



Six Month Report to Palmerston North City Council

THE GLOBE THEATRE TRUST BOARD
DECEMBER 2019



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Six Month report to Palmerston North City Council from the Globe Theatre Trust Board December 2019

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CHAIRPERSON'S REPORT

The Trustees of the Globe Theatre Trust are pleased to present this half-year report to the Palmerston North City Council. Our interim results indicate that we are on track to meet all KPIs in our annual report.

The first six months of 2019/20 (July – December 2019) have, as with previous years, been very busy. Notably:

- July - Manawatu Youth Theatre's production of Alice In Wonderland and the Michelle Robinson Dance School
- August – The Rose Academy (one of our MOU's) production of The Ugly Duckling and the Aotearoa Country Music Awards
- October – PACANZ National Young Performer Awards and the Manawatu Theatre Society's (MOU) production of Swingers
- November – The Comedy Hub (MOU) Palmy Comedy Festival and for those of us old enough to remember the 80's, Lloyd Cole from Lloyd Cole & the Commotions

Over the last two years, Denise has worked very hard to build relationships with promoters and tour organisers from out of town. Palmerston North wasn't always on the map for tours (both musical & theatre) but we have noticed that we are now getting regular enquiries as to our venue availability. The likes of Plus1 (James Reid & Lloyd Cole) and Second Hand News (The Maes & Rosier) organise numerous tours throughout the year and we are now on their radar which is testament to the relationship Denise has built with them.

We were extremely proud to be the venue for the 2019 Palmy Comedy Festival. The Comedy Hub are one of our MOU organisations and their festival featured over 50 performances from 30 different acts including the wonderful Guy Williams and the return of local girl Laura Daniels with her Two Hearts show.

Our participant and audience numbers continue to increase. We class participants as the people who are up on the stage or presenting. These figures are well on track to meet our expectations for 2019/2020.

In September 2019, the Board took the step to employ an Assistant Manager. It was during this process that Denise informed us that she was ready to move on. This changed the focus of the process. We then interviewed with a view to recruiting a Manager and an Assistant Manager. This gave us an added opportunity to employ two people that interviewed as the most likely to be able to work together in a cohesive and positive way. The outcome of that process was that Gerry Keating was selected to fill the Manager's role and Jaye Lincoln the Assistant Manager's role. Both Gerry & Jaye have settled in very well and their bubbly smiles, positive attitude and a set of very complementary skills are a great addition.

Our ongoing upgrading of the theatre continues. We have successfully received funding to complete our Globe 1 Digital Lighting System upgrade and this work will commence in early 2020.

The support we have from the Council has once again, been amazing. Any issues we report are acted on immediately. Knowing that this process is in place allows us to focus on the day to day job of running the theatre.

The above achievements have only been possible because of our wonderful team. From the Board Members down to the people who volunteer as our Front of House, I take this opportunity to "Thank You" for your contribution.



It was with great reluctance that the board accepted the resignation of Phil Monk. Phil has been a long-time member of the Globe Theatre Trust Board and his experience and expertise will be sadly missed. However, we know Phil will still pop his head in from time to time so he may be gone but we will still see him around.

Of course, this report would not be complete without mentioning Denise Servante who decided to apply for the Manager's position two years ago. After a lengthy recruitment process, Denise was selected for the position. Denise took on a huge undertaking, that of restoring and enhancing the reputation of the Globe Theatre as a desirable theatre for hire. The growth, the relationships, the repeat hirers, are all down to Denise and the work she put in. She has passed the baton on now to Gerry, who is very willing and capable of continuing this journey.

And finally, the theatre wouldn't be a theatre without the hirers and patrons. We live in a city that is constantly growing and people moving to Palmerston North are doing so not just for jobs, but also for the lifestyle it offers. We have a very vibrant and creative community which can only be a good thing.

Maxine Dale
Chairperson
February 2020

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Trust Details as at 31 Dec 2019

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



MANAGER'S REPORT

Introduction

This report is my first report to council having taken on the role of Theatre Manager on October 21st 2019. The Globe Theatre Trust Board recognised how busy the theatre was and took the step to employ an Assistant Manager (Jaye Lincoln) to assist the manager in the running of the theatre. Jaye & I have taken the first couple of months to get an understanding of how the Globe was operating. With our MOUs and the large number of repeating hirers, it was important that we continued the great work Denise Servante had done with these groups. The fact that so many repeating hirers contact us shows how well the Globe is regarded in the performing arts circuit.

