



address: PO Box 132, 132 Main Street  
Palmerston North  
website: [www.globetheatre.co.nz](http://www.globetheatre.co.nz)  
email: [info@theglobe.co.nz](mailto: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:* 25/06/2017

---

*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

<b>Registered Office:</b>	PO Box 132	<b>Legal Status:</b>	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		
<b>Website:</b>	www.globetheatre.co.nz		
<b>Phone:</b>	06 351-4409		
<b>Email:</b>	theglobe@inspire.net.nz		
<b>Main Contact:</b>	Maxine Dale	<b>Second Contact:</b>	Denise Servante
<b>Role in CCO:</b>	Chairperson	<b>Role in CCO:</b>	Trustee/Manager
<b>Address:</b>		<b>Address:</b>	86 Kingsdale Park Drive
			RD1
			Palmerston North
<b>Phone:</b>		<b>Phone:</b>	027 353 0664
<b>Email:</b>	maxine@rch.org.nz	<b>Email:</b>	hairymartian@xtra.co.nz

## INTRODUCTION

In February 2017, the Globe Theatre Trust Board presented its draft Statement of Intent to Council in the middle of a review of the operating structure. As a result, we were unable to fully share our aspirations for 2017/18 and beyond - a point that Councilors were quick to pick up on. We are pleased to report that the Board is now confident of its operating processes moving forward.

During the past ten years, the Board has been driven by a vision of the redeveloped Globe Theatre as a thriving hub for community performing arts in the cultural heart of the City. We believe that we have achieved the infrastructure component of that vision to the best of our ability. We are not able to drive the next stage of infrastructure development (for improved accessibility to the main auditorium) but pledge our support for Councilors and Council staff to implement these improvements.

Our focus for the coming year will be on that second part of the vision - that the Globe is the vibrant hub for performing arts in the City. We will:

- Extend collaborative and partnership programmes with local community, education and business organisations to increase use of both auditoria and the foyer.
- Increase marketing to the database of theatre-goers that our ticketing system has captured to encourage and support a theatre-going culture in the City.
- Enter into more co-sponsorship agreements with professional companies to bring their performances to our City.
- Provide drive and leadership to a co-operative approach with the City's other cultural organisations to complement each other and grow the vibrancy of the arts sector in the City.
- Bring other services and activities into the Theatre complex, so increasing the foot traffic into the precinct of Te Manawa, the Rugby Museum and the Globe Theatre. Initially we propose to open the café during the day-time as well as during shows.

These aspirations are already covered in our Statement of Intent. With a new staff team, led by Trustee, Denise Servante, as our new Theatre Manager, we are confident that we can bring them to fruition.

We are excited by the challenge thrown to us by the Mayor to contribute to the growth of Palmerston North as a City with a vibrant centre for the arts and culture. We look forward to working with the Council on developing these ambitions in the 2018-28 Ten Year Plan.

Globe Theatre Trust Board  
June 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 to maintain a "state of the art" experience for hirers

## 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 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**

<b>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.</b>			
<b>Planned activities</b>	<b>Outputs (KPIs)</b>		
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
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.



<b>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</b>			
<b>Planned activities</b>	<b>Outputs (KPIs)</b>		
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Continue to renew and develop the Memorandum of Understanding with the Manawatu Theatre Inc	Maintenance of Memorandum of Understanding, continued bookings from the Manawatu Theatre Inc	Maintenance of Memorandum of Understanding, continued bookings from the Manawatu Theatre inc	Maintenance of Memorandum of Understanding, continued bookings from the Manawatu Theatre Inc
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
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)
Customer satisfaction - hirers	Benchmark established	To be determined once benchmark has been established	To be determined once benchmark has been established
Customer satisfaction - audiences	Benchmark established	To be determined once benchmark has been established	To be determined once benchmark has been established

<b>3. Achieve growth to meet usage/performance nights and rental income targets</b>			
<b>Planned activities</b>	<b>Outputs (KPIs)</b>		
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
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	175 performance nights and 260 usage nights	185 performance nights and 270 usage nights
Computerised database of Theatre hirers, including details of technical requirements etc	System further developed as necessary	System further developed as necessary	System further developed as necessary

