

# Annual Report to Palmerston North City Council

THE GLOBE THEATRE TRUST BOARD

JULY 2020



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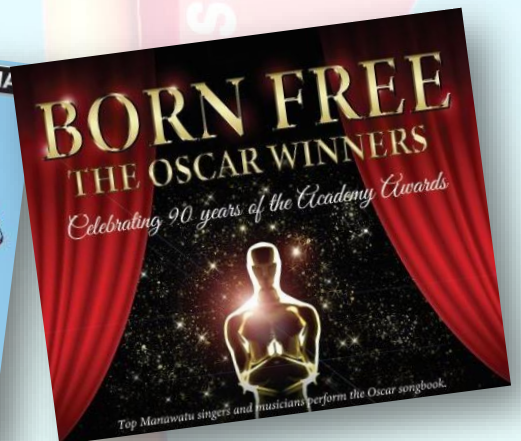
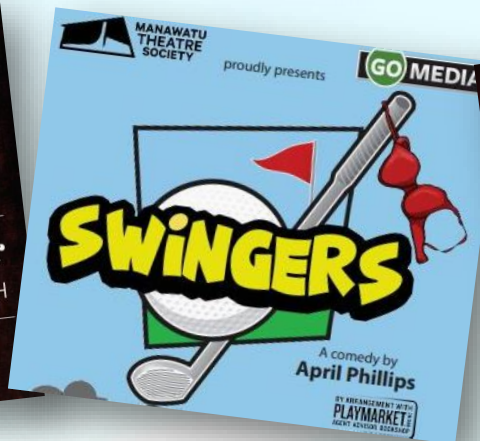
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**globe**  
t h e a t r e

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**Trust Details as at 30 June 2020**

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



## CHAIRPERSONS REPORT

The Globe Theatre Trust Board is pleased to present this annual report to the Council. Without dwelling on the fact that the COVID-19 pandemic played a large part in curtailing our business for the year July 2019 – June 2020, it would be remiss not to mention it as the theatre closed for three months which had a major influence on business.

That being said, it was very promising that our staff continued to work during the closure with our hirers and audience members, reorganising shows and refunds. Thankfully, a number of our “bigger” shows were able to be rescheduled and a vast majority of the audience were happy to move to the new show dates which greatly reduced the number of refunds.

When we presented our 6 Month Report for July 2019 – December 2019, we were very pleased to announce that we were on track to hit our Output Targets from the 2019-2020 Statement of Intent. We acknowledge council’s understanding of the impact the COVID-19 pandemic had on those targets and thank council and the council officers who have worked with us over the past few months with our 2020-2021 Statement of Intent and 2019-2020 Annual Report.

The year continued to show the Globe Theatre as being a “Community Theatre”. Productions from the Manawatu Theatre Society, the Manawatu Youth Theatre, Jennifer Moss Music, Sunday Matinee Series, the Rose Academy of Dance & Performance Arts and the Comedy Hub are just some examples of local community groups & organisations using our theatre. We are also very proud of the fact that a large number of professional organisations see the Globe Theatre as a very viable venue when they come to Palmerston North. Plus 1 (Auckland) brought James Reid and Lloyd Cole to town. Second Hand News (Auckland) played a part in our second Summer Sounds Festival with three out of eleven acts coming through them and of course we continue to welcome back Rodger Fox, Ian Harman, Chamber Music New Zealand and the Aroha String Quartet.

We had a change in management at the end of 2019 with Denise Servante moving on and Gerry Keating (Manager) and Jaye Lincoln (Assistant Manager) coming on board. The Trust Board recognised the increased workload on the management team and the need to have an assistant manager. Gerry & Jaye have settled in very well and the Trust Board takes pride in recognising the complementary skills of Gerry & Jaye. And we haven’t lost Denise as she has taken on the role of Front of House Manager and is currently working with a number of our Front of House team in gaining their New Zealand Certificate in Entertainment and Event Operations (Level 3). Our Front of House team are a very valuable asset to our theatre and we are delighted that we can assist in their ongoing knowledge training.

This year saw our Globe 1 theatre get a new LED lighting rig. Funding from the Central Energy Trust, Mainland Foundation and the Eastern & Central Community Trust allowed us to work with local company MDR Lighting and the lights arrived just before lockdown. Once we moved to Level 2, we were able to get in to the theatre and have them installed.

