

STATEMENT OF INTENT

2020 - 2023

THE REGENT THEATRE TRUST

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Our Directory

Come and see us at:

53 Broadway
Palmerston North
New Zealand

Mail, Phone or Fax us at:

PO Box 1723
Palmerston North
Phone (06) 3502100
Fax (06) 3502108

Email and web addresses are:

manager@regent.co.nz
www.regent.co.nz

Registered office of the Trust:

c/- Palmerston North City Council
Civic Administration Building
The Square
PO Box 11-034
Palmerston North

Accountants

BDO Central (NI) Limited

Legal Advisers

Fitzherbert Rowe Lawyers

Bankers

ANZ Bank New Zealand Limited

Auditors

Audit New Zealand on behalf of the office
of the Auditor General

General Manager

Charles Forbes

Trust Board

David Lea (Chairperson)	Mark Mabbett
Susan McConachy (Deputy Chairperson)	Martin Carr
Kane Parsons	Tania Kopytko
Penny Odell (Secretary)	Natalie Rowney

Legal Status

The Regent Theatre Trust is a Council Controlled Organisation (CCO) for the purpose of the Local Government Act 2002 and operates as a Charitable Trust under the Charitable Trust Act 1957, Reg No CC41202. The theatre trades as the "Regent on Broadway" and is a not-for-profit CCO.



Chairperson's Introduction

Since reopening in May 1998, the Regent on Broadway has established itself as one of the most active, prestigious, provincial venues for hire for live theatre in New Zealand. The focus of this Statement of Intent will be to consolidate and enhance this position. The plan for the three years ending June 2023 is to build on this success and, where possible, endeavour to increase the use of the venue to help make the city's vision a reality.

The Regent on Broadway is by New Zealand and international standards, a large, splendid, historic, traditional proscenium arch theatre which provides grandeur and performance possibilities for large audiences and a professionally high level of staging and technical capability. We provide the city with the jewel in the crown within performing arts facilities.

Purpose of this Statement of Intent

The Regent Theatre Trust is governed by its Trust Deed, which describes the purpose of the Trust as follows: *"To control, develop, promote, enhance and maintain the Regent Theatre so that it may be utilised and enjoyed by the inhabitants of the Manawatu area"*.

This Statement of Intent is presented by Regent Theatre Trust in accordance with the requirements of Section 64(1) of the Local Government Act 2002 (LGA 2002).

In accordance with the Local Government Act 2002, this annual Statement of Intent publicly states the activities and intentions of Regent Theatre Trust for the three-year period ending June 2023, and the objectives to which those activities will contribute.

This Statement of Intent takes the Palmerston North City Council Vision Statement into consideration and includes performance measures and targets as the basis of organisational accountability.

The Regent Theatre Trust is in the process of developing a 10-year business plan which will provide information regarding stakeholder relationships, marketing and promotion, theatre organisational structure, plus the theatre's aspirational growth along with the operational and capital expenditure budgets. It is planned to provide the 10-year business plan prior to August 2020.

About the Regent Theatre Trust

Vision statement:

To provide the most vibrant theatre going experience in an unforgettable venue of classical grandeur.

Mission statement:

The Regent on Broadway will be maintained and preserved as a valuable historic venue. The Regent on Broadway will be the preferred local venue of choice for international, national and local performing arts experiences that cater to diverse people of all ages.

Values:

- **Stewardship** - a commitment to quality care and oversight of the historic venue and its contents, heritage value and uniqueness and significance to the region.
- **Accountability** - through transparency, effective legal and financial management.
- **Integrity** - in maintaining high standards in a consistent way in accordance with ethically sound principles and actions.
- **Innovation** - continuous improvement through responding to change in an agile and responsive manner, such as advances in technology and changes in audience expectations.
- **Customer focused service** - ensuring that our contact with clients and patrons is always welcoming and hospitable, signifying a genuine commitment to providing them with a quality experience.
- Provide a good staff working environment.

Governance:

The Regent on Broadway is governed by the Regent Theatre Trust Incorporated. The trust is governed by a Board of Trustees. The Board of up to nine (currently eight) trustees is responsible for the strategic direction and control of Regent Theatre Trust activities. The Board guides and monitors the business and affairs of Regent Theatre Trust in accordance with the Regent Theatre Trust Deed and this Statement of Intent.

