- Develop and implement a fundraising strategy that secures ongoing funding for Te Manawa activities
 - Ensure fundraising and sponsor-partnership are integrated into operational planning and priorities

KEY PERFORMANCE INDICATORS FOR 2017/18, 2018/19 and 2019/20

	2017/18 Budget	2018/19 Budget	2019/20 Budget
Te Manawa Experience			
Number of visits including e-visits to Te Manawa	172,000	174,000	176,000
Number of visits to Te Manawa exhibitions at other venues	100,000	100,000	100,000
On line reach*	160,000	162,000	164,000
 Total visits to Te Manawa experience	 432,000	 436,000	 440,000
Financial			
Third Party Revenue	\$577k	\$580k	\$582k
Satisfaction			
Visitor Satisfaction (Te Manawa surveys)	>96%	>96%	>97%
Community Satisfaction (PNCC Communitrak Survey) (undertaken biennially)	-	85%	-

*'Online reach' is here defined as the number of visitors who see or are exposed to what Te Manawa puts online.

'Online visits' are where visitors engage or interact with online Te Manawa products; they click on links or hotspots, go deeper into website beyond the splash page, like or dislike or respond in other ways to digital content.

PLANNED ACTIVITIES FOR 2017/18, 2018/19 and 2019/20

1. To maintain, clarify, expand and diversify partnerships and relationships			
Planned activities	Outputs (KPIs)		
	2017/18	2018/19	2019/20
Develop a Te Manawa relationship strategy and plan – including social, cultural, economic and environmental sectors	Review of strategic partnerships is undertaken Opportunities to reaffirm, reframe and develop partnerships are identified and planned for	A Relationship Implementation Plan is developed Strategically important partnerships are demonstrated through reported collaborative activities	Te Manawa vision is embedded in a multi-year strategic partnership Agreement with accountable and complementary outputs
Develop and progress prioritised partnerships and relationships	1 new prioritised partnership is identified and developed 1 international partnership confirmed and 2 further options identified	1 national partnership becomes multi-year 1 new high value mid to long-term partnership developed A survey to measure benefit, experienced by external partners in their relationship with Te Manawa is developed	New partnerships are developed External partners are invited to respond to the survey developed in 2018-19 and 95% of them recognise benefit from their relationship with Te Manawa
Consolidate and increase the value of Te Manawa to Palmerston North City, Manawātū and the wider region	Develop concept for a collaborative project with Council Contribute to achievement of education outcomes for the wider region through learning programmes	Implement collaborative project with Council Contribute to achievement of education outcomes for the wider region through learning programmes	Develop new project Contribute to achievement of education outcomes for the wider region through learning programmes
Consolidate and expand Rangitāne and other iwi partnerships and relationships across social, cultural, economic and environmental sectors	Review the partnership document with Rangitāne and assess against joint goals identified in the document Undertake a research project to assess measurable impacts of Te Manawa activities on Māori	1 new project signed off by Rangitāne and planning underway Develop 1 major initiative to increase Māori participation in/with Te Manawa	Deliver the new project against the goals of the partnership with Rangitāne Two new partnerships with kaupapa Māori organisations prioritised and under development
Maintain and expand the value of Te Manawa to educational agencies and vice versa, including LEOTC (learning and education outside the classroom), Massey University, UCOL (Universal College of Learning), Te Wānanga o	Compliance with Ministry of Education LEOTC contractual agreement (with additional outputs reported in all key activities). Apply for a new LEOTC contract with Ministry of Education	Compliance with Ministry of Education LEOTC contractual agreement (with additional outputs reported in all key activities)	Compliance with Ministry of Education LEOTC contractual agreement (with additional outputs reported in all key activities)

1. To maintain, clarify, expand and diversify partnerships and relationships			
Planned activities	Outputs (KPIs)		
	2017/18	2018/19	2019/20
Aotearoa, Kura Kaupapa Māori, Institute of the Pacific United New Zealand (IPU New Zealand), schools, Kohanga, pre-schools, etc.	Develop new learning hub concept	Align new programmes with learning hub concept	Evaluate learning hub outcomes against stated objectives