Event marketing and audience development

This continues to be a focus for the Globe. How do we engage with more people within the Palmerston North/Manawatu region without bursting the budget? This is the age-old question for all theatres and performing groups. While the Globe is primarily a venue for hire, having a promotional strategy to offer to hirers makes us attractive especially with touring groups. A band from outside of Manawatu coming to the Globe will not have much of an audience reach within our region, so they rely on us to help promote their event. And the fact that we are getting more and more international acts coming through, only strengthens our resolve to build our audience database.

We continue with our main avenues for marketing while developing new ones. To achieve this, the following actions are undertaken.

- Monthly editorial and What's On advert in the ENJOY supplement
- E-marketing to our database of audience members (currently 3,300)
- Regular posting & sharing on Facebook
- Listing all our events on Eventfinda
- Working closely with www.theSquare.co.nz and My Manawatu
- Displaying posters in the venue and distributing to key information points in the CBD
- Billboards on the "grassy knoll" on the corner of Main & Pitt Streets
- Using Instagram as a means to reach a new audience (in progress)
- Promoting the Globe Theatre at the Palmerston North Women's Lifestyle Expo, May 2020 (in progress).

Stakeholder Engagement

From July to October 2019, Denise continued to meet with the cultural CCO managers and the Arts Powerhouse Steering Group. After I came on board, there was one Arts Powerhouse Steering Group meeting which I attended with Denise & Jaye. Obviously, with the Christmas/New Year period, no more meetings were organised. I look forward to meeting with the CCO Managers and interacting with the members of the Arts Powerhouse Steering Group throughout 2020 and working together to continue to grow Palmerston North as a creative and exciting city.

Our AGM & Stakeholders Meeting were held in October & November respectively. Our family of community organisations that call the Globe home, has increased from 5 to 7. Our repeat hirers continue to come back, and we are finding that our rehearsal room is being used more.



Repairs/maintenance and building issues

In conjunction with the PNCC Asset Managers, there has been good progress in key aspects of the theatre maintenance and renewal:

- See through window installed in Manager's office to look out to foyer/box office
- New café counter installed
- The air-conditioning leak above the Globe 1 stage was quickly fixed and no repeated issues have occurred

The next 6 months

The first 6 months of 2020 is already looking very busy. Our 2nd "Summer Sounds Festival" has 11 acts confirmed with a number of them coming from overseas. It appears that the northern hemisphere artists like to escape the winter up north and head south for some sunshine. And luckily for us, they see the Globe Theatre as an attractive venue to include in their tour.

We are very proud to announce that The East Pointers (Canadian band who played here in 2018 to a sold-out Globe 1) are coming back again in March 2020. And rather than us having to contact them, when they were putting together their 2020 NZ Tour, they contacted us and wanted to come back.

We were very excited to have the wonderful pantomime group "Pantaloons" from Wellington come to visit us in January. Tickets for this show sold very fast. Who doesn't love a bit of pantomime?

Chamber Music New Zealand are returning for 2020 with 5 shows over the year. Our Sunday Matinee Series also continues with 10 shows for 2020. We are also incredibly honoured to have Up Down Girl in Globe 2 at the end of February. Add these shows to the large number that have either booked or pencilled in dates, and the Globe Theatre is once again going to be the place to go.

The final piece of funding to complete the Globe 1 Digital Lighting System has been successful, and we look forward to upgrading the lights in early 2020. This long-awaited project has been very warmly received by our regular users and they (and us) are looking forward to getting it up and running.

While only in the job a couple of months, I can clearly see how well Denise has worked with so many of the community groups in our city and I look forward to (a) making contact with them and trying to remember their names and (b) continuing to work with them to bring their shows and events to our theatre. As a music lover, I enjoyed having the likes of Lloyd Cole (UK), The Maes (Australia), The East Pointers (Canada) and Mel Parsons (NZ) performing at the Globe. But it is having the smaller community groups who struggle to put on their shows, come to the Globe and put their shows on the stage, that is something I am very much looking forward to.