The Board's approach to governance is to adopt "best practice" with respect to:

- The operation and performance of Trustees
- Providing ongoing support for the General Manager
- Being accountable to all stakeholders and reporting to the Palmerston North City Council

The General Manager is responsible for managing the Regent Theatre Trust as well as the day-to-day operations of the Regent on Broadway.



City vision statement

Palmerston North is the heart of the Manawātū region within central New Zealand. We are a small city with a lot to offer, and we're ambitious about where we're going. The city's vision is Palmerston North: Small city benefits, big city ambition.

Palmerston North City Council has identified five strategic goals for achieving this vision:

Goal 1: An innovative and growing city.

Goal 2: A creative and exciting city.

Goal 3: A connected and safe community.

Goal 4: An eco-city.

Goal 5: A driven and enabling Council.

The Regent on Broadway plays a critical part in delivering this vision. The activities of the Regent help to build Palmerston North's national and international reputation as a creative and exciting place to live, work, study and play. The Regent on Broadway and the Palmerston North City Council work collaboratively to ensure decisions and activities reflect the ambitions of the city and its residents.

We do this by supporting: vibrant and healthy communities; the development of sustainable practice within our local performing arts; the development of connected and safe communities so that all sections of our community may enjoy the wonder of theatre and performance; environmental sustainability; and securing the future of the venue.

Strategic objectives

The Theatre's three strategic objectives have been developed to enable the Regent on Broadway to achieve its vision.

Objective 1. To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawātū region including recognising the role of local Tangata Whenua.

Objective 2. To engage in effective collaboration with our stakeholders and clients, enabling the best customer experience.

Objective 3. To engage with diverse audiences via a marketing and promotion strategy that is continually developing and responding to regional demographics and artistic/cultural trends.

Activities

The Regent on Broadway works to provide a mix of diverse performance, talent and entertainment. This builds on the reputation that Palmerston North is a vibrant, creative and exciting city and aligns with the theatre's operational strategy to explore new ways of attracting high quality performances and increasing diverse community use.

In order to achieve its Strategic Objectives, the Board will undertake a range of activities during the next three years.

Objective 1. To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawātū region including recognising the role of local Tangata Whenua.

The Regent on Broadway will support this objective by:

- Programming regional, national and international performance.
- Enabling people to come together for performing arts events and community celebrations – such as commercial and community shows, graduations, arts, cultural and educational events.
- Enabling diverse communities to come together to celebrate.
- Encouraging local primary, intermediate and secondary schools, dance schools, also theatre educators and theatrical groups to take advantage of the theatre's significant capabilities and resources as a performance and learning space in respect to all aspects of the performing arts.
- Providing a well-resourced and well-equipped amenity so as to attract a wide range of performances and events to the city.
- Providing a specialised performance venue, professional technical advice and support, and marketing support.

Objective 2. To engage in effective collaboration with our stakeholders and clients, enabling the best customer experience.

The Regent on Broadway will support this objective by:

- Actively contributing to the arts powerhouse steering group.
- Consolidating and nurturing relationships with national and international promoters and national cultural icons (such as the Royal New Zealand Ballet, the New Zealand Symphony Orchestra and Creative New Zealand) so that the Regent on Broadway is a principal venue of choice when considering their programming each year.
- Developing a social media strategy which includes communication with diverse audiences.
- Establishing and nurturing strong relationships with all local and regional theatre, dance and entertainment groups in the view to supporting productions of significance and to maintaining and operating an entrepreneurial fund to procure these and other events (by production participation) that would not otherwise come to the Regent on Broadway.
- Setting up a customer service survey platform. Trial, review and act on findings.

Objective 3. To engage with diverse audiences via a marketing and promotion strategy that is continually developing and responding to regional demographics and artistic/cultural trends.

The Regent on Broadway will support this objective by:

- Supporting events by establishing professional marketing strategies, resources, tools and e-platforms – such as Facebook, Instagram and a well-appointed web site.
- Developing and aligning promotional and marketing strategies to the vision, goals and principles of PNCC, especially *Goal 2: A creative and exciting city*.
- Identifying key client audiences, and prioritising and scheduling targeted material and effective communication. This includes:
 - Advertising, e-newsletters and Facebook
 - Developing a calendar of media opportunity and identifying key staff and Board Members as media spokespeople.
 - Obtaining or providing e-media and promotional training and policies and guidelines as required.
 - Updating media release contacts and templates as required
 - Updating process for media enquires as required.
- Updating the website and investigating ways to ensure that it stimulates interest
- Undertaking relevant statistical and audience demographic data analysis to determine future trends and target audiences.