2. To clarify and develop the Te Manawa programme offer and approach in response to better understanding the communities			
Planned activities	Outputs (KPIs)		
	2017/18	2018/19	2019/20
Better understand the needs, preferences and values of communities	<p>Develop effective mechanisms for visitor survey and feedback</p> <p>Develop process for communities to be included in project development and review</p>	Implement findings from community and visitor surveys	<p>Marketing activities and practices are reviewed to ensure they continue to target specific customer needs and interests</p> <p>Implement findings from community and visitor surveys</p>
Ensure the Te Manawa story and brand is strategic and clear, and is effectively communicated and promoted	<p>The Te Manawa story is featured in digital media, on 3 front-page stories in the local print media, 2 national print media stories and 1 primetime TV story</p> <p>Exhibitions, programmes and activities embrace the 'Te Manawa story'</p>	<p>The Te Manawa story is featured in digital media, on 3 front-page stories in the local print media, 2 national print media stories and 1 primetime TV story</p> <p>A biennial review of the extent to which exhibitions, programmes and activities embrace the 'Te Manawa story' is completed)</p>	<p>The Te Manawa story is featured on national and international news</p> <p>Findings of the Te Manawa story review are implemented</p>
Review and replenish long-term galleries to increase physical and virtual access to collections	<p>Refresh Journeys Manawatū exhibition</p> <p>Santa's Cave concept development and plan for centenary programme completed</p> <p>A semi-permanent exhibition for Gallery 1 in Art Gallery developed and delivered</p> <p>Social Space installed-- Gallery 3 in Art Gallery</p> <p>Concept development and planning for redevelopment of history, tangata whenua, and natural environment exhibitions completed in relation to seismic strengthening works</p>	<p>Refresh Te Rangi Whenua exhibition, incorporating one innovative interpretive engagement initiative</p> <p>Implement Santa's Cave centenary programme</p> <p>Refresh Kids TM</p> <p>Refurbish Totaranui historic house</p>	Continue refresh of Te Rangi Whenua

2 To clarify and develop the Te Manawa programme offer and approach in response to better understanding the communities			
Develop a range of innovative experience products (including exhibition, virtual, online, events, education etc) that ensure the focused and strategic use and activation of the Te Manawa collections	<p>Develop one collections online theme that reflects the distinctive characteristics of our community</p> <p>Develop a touring exhibition concept that embraces the unique Te Manawa story</p> <p>Develop the 'Museum shop' concept so that the shopping experience is integral to the total visitor experience and shop product responds to Te Manawa programmes and collections</p> <p>Business Case on the viability and sustainability of a Rangitane Cultural Centre completed [pending funding of that process]</p> <p>A minimum of 21,000 visitors participate in activities during the year</p> <p>Deliver 3 co-created activities with community partners</p>	<p>Two new collections online themes are developed</p> <p>Showcase a touring exhibition that integrates the Te Manawa story</p> <p>Commence implementation of the 'Museum shop' concept; Initiate any required planning to implement structural changes to the 'Museum shop' concept (if required)</p> <p>Design approach and Concept Design for Cultural Centre completed,</p> <ul style="list-style-type: none"> shows how physical and digital elements of the concept link visitor and stakeholder awareness and brand testing completed <p>A minimum of 22,000 visitors participate in activities during the year</p> <p>Deliver 3 co-created activities with community partners</p>	<p>Review digital strategy and collections on-line facility</p> <p>Develop a touring exhibition concept that embraces the unique 'Te Manawa story'</p> <p>Implement any required structural changes to the museum shop</p> <p>Fundraising target achieved for implementation of Cultural Centre</p> <p>A minimum of 22,500 visitors participate in activities during the year</p> <p>International awards for 'making a difference' are scoped and entry requirements considered against Te Manawa values and priorities</p> <p>Deliver 3 co-created activities with community partners</p>

3. To professionally manage and maintain all Te Manawa assets			
Planned activities	Outputs (KPIs)		
	2017/18	2018/19	2019/20
Ensure appropriate collection development, management & research standards are achieved and maintained	<p>All items are acquired in accordance with Te Manawa policy and processes</p> <p>Quality of care and preservation of collections in Te Manawa's care demonstrated by no irreparable losses or damages caused as a result of handling by staff, and minimal (< 5) cases of irreparable damage occurring as a result of public access</p> <p>Art collections are revalued for market and insurance purposes</p>	<p>All items are acquired in accordance with Te Manawa policy and processes</p> <p>Quality of care and preservation of collections in Te Manawa's care demonstrated by no irreparable losses or damages caused as a result of handling by staff, and minimal (< 5) cases of irreparable damage occurring as a result of public access</p> <p>Heritage collections are revalued for market and insurance purposes</p>	<p>All items are acquired in accordance with Te Manawa policy and processes</p> <p>Quality of care and preservation of collections in Te Manawa's care demonstrated by no irreparable losses or damages caused as a result of handling by staff, and minimal (< 5) cases of irreparable damage occurring as a result of public access</p>
Develop and manage the facilities in a way that optimises community connection, creativity, access, safety and use while meeting mandatory standards	<p>Maximise the creative opportunities made available as a result of required seismic strengthening</p> <p>Refurbish Wilkins Theatre</p>	<p>One unique and experimental collections storage concept is developed in line with the required seismic strengthening</p>	<p>One unique and experimental collections storage concept is implemented in line with the required seismic strengthening</p>
Plan and implement collections movements in line with seismic strengthening of collections storage areas	<p>Project Plan indicating movements, resources and costs completed with PNCC staff, including analysis of off-site storage requirements, and approved by PNCC</p>	<p>Packing of heritage collections undertaken</p> <p>Appropriate off-site facility identified and rental agreement signed</p>	<p>Packing of heritage collections undertaken</p> <p>Movement of heritage collections undertaken and monitored</p> <p>Seismic strengthening of West block and Pitt Street stores, including new mobile storage systems and possible visible storage element</p>
Upgrade art gallery	<p>Fundraising strategy developed</p>	<p>Initial implementation of Fundraising strategy</p>	<p>Initial concept designs prepared</p>