We continued throughout the year with co-promoting a number of events. This initiative (developed in 2018) allowed us to share the burden of putting on shows, especially with musical groups as they tend to be from outside Palmerston North and may not have a big following in the region. The Globe Theatre wants to be seen as the theatre that will work with all groups to enable them to put on their shows and we are finding that offering a co-promotion arrangement has enabled shows that may have bypassed Palmerston North, to take place.

Closing for three months in what was going to be a very busy time for us, did, as mentioned above, have an impact on our business. However, we were very pleased to open again to a number of sold out shows. Initially we thought it may have been a lockdown issue with people just wanting to get out of the house but we actually believe people are ready to go to events again and we have been very pleasantly surprised by the large number of people that have been gracing our theatres since we reopened.

Our thanks go to the City Council for its continued support. We have implemented our renewals programme for Trust-owned assets. We would also like to acknowledge and thank the other funding agencies that have contributed this year (Central Energy Trust, Pub Charity Ltd, The Lion Foundation, COGS, Mainland Foundation, the Eastern & Central Community Trust and the Lottery Community Fund). This funding has enabled us to develop new capital assets, train our Front of House volunteers and to branch out into programming community events that represent the diversity of our city.

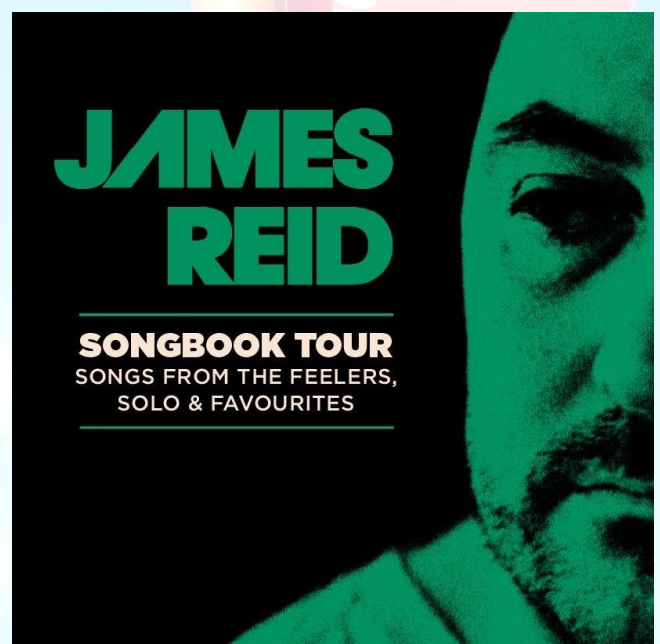
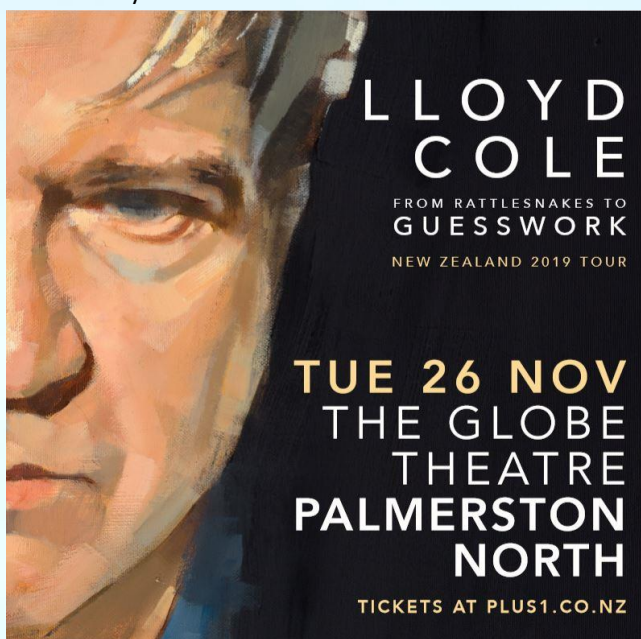
City Council assets staff have worked with our Management team to address any maintenance issues that occurred during the year and we are grateful for their continued support. Our thanks also go to our many hirers and patrons who have supported us with their business, their entertainment dollar and their feedback to help us to continuously improve what we offer to the arts sector.