Covid-19 interrupted our ability to develop quantitative KPIs and continues to hinder this process. It is envisaged these will be fully developed by March 2021, if normal operational conditions allow this.



Performance measures

Objective	Performance Measure	Actual	Target			
		2019/20	2020/21	2021/22	2022/23	
1. To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawātū region including recognising the role of local Tangata Whenua.	Total number of main auditorium hires annually (days the auditorium is used), to be not less than.	130	158	180	200	
	Total number of main auditorium national/international venue hirers (actual live performances), to be not less than.	17	30	35	40	
	Total number of events overall that are held over all spaces in the theatre.	275	350	380	400	
	Secure the funding for the theatre's main auditorium sound system and to progressively improve and add to the system over the next 3 years. Funding to be sourced.	\$513,000	\$40,000	\$30,000	\$50,000	
	Additional capital expenditure funding for other projects from the Friends of the Regent or other funding providers.	\$40,000	\$40,000	\$40,000	\$40,000	
2. To engage in effective collaboration with our stakeholders and clients, enabling the best customer experience.	Total number of variety type shows such as tribute concerts and professional performers from the commercial sector, not less than.	12	20	22	25	
	Total number of tertiary graduation ceremonies held, not less than.	4	11	11	11	
	Total number of local school concerts held, not less than	8	10	11	11	
	Total number of school prize-giving held, not less than.	13	14	14	14	
	Total number of ethnically diverse concerts and productions, both community and professionally produced, not less than.	3	6	7	8	
3. To engage with diverse audiences via a marketing and promotion strategy that is continually developing and responding to regional demographics and artistic/cultural trends.	Total attendances to all events held, not less than.	65,300	88,600	98,500	102,500	

How we operate

To be professionally operated and financially secure

The Regent Theatre Trust is committed to ensuring sound Governance and guidance in financial, legal, compliance, operational, management, and most of all, Health and Safety systems, and to ensure procedures are in place and reported against on a regular basis. The Trust ensures key policies and documentation are reviewed in accordance with the Trust's annual schedule, including:

- Insurance policies
- Contracts
- Memorandums of understanding
- Operational Policies
- Health and Safety Policies, procedures and documentation
- Staff reviews

The review of personnel resourcing is being undertaken so as to ensure the Regent on Broadway is meeting the needs of new marketing initiatives and progressive methodology in theatre operations. The Trust is working towards sustainable environmental practice such as recycling, replacing disposable with reusable and energy reduction.

Staff training occurs in all areas of theatre operations and is reviewed on a regular basis:

- ETNZ guidelines in theatre technical operations and safe working practices.
- Marketing with a specific focus to supporting social media requirements.
- Health and Safety in all areas of theatre operations.

The Regent Theatre Trust also undertakes the review and implementation of the 3-year Strategic Plan, and to provide guidelines for a strategic marketing programme that is focused to supporting the Regent on Broadway's social media requirements.

Recognising volunteer input and support

The Trust recognises its volunteers by:

- Liaising with the Friends of the Regent and encouraging the Friends in their activities of theatre assistance, event hosting, ushering and fund-raising. The Trust works to support and nurture the input by the Friends and all volunteers and to recognise the value of the contribution to venue operational requirements.
- Maintaining the excellent communications and the goodwill that has been established between the Friends' elected volunteer supervisory/management team that works alongside venue operations with the objective of continuing to maintain and improve venue hospitality, ushering and catering.
- Attracting and nurturing volunteers that possess the knowledge and skills required to deliver the high level of experienced guidance needed for good and successful governance.

Working together

The preparation and approval of annual budgets so as to observe clear financial objectives and to prepare 3 year income and expenditure forecasts so as to meet statutory obligations and thereby informing our stakeholders of potential future financial outcomes.

Half-yearly report

By the end of February each year the Regent 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:

- Manager's commentary on operations for the relevant six-month period.
- Comparison of the Regent on Broadway'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 30th September each year the Regent 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 undertaken 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 Regent on Broadway and will include the following information:

- Commentary on operations for the year.
- Comparison of the Regent on Broadway'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.