4. To consolidate and build the separate and collective capability of staff, governance and core stakeholders			
Planned activities	Outputs (KPIs)		
	2017/18	2018/19	2019/20
Build staff capability to deliver and build the value of the Te Manawa model	Knowledge, skills and attributes required to implement the Te Manawa vision are identified. Staff development needs are reviewed. Staff development plans are in place.	90% of development plans achieved	90% of development plans achieved
Enhance bicultural practices across all activities	Te Manawa provides Treaty of Waitangi training programme Staff attend bicultural development training and one other key training	Te Manawa provides Treaty of Waitangi training programme Staff attend bicultural development training and one other key training	Te Manawa provides Treaty of Waitangi training programme Staff attend bicultural development training and one other key training
Consolidate and build the value of Te Manawa to the kindred Societies and volunteer base	Develop a unified 'Friends' concept that lies in with a TM volunteer programme. Review volunteer involvement at Te Manawa and create one innovative method of volunteer engagement	Develop a collaborative concept with the Friends of Te Manawa Implement changes to strategy and process for volunteer involvement at Te Manawa	Develop a collaborative concept with the Friends of Te Manawa Review innovative method of volunteer engagement and create one other

5. To maintain, grow and diversify the revenue sources			
Planned activities	Outputs (KPIs)		
	2017/18	2018/19	2019/20
Develop and implement a fundraising strategy that secures ongoing funding for Te Manawa activities	Review fundraising strategy	Prioritise sources of revenue	Implement changes to fundraising strategy
Ensure fundraising and sponsor-partnerships are integrated into operational planning and priorities	<p>1 sponsor of single project moved to being multiple project partnerships</p> <p>Sponsorship and Fundraising budgets are met</p> <p>Sponsorship and fundraising revenue is secured across a range of activities including exhibitions, events and capital expenditure</p>	<p>1 sponsor of single projects moved to being multiple project partnerships</p> <p>Sponsorship and Fundraising budgets are met</p> <p>Sponsorship and fundraising revenue is secured across a range of activities including exhibitions, events and capital expenditure</p>	<p>Successful multiple partnership projects achieved</p> <p>Sponsorship and Fundraising budgets are met</p> <p>Sponsorship and fundraising revenue is secured across a range of activities including exhibitions, events and capital expenditure</p>

GOVERNANCE STATEMENTS

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

SIGNATURES

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

Date: 23 Feb 2017



John Fowke, Chairman, Te Manawa Museums Trust Board

Te Manawa Museums Trust – Board of Trustees' composition:

John Fowke	- Chair
Geoffrey Jameson	- Trustee
Joseph Issac-Sharland	- Trustee
Nuwyne Te Awe Awe Mohi	- Trustee
Sheridan Hickey	- Trustee
Tyson Schmidt	- Trustee
Paul McElroy	- Trustee



Te Manawa Museums Trust

**Draft Statement of Intent (Financials)
For the years ended 30 June 2018, 2019 & 2020**

February 2017

Contents

	Page Number
Budget Assumptions and Comments	18
Prospective Statement of Comprehensive Revenue and Expenses	24
Prospective Statement of Financial Position	25
Prospective Statement of Cash Flows	26
Statement of Accounting Policies	27

Budget Assumptions and Comments:

Revenue

1. Palmerston North City Council (PNCC) Funding:

PNCC Operating Grant

2017/18: \$3,045,605 (2016/17 plus 1.4%)*

2018/19: \$3,088,243 (2017/18 plus 1.4%)*

2019/20: \$3,131,479 (2018/19 plus 1.4%)*

* Consistent with the CPI rate of 1.4% at 31 December 2016 and advised by PNCC.