On a more personal note, I would like to thank my fellow trustees for their commitment, dedication and constant good cheer. I will also take this opportunity to thank our new Manager Gerry and Assistant Manager Jaye for their commitment, enthusiasm and well-rounded skill sets that have seen our lovely venue go from strength to strength even during the difficulties presented by the COVID19 lockdown and also to Denise for her ongoing support by graciously sharing her knowledge and experience. Our theatre continues to grow both in usage and in audience numbers and as a Board we are very excited to be a part of making Palmerston North a vibrant and exciting city.

Maxine Dale

Chairperson

July 2020



## MANAGER'S REPORT

It gives me great pleasure to present my first Annual Report to the Council on behalf of the Globe Theatre. Coming on board in late October 2019 with a new Assistant Manager, Jaye Lincoln, the Globe was already a bustling and energetic theatre, and it was just a matter of taking up the baton, so to speak, from the outgoing manager, Denise Servante, and running with it.

No report for the year 2019-2020 can be written without mentioning COVID-19. Prior to lockdown, the Globe Theatre was on track to better the Output Targets produced in the 2019-2020 Statement of Intent. However, as the theatre had to close for 3 months, there is not a lot one can do to achieve projected targets for the year. The managerial staff (Jaye and I) continued working during the lockdown using this as an opportunity to reassess our processes and procedures, for example, plan for the aftermath of the lockdown, look at how the monthly surveys are presented to our audience members, and if we are getting the kind of feedback we expect, and developing our fundraising strategy. Even though we were not able to be on site, we worked productively on improving our administrative efficiency. This has proved effective in the last two months when we were able to return to work and re-establish communication with our hirers, deal with any outstanding refunds and make sure the theatre complies with national and local health regulations for COVID-19 to provide a safe environment in the theatre.

It was very heartening to communicate with hirers and audience members during the lockdown and have their support. While there were show cancellations, we were able to reschedule some shows to run later in the year. The support of our audience was also very encouraging with a large number of audience members, who had bought tickets to the original shows, being more than happy to wait for the new dates. This greatly reduced the number of refunds we had to organise, and I offer my thanks to those audience members. I also feel that this demonstrates that the Globe has established strong trust and support from our patrons, which we aim to continue to build through providing positive experiences of visiting the theatre.

I would also like to mention the support from our hirers during this difficult time. With the uncertainty around the scheduling of shows, it was wonderful to see groups come together and help each other. For example, one of the biggest music weekends in Palmerston North is the Manawatu Jazz Festival which takes place over the Queen's Birthday weekend in June. Due to the lockdown, it was not going to take place. However, the festival organisers still wanted to hold this event, so they looked at scheduling it for the end of October. Unfortunately, the Globe had already been booked by the Manawatu Theatre Society. However, on hearing this, the theatre society was willing to support the Jazz Festival and gave up a few nights at the start of their residency so that the Manawatu Jazz Festival Decanted could take place. This is a great example of people coming together for the betterment of the arts.

### **So what other wonderful things have happened throughout the year?**

Our Globe 1 theatre has a new LED lighting rig which luckily arrived just prior to lockdown. Its installation was arranged, and the new lighting was installed during Level 2. The high quality of the new lighting will definitely be appreciated by our hirers and audience members alike, and we would like to express our sincere gratitude to the Central Energy Trust, Mainland Foundation and the Eastern & Central Community Trust for their kind financial support with this project. I would also like to thank Brodie Noon and his team at MDR Lighting for their assistance.

I strongly believe that it is important to work with and support local businesses to develop our "Community Theatre" initiatives, and the team at MDR have been a huge help as we upgrade our technical equipment. In the next month or so we will have installed our new sound system in Globe 1 with the assistance of MDR.

It was also a privilege for the Globe Theatre to be selected as a part of the Street Prints Papaioea 2020 Festival. This initiative brought so many talented artists to our city and we were fortunate to have a design created and painted on our wall by Fin Dac (a fellow Irishman). This, for me, was definitely the highlight of the year. It was amazing to watch Fin work over the week, and I still marvel as I drive/walk around our city and see these amazing works.