The Regent Theatre Trust

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

SIGNATURES

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

Date:

Signed:

David Lea, Chairman, The Regent Theatre Trust

Regent Theatre Trust Board
Statement of Financial Performance
For the year ended 30 June 2020 - 30 June 2020

	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>	<u>2029-30</u>
TRADING ACCOUNT		0%	1%								
Theatre Operations	304,059	387,200	391,072	462,100	462,100	462,100	462,100	462,100	462,100	462,100	462,100
Regent on Broadway Promotions	337,686	80,000	80,800	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Event Ticketing Centre	73,544	84,000	84,840	124,000	124,000	124,000	124,000	124,000	124,000	124,000	124,000
Palmerston North City Council Funding	235,986	237,381	239,755	237,381	237,381	237,381	237,381	237,381	237,381	237,381	237,381
Donations and grants received for capital expenditure	469,620	110,000	86,250	62,250	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Government subsidy	65,805	34,835									
Total Trading Income	1,486,700	933,416	882,717	965,731	963,481	963,481	963,481	963,481	963,481	963,481	963,481
Gross Income	1,486,700	933,416	882,717	965,731	963,481	963,481	963,481	963,481	963,481	963,481	963,481
Add Other Income											
Interest Received	6,630	2,900	2,900	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Total Other Income	6,630	2,900	2,900	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
	1,493,330	936,316	885,617	973,731	971,481	971,481	971,481	971,481	971,481	971,481	971,481
LESS EXPENSES											
Theatre Operations	250,136	241,320	243,733	250,020	250,020	250,020	250,020	250,020	250,020	250,020	250,020
Employee related expenses	460,169	505,000	510,050	540,341	540,341	540,341	540,341	540,341	540,341	540,341	540,341
Regent on Broadway promotions	346,597	75,000	75,750	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Event Ticketing Centre	20,349	14,300	14,443	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500
	1,077,251	835,620	843,976	884,861	884,861	884,861	884,861	884,861	884,861	884,861	884,861
Surplus/(deficit) before depreciation	416,079	100,696	41,641	88,870	86,620	86,620	86,620	86,620	86,620	86,620	86,620
Less Depreciation	83,246	153,223	192,286	211,208	225,829	101,676	62,784	61,842	62,034	62,226	62,418
Less Provision for Bad Debts	0	0	0	0	0	0	0	0	0	0	0
Surplus/(deficit) from trading	332,833	(52,527)	(150,645)	(122,338)	(139,209)	(15,056)	23,836	24,778	24,586	24,394	24,202
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

Regent Theatre Trust Board
Statement of Forecast Cashflows
For the year ended 30 June 2020 - 30 June 2030



	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
OPERATING CASHFLOWS											
CASH INFLOWS											
Income Banked	1,755,717	1,056,929	1,002,187	1,101,253	1,099,003	1,099,003	1,099,003	1,099,003	1,099,003	1,099,003	1,099,003
Interest Received	6,630	2,900	2,900	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Total Cashflow Inflows	1,762,347	1,059,829	1,005,087	1,109,253	1,107,003	1,107,003	1,107,003	1,107,003	1,107,003	1,107,003	1,107,003
CASH OUTFLOWS											
Theatre Operations	287,656	277,518	280,293	287,523	287,523	287,523	287,523	287,523	287,523	287,523	287,523
Employee related expenses	460,169	505,000	510,050	540,341	540,341	540,341	540,341	540,341	540,341	540,341	540,341
Regent on Broadway promotions	398,587	86,250	87,113	86,250	86,250	86,250	86,250	86,250	86,250	86,250	86,250
Event Ticketing Centre	23,401	16,445	16,609	22,425	22,425	22,425	22,425	22,425	22,425	22,425	22,425
Total Cash Outflows	1,169,813	885,213	894,065	936,539	936,539	936,539	936,539	936,539	936,539	936,539	936,539
Total Operating Cashflows	592,534	174,616	111,022	172,714	170,464	170,464	170,464	170,464	170,464	170,464	170,464
NON OPERATING CASHFLOW											
Asset Purchases	(541,892)	(126,500)	(99,188)	(71,588)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)
GST Paid IRD	15,002	(57,342)	(61,238)	(76,647)	(76,928)	(76,928)	(76,928)	(76,928)	(76,928)	(76,928)	(76,928)
Total Non Operating Cashflows	(526,890)	(183,842)	(160,426)	(148,234)	(145,928)	(145,928)	(145,928)	(145,928)	(145,928)	(145,928)	(145,928)
CHEQUE BANK ACCOUNT											
Opening Balance	190,218	255,862	246,636	197,232	221,712	246,248	270,784	295,320	319,856	344,392	368,928
Savings and Investments Income				0	0	0	0	0	0	0	0
Add Operating surplus / (deficit)	592,534	174,616	111,022	172,714	170,464	170,464	170,464	170,464	170,464	170,464	170,464
Add Non-operating surplus / (deficit)	(526,890)	(183,842)	(160,426)	(148,234)	(145,928)	(145,928)	(145,928)	(145,928)	(145,928)	(145,928)	(145,928)
Closing Balance	255,862	246,636	197,232	221,712	246,248	270,784	295,320	319,856	344,392	368,928	393,464