2. Interest Revenue:

Interest Income has been based on average bank balances remaining between \$879k and \$1,055k (the approximate required level to preserve Te Manawa tagged reserves) with weighted average bank interest rates forecast at 2.5%.

3. Other Operating Revenue:

Other Operating Revenue is forecast to increase from the 2016/17 budget, with increased targets for fundraising and sponsorship.

4. Net Collection Movements

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

The prospective financial statements do not provide for a forecast net movement in the market value of 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 revaluation of Art Collection will take place during 2017/18 financial year and the Heritage Collection revaluation is planned to take place in 2018/19 financial year.

The allocated budget for purchasing new art and heritage collection items has been maintained at \$50,000 per year, as a result of Te Manawa commitment to increase its collection base.

Expenditure

5. Payroll:

The Payroll budget for 2017/18 incorporates requirements of the new remuneration system adopted by Te Manawa. It also provides for a slight temporary increase in resources to focus on the collection on-line project and support tasks associated with revaluation of art and heritage collections which will take place over the next two financial years.

6. Operating Expenditure:

Operating costs have been budgeted for the next three years based on current contractual commitments, as well as anticipated savings in facilities maintenance costs (i.e. cleaning, repairs and maintenance, security and administrative costs). It also provides for increases in the value of collection insurance.

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

Operating Expenditure	Budget 2016/17 \$	Forecast (as at 31 Jan 2017) 2016/17 \$	Budget 2017/18 \$	Budget 2018/19 \$	Budget 2019/20 \$
Other Operating Expenditure					
Assets and Systems					
Collection	75,110	63,165	79,330	84,371	85,341
Facilities	293,980	326,633	327,183	330,773	334,624
Corporate Services	116,888	143,028	124,134	125,471	126,830
	485,978	532,826	530,646	540,614	546,795
People & Partnerships					
Education	22,110	41,367	16,050	16,275	16,503
Public Programmes & Events	40,200	102,691	40,200	40,763	41,333
Communications	79,320	123,716	73,360	74,387	75,428
Visitors' Host	34,040	50,915	34,620	35,105	35,596
Volunteers	1,150	1,152	1,150	1,166	1,182
	176,820	319,841	165,380	167,695	170,043
Concepts & Engagement					
Other operating expenditure	295,290	629,627	307,304	440,951	414,055
	295,290	629,627	307,304	440,951	414,055
Executive					
Other operating expenditure	113,750	134,534	95,210	116,555	117,919
	113,750	134,534	95,210	116,555	117,919
Payroll	2,141,194	2,024,150	2,194,326	2,195,962	2,225,812
Depreciation/Amortisation	327,114	330,551	358,067	221,229	242,106
Assets Written Off	-	1,412	-	-	-
Total Operating Expenditure	3,540,146	3,972,941	3,650,934	3,683,006	3,716,730

7. Occupancy Costs:

Te Manawa has received notice of some suppliers' intention to increase costs. An inflation adjustment of 1.4% has been applied consistently.

General insurance costs (i.e. other than collection insurance) have been forecasted based on actual quotes adjusted for inflation. The forecast energy is based on actual consumption trend adjusted for inflation. The increase in Facilities' forecast and budgeted operating costs for the next three years is due to external contractors being employed for cleaning services (the budget for the current year provides for cleaning services as part of payroll). The cleaning contracts are planned for at a slightly reduced level of service in order to maintain an effective cost.

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.

The Trust has a contract with PNCC to lease the premises in which activities are situated, effectively on a rent-free basis. The term of the current lease will expire on 30 June 2018, and the assumption is that the rent free will continue for the next years as well. PNCC also provides human resources advisory services free of charge to Te Manawa with a market price of \$24k per year.

9. Depreciation:

The forecast depreciation for next financial years is based on the planned plant and equipment additions, the upgrade of the semi-permanent exhibitions (Manawatu Journeys and Te Rangi Whenua) and the new Art Gallery Social Space planned to be opened in 2017/18 financial year (refer to Note 12 for more information on planned capital expenditure).

Depreciation expense is forecast to decrease significantly in year 2018/19 as a result of the semi-permanent exhibitions upgraded back in 2011 being fully depreciated by the end of 2017/18 financial year.

10. Operating Surplus/(Deficit) before Collection Movements:

Operating net deficits have been budgeted for 2017/18 (-\$28.3k), 2018/19 (-\$14.4k) and 2019/20 (-\$3.7k). Tight management of operating expenditure will be required to achieve the budgeted results. Revenue generation opportunities must be sought to ensure that sufficient 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 \$845k and \$963k. This is sufficient to meet the current Trust's budgeted obligations and commitments.