Our second Summer Sounds Festival (SSF) took place during January – March 2020. While not quite your traditional festival, we were pleased to welcome eleven musical acts to Palmerston North. Artists from the northern hemisphere usually plan their tours of New Zealand and Australia during our summer months, and the Globe Theatre is on their radar. The relationships developed by Denise during her time at the Globe, enabled us to have artists from India, Canada, the United States, Ireland, Australia & New Zealand participate in our SSF 2020. I believe that this tradition is worth pursuing and intend to strengthen these relationships and build new ones. SSF 2021 may very well have a Kiwi feel to it as we are uncertain whether international artists will be able to travel to New Zealand.

Our relationships with our MOU (Memorandum of Understanding) groups continues to develop. We farewelled the Rose Academy of Dance and Performing Arts as they moved to their new studio in June 2020. Rose had been at the Globe Theatre since February 2018, and it was wonderful to see her academy grow to a level that allowed her to move to a purpose studio. We wish her all the best and look forward to welcoming her back for her end of year performance. Our other MOU groups continue to flourish, and I feel a special mention should go to the Comedy Hub, who came out of lockdown with three sold out shows in June. They are currently running weekly workshops and they have grown the comedy scene in Palmerston North immensely over the past couple of years.

It has been my pleasure over the last couple of months to work closely with the Palmerston North City Council's Facilities Management Officers. The Globe is a big and in parts, old, theatre and there are constant maintenance issues that require attention. Working with the Facilities Management team allows us to pre-empt many of these issues and get maintenance work scheduled. I would also like to thank the team for assisting with the painting of the Globe 1 stage. The work was done fast and very efficiently. The way the stage looks now will definitely contribute to the positive experience of those who use it.

We have enjoyed working with the various hirers that use the Globe Theatre. We aim to improve the experience of all groups, and we welcome the feedback we receive, and take note of any recommendations and suggestions. We want our hirers to feel welcome and we want them to know they are valued and appreciated. The Globe is a very welcoming theatre, and that starts from the minute you step through the door. Whether you are coming to a show, enquiring about hiring our theatre, or just looking for Te Manawa and the Rugby Museum, you will be greeted with a smile and a friendly hello.

### **What's next for the Globe Theatre?**

2020-2021 will see the long-awaited upgrade to the Globe 1 backstage toilets. Council staff have already assessed their condition and took notes of what is required, and we look forward to the time the works start.

We will start implementing our fundraising plans to enable us to upgrade some of our equipment. A new projector and mechanical screen for Globe 1 is on the list, as is an automatic roller door for Globe 1 backstage. Our rehearsal room has the potential to become more useable, so we will look at how we can achieve that with as few modifications as possible. One of the items on our list (which might be a bit too ambitious at this stage), is an improvement to the look of our main entrance and foyer. We have a lot of glass facing out onto the street and some colouring/lighting would help make it more attractive. Also, our big dream item is a media

screen on our outside wall facing Main Street, which we feel could be used as a great promotional tool for the theatre and for other Council Controlled Organisations and community events.

Our audience development programme continues as we try to reach out to everyone in Palmerston North and surrounding areas. This is not an easy task, but it is the one we are willing to take on as we try to make ourselves attractive to venue hirers. While we are predominantly a theatre for hire, any venue enquiry is going to be enhanced when we have a good marketing and promotional network that can translate to audience numbers. This is very relevant for performers outside of Palmerston North. Local groups will already have their core supporters and family, friends and workmates who will attend their shows, but when we have performers from outside of Palmerston North, we need to be able to guarantee an audience for them. We already have an established programme of newspaper adverts, posters, social media, and newsletters, and we are currently working on other cost-effective forms of promotion.

We will continue to push ourselves to be better. We have been working on our 10 Year Strategic Plan and we set some ambitious targets for ourselves. We are very aware of the impact COVID-19 has had on our community, and our strategic plan acknowledges this. The experts are telling us to prepare for a potential downturn in 2021 with unemployment figures set to increase so we have taken this into account with our long-term planning.

