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Globe Theatre Trust Statement of Intent For the three years to 30 June 2023

Version: Final

Date: 30/06/2020

Prepared by: Globe Theatre Trust Board

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Trust Details as at 30 June 2020

Nature of Business	Theatre
Establishment Date	15 April 2002
Trustees	J Adams M Dale (Chairperson) R Harris G Hudson M May
Treasurer	G Hudson
Secretary	M May
Theatre Manager	G Keating
Address	312 Main Street PO Box 132 Palmerston North Telephone: (06) 351 4409
Telephone	(06) 351 4409
Website	www.globetheatre.co.nz
Email	info@globetheatre.co.nz
Bankers	Bank of New Zealand
Solicitors	Cooper Rapley
Registered Office	C/ Palmerston North City Council Civic Administration Building The Square Palmerston North
Incorporation Number	1206039
Charity Registration Number	CC28111
Inland Revenue Number	43-006-495

Foreword

The Globe Theatre Trust Board is pleased to present its Statement of Intent for the three-year period from July 2020 to June 2023. The Board continues to be driven by its vision of the Globe Theatre as the home of the local performing arts community in Palmerston North.

In 2017/18, the Board prepared a 5-Year Strategic Plan which informed its input into the 2018-28 Council 10-year plan. Its intention was to review this during 2020/21 in good time for input into the 2021-31 Council 10-year plan. The Board notes that the Council have requested the Board completes this process prior to submitting its Statement of Intent 2020-2023. The Board has reviewed its 5-Year Strategic Plan and following that review has created a 10-Year Strategic Plan with a view to review every year. The 10-Year Strategic Plan has been attached to the Statement of Intent 2020-2023.

The Statement of Intent is presented under a “business as usual” scenario as per the new Strategic Plan. However, the COVID-19 Pandemic has drastically changed the SOI outlook and as advised by council officers, this draft is a “best-guess” scenario. The Board had anticipated further growth in its business, although not on the recent steep trajectory. The busy-ness of the theatres has necessitated taking on an additional staff member during 2019/20. The Board is confident that this additional position can be funded from the growth in hire income and ticketing business. The Board has also budgeted for increased technical support and hopes that this may grow into a permanent paid position over the period of this Statement of Intent.

The Board is also aware of the Council’s move to a Results Based Accountability methodology and looks forward to working with council officers over time to see how this new methodology can be implemented at the theatre.

The Board will be delighted to work further with Council staff to develop its aspirations for Council consideration at the stage of the final Statement of Intent in June 2020. In the meantime, the Board also notes Council’s request in the Letter of Expectation that it:

- actively explore and report on commercial models (such as the shared risk/reward model that The Globe have initiated in some of their music programming) that might attract hirers who otherwise would not use the venue because of the cost but whose offering might enable the venue to expand into new audience areas or explore commercial opportunities.
- to actively explore collaboration on a one-stop front of house booking operation that enables getting bookings in the right City venue for the event.
- actively explore bringing ticketing functions under one umbrella for city venues.
- identify your regionally/nationally significant events based on current delivery and explore what a stretch target for that would look like, and
- work with Palmerston North City Council and other agencies to develop Economic Impact reporting for those events, as used in the Significant Events report that CEDA has previously presented to the Economic Development Committee.

The Board currently reports upon the first bullet point and is aware of the avenue via the Arts Powerhouse Committee to work collaboratively on the other actions identified.

Globe Theatre Trust Board
June 2020

Purpose of the Statement of Intent

This Statement of Intent is presented by The Globe Theatre Trust in accordance with the requirements of s 64(1) of the Local Government Act 2002.

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intention of The Globe Theatre Trust for the next three years, and the objectives to which those activities will contribute.

This SOI takes shareholder comments into consideration and includes performance measures and targets as the basis of organisational accountability.

About the Globe Theatre Trust

GOVERNANCE STATEMENTS

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

Objectives of Globe Theatre Trust Deed

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

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

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

Structure and governance

The Board of up to seven Trustees (5 appointed by Palmerston North City Council and up to 2 co-opted Trustees) is responsible for the strategic direction and control of The Globe Theatre Trust's activities. The Board guides and monitors the business and affairs of the Trust, in accordance with the Trustee Act 1956, the Local Government Act 2002, the Trust Deed and this Statement of Intent. The Board's approach to governance is to adopt "good practice" with respect to:

- (i) the operation and performance of the Board, including being a good employer
- (ii) managing the relationship with the Theatre Manager
- (iii) being accountable to the community and reporting to the Palmerston North City Council

The Theatre Manager is responsible for the day-to-day operations of the Globe Theatre, engaging and oversight of staff/volunteers and reporting to the Trustees on performance against The Trust's objectives.