A short term deposit with maturity of up to 6 months has been budgeted for during next year, in line with current forecast, to benefit from higher interest rates. However this is subject to cash available from meeting our third party revenue target for next financial year.

12. Planned Capital Expenditure:

The annual operating grant is insufficient to fund both operating costs and retention of the value of Te Manawa's fixed assets base. Therefore, in order to avoid significant decline of fixed assets base in the future, one of Te Manawa's financial strategy is to gradually build up its collection and revenue generating touring exhibition reserves, and carefully plan for its capital expenditure.

Forecast for the year includes a significant capital project i.e. Te Manawa signature project *Topp Twins* touring show, which is mostly funded from the semi-permanent exhibition reserve and fundraising. There have been significant art collection items purchased during current financial period which were funded from reserves (refer Note 14 below for more information).

The budgets for the next three financial years include the following significant capital projects (excluding collection acquisitions):

2017-18 Financial Year	Budget
	\$
Front of House furniture renewals	4,000
New ventilation for the workshop	15,000
Collection online - Digital interactive software	30,000
Social Space in the Art Gallery (commenced during 2016/17 financial year)	91,300
Plant and Equipment renewals	10,000
Wayfinding signage	7,000
Wilkins Theatre refurbishment and technology upgrade	30,000
Manawatu Journeys selected interactives upgrade, including Soundscape	50,000
Total:	237,300

2018-19 Financial Year	Budget
	\$
Stage 1 Collection storage - new drawer units for collection on paper	12,000
Upgrade of computer hardware and monitors	10,000
Interactive online collection hardware for the Art Gallery	30,000
Plant & Equipment renewals	10,000
New exhibition cases	20,000
Internal sound system for public areas	30,000
Kids Te Manawa selected spaces refurbishment	40,000
Stage 1: Te Rangi Whenua refresh	30,000
Totaranui Historic House refurbishment	40,000
Total:	222,000

2019-20 Financial Year	Budget
	\$
New integrated financial accounting, booking and shop sales software	60,000
Plant & Equipment renewals	10,000
Stage 2 Collection storage - new drawer units for collection on paper	12,000
Stage 2: Te Rangi Whenua refresh	80,000
Upgrade of computer hardware and monitors	10,000
Earthquake Storage	100,000
Total:	272,000

A summary of the budgeted capital acquisitions by type of assets is presented below:

Planned Capital Expenditure Summary	<i>Budget 2016/17 \$</i>	<i>Forecast 2016/17 \$</i>	<i>Budget 2017/18 \$</i>	<i>Budget 2018/19 \$</i>	<i>Budget 2019/20 \$</i>
Software	23,000	17,250	24,000	-	60,000
Leasehold Improvements	39,000	40,570	126,300	40,000	-
Computer Hardware	7,500	6,660	16,000	10,000	10,000
Exhibitions	35,000	187,746	50,000	120,000	80,000
Furniture & Fittings	21,500	9,290	4,000	-	-
Plant & Equipment	35,500	65,943	17,000	52,000	122,000
Collection Assets (Purchased)	67,000	82,783	50,000	50,000	50,000
Total planned assets additions	228,500	410,242	287,300	272,000	322,000

13. STATEMENT OF CASHFLOWS:

Forecast net cash flows from operating activities are sufficient to cover the planned capital expenditure for the 2017/18 financial year. During the 2018/19 and 2019/20, the budgeted operational expenses will increase as a result of international exhibitions to be hosted by Te Manawa.

Te Manawa has also planned for significant refurbishments of the semi-permanent exhibitions that will make our long term galleries more vibrant and engage more visitors. We are however relying significantly on third party revenue in order to achieve this and thus, third party revenue will remain a focus.

14. 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. Year 2018/19 marks the beginning of Te Manawa campaign of raising funds for the full redevelopment of the Art Gallery.

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.

Endowment Fund	2016/17 Budget	Forecast at 30/06/17	Budget transfers in/(out)	2017/18 Budget	Budget transfers in/(out)	2018/19 Budget	Budget transfers in/(out)	2019/20 Budget
*Clevely Fund	12,409	11,074	200	11,274	200	11,474	200	11,674
Total Endowment Funds	12,409	11,074	200	11,274	200	11,474	200	11,674

*Roy E Clevely Trust - 60% of net income per year for the general purposes of the Museum and in particular but without limitation for the acquisition of artefacts and materials including especially oral history recordings relating to pioneering and early development in the Manawātū-Rangitikei and neighbouring districts.