As a management team, we are incredibly positive and will continue to work with all our hirers to enable them to perform to the best of their ability in a theatre that strives to be the home of the local performing arts community in Palmerston North. It is very encouraging to report that we have been buoyed by the number of bookings that are coming in for the remainder of 2020 and for 2021.

We are looking forward to being a part of the 2021 Papaioea Festival of Arts and the Palmerston North 150<sup>th</sup> Celebrations. We have a lot to be proud of in Palmerston North and we intend to celebrate our wonderful, vibrant and multi-cultural city.

I would like to express my gratitude to the Palmerston North City Council staff who over the first six months of 2020, have been a huge help to me personally, as I find my feet in this role. During the lockdown there were numerous calls and emails to see how we were doing and if we needed anything. This attention and support were very much appreciated as we all navigated through the unknown.

A huge thank you to our Board of Trustees, who have been there to offer their expertise, knowledge and support especially during these difficult times.

To the team here at the Globe Theatre, Jaye, Emily, Lillian & Brayden. Thank you for all your support throughout the year and I look forward to another fun and fantastic 12 months.

Gerry Keating, Manager, July 2020





## PERFORMANCE MEASURES - 12 MONTHS TO 30 JUNE 2020

### 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** – (Removed from July 2020)

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

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

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

#### USAGE AND PERFORMANCE

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

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

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

#### PERFORMANCE BASED USAGE:

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

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

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

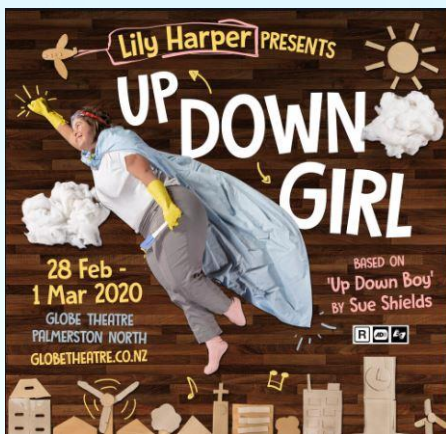
#### NON-PERFORMANCE BASED USAGE:

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

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

**Misc meeting** – (Renamed as Other from July 2020) anything else

## SHOWCASING OUR COMMUNITY



## Strategic priorities and performance monitoring for 2019/20

STRATEGIC PRIORITY 1: ENSURE THAT THERE ARE MORE, AND MORE VISIBLE, ARTS AND ACTIVITIES AT THE GLOBE THAT CONTRIBUTE TO THE COUNCIL'S ASPIRATIONS AS AN ARTS POWERHOUSE.		
Outcomes	Outputs (KPIs)	
	Target 2019/2020 SOI	Result at 30 June 2020
Number of usages Result at 31 Dec 2017: 190 Result at 30 June 2018: 514 Result at 31 Dec 2018: 326 Result at 30 June 2019: 680	550	Partly Achieved: 534 Closed for 3 months (March-May 2020)
Number of performances Result at 31 Dec 2017: 78 Result at 30 June 2018: 175 Result at 31 Dec 2018: 123 Result at 30 June 2019: 253	185	Achieved: 215 performances (with an audience of any description). This includes 48 discreet performances as part of the Comedy Festival in November 2019. This has clearly boosted our figures but considering we were closed for March-May 2020, we would have achieved this target.
Hours of use by hirers Result at 31 Dec 2018 = 1,268 (new measure) Result as at 30 June 2019 = 2,544 (new measure)	2,200	Partly Achieved: 1,988 Closed for 3 months (March-May 2020)
No. discreet participants Result at 31 Dec 2018 = 878 (new measure) Result as at 30 June 2019 = 1,843 (new measure)	1,400	Achieved: 1,785 participants as organiser/performer/speaker
No of visitors/audience members Result at 31 Dec 2018 = 10,860 (new measure) Result as at 30 June 2019 = 21,409 (new measure)	22,000	Partly Achieved: 15,487 (people participating at the Globe as an audience member/attending an event but not as an organiser or performer. Closed for 3 months (March-May 2020)
Maintain or improve satisfaction ratings of hirers Result at 31 May 2018 = 97% (n=33) Results at 30 June 2018 = 91% (n=35) Result at 31 Dec 2018 = 81% (n=27) Result as at 30 June 2019 = 93% (n=50)	94% rate the Globe Theatre as an Excellent or Good venue	Surveys responded (n=33) Immediately following the hire, all hirers are sent a short survey asking for their satisfaction with their experience hiring the Globe. Comments provided with feedback are considered monthly at Board meetings and issues addressed where appropriate. The major influencer on the ratings are "booking and confirming your hire" and "Equipment available to you for your hire", followed by "Front of House/Box Office during your hire" and "Technical support during the period of your hire". Our goal for 2020-2021 is to increase the number of surveys that are completed. This will be achieved by contacting the venue hirers seven days after the initial survey was sent to them.