<b>4. Achieve growth to meet usage/performance nights and rental income targets</b>			
<b>Planned activities</b>	<b>Outputs (KPIs)</b>		
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
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 three events organised and promoted through the Trust Board	At least four 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 21st June 2017

Signed:

Maxine Dale, Chairperson, Globe Theatre Trust Board

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

		Indicative	Reforecast	Indicative	Indicative	Indicative
	Note	Jun-17	Jun-17	Jun-18	Jun-19	Jun-20
<b>Income</b>						
Interest Income		\$178	\$113	\$115	\$116	\$118
Donations and Fundraising		\$6,000	\$6,000	\$10,000	\$10,140	\$10,282
PNCC Grant	1	\$74,117	\$75,080	\$76,582	\$78,113	\$79,675
Capital Grants	2	\$140,000	\$117,025	\$118,663	\$120,325	\$122,009
<b>Total Fundraising</b>		<b>\$220,295</b>	<b>\$198,218</b>	<b>\$205,359</b>	<b>\$208,694</b>	<b>\$212,084</b>
<b>Other Revenue</b>						
Sales		\$848	\$1,692	\$1,715	\$1,739	\$1,764
<b>Total Other Revenue</b>		<b>\$848</b>	<b>\$1,692</b>	<b>\$1,715</b>	<b>\$1,739</b>	<b>\$1,764</b>
<b>Theatre Hire</b>						
Globe 1 Theatre Hire		\$27,240	\$30,802	\$33,233	\$33,698	\$34,170
Globe 2 Theatre Hire		\$11,983	\$11,553	\$13,715	\$13,907	\$14,102
Foyer Income		\$4,202	\$4,213	\$7,000	\$7,098	\$7,197
Ticket Sales (net)		\$18,740	\$9,599	\$9,733	\$9,870	\$10,008
Recoverable income		\$19,252	\$5,096	\$5,167	\$5,239	\$5,313
<b>Total Theatre Hire</b>		<b>\$81,417</b>	<b>\$61,262</b>	<b>\$68,848</b>	<b>\$69,812</b>	<b>\$70,789</b>
<b>Total Income</b>		<b>\$302,559</b>	<b>\$261,171</b>	<b>\$275,923</b>	<b>\$280,246</b>	<b>\$284,638</b>
<b>Costs relating to providing goods and services</b>						
Show expenses		\$11,586	\$5,164	\$5,236	\$5,309	\$5,384
<b>Less Operating Expenses</b>						
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
<b>Administration and overheads</b>						
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
<b>Total administration and overheads</b>		<b>\$42,599</b>	<b>\$46,007</b>	<b>\$46,651</b>	<b>\$47,305</b>	<b>\$47,967</b>

		Indicative	Reforecast	Indicative	Indicative	Indicative
	Note	Jun-17	Jun-17	Jun-18	Jun-19	Jun-20
<b>Employee Related Costs</b>						
Salaries		\$69,939	\$69,207	\$85,961	\$87,680	\$89,433
KiwiSaver		\$1,418	\$2,109	\$2,244	\$2,289	\$2,335
<b>Total Employee Related Costs</b>		<b>\$71,357</b>	<b>\$71,316</b>	<b>\$88,205</b>	<b>\$89,969</b>	<b>\$91,768</b>
<b>Other expenses</b>						
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
<b>Total other expenses</b>		<b>\$21,230</b>	<b>\$16,311</b>	<b>\$16,474</b>	<b>\$16,638</b>	<b>\$16,805</b>
<b>Total Operational Costs</b>		<b>\$307,208</b>	<b>\$283,642</b>	<b>\$315,793</b>	<b>\$330,036</b>	<b>\$344,349</b>
<b>Net Profit</b>	<b>4</b>	<b>-\$16,234</b>	<b>-\$27,634</b>	<b>-\$45,106</b>	<b>-\$55,100</b>	<b>-\$65,095</b>