CORE PURPOSE

That the Globe Theatre is "home" to the local performing arts community within a City-wide cultural precinct.

VISION

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

MISSION

To be recognised as the most collaborative and co-operative organisation amongst the city's cultural organisations.

VALUES

Customer Focus – We listen and understand the interests and important concerns of our internal and external stakeholders and business partners (patrons, hirers, suppliers).

Teamwork – We work cooperatively with others to produce innovative solutions that meet the needs of all.

Respect for others – We listen and respond constructively and promptly and try to understand alternative points of view and accommodate these into our core business.

Accountability – We focus on making things happen fast - solving problems and getting work done. We identify what needs to be done and take action before being asked or the situation requires it.

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

Contribution to small city benefits, big city ambition

Palmerston North is the heart of the Manawatū region within central New Zealand - a small city with a lot to offer, and ambitious about where it's going. The City Council vision is Palmerston North: Small city benefits, big city ambition.

Council has identified five strategic goals for achieving this vision and the Globe Theatre Trust contributes primarily to Goal 2: A creative and exciting city. Council has developed strategies to support achievement of its goals, and the Globe Theatre Trust contributes primarily to the Creative and Liveable Strategy. Within this Strategy, Council has identified priorities and the Globe Theatre Trust contributes primarily to Priority 3, to develop the city into an arts powerhouse with a national reputation for creativity and the arts, and to a lesser but still significant extent, Priority 4, to develop a national and international reputation as an exciting city with plenty to do at night and on weekends.

The Globe Theatre Trust also has a part to play in Goal 4: An eco-city, particularly in Priority 2 to work with Council to reduce carbon emissions.

The Globe Theatre Trust believes that its contribution to the Council's vision, strategic goals and underpinning strategies can be realized as it works towards its vision to deliver a dynamic, bustling, vibrant centre for the performing arts community in Palmerston North. It has in turn developed strategic objectives and strategies to support it to achieve this within the framework of its Trust Deed.

The Globe Theatre Trust's Strategic Objectives

The Trust Board has identified three strategic objectives which describe the change that it will endeavour to bring about to support the Council to develop the City into an arts powerhouse with a national reputation for creativity and the arts.

Firstly, it will ensure that there are more, and more visible, arts and activities at the Globe that contribute to the Council's aspirations as an arts powerhouse.

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

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

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

To achieve its objectives, the Trust Board aims to:

1. Increase the number of events that take place at the Globe Theatre and the number of people who are involved in these events (actively organising or participating in a performance or performing art).

This will entail:

- Providing a seamless, customer-focused hire service that is responsive to the needs of hirers and is enabling and supportive.
- Ensuring that there are friendly, helpful and knowledgeable staff/volunteers who can support our hirers in delivering a successful event, whether it is negotiating an appropriate contract, advising on promotion, securing front of house/ushering volunteers or providing technical support.
- Encouraging national and international visiting productions and artists to perform at the venue.

2. Maximize the use of the venues by local community performing arts groups and events and to represent the diversity of the Palmerston North community.

This will entail:

- Undertaking community outreach and collaborating with other agencies and organisations to demonstrate how the Globe may contribute to their aspirations to showcase and develop their cultural heritage.
- Working particularly with community hirers to support them to showcase their cultural and performing arts heritage, ensuring that the venues are available and accessible for them and encouraging them to become regular users of the theatres.

3. Maintain the fixtures, fittings and theatre equipment to ensure it continues to offer a professional experience to all its clients/customers/users.

This will entail:

- Working with the local performing arts community to identify future needs and advancing technologies to support developing performing arts practice.
- Working closely with PNCC as the building owner, local suppliers with theatre specialisms and local philanthropic organisations which contribute necessary funding.
- Encouraging and supporting PNCC as the building owner, working closely with local suppliers with theatre specialisms and local philanthropic organisations, to incorporate low carbon choices.