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

Outcomes	Outputs (KPIs)	
	Target 2019/2020 SOI	Result at 30 June 2020
<p>Maintain or improve satisfaction ratings of visitors (audiences) Benchmark as at July 2017 = 78% (n=171) Results at 30 June 2018 = 79% (n=255) Result at 31 Dec 2018 = 85% (n=62) Result as at 30 June 2019 = 84% (n=148)</p>	<p>93% rate the Globe Theatre as an Excellent or Very Good venue 93% rated the performances they attended as Excellent or Very Good</p>	<p>Surveys responded (n=119) Closed for 3 months (March-May 2020) Audience surveys take place monthly and target ticket buyers through the Globe ticketing system. Comments and feedback are considered at Board meetings. The major influencer for audience members is being able to book whatever seat you would like. Globe Theatre &amp; café staff received numerous positive comments.</p>
<p>Number of national and international visiting productions performing at the Globe Result at 31 December 2018: 11 (new measure) Result at 30 June 2019: 28 (new measure)</p>	<p>10</p>	<p>Achieved: 22 events classed as national or international were brought to the Globe. 16 of the events were co-promoted (i.e. some form of box office split rather than a straightforward hire-fee): James Reid - National Mel Parsons – National Nicole Son Quartet – International/Split The Good Girl Song Project – International/Split Missy Raines Trio (Vanessa McGowan) – International/Split Sparrow &amp; Boyle - National/Split Lloyd Cole - International Miriam Clancy - National The Maes (Second Hand News) – International/Split Gilbert &amp; Sullivan On Tour – National/Split Scott Cook – International/Split Rosier – International/Split Paul Ubana Jones – National/Split Andy Irvine – International/Split Richie &amp; Rosie – National/Split Gordie Tentrees – International/Split Glass Heart String Choir/French For Rabbits – International/Split Tattletale Saints – International/Split Pangaea – International/Split Delaney Davidson – National/Split CMNZ Juilliard 415 – International Isaih B Brunt - – International/Split</p>

<b>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</b>		
Outcomes	Outputs (KPIs)	
	Target 2019 SOI	Result at 30 June 2020
Proportion of use that is driven through MOU arrangements and is performance based Result at 31 May 2018 (11 months) = 51% Result at 31 Dec 2018 = 47% Result at 30 June 2019 = 57%	65%	Partly Achieved: (Closed March-May 2020) Seven MOU arrangements are currently in place: Alliance Francaise, Michelle Robinson School of Dance, MTS (including MYTH), Sunday Matinee Series, Tall Poppies, The Rose Academy and The Comedy Hub. These 7 organisations accounted for 54% of usage.
Proportion of MOU-driven use that is performance-based Result at 31 May 2018 (11 months) = 92% Result at 31 Dec 2018 = 96% Result at 30 June 2019 = 95%	95%	To be determined
Proportion of overall usage from established community users <sup>1</sup> Result at 31 May 2018 (11 months) = 31% Result at 31 Dec 2018 = 33% Result at 30 June 2019 = 21%	31%	On track: 167 uses out of 533 total usages from 81 Community groups (does not include MOU/Professional Groups hiring the venue)
Proportion of overall usage from new community groups <sup>2</sup> Result at 31 May 2018 (11 months) = 3.5% Result at 31 Dec 2018 = 7.5% Result at 30 June 2019 = 5.3%	8.8%	On track: 11 new hirers identify as a Community group. These 11 new hirers used the Globe 47 times (8.8%) and performed 24 times.
<b>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.</b>		
Outcomes	Outputs (KPIs)	
	Target 2019 SOI	Result at 30 June 2020
Carry out capital development programme	Globe 1: Digital lighting system	Achieved: LED lighting rig installed in May 2020
Funding capital renewal programme from depreciation fund  Result as at 30 June 2019 = 45% (new measure)	67% depreciation costs available for capital renewal	Not calculated as at 31 December. Capitalisation of assets purchased will be done at year-end.