Gerry Keating
Manager
February 2020



PERFORMANCE MEASURES - 6 MONTHS TO 31 DEC 2019

DEFINITIONS

USER GROUPS

MOU Group – has an MOU arrangement with the Globe Theatre, is performance-based, may be a community group or professional group

Art School – is performance based, where the performance is delivered by students whether or not the organisation is a commercial company

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

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

Community Festival – the Globe Theatre participates in a city-wide/cultural precinct-wide series of events that form part of a festival. May or may not be performance based, may or may not attract a hire fee

USAGE AND PERFORMANCE

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

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

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

PERFORMANCE BASED USAGE:

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

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

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

NON-PERFORMANCE BASED USAGE:

Conference – a presentation on stage to an audience, may be open to the public or may be pre-registered delegates, may be ticketed or not

Celebration – a ceremony, party or other festive event, may be open to the public or not, may involve a “performance” to an audience, may be ticketed or not

Misc meeting – anything else!

Strategic priorities and performance monitoring for 2019/20

STRATEGIC PRIORITY 1: ENSURE THAT THERE ARE MORE, AND MORE VISIBLE, ARTS AND ACTIVITIES AT THE GLOBE THAT CONTRIBUTE TO THE COUNCIL'S ASPIRATIONS AS AN ARTS POWERHOUSE.

Outcomes	Outputs (KPIs)	
	Target 2019/2020 SOI	Result at December 2019 (6 months)
Number of usages Result at 31 Dec 2017: 190 Result at 30 June 2018: 514 Result at 31 Dec 2018: 326 Result at 30 June 2019: 680	550	On track: 380 usage (discreet bookings for exclusive use of a space)
Number of performances Result at 31 Dec 2017: 78 Result at 30 June 2018: 175 Result at 31 Dec 2018: 123 Result at 30 June 2019: 253	185	Achieved: 190 performances (with an audience of any description). This includes 48 discreet performances as part of the Comedy Festival in November 2019. Clearly, this has boosted the 6-month figure to exceed the annual target at 6 months.
Hours of use by hirers Result at 31 Dec 2018 = 1,268 (new measure) Result as at 30 June 2019 = 2,544 (new measure)	2,200	On track: 1,436 (does not include box office or café opening hours)
No. discreet participants Result at 31 Dec 2018 = 878 (new measure) Result as at 30 June 2019 = 1,843 (new measure)	1,400	On track: 1,156 participants as organiser/performer/speaker. This figure is elevated in the first half of the year. Participants may carry on engaging during the second half of the year but are only counted once.
No of visitors/audience members Result at 31 Dec 2018 = 10,860 (new measure) Result as at 30 June 2019 = 21,409 (new measure)	22,000	On track: 12,635 (people participating at the Globe as an audience member/attending an event but not as an organiser or performer. For example, someone who has been to multiple events at the Globe as an audience member would be counted for each event they attend. It does not include people visiting the box office or café.)
Maintain or improve satisfaction ratings of hirers Result at 31 May 2018 = 97% (n=33) Results at 30 June 2018 = 91% (n=35) Result at 31 Dec 2018 = 81% (n=27) Result as at 30 June 2019 = 93% (n=50)	Result maintained or improved	Results available as at 21 February: 28 post hire surveys have been completed. 86% (24) record an excellent rating, 7% good and 7% fair. Immediately following the hire, all hirers are sent a short survey asking for their satisfaction with their experience hiring the Globe. Comments provided with feedback are considered monthly at Board meetings and issues addressed where appropriate. The major influencer on the ratings are "booking and confirming your hire" and "Equipment available to you for your hire", followed by "Front of House/Box Office during your hire" and "Technical support during the period of your hire".



STRATEGIC PRIORITY 1: ENSURE THAT THERE ARE MORE, AND MORE VISIBLE, ARTS AND ACTIVITIES AT THE GLOBE THAT CONTRIBUTE TO THE COUNCIL'S ASPIRATIONS AS AN ARTS POWERHOUSE.