Performance Measures

DEFINITIONS

USER GROUPS

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

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

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

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

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

USAGE AND PERFORMANCE

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

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

PERFORMANCE BASED USEAGE:

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 USEAGE:

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

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

Misc. meeting – anything else!

HOURS OF USE BY HIRERS

Approximate length of each usage from pack in to pack out (does not include box office or café opening hours)

NO. OF DISCREET PARTICIPANTS

People taking part in multiple “usages” for a single event are counted only once. For example, a play that is rehearsed at the Globe and shown at the Globe with 10 participants is only counted as 10 participants although each rehearsal and performance is a separate hire or “usage”

NO. OF VISITORS/AUDIENCE MEMBERS

People participating at the Globe as an audience member/attending an event but not as an organiser or performer. For example, someone who has been to multiple events at the Globe as an audience member would be counted for each event they attend. It does not include people visiting the box office or café.)

Strategic priorities and performance monitoring for 2020/21, 2021/22, 2022/23

Strategic Priority 1: Ensure that there are more, and more visible, arts and activities at the Globe that contribute to the Council's aspirations as an arts powerhouse.

Performance measure	Actual		Target		
	2018/19	at 30 June 2020	2020/21	2021/22	2022/23
Number of usages	Result as at 30 June 2019 = 680	533	380 Commentary on issues	650 Commentary on issues	675 Commentary on issues
Number of performances	Result as at 30 June 2019 = 253 (27%)	221 (42% of total usage)	190 Commentary on issues	220 Commentary on issues	240 Commentary on issues
Hours of Use by Hirers	Result as at 30 June 2019 = 2,544	1,988	1,436 Commentary on issues	2,600 Commentary on issues	2,800 Commentary on issues
No. of discreet participants	Result as at 30 June 2019 = 1,843	1,785	1,156 Commentary on issues	1,750 Commentary on issues	1,850 Commentary on issues
No. of visitors/audience members	Result as at 30 June 2019 = 21,409	15,487	12,635 Commentary on issues	26,000 Commentary on issues	27,000 Commentary on issues
Maintain or improve satisfaction ratings of hirers	Result as at 30 June 2019 = 93% (n=41)	94% (n=33) rate the Globe Theatre as an Excellent or a Good venue	2020/21 result maintained or improved – commentary on issues	2021/22 result maintained or improved – commentary on issues	2022/23 result maintained or improved – commentary on issues
Maintain or improve satisfaction ratings of visitors (audiences)	Result as at 30 June 2019 = 84% (n=148)	93% (n=119) rate the Globe Theatre as an Excellent or a Very Good venue 93% rate the performances they attended as Excellent or Very Good	Provide annual result and commentary on any issues	Provide annual result and commentary on any issues	Provide annual result and commentary on any issues
Number of national and international visiting productions performing at the Globe	Result as at 30 June 2019 = 28	22	11	15	17

Strategic Priority 2: Support the local performing arts community to showcase their diverse talents at the Globe, and working to ensure our users represent the diversity of the Palmerston North community					
Performance measure	Actual		Target		
	2018/19	at 30 June 2020	2020/21	2021/22	2022/23
Proportion of use driven through MOU arrangements.	Result as at 30 June 2019 = 57%	65%	63%	70%	70%
Proportion of MOU-driven use that is performance-based	Result as at 30 June 2019 = 95%	95%	95%	95%	95%
Proportion of overall usage from established community users ¹	Result as at 30 June 2019 = 21%	31%	2020/21 result maintained or improved – commentary on issues	2021/22 result maintained or improved – commentary on issues	2022/23 result maintained or improved – commentary on issues
Proportion of overall usage from new community groups ²	Result as at 30 June 2019 = 5.3%	8.9%	2020/21 result maintained or improved – commentary on issues	2021/22 result maintained or improved – commentary on issues	2022/23 result maintained or improved – commentary on issues

¹ The target will be to reduce this proportion, aiming to convert regular community users to MOU arrangements

² Note will be made of the ethnic and cultural origin of users to monitor success in outreach programmes

Strategic Priority 3: Maintain and develop facilities that enable our communities to produce and enjoy the very best performing arts that can be offered, ensuring that the Globe remains a cutting edge, visible and resilient cultural institution/facility.