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

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

# THE GLOBE THEATRE TRUST FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 30 JUNE 2020

## Statement of Responsibility

We are responsible for the preparation of the Globe Theatre Trust's financial statements and statement of performance, and for the judgements made in them. We are responsible for any end-of-year performance information provided by the Globe Theatre Trust under section 19A of the Public Finance Act 1989. We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the Globe Theatre Trust for the 12 months ended 30 June 2020.

Signed on behalf of the Board:

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## Entity Information For 12 Months To 30 June 2020

### LEGAL NAME, TYPE OF ENTITY AND LEGAL BASIS

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

### THE TRUST'S PURPOSE OR MISSION

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

### STRUCTURE OF THE TRUST'S OPERATIONS, INCLUDING GOVERNANCE ARRANGEMENTS

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

### MAIN SOURCES OF THE TRUST'S CASH AND RESOURCES

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

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

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

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



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## Statement Of Financial Performance For 12 Months To 30 June 2020

	Note	Actual 2020	SOI Budget 2020	Actual 2019
<b>Revenue</b>				
Donations, fundraising and other similar income	2	157,819	97,601	100,267
Council funding	3	115,748	115,636	113,366
Investment income		375	300	421
Sales of Goods and Services	4	71,463	71,340	90,785
<b>Total Revenue</b>		<b>345,405</b>	<b>284,877</b>	<b>304,839</b>
<b>Expenditure</b>				
Costs related to providing goods and services	5	13,570	16,608	31,970
Administration and Overhead Costs	6	28,041	44,811	85,223
Employee, Trustee and Contractor Costs	7	131,287	98,256	45,062
Other Expenses	8	40,294	19,607	21,247
Asset Write offs		0	0	1,599
Depreciation		47,432	58,728	37,363
<b>Total Expenditure</b>		<b>260,625</b>	<b>238,010</b>	<b>222,464</b>
<b>Net surplus/(Deficit)</b>		<b>84,781</b>	<b>46,867</b>	<b>82,375</b>

## Statement Of Financial Position As At 30 June 2020

	Note	Actual 2020	SOI Budget 2020	Actual 2019
<b>Current Assets</b>				
Bank accounts and cash	9	104,362	25,312	70,799
Debtors and prepayments	10	569	11,826	13,233
<b>Total Current Assets</b>		<b>104,932</b>	<b>37,138</b>	<b>84,032</b>
<b>Non Current Assets</b>				
Property, Plant and Equipment	11	320,931	365,916	275,848
<b>Total Non Current Assets</b>		<b>320,931</b>	<b>365,916</b>	<b>275,848</b>
<b>Total Assets</b>		<b>425,863</b>	<b>403,054</b>	<b>359,880</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Creditors and Accrued Expenses	12	21,046	11,826	36,556
Employee Costs Payable	13	9,063	2,912	7,619
Unused Grants and Donations with Conditions	14	874	0	5,500
<b>Total Current Liabilities</b>		<b>30,983</b>	<b>14,738</b>	<b>49,675</b>
<b>Non-Current Liabilities</b>				
Non-Current Liabilities		0	0	0
<b>Total Non Current Liabilities</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities</b>		<b>30,983</b>	<b>14,738</b>	<b>49,675</b>
<b>Net Assets</b>		<b>394,879</b>	<b>388,316</b>	<b>310,205</b>
<b>Trust Equity</b>				
Contributed Capital		100	100	100
Retained Surpluses	15	394,779	388,216	310,105
<b>Total Retained Equity</b>		<b>394,879</b>	<b>388,316</b>	<b>310,205</b>

## Statement Of Changes In Accumulated Funds For 12 Months To 30 June 2020

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Opening balance as at 1 July		310,099	341,426	227,830
Current Period Surplus /(Deficit)		84,781	46,890	82,269
<b>Balance at 30 June</b>		<b>394,880</b>	<b>388,316</b>	<b>310,099</b>