Outcomes	Outputs (KPIs)	
	Target 2019/2020 SOI	Result at December 2019 (6 months)
<p>Maintain or improve satisfaction ratings of visitors (audiences) Benchmark as at July 2017 = 78% (n=171) Results at 30 June 2018 = 79% (n=255) Result at 31 Dec 2018 = 85% (n=62) Result as at 30 June 2019 = 84% (n=148)</p>	<p>Provide annual result</p>	<p>Results available as at 30 October 2019: 83% (n=51) Audience surveys take place monthly and target ticket buyers through the Globe ticketing system. Comments and feedback are considered at Board meetings. The major influencer for audience members at this stage appears to be online ticketing followed by front of house/reception. This is very similar to this time last year (when the order of these two elements was reversed).</p>
<p>Number of national and international visiting productions performing at the Globe Result at 31 December 2018: 11 (new measure) Result at 30 June 2019: 28 (new measure)</p>	<p>10</p>	<p>Achieved: 11 events classed as national or international were brought to the Globe. 7 of the events were co-promoted (i.e. some form of box office split rather than a straightforward hire-fee): James Reid - National Mel Parsons – National Nicole Son Quartet – International/Split The Good Girl Song Project – International/Split Missy Raines Trio (Vanessa McGowan) – International/Split Fred of Featherston. The Merry Wives (Sparrow & Boyle) – National/Split Sparrowthon (Sparrow & Boyle) - National/Split Lloyd Cole - International Miriam Clancy - National The Maes (Second Hand News) – International/Split Gilbert & Sullivan On Tour – National/Split</p>



STRATEGIC PRIORITY 2: SUPPORT THE LOCAL PERFORMING ARTS COMMUNITY TO SHOWCASE THEIR DIVERSE TALENTS AT THE GLOBE, AND WORKING TO ENSURE OUR USERS REPRESENT THE DIVERSITY OF THE PALMERSTON NORTH COMMUNITY

Outcomes	Outputs (KPIs)	
	Target 2019 SOI	Result at December 2018 (6 months)
Proportion of use that is driven through MOU arrangements and is performance based Result at 31 May 2018 (11 months) = 51% Result at 31 Dec 2018 = 47% Result at 30 June 2019 = 57%	65%	On track: Seven MOU arrangements are currently in place: Alliance Francaise, Michelle Robinson School of Dance, MTS (including MYTH), Sunday Matinee Series, Tall Poppies, The Rose Academy and The Comedy Hub. These 7 organisations accounted for 63% of usage.
Proportion of MOU-driven use that is performance-based Result at 31 May 2018 (11 months) = 92% Result at 31 Dec 2018 = 96% Result at 30 June 2019 = 95%	95%	On track: 98% of usage by MOU groups was performance based.
Proportion of overall usage from established community users ¹ Result at 31 May 2018 (11 months) = 31% Result at 31 Dec 2018 = 33% Result at 30 June 2019 = 21%	Result maintained or improved	On track: 78 (20%) uses from 24 returning hirers (excluding MOU/Professional Groups hiring the venue).
Proportion of overall usage from new community groups ² Result at 31 May 2018 (11 months) = 3.5% Result at 31 Dec 2018 = 7.5% Result at 30 June 2019 = 5.3%	Result maintained or improved	On track: 14 (3.5%) uses from 9 new hirers, 3 of which went on to make multiple bookings (and become a repeat hirer during this 6-month period).



¹ The target will be to reduce this proportion, aiming to convert regular community users to MOU users made of the ethnic and cultural origin of users. To monitor success in outreach programme

STRATEGIC PRIORITY 3: MAINTAIN AND DEVELOP FACILITIES THAT ENABLE OUR COMMUNITIES TO PRODUCE AND ENJOY THE VERY BEST PERFORMING ARTS THAT CAN BE OFFERED, ENSURING THAT THE GLOBE REMAINS A CUTTING EDGE, VISIBLE AND RESILIENT CULTURAL INSTITUTION/FACILITY.

Outcomes	Outputs (KPIs)	
	Target 2019 SOI	Result at December 2018 (6 months)
Carry out capital development programme	Globe 1: Digital lighting system	On track: Successful applications to Central Energy Trust, Eastern and Central Community Trust and Mainland Foundation raising the final amount of \$85,000. Equipment to be purchased in early 2020.
Funding capital renewal programme from depreciation fund Result as at 30 June 2019 = 45% (new measure)	67% depreciation costs available for capital renewal	Not calculated as at 31 December. Capitalisation of assets purchased will be done at year-end.

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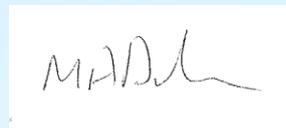


THE GLOBE THEATRE TRUST FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 DEC 2019

Statement of Responsibility

We are responsible for the preparation of the Globe Theatre Trust's financial statements and statement of performance, and for the judgements made in them. We are responsible for any end-of-year performance information provided by the Globe Theatre Trust under section 19A of the Public Finance Act 1989. We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the Globe Theatre Trust for the 6 months ended 31 December 2019.

