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Globe Theatre Trust Statement of Intent For the three years to 30 June 2024

Version: FINAL

Date: 21/06/2021

Prepared by: Globe Theatre Trust Board

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Trust Details as at 30 June 2021

Nature of Business	Theatre
Establishment Date	15 April 2002
Trustees	J Adams (Chairperson) M Dale 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
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 2021 to June 2024. 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 2020, the Board reviewed its 5-Year Strategic Plan and following that review, created a 10-Year Strategic Plan with a view to review every year. The 10-Year Strategic Plan was attached to the Statement of Intent 2020-2023.

The Statement of Intent is presented under a “business as usual” scenario. The Board is, however, mindful of the COVID Pandemic and whilst the theatre is operating under “business as usual”, we are only one step away from being closed for any length of time. After the initial lockdown of March – May 2020, the theatre reopened to many events and good crowds. Even during the Level 2 lockdown of August & September 2020, the theatre was able to function to the best of its ability under social distancing restrictions.

The Board anticipates further growth in business but not to the extent of previous years. The Board has requested additional funding from the 2021/22 year for increased technical support with a view to growing this position into a permanent paid position funded by the growth in hire income and ticketing business.

The Board is confident that the theatre is making excellent progress toward its vision to be “A dynamic, bustling, vibrant centre for the performing arts community in Palmerston North”. Even allowing for the closure of the theatre for over two months in 2020, the theatre was still on track results wise.

	Theatre				
	Theatre Usage	Performances	Audience	Participants/Performers	Hours of Use
2019/20	533	221	15393	2801	1988
2018/19	680	253	21409	1843	2544

Our focus for the coming year will be as follows:

- Work with council officers on the following:
 - the refurbishment of the Globe 1 theatre back stage toilets
 - to develop new performance measures
 - to actively explore a one-stop front of house booking operation
 - to actively explore bringing ticketing functions under one umbrella for city venues
 - to develop Economic Impact reporting for regional/national significant events
- Look at how we can utilise the limited storage space available at the theatre.
- Liaise with our Memorandum of Understanding (MOU) groups at how best to fulfil their needs.
- Increase the promotion of events and the theatre to reach a wider audience within Palmerston North & Manawatu
- Upgrade our equipment to meet industry standards and the needs of our clients.
- Collaborate with the Papaioea Festival of the Arts for 2022 & beyond

Globe Theatre Trust Board
June 2021

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

“To be the home of the local performing arts community in Palmerston North.”

VISION

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

AIM

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

VALUES

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

Teamwork – We work 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 act before being asked or the situation requires it.

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

Contribution to small city benefits, big city ambition

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

Council has identified five strategic goals for achieving this vision and the Globe Theatre Trust contributes primarily to Goal 2: A creative and exciting city. Council has developed 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 2021/22, 2022/23, 2023/24

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, at 30 June 2020	Actual		Target		
	2019/20	at 30 December 2020	2021/22	2022/23	2023/24
Number of usages	534	309	650 Commentary on issues	675 Commentary on issues	675 Commentary on issues
Number of performances	215	151	220 Commentary on issues	240 Commentary on issues	240 Commentary on issues
Hours of Use by Hirers	1,988	1,295	2,600 Commentary on issues	2,800 Commentary on issues	2,800 Commentary on issues
No. of discreet participants	1,785	1,970	1,750 Commentary on issues	1,850 Commentary on issues	1,850 Commentary on issues
No. of visitors/audience members	15,487	13,079	26,000 Commentary on issues	27,000 Commentary on issues	27,000 Commentary on issues
Maintain or improve satisfaction ratings of hirers	(n=33) 94% rate the theatre as an Excellent or a Good venue	(n=16) 94% rate the theatre as an Excellent or a Good venue	2021/22 result maintained or improved – commentary on issues	2022/23 result maintained or improved – commentary on issues	2023/24 result maintained or improved – commentary on issues
Maintain or improve satisfaction ratings of visitors/audiences	(n=119) 93% rate the Globe Theatre as an Excellent or a Very Good venue 93% rate the performances they attended as Excellent or Very Good	(n=114) 72% rate the theatre as an Excellent 28% rate the theatre as a Very Good or Good venue 77% rate the performances they attended as Excellent 22% rate the performance they attended as Very Good or 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/international visiting productions performing at the theatre	22	10	15	17	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, at 30 June 2020	Actual		Target		
	2019/20	at 30 December 2020	2021/22	2022/23	2023/24
Proportion of use driven through MOU arrangements	54%	35%	70%	70%	70%
Proportion of MOU-driven use that is performance-based	45%	53%	95%	95%	95%
Proportion of overall usage from community groups	31%	52%	2021/22 result maintained or improved – commentary on issues	2022/23 result maintained or improved – commentary on issues	2023/24 result maintained or improved – commentary on issues
Proportion of overall usage from new community groups	8.8%	7.1%	2021/22 result maintained or improved – commentary on issues	2022/23 result maintained or improved – commentary on issues	2023/24 result maintained or improved – commentary on issues

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		
	2019/20	at 30 December 2020	2021/22	2022/23	2023/24
Carry out capital development programme	Globe 1: new digitally enabled rig installed.	New projector for Globe 1 with electric screen	Globe 1: New Roller door/backstage storage	Investigate digital signage options	Upgrade sound system in Globe 1 and Globe 2
Funding capital renewal programme from depreciation fund	50% depreciation funded	Not measured; capitalisation not done until year end	60% 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 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 29th March 2021.