Performance measure	Actual		Target		
	2018/19	at 30 June 2020	2020/21	2021/22	2022/23
Carry out capital development programme	Globe 1: new digitally enabled rig installed.	Globe 1: New digital lighting rig installed in Globe 1 May 2020	Globe 1: New Roller door/backstage storage	Investigate digital signage options	New projector for Globe 1 with electric screen
Funding capital renewal programme from depreciation fund	45% depreciation funded	Not measured; capitalisation not done until year end	68% depreciation costs available for capital renewal	60% depreciation costs available for capital renewal	60% depreciation costs available for capital renewal

How we operate

The team at the Globe Theatre are a passionate group of people driven to grow and develop the performing arts in the City and wider region. We recognise, and take responsibility for, our role in contributing to the common vision to develop the City into an arts powerhouse with a national reputation for arts and creativity. We will work to:

- Increase the culture of supporting performing arts events from the local community (residents and businesses) to grow the sector.
- Collaborate with all cultural organisations to support each other's contribution towards the common vision
- Liaise effectively with a city council committed to and contributing to the common vision.
- Participate in decision-making – governance and operational – that is co-creational building trust and capacity within and between each collaboration partner

In keeping with best management practice, the Globe Theatre Trust aims to operate efficiently and effectively, reducing any adverse impacts on the natural and built environment. The Theatre management will work towards zero waste in its operations and in developing technologies and processes which reduce the carbon footprint of the theatre's day-to-day operations.

As a future-focused organisation, we aim to promote the social and cultural well-being of our communities through participation in the arts. The Trust regularly reviews its internal processes, seeking continuous improvement in order to deliver value for money to the shareholders and the rate payer. As a Council Controlled Organisation (CCO), the Trust is also aware that much of its funding is derived from public monies and therefore all expenditure should be subject to a standard of probity and financial prudence that is to be expected of a CCO and be able to withstand public scrutiny. The Trust recognises the principles of the Treaty of Waitangi and acknowledges the importance of partnering with local Iwi and recognition of Tangata Whenua in the region.

The Trust is committed to the health and safety of all workers, volunteers, visitors and the public across its premises by undertaking all measures reasonably practicable to provide a safe working environment. The Trust believes that creating and maintaining a healthy work environment is a shared, co-operative venture, where employees, volunteers and employers have roles and responsibilities, including the maintenance of a balance between work and non-work activities. As such, the Trust will ensure it meets its obligations with respect to New Zealand laws and regulations and will undertake annual reviews based on established best practice guidelines.

Working together

HALF-YEARLY REPORT

By the end of February each year, The Globe Theatre Trust will provide the Council with a half-yearly report complying with s 66 of the Local Government Act 2002. The report will include the following information:

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

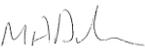
ANNUAL REPORT

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

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

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

This Statement of Intent was approved by the Globe Theatre Trust Board on 20 May 2019.

Signed: 

Maxine Dale, Chairperson, Globe Theatre Trust Board

Forecast financial statements

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDED 30 JUNE 2021, 2022, 2023

	Actual 2019	Reforecast 2020	Indicative 2021 1% inflation adjustment	Indicative 2022 1% inflation adjustment	Indicative 2023 1% inflation adjustment
Revenue					
Donations, fundraising and other similar income	100,267	128,698	45,000	25,000	15,000
Council funding	113,366	115,748	116,905	118,075	119,255
Investment income	421	368	300	350	400
Sales of Goods and Services	90,785	71,886	55,077	82,000	88,600
Total Revenue	304,839	316,700	217,283	225,425	223,255
Expenditure					
Costs related to providing goods and services	31,970	12,127	8,341	16,150	16,800
Administration and Overhead Costs	45,062	56,187	52,038	64,462	62,111
Employee, Trustee and Contractor Costs	85,223	123,685	125,595	126,944	128,308
Other Expenses	21,247	22,661	21,253	21,678	22,112
Asset Write offs	1,599	0	0	0	0
Depreciation	37,363	58,529	66,748	69,748	70,748
Total Expenditure	222,464	273,190	273,975	298,983	300,080
Net surplus/(Deficit)	82,375	43,510	-56,693	-73,558	-76,824