Signed on behalf of the Board:



Entity Information For 6 Months To 31 December 2019

LEGAL NAME, TYPE OF ENTITY AND LEGAL BASIS

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

THE TRUST'S PURPOSE OR MISSION

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

STRUCTURE OF THE TRUST'S OPERATIONS, INCLUDING GOVERNANCE ARRANGEMENTS

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

MAIN SOURCES OF THE TRUST'S CASH AND RESOURCES

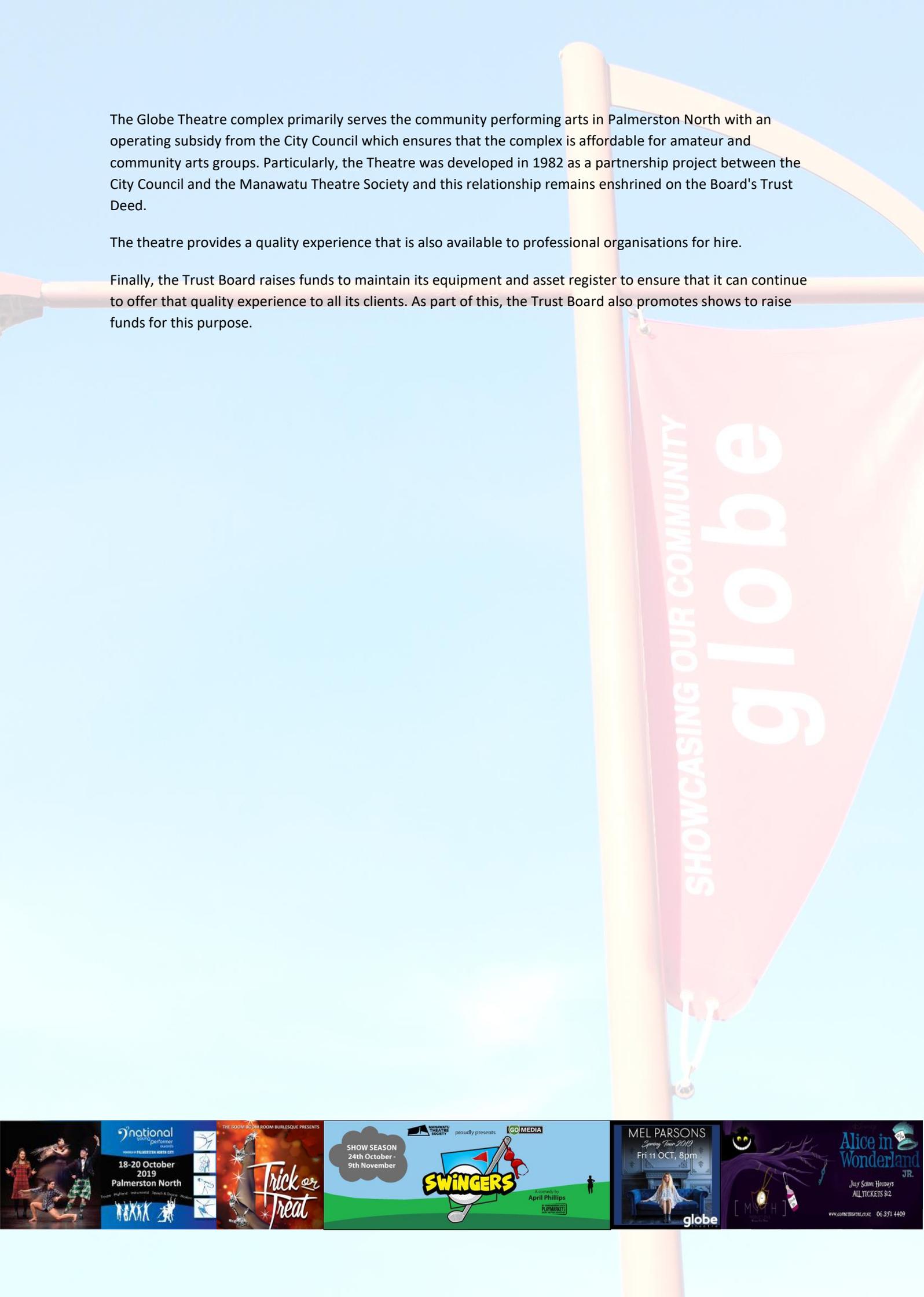
The Trust Board manages the theatre complex as multi-purpose venues for hire. Principally, the venues are for the performing arts with two theatres: one a 200 tiered-seat theatre and one a flat-floor performance space with an option of up to 100 tiered-seat layouts. The Trust Board also hires the foyer/cafe-bar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