Regent Theatre Trust Board
Statement of Financial Position
For the year ended 30 June 2020 - 30 June 2030

	OPENING BALANCE	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
CURRENT ASSETS												
Bank accounts and cash	125,203	255,862	246,636	197,232	221,712	246,248	270,784	295,320	319,856	344,392	368,928	393,464
Prepaid insurance	7,180	6,836	6,904	6,973	7,043	7,043	7,043	7,043	7,043	7,043	7,043	7,043
Debtors and production receivable	54,921	4,418	4,462	4,507	4,552	4,552	4,552	4,552	4,552	4,552	4,552	4,552
Prepayments	11,500	0	0	0	0	0	0	0	0	0	0	0
	198,804	267,116	258,002	208,712	233,307	257,843	282,379	306,915	331,451	355,987	380,523	405,059
INVESTMENTS	238,405	181,136	181,136	181,136	181,136	181,136	181,136	181,136	181,136	181,136	181,136	181,136
FIXED ASSETS	314,756	654,842	611,619	505,584	356,626	190,797	149,121	146,337	144,494	142,460	140,234	137,815
TOTAL ASSETS	751,965	1,103,094	1,050,757	895,431	771,068	629,775	612,635	634,387	657,081	679,583	701,892	724,010
CURRENT LIABILITIES												
GST balance	6,438	42,354	37,206	32,411	30,271	28,187	26,103	24,019	21,935	19,851	17,767	15,683
Creditors and accrued expenses	130,616	83,476	97,523	97,636	97,751	97,751	97,751	97,751	97,751	97,751	97,751	97,751
Deposits in advance	13,989	18,450	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741
Employee costs payable	53,242	36,110	36,110	36,110	36,110	36,110	36,110	36,110	36,110	36,110	36,110	36,110
	204,285	180,390	180,580	175,898	173,873	171,789	169,705	167,621	165,537	163,453	161,369	159,285
TOTAL LIABILITIES	204,285	180,390	180,580	175,898	173,873	171,789	169,705	167,621	165,537	163,453	161,369	159,285
NET ASSETS	547,680	922,704	870,177	719,532	597,194	457,986	442,929	466,765	491,543	516,129	540,522	564,724
EQUITY												
Opening balance	600,739	589,871	922,704	870,177	719,532	597,194	457,986	442,929	466,765	491,543	516,129	540,522
Income for the year		332,833	(52,527)	(150,645)	(122,338)	(139,209)	(15,056)	23,836	24,778	24,586	24,394	24,202
Closing balance	600,739	922,704	870,177	719,532	597,194	457,986	442,929	466,765	491,543	516,129	540,522	564,724
TOTAL EQUITY	600,739	922,704	870,177	719,532	597,194	457,986	442,929	466,765	491,543	516,129	540,522	564,724

Regent Theatre Trust Inc.

Statement of accounting policies

For the year ended 30 June 2023

Accounting Policies Applied

Basis of preparation

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

Goods and Services Tax

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

Significant Accounting Policies

Revenue

Grants

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met (“use or return condition”). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

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.

Donated assets

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.

Interest

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

Recoveries and commissions

Amounts disclosed in the Statement of Financial Performance consist of monies recovered from the theatre hirer for direct costs incurred during the hire period. These include labour, electricity and gas and staging expenses.

Employee Related Costs

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries, leave entitlements and lieu hours.

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

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

Advertising, marketing, administration, overhead, and fundraising costs

These are expensed when the related service has been received.

Bank accounts and cash

Bank accounts, 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

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

Investments comprise investments in terms deposits with banks.

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 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:

Plant & equipment	10-25%	Straight-line
Furniture & fittings	20%	Straight-line
Piano	5%	Straight-line
Leasehold improvements	8.4%	Straight-line

Creditors and accrued expenses

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, lieu hours and annual leave earned but not yet taken at balance date.

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 Regent Theatre Trust Inc. has been granted charitable status by the Inland Revenue Department, and therefore is exempt from income tax.

Tier 2 PBE Accounting Standards applied

The Trust has not applied any Tier 2 Accounting Standards in the preparing its financial statements.