Signed:

John Adams, Chairperson, Globe Theatre Trust Board

Forecast financial statements

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDED 30 JUNE 2022, 2023, 2024

	Actual 2020	Forecast 2021	Indicative 2022 1% inflation adjustment	Indicative 2023 1% inflation adjustment	Indicative 2024 1% inflation adjustment
Revenue					
Donations, fundraising and other similar income	120,387	34,335	25,000	15,000	15,000
COVID-19 Wage Subsidy	26,202	11,230	0	0	0
Council funding	115,748	116,855	118,075	119,255	120,448
Investment income	375	262	350	400	400
Sales of Goods and Services	71,463	110,370	100,000	110,000	120,000
Total Revenue	334,175	273,052	243,425	244,655	255,848
Expenditure					
Costs related to providing goods and services	13,670	32,720	30,000	35,000	40,000
Administration and Overhead Costs	27,880	28,055	20,000	25,000	30,000
Employee, Trustee and Contractor Costs	132,195	84,038	126,944	128,308	129,591
Other Expenses	39,575	20,599	21,678	22,112	22,333
Asset Write offs	0	0	0	0	0
Depreciation	47,432	36,722	58,789	56,630	55,102
Total Expenditure	260,752	202,134	257,411	267,050	277,026
Net surplus/(Deficit)	73,423	70,918	-13,987	-22,395	-21,178

Note 1: Funding for capital additions and renewals is recorded as income whilst the corresponding expenditure is recorded as an increase in assets. Large capital programmes are reflected in the Net surplus in those years and consequently (through increased depreciation) as a net deficit in the 2022, 2023 and 2024 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 2022, 2023, 2024

	Actual 2020	Forecast 2021	Indicative 2022	Indicative 2023	Indicative 2024
Assets					
Bank					
Cash and Cash Equivalents	104,362	112,034	146,837	181,072	214,995
Total Bank	104,362	112,034	146,837	181,072	214,995
Current Assets					
Accounts Receivable	978	17,000	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	1,200	1,200	1,200	1,200
Sundry debtor accruals	0	0	0	0	0
Total Current Assets	105,340	130,234	165,037	199,272	233,195
Fixed Assets					
Property, Plant and Equipment					
Value of equipment purchased	693,676	693,676	723,676	733,676	733,676
Less accumulated depreciation	-344,440	-381,162	-439,951	-496,581	-551,683
New Capital purchase		30,000	10,000	0	0
Total Property Plant and Equipment	349,236	342,514	293,725	237,095	181,993
Total Fixed Assets	349,236	342,514	293,725	237,095	181,993
Total Assets	454,576	472,748	458,762	436,366	415,188
Liabilities					
Current Liabilities					
Creditors and Other Payables					
Accounts payable	31,749	17,000	17,000	17,000	17,000
Income in advance	3,140	0	0	0	0
Grants in advance	0	0	0	0	0
Accrued Expenses	11,826	0	0	0	0
PAYE Payable	1,868	1,200	1,200	1,200	1,200
Unpaid Expense Claim	288	0	0	0	0
GST	0	0	0	0	0
Total Creditors & Other Payables	48,871	18,200	18,200	18,200	18,200
Employee Costs Payable					
Holiday pay liability	5,005	0	0	0	0
Wages accrual	4,966	0	0	0	0
Total Employee Costs Payable	9,971	0	0	0	0
Unused Grants/Donations with conditions					
COVID-19 Wage Subsidy Extension	11,230	0	0	0	0
Grants/Donations	874	0	0	0	0
Total Unused Grants/Donations with conditions	12,104	0	0	0	0
Total Current Liabilities	70,946	18,200	18,200	18,200	18,200
Total Liabilities	70,946	18,200	18,200	18,200	18,200
Net Assets	383,630	454,548	440,562	418,166	396,988

STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR THE YEARS ENDED 30 JUNE 2022, 2023, 2024

	Actual 2020	Forecast 2021	Indicative 2022	Indicative 2023	Indicative 2024
Opening balance as at 1 July	310,206	383,630	454,548	440,562	418,166
<i>Comprehensive Income</i>					
Surplus/(Deficit)	73,423	70,918	-13,987	-22,395	-21,178
Balance at 30 June	383,630	454,548	440,562	418,166	396,988

STATEMENT OF CASHFLOW FOR THE YEARS ENDED 30 JUNE 2022, 2023, 2024

	Actual 2020	Forecast 2021	Indicative 2022	Indicative 2023	Indicative 2024
Cash Flows from Operating Activities					
Donations and Fundraising	115,632	34,335	25,000	15,000	15,000
Receipts from Council grants	115,748	116,855	118,075	119,255	120,448
Receipts from sale of goods and services	86,555	111,348	100,000	110,000	120,000
COVID-19 Wage Subsidy	37,432	0	0	0	0
Interest Received	375	262	350	400	400
Payments to Suppliers & staff	-225,056	-225,128	-198,622	-210,420	-221,924
Goods and Services Tax (net)	208				
Net Cash Flows from Operating Activities	130,894	37,672	44,803	34,235	33,924
Cash Flows from Investing Activities					
Purchase of Fixed Assets	-97,331	-30,000	-10,000	0	0
Sales of Fixed Assets	0	0	0	0	0
Net Cash Flow from Investing Activities	-97,331	-30,000	-10,000	0	0
Net Increase/(Decrease) in Cash and Cash Equivalents					
	33,563	7,672	34,803	34,235	33,924
Cash and Cash Equivalents at the start of the Year	70,799	104,362	112,034	146,837	181,072
Cash and Cash Equivalents at the End of the Year	104,362	112,034	146,837	181,072	214,995

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.