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

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

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



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Statement Of Financial Performance For The Six Months To 31 Dec 2019

	Notes	Unaudited Dec-19	SOI Budget 2020	Actual 2019
Income				
Donations, Fundraising and other similar revenue	2	21,137	97,601	100,267
Council Funding	3	57,874	115,636	113,366
Investment Revenue		240	300	421
Sales of Goods and Services	4	55,077	71,340	90,785
Total revenue		134,329	284,877	304,839
Expenditure				
Costs related to providing goods and services	5	8,477	16,608	31,970
Employee related costs	6	68,157	44,811	85,223
Administration and Overhead	7	19,403	98,256	45,062
Other Expenses	8	8,755	19,607	21,247
Asset Write-offs		0	0	1,599
Depreciation		21,630	58,728	37,363
Total Expenditure		126,422	238,010	222,464
Net Surplus/(Deficit)		7,907	46,867	82,375



Statement Of Financial Position As At 31 Dec 2019

	Notes	Unaudited Dec-19	SOI Budget 2020	Actual 2019
Assets				
Current Assets				
Bank Accounts and Cash	9	54,301	25,312	70,799
Debtors and Prepayments	10	6,387	11,826	13,233
Total Current Assets		60,688	37,138	84,032
Non-Current Assets				
Property, Plant and Equipment	11	277,265	365,916	275,848
Total Non-Current Assets		277,265	365,916	275,848
Total Assets		337,953	403,054	359,880
Liabilities				
Current Liabilities				
Creditors and Accrued Expenses	12	8,742	11,826	36,556
Employee costs payable	13	225	2,912	7,619
Unused Grants and Donations with Conditions	14	10,874	-	5,500
Total Current Liabilities		19,841	14,738	49,675
Non-Current Liabilities				
Total Non- Current Liabilities			-	-
Total Liabilities		19,841	14,738	49,675
Net Assets		318,112	388,316	310,205
Trust Equity				
Contributed capital		100	100	100
Retained surpluses	15	318,012	388,216	310,105
Total Trust Equity		318,112	388,316	310,205

Statement Of Changes In Accumulated Funds For The Six Months To 31 Dec 2019

	Unaudited Dec-19	SOI budget 2020	Actual 2019
Balance at 1 July	310,205	341,426	227,830
Current Period Surplus/(Deficit)	7,907	46,890	82,375
Balance at 30 June	318,112	388,316	310,205



Statement Of Cash Flows For The 6 Months To 31 Dec 2019

	Notes	Unaudited	SOI Budget	Actual
		Dec-19	2020	2019
Cash Flows from Operating Activities				
Receipts of Council Grants		57,874	115,635	113,366
Donations, Fundraising and other similar revenue		21,249	97,601	101,182
Receipts from sale of goods and services		54,926	71,342	87,264
Interest Received		240	300	421
Payments to Suppliers		-142,407	-179,266	-181,434
Goods and Services Tax (net)		-3,283	0	-932
Net Cash Flows from Operating Activities		-11,401	105,612	119,867
Cash Flows from Investing & Financing Activities				
Purchase of Fixed Assets/Renewals		-5,098	-104,175	-81,977
Net Cash Flow from Investing & Financing Activities		-5,098	-104,175	-81,977
Net Increase/(Decrease) in Cash		-16,498	1,437	37,890
Opening Cash Balance		70,799	23,875	32,909
Closing bank accounts and cash	9	54,301	25,312	70,799

Notes To The Financial Statements

1 Statement of Accounting Policies

REPORTING ENTITY

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

BASIS OF PREPARATION

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

Statement of compliance

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

Measurement base

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Changes in Accounting Policies

There have been no changes to accounting policies this year.



GST

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

Sale of goods

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

Sale of services

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

Theatre Hire

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

Interest Revenue

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

Grants

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

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

Fundraising and Donations

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

Donated assets revenue

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

Advertising, marketing, administration, overhead and fundraising costs

These are expensed when the related service has been received.