Specific Reserves	2016/17 Budget	Forecast at 30/06/17	Budget transfers in/(out)	2017/18 Budget	Budget transfers in/(out)	2018/19 Budget	Budget transfers in/(out)	2019/20 Budget
Collection Development	29,634	24,961		24,961	-	24,961	-	24,961
Historical Building Maintenance	19,081	19,081	-	19,081	-	19,081	-	19,081
Semi-Permanent Exhibition Development Reserve	267,416	123,002	35,000	158,002	35,000	193,002	35,000	228,002
Total Specific Reserves	316,131	167,044	35,000	202,044	35,000	237,044	35,000	272,044

The Collection Development fund has been reduced during current period as a result of a significant art acquisition (i.e. Shane Cotton). Future replenishment of the collection reserve will be achieved by transferring any unspent annual collection budget to collection reserve.

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. The reserve will partially fund the development and build of *Topp Twins* touring show during current period.

The table below indicates the impact of forecast cash balances upon the forecast tagged and untagged reserves.

Te Manawa Museums Trust

Budget Statement of Cash Balances and Reserves

For three years ended 30 June 2018, 2019 & 2020

	Budget 2016/17 \$	Forecast 2016/17 \$	Budget 2017/18 \$	Budget 2018/19 \$	Budget 2019/20 \$
Cash and Cash Equivalents	1,011,514	660,130	844,600	962,633	878,992
Short Term Deposits	-	210,000	210,000	-	-
Total Cash	1,011,514	870,130	1,054,600	962,633	878,992
Represented By:					
Cash Commitments:					
Suppliers and Sundry Payables	202,000	250,083	260,833	215,000	215,000
Employee Entitlements	167,000	167,000	167,000	167,000	167,000
	369,000	417,083	427,833	382,000	382,000
Less Operating Cash Receivable:					
Customers and Sundry Receivables	41,500	25,700	25,000	25,000	25,000
Interest Receivable	700	3,500	1,600	1,600	1,600
	42,200	29,200	26,600	26,600	26,600
Endowment Funds					
Clevely Fund	12,409	11,074	11,274	11,474	11,674
	12,409	11,074	11,274	11,474	11,674
Specific Reserves					
Collection Development Fund	29,634	24,961	24,961	24,961	24,961
Historical Building Maintenance Reserve	19,081	19,081	19,081	19,081	19,081
Semi-Permanent Exhibitions Development & Revitalisation	267,416	123,002	158,002	193,002	228,002
	316,131	167,044	202,044	237,044	272,044
Working Capital Provision	250,000	330,000	330,000	330,000	330,000
Tagged Reserves	905,340	896,001	944,551	933,918	969,118
Untagged Reserves	106,174	(25,871)	110,049	28,715	(90,126)
Total Cash	1,011,514	870,130	1,054,600	962,633	878,992

Te Manawa Museums Trust

Prospective Statement of Comprehensive Revenue and Expenses

For three years ended 30 June 2018, 2019 & 2020

	Notes	Budget	Forecast	Budget	Budget	Budget
		2016/17	2016/17	2017/18	2018/19	2019/20
		\$	(as at 31 Jan '17) \$	\$	\$	\$
Operating Revenue						
PNCC Operational Grant	1	2,985,049	3,003,554	3,045,605	3,088,243	3,131,479
Interest Received	2	20,000	28,023	22,400	22,400	22,400
Other Revenue	3	526,306	927,947	554,671	558,000	559,104
Total Operating Revenue		3,511,355	3,959,523	3,622,676	3,668,644	3,712,983
Operating Expenditure						
Personnel Costs	5	2,141,194	2,024,150	2,194,326	2,195,962	2,225,812
Operating	6	753,710	1,269,672	750,082	913,833	893,045
Occupancy Costs	7	236,390	265,419	266,721	270,245	274,029
PNCC Leases & SLA's	8	81,738	81,738	81,738	81,738	81,738
Depreciation/Amortisation	9	327,114	330,551	358,067	221,229	242,106
Assets Written Off		-	1,412	-	-	-
Total Operating Expenditure		3,540,146	3,972,941	3,650,934	3,683,006	3,716,730
Operating Surplus/(Deficit) Before Collection Movements	10	(28,791)	(13,418)	(28,258)	(14,363)	(3,747)
Collection Movement Revenue						
Custodial Assets		5,000	5,000	5,000	5,000	5,000
Donated Assets		20,000	21,342	20,000	20,000	20,000
Collection Movement Expenses						
Custodial Assets Returned		-	-	-	-	-
Net Collection Movements	4	25,000	26,342	25,000	25,000	25,000
Net Surplus/(Deficit)		(3,791)	12,924	(3,258)	10,637	21,253
Other Comprehensive Revenue and Expenses		-	-	-	-	-
Total Comprehensive Revenue and Expenses		(3,791)	12,924	(3,258)	10,637	21,253