Note 1: Funding for capital additions and renewals is recorded as income whilst the corresponding expenditure is recorded as an increase in assets. Large capital programmes in 2019 and 2020 are reflected in the Net surplus in those years and consequently (through increased depreciation) as a net deficit in the 2021 and 2022 financial years. The Globe Theatre Trust has traditionally not funded depreciation but is moving towards partially funding depreciation through this SOI period,

STATEMENT OF FINANCIAL POSITION FOR THE YEARS ENDED 30 JUNE 2021, 2022, 2023

	Actual 2019	Forecast 2020	Indicative 2021	Indicative 2022	Indicative 2023
Assets					
Bank					
Cash and Cash Equivalents	70,799	51,795	31,850	18,040	11,964
Total Bank	70,799	51,795	31,850	18,040	11,964
Current Assets					
Accounts Receivable	13,233	16,699	17,000	17,000	17,000
Provision for impairment	0				
Accrued Revenue	0	0	0	0	0
GST Receivable	0	0	0	0	0
Prepayments	0	1,108	1,200	1,200	1,200
Sundry debtor accruals	0	0	0	0	0
Total Current Assets	84,032	69,602	50,050	36,240	30,164
Fixed Assets					
Property, Plant and Equipment					
Value of equipment purchased	585,126	585,126	669,727	699,727	709,727
Less accumulated depreciation	-309,278	-367,807	-434,555	-504,303	-575,051
New Capital purchase		84,601	30,000	10,000	0
Total Property Plant and Equipment	275,848	301,920	265,172	205,424	134,676
Total Fixed Assets	275,848	301,920	265,172	205,424	134,676
Total Assets	359,880	371,522	315,222	241,664	164,840
Liabilities					
Current Liabilities					
Creditors and Other Payables					
Accounts payable	36,556	16,699	17,000	17,000	17,000
Income in advance	0	0	0	0	0
Grants in advance	5,500	0	0	0	0
Accrued Expenses	0	0	0	0	0
PAYE Payable	0	1,107	1,199	1,199	1,199
GST	0	0	0	0	0
Total Creditors & Other Payables	42,056	17,806	18,199	18,199	18,199
Employee Costs Payable					
Holiday pay liability	4,677	0	0	0	0
Wages accrual	2,942	0	0	0	0
Total Employee Costs Payable	7,619	0	0	0	0
Total Current Liabilities	49,676	17,806	18,199	18,199	18,199
Total Liabilities	49,676	17,806	18,199	18,199	18,199
Net Assets	310,205	353,716	297,023	223,465	146,641

STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR THE YEARS ENDED 30 JUNE 2021, 2022, 2023

	Actual 2019	Forecast 2020	Indicative 2021	Indicative 2022	Indicative 2023
Opening balance as at 1 July	227,831	310,205	353,715	297,023	223,465
<i>Comprehensive Income</i>					
Surplus/(Deficit)	82,375	43,510	-56,693	-73,558	-76,824
Balance at 30 June	310,205	353,715	297,023	223,465	146,640

STATEMENT OF CASHFLOW FOR THE YEARS ENDED 30 JUNE 2021, 2022, 2023

	Actual 2019	Forecast 2020	Indicative 2021	Indicative 2022	Indicative 2023
Cash Flows from Operating Activities					
Donations and Fundraising	101,182	128,698	45,000	25,000	15,000
Receipts from Council grants	113,366	115,748	116,905	118,075	119,255
Receipts from sale of goods and services	87,264	85,119	55,077	82,000	88,600
Interest Received	421	368	300	350	400
Payments to Suppliers & staff	-181,434	-264,336	-207,227	-229,234	-229,331
Goods and Services Tax (net)	-932				
Net Cash Flows from Operating Activities	119,867	65,597	10,056	-3,810	-6,076
Cash Flows from Investing Activities					
Purchase of Fixed Assets	-81,977	-84,601	-30,000	-10,000	0
Sales of Fixed Assets	0	0	0	0	0
Net Cash Flow from Investing Activities	-81,977	-84,601	-30,000	-10,000	0
Net Increase/(Decrease) in Cash and Cash Equivalents	37,890	-19,004	-19,944	-13,810	-6,076
Cash and Cash Equivalents at the start of the Year	32,909	70,799	51,795	31,850	18,040
Cash and Cash Equivalents at the End of the Year	70,799	51,795	31,850	18,040	11,964

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.