## 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
<b>Assets</b>					
<b>Bank</b>					
Cash and Cash Equivalents	18,362	24,514	25,312	26,117	26,928
<b>Total Bank</b>	<b>18,362</b>	<b>24,514</b>	<b>25,312</b>	<b>26,117</b>	<b>26,928</b>
<b>Current Assets</b>					
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				
<b>Total Current Assets</b>	<b>29,805</b>	<b>36,223</b>	<b>37,138</b>	<b>38,061</b>	<b>38,992</b>
<b>Fixed Assets</b>					
<b>Property, Plant and Equipment</b>					
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	-	-	-278,717	-328,717	-388,717
<b>Total Property Plant and Equipment</b>	<b>243,318</b>	<b>326,680</b>	<b>365,916</b>	<b>430,440</b>	<b>486,649</b>
<b>Total Fixed Assets</b>	<b>243,318</b>	<b>326,680</b>	<b>365,916</b>	<b>430,440</b>	<b>486,649</b>
<b>Total Assets</b>	<b>273,123</b>	<b>362,903</b>	<b>403,054</b>	<b>468,502</b>	<b>525,641</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
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
<b>Total Creditors &amp; Other Payables</b>	<b>12,384</b>	<b>11,709</b>	<b>11,826</b>	<b>11,944</b>	<b>12,064</b>
<b>Employee Costs Payable</b>					
Holiday pay liability	2,855	2,884	2,912	2,942	2,971
Wages accrual	540	0	0	0	0
<b>Total Employee Costs Payable</b>	<b>3,395</b>	<b>2,884</b>	<b>2,912</b>	<b>2,942</b>	<b>2,971</b>
<b>Total Current Liabilities</b>	<b>15,779</b>	<b>14,592</b>	<b>14,738</b>	<b>14,886</b>	<b>15,035</b>
<b>Total Liabilities</b>	<b>15,779</b>	<b>14,592</b>	<b>14,738</b>	<b>14,886</b>	<b>15,035</b>
<b>Net Assets</b>	<b>257,344</b>	<b>348,310</b>	<b>388,315</b>	<b>453,616</b>	<b>510,607</b>

### 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	388,315	453,616
<i>Comprehensive Income</i>					
Surplus/(Deficit)	-14,144	90,966	40,005	65,301	56,991
<b>Balance at 30 June</b>	<b>257,344</b>	<b>348,310</b>	<b>388,315</b>	<b>453,616</b>	<b>510,607</b>

### Cashflow

	Actual	Forecast	Indicative	Indicative	Indicative
	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20
<b>Cash Flows from Operating Activities</b>					
Donations and Fundraising	8,799	123,025	128,663	130,465	132,291
Receipts from Council grants	74,043	75,080	76,582	78,113	79,675
Receipts from sale of goods and services	62,922	62,954	70,564	71,552	72,553
Interest Received	141	113	115	116	118
Payments to Suppliers	-	-	-156,566	-159,221	-161,923
	136,011	138,797			
Goods and Services Tax (net)	-1,355	802	104	105	106
<b>Net Cash Flows from Operating Activities</b>	<b>8,539</b>	<b>123,177</b>	<b>119,462</b>	<b>121,130</b>	<b>122,820</b>



<b>Cash Flows from Investing Activities</b>					
Purchase of Fixed Assets	-15,720	-	-118,663	-120,325	-122,009
		117,025			
Sales of Fixed Assets	0	0	0	0	0
<b>Net Cash Flow from Investing Activities</b>	<b>-15,720</b>	<b>-</b>	<b>-118,663</b>	<b>-120,325</b>	<b>-122,009</b>
		<b>117,025</b>			
<hr/>					
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>-7,181</b>	<b>6,152</b>	<b>798</b>	<b>805</b>	<b>811</b>
Cash and Cash Equivalents at the start of the Year	25,543	18,362	24,514	25,312	26,117
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>18,362</b>	<b>24,514</b>	<b>25,312</b>	<b>26,117</b>	<b>26,928</b>

## **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.