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 2018, 2019 & 2020

Notes	Budget 2016/17 \$	Forecast 2016/17 \$	Budget 2017/18 \$	Budget 2018/19 \$	Budget 2019/2020 \$
Assets					
<i>Current Assets</i>					
Cash at Bank 11	1,011,514	660,130	844,600	962,633	878,992
Stock of Merchandise	30,000	30,000	30,000	30,000	30,000
Recoverable from Non-Exchange Transactions	41,500	25,700	25,000	25,000	25,000
Receivable from Exchange Transactions	700	3,500	1,600	1,600	1,600
Prepayments	-	147,610	19,000	-	-
Short Term Deposit 11	-	210,000	210,000	-	-
Total Current Assets	1,083,714	1,076,940	1,130,200	1,019,233	935,592
Non-Current Assets					
Intangible Assets	42,992	27,077	41,371	28,933	59,709
Property Plant & Equipment:					
Computer Hardware	21,370	20,327	21,830	19,292	20,061
Exhibitions	502,287	649,235	463,062	483,097	466,304
Furniture & Fittings	67,280	59,947	45,218	28,143	14,476
Leasehold Improvements	111,030	140,787	260,941	262,584	224,472
Plant & Equipment	148,677	178,321	151,704	162,848	229,769
Collection Assets (Owned)	7,464,985	7,493,168	7,563,168	7,633,168	7,703,168
Collection Assets (Custodial)	7,166,806	7,161,808	7,166,805	7,171,805	7,176,805
Work in Progress	29,200	29,200	-	-	-
Total Non-Current Assets 12	15,554,627	15,759,867	15,714,099	15,789,870	15,894,764
Total Assets	16,638,341	16,836,807	16,844,299	16,809,103	16,830,356
Current Liabilities					
Payables under Exchange Transactions	160,000	160,000	160,000	160,000	160,000
Deferred Non-Exchange Revenue	-	32,083	45,833	-	-
Employee Benefits	167,000	163,991	164,000	164,000	164,000
GST Payable (Receivable)	42,000	58,000	55,000	55,000	55,000
Total Current Liabilities	369,000	414,074	424,833	379,000	379,000
Non-Current Liabilities					
Employee Benefits	-	3,009	3,000	3,000	3,000
Total Non-Current Liabilities	-	3,009	3,000	3,000	3,000
Total Liabilities	369,000	417,083	427,833	382,000	382,000
Equity					
Trust Equity	10,547,302	10,831,391	10,809,114	10,770,656	10,746,093
Retained Surplus Current Year 10	(3,793)	12,923	(3,258)	10,637	21,253
Asset Revaluation Reserve 14	5,397,292	5,397,292	5,397,292	5,397,292	5,397,292
Specific Reserves 14	316,131	167,044	202,044	237,044	272,044
Endowment Funds 14	12,409	11,074	11,274	11,474	11,674
Total Trust Funds	16,269,341	16,419,724	16,416,466	16,427,103	16,448,356
Total Liabilities and Trust Funds	16,638,341	16,836,807	16,844,299	16,809,103	16,830,356

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

Te Manawa Museums Trust

Prospective Statement of Cash Flows

For three years ended 30 June 2018, 2019 & 2020

Notes	Budget	Forecast	Budget	Budget	Budget
	2016/17	2016/17	2017/18	2018/19	2019/20
	\$	\$	\$	\$	\$
		as at 31 Jan 2017			
Cash Flows from Operating Activities					
Cash was provided from:					
PNCC Grants	2,965,049	3,003,554	3,045,605	3,088,243	3,131,479
Other Revenue	526,306	981,121	569,121	512,168	559,104
Interest	20,000	24,523	24,300	22,400	22,400
	3,511,355	4,009,197	3,639,026	3,622,811	3,712,983
Cash was disbursed to:					
Payroll	2,141,195	2,043,011	2,194,326	2,195,962	2,225,812
Suppliers	1,071,838	1,689,726	969,930	1,246,816	1,248,812
Net GST Outflow (Inflow)	-	7,020	3,000	-	-
	3,213,033	3,739,757	3,167,256	3,442,778	3,474,624
Net Cash Flows from Operating Activities*	298,321	269,439	471,770	180,033	238,359
Cash Flows from Investing Activities					
Cash was provided from:					
Sale of Assets	-	-	-	-	-
Cash was disbursed to					
Purchase of Intangible Assets - Software	23,000	17,250	24,000	-	60,000
Purchase of Leasehold Improvements	39,000	40,570	126,300	40,000	-
Purchase of Computer Hardware	7,500	6,660	16,000	10,000	10,000
Purchase of Exhibitions	35,000	187,746	50,000	120,000	80,000
Purchase of Furniture & Fittings	21,500	9,290	4,000	-	-
Purchase of Plant & Equipment	35,500	65,943	17,000	52,000	122,000
Purchase of Collection Assets	67,000	82,783	50,000	50,000	50,000
Net Acquisition of Investments	-	6,707	-	(210,000)	-
Net Cash Flows from Investing Activities	(228,500)	(416,949)	(287,300)	(62,000)	(322,000)
Net Cash Flows from Financing Activities	-	-	-	-	-
Net Increase/(Decrease) in Cash Held	69,821	(147,510)	184,470	118,033	(83,641)
Opening Cash Balances	941,693	807,640	660,130	844,600	962,633
Closing Total Cash Balances	1,011,514	660,130	844,600	962,633	878,992