Bank Accounts and Cash

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

Debtors and other receivables

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

Investments

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



Property, plant, and equipment

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

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

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

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

Depreciation

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

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

Creditors and other payables

Creditors and accrued expenses are measured at the amount owed.

Employee and contractor costs

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

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

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

Employee Costs Payable

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

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

Provisions

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

Income Tax

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



Accumulated Funds

Accumulated Funds are measured through the following components:

- Retained Earnings
- Contributed Capital

Budget figures

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

Tier 2 PBE Accounting Standards applied

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

Grant expenditure

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

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

2 Donations, Fundraising and Other Similar Revenue

	Dec-19 (unaudited)	Budget SOI 2020	Actual 2019
Donations and Fundraising	1,412	8,000	2,494
Other	19,725	89,601	97,773
Total Donations and Fundraising Revenue	21,137	97,601	100,267

"Other" fundraising comprises:

	Unaudited Dec 2019	Actual 2019
Central Energy Trust	-	72,773
Community Organisation Grants Scheme	5,000	4000
Lottery Community Fund	-	5000
Mainland Foundation	-	-
Pub Charity Ltd	9,725	6,000
NZCT	5,000	-
Lion Foundation	-	10,000
Total Donations and Fundraising Revenue	19,725	97,773



3 Council Funding

	Dec-19 (unaudited)	Budget SOI 2020	Actual 2019
PNCC grant	57,874	115,635	113,366
Total grants revenue	57,874	115,635	76,582

4 Sales of Goods and Services

	Unaudited Dec 2019	SOI 2020	Actual 2019
Foyer rental	2,934	4,000	4700
Theatre Hire	39,169	50,834	59,866
Recoverable income	2,362	4,200	9,410
Sales	-	-	58
Ticket Sales (commission and shows)	10,613	12,309	16,718
Total Sales of Goods and Services	55,077	71,342	90,752

5 Costs relating to providing goods and services

	Unaudited Dec 2019	SOI 2020	Actual 2019
Project Expenses	200	600	10,696
Recoverable expenses	2,497	5,000	9,532
Shows Expenses	5,779	11,000	11,743
Total Costs of Goods Sold	8,477	16,600	31,970

6 Employee and Contractor Related Costs

	Unaudited Dec 2019	SOI 2020	Actual 2019
Salaries, wages and employment related costs	62,683	81,000	73,501
Contractor costs	3,429	15,000	9,414
KiwiSaver Employer Contributions	2,045	2,250	2,308
Total Employee Related Costs	68,157	98,250	85,223



7 Administration and Overheads

	Unaudited Dec 2019	SOI 2020	Actual 2019
Cleaning	2,706	3,017	3,486
Hire of Plant and Equipment	235	208	580
Light, heating and power	9,202	18,297	16,464
Marketing	2,116	6,144	6,180
Repairs and Maintenance	2,924	12,240	13,600
Office Costs	500	781	679
Postage, Printing and Stationery	333	1,245	1169
Telephones and Internet	1,386	2,881	2,904
Total Administration and Overheads Costs	19,403	44,814	45,062

8 Other Expenses

	Unaudited Dec 2019	SOI 2020	Actual 2019
Audit Fees	-	8,862	8,564
Bank Charges	55	41	40
Consulting and Accountancy	426	921	812
General Expenses	1,946	1,661	4,326
Insurance	2,919	2,778	2,723
Legal expenses	-	-	-
Professional Development	215	2,000	1,368
Provision for impairment	-	-	-
Security	326	502	492
Subscriptions and compliance costs	2,068	1,399	1,473
Waste Disposal	802	1,440	1,448
Total Other Expenses	8,755	19,602	21,247

9 Bank Accounts and Cash

	Dec 19 (unaudited)	Actual 2019
Cash on hand	458	458
Non-profit current	8,099	20,049
Rapid Save (donations)	45,743	50,292
Total Cash and Cash Equivalents	54,301	70,799



10 Debtors and Prepayments

	Actual Dec 2019	Actual 2019
Accounts receivable	6,638	12,772
GST receivable	-250	461
Total accounts receivable	6,388	13,233