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

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

Notes to the Prospective Financial Statements

1 Statement of Accounting Policies**REPORTING ENTITY**

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

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

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

BASIS OF PREPARATION

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

Statement of Compliance

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

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

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

The reporting period for these prospective financial statements is the year ending 30 June 2018, 30 June 2019 and respectively 30 June 2020. 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 categorised as non-exchange.

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

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

Grants

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

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

Rendering of services

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

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

Vested or donated physical assets

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

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

'In Kind' Sponsorship

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

Volunteer Services

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

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

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

Interest Income

Interest income is recognised using the effective interest method.

Advertising Costs

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

Borrowing Costs

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

Depreciation and amortisation

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

Leases***Finance Leases***

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

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

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

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

Operating Leases

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

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

Cash and cash equivalents

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

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

Debtors and other receivables

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

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

Financial Assets

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

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

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

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

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 as at 30 April 2015. Trust's policy is to revalue the Art Collection assets every three years.

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

All other asset classes are carried at depreciated historical cost.

Accounting for Revaluations

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

Intangible Assets

Recognition and measurement

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

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

Software acquisition and development

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

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

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

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

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

Subsequent expenditure

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

Amortisation

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

The estimated useful lives are as follows:

Software	1 to 7 years
Website	3 to 5 years

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

Impairment of property, plant and equipment and intangible assets

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

Value in use for non-cash-generating assets

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

Value in use for cash-generating assets

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

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

Creditors and Other Payables

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

Borrowings

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

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

Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

Provisions

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

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

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for trade receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

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

Equity

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

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

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Trust.

Restricted reserves include those subject to specific conditions accepted as binding by the Trust and which may not be revised by the Trust without reference to the Courts or a third party (i.e. endowment funds). Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

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

Critical Accounting Estimates and Assumptions

In preparing these 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 span over 3 years and include them within the Statement of Intent. The purpose of the Statement of Intent is to state publicly the activities and intentions of Te Manawa for the year and the objectives to which these activities will contribute. Prospective financial statements are revised annually to reflect updated assumptions and costs.

(iii) Bases for assumptions, risks and uncertainties

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

(iv) Cautionary Note

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

(iv) Other Disclosures

The draft prospective financial statements have been authorised by the Board for delivery to the Palmerston North City Council on 23 February 2017. The Trust is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The Statement of Intent is prospective and as such contains no actual operating results.

COMMITTEE WORK SCHEDULE

TO: Arts, Culture and Heritage Committee

MEETING DATE: 3 April 2017

TITLE: Committee Work Schedule

RECOMMENDATION(S) TO ARTS, CULTURE AND HERITAGE COMMITTEE

1. That the Arts, Culture and Heritage Committee receive its Work Schedule dated April 2017.

ATTACHMENTS

1. Committee Work Schedule [↓](#) 

ARTS, CULTURE AND HERITAGE COMMITTEE

COMMITTEE WORK SCHEDULE – APRIL 2017

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
1	TBA	Military Precinct	General Manager, City Future	Research project underway	9 February 2016 clause 2-16 (Community Development)
2	TBA	Military Heritage and History Exhibition Facility Concept	General Manager, Libraries and Community Services		9 February 2016 clause 2-16
3	May 2017	Report back on consideration of discussion with CCOs regarding joint marketing opportunities	General Manager, Libraries and Community Services		12 December 2016 clause 5-16
4	June 2017	Report on Asset Management of Public Arts (excluding Te Manawa collections)	General Manager, Libraries and Community Services		12 December 2016 clause 3-16
5	June 2017	Options on how Council can further support the work of Caccia Birch to achieve its objectives and KPIs	General Manager, Libraries and Community Services		12 December 2016 clause 5-16