11 Property, Plant and Equipment

	Furniture and Fittings	Theatre Equipment	Computer Equipment	Total
Cost				
Balance at 1 July 2018	\$41,374	\$456,982	\$3,499	\$501,855
Additions	\$7,683	\$79,077	-	\$86,760
Disposals	-\$2,235	-	-\$1,251	-\$3,486
Balance at 30 June 2019	\$46,822	\$536,059	\$2,248	\$585,129
Accumulated Depreciation and Impairment Losses				
Balance at 1 July 2018	\$13,675	\$257,969	\$2,160	\$273,803
Depreciation Expense	\$5,131	\$31,653	\$580	\$37,363
Disposals	-\$1,155	-	-\$732	-\$1,887
Balance at 30 June 2019	\$17,651	\$289,622	\$2,008	\$309,279
Carrying Amount	\$29,171	\$246,437	\$240	\$275,850
Cost				
Balance at 1 July 2019	\$46,822	\$536,059	\$2,248	\$585,129
Additions	-	\$23,048	-	\$23,048
Disposals	-	-	-	-
Balance at 31 Dec 2019	\$46,822	\$559,107	\$2,248	\$608,177
Accumulated Depreciation and Impairment Losses				
Balance at 1 July 2018	\$17,651	\$289,622	\$2,008	\$309,279
Depreciation Expense	\$2,603	\$18,963	\$65	\$21,631
Balance at 31 Dec 2019	\$20,254	\$308,585	\$2,073	\$273,803
Carrying Amount	\$26,568	\$250,522	\$175	\$277,265

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 Dec 2019	Actual 2019
Accrued Expenses	-	17,536
PAYE Payable	6,778	1,788
Creditors	5,171	17,232
GST Payable	-3,207	-
Total Creditors and Other Payables	8,742	36,556

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

13 Employee and Contractor Related Costs Payable

	Actual Dec 2019	Actual 2019
Annual Leave	-	4,677
Wages accrual	225	2,942
Total Employee Costs Payable	225	7,619

14 Unused Donations and Grants with Conditions

	Actual Dec 2019	Actual 2019
Mainland Foundation	10,000	-
Lions Club of Middle Districts	500	500
Donations for future Matinees	374	-
NZCT	-	5,000
Total Unused Donations and Grants with Conditions	10,874	5,500

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

15 Accumulated Surpluses

	Unaudited	SOI budget	Actual
	Dec-19	2020	2019
Balance at 1 July	310,205	341,426	227,830
Current Period Surplus/(Deficit)	7,907	46,890	82,375
Balance at 30 June	318,112	388,316	310,205



16 Capital Commitments and Operating Leases

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

17 Contingencies

CONTINGENT LIABILITY

The Trust has no contingent liabilities (2019 nil).

CONTINGENT ASSETS

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

18 Capital Management

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

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

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

19 Explanation of major variances against budget

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

REVENUE

Donations, Fundraising and other similar revenue: The first half ran to the expected budget with the remainder of the year's capital grant revenue expected and budgeted in the second half of the financial year. The remaining high value work relates to the upgrade to Globe 1 LED lighting equipment – completing the lighting upgrade started with the lighting rig last year.

Sales of Good and Services: Theatre hire income remains strong – 54% ahead of budget. Hire for all venue spaces are running above budget.



EXPENDITURE

Costs related to sales of goods and services close to the budgeted figure.

Employee and contractor costs are over budget as the budget did not reflect the additional costs of hiring an assistant theatre manager. This overspend is compensated by: savings on contractor costs, and additional net hirage revenues that reflect increased usage. The increased staff cost meets the need for more on site personnel to service the theatre and hirers' needs. In the past theatre resources were provided by substantial donated hours from volunteers and also unpaid on site time from the manager. The new staff structure will reduce this dependence on volunteer and donated time, while ensuring structure and consistency to systems and service levels.

Other Expenses are higher than budget mainly due to costs of transferring the liquor licence and bar operation from Manawatu Theatre Society to the Globe Theatre Trust Board. The Trust Board continues to work with the contracted operator to develop the café bar facility.

BALANCE SHEET

The Bank accounts and cash balance is higher than budgeted primarily because of the second half timing of the major capital project.

Fixed assets remain well below full year budget for the same reason that cash balances are higher.

Creditors and accrued expenses includes about \$50,000 relating to the capital programme to replace the rig in Globe 1.

20 Events after Balance Date

There were no events after balance date that require disclosure.

21 Ability to continue operating

The Trust intends to continue operating in future periods.