## Statement Of Cash Flows For 12 Months To 30 June 2020

	Note	Actual 2020	SOI Budget 2020	Actual 2019
<b>Cash Flows from Operating Activities</b>				
Donations and Fundraising		120,258	115,635	113,366
Receipts from Council grants		115,748	97,601	101,182
Receipts from sale of goods and services		221,146	71,342	87,264
Other Revenue		37,432	0	0
Interest Received		375	300	421
Payments to Suppliers & staff		-364,473	-179,266	-181,434
Goods and Services Tax (net)		208	0	-932
<b>Net Cash Flows from Operating Activities</b>		<b>130,694</b>	<b>105,612</b>	<b>119,867</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of Fixed Assets/Renewals		-97,331	-104,175	-81,977
Sales of Fixed Assets		0	0	0
<b>Net Cash Flow from Investing Activities</b>		<b>-97,331</b>	<b>-104,175</b>	<b>-81,977</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>33,363</b>	<b>1,437</b>	<b>37,890</b>
Cash and Cash Equivalents at the start of the Year		70,799	23,875	32,909
<b>Cash and Cash Equivalents at the End of the Year</b>		<b>104,162</b>	<b>25,312</b>	<b>70,799</b>

## Notes To The Financial Statements

### 1 Statement of Accounting Policies

#### REPORTING ENTITY

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

#### BASIS OF PREPARATION

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

#### Statement of compliance

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

#### Measurement base

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

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Changes in Accounting Policies

There have been no changes to accounting policies this year.

### ***GST***

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

### ***Sale of goods***

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

### ***Sale of services***

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

### ***Theatre Hire***

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

### ***Interest Revenue***

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

### ***Grants***

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

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

### ***Fundraising and Donations***

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

### ***Donated assets revenue***

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

### ***Advertising, marketing, administration, overhead and fundraising costs***

These are expensed when the related service has been received.

### ***Bank Accounts and Cash***

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

### ***Debtors and other receivables***

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

### ***Investments***

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

### *Property, plant, and equipment*

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

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

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

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

### *Depreciation*

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

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

### *Creditors and other payables*

Creditors and accrued expenses are measured at the amount owed.

### *Employee and contractor costs*

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

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

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

### *Employee Costs Payable*

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

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

### *Provisions*

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

### *Income Tax*

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

### Accumulated Funds

Accumulated Funds are measured through the following components:

- Retained Earnings
- Contributed Capital

### Budget figures

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

### Tier 2 PBE Accounting Standards applied

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

### Grant expenditure

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

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

## 2 Donations, Fundraising and Other Similar Revenue

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Donations and Fundraising		2,029	8,000	2,494
Other		155,790	89,601	97,773
<b>Total Donations and Fundraising Revenue</b>		<b>157,819</b>	<b>97,601</b>	<b>100,267</b>

"Other" fundraising comprises:

	Actual 2020	Actual 2019
Central Energy Trust	64,633	72,773
Eastern and central Community Trust	24,000	0
Community Organisation Grant Scheme	5,000	4,000
Lottery Community Fund		5,000
Mainland Foundation	10,000	0
Pub Charity Ltd	9,725	6,000
NZCT	5,000	0
The Lion Foundation	0	10,000
COVID Wage Subsidy	37,432	0
<b>Total "Other"</b>	<b>155,790</b>	<b>97,773</b>

### 3 Council Funding

	Note	Actual 2020	SOI Budget 2020	Actual 2019
PNCC Grant		115,748	115,635	113,366
<b>Total Donations and Fundraising Revenue</b>		<b>115,748</b>	<b>115,635</b>	<b>113,366</b>

### 4 Sales of Goods and Services

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Foyer Rental		3,756	4,000	4,700
Theatre Hire		51,082	50,834	59,866
Recoverable Income		3,428	4,200	9,410
Sales		0	0	58
Ticket Sales (commission and shows)		13,197	12,309	16,718
<b>Total Donations and Fundraising Revenue</b>		<b>71,463</b>	<b>71,343</b>	<b>90,752</b>

### 5 Costs relating to providing goods and services

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Project Expenses		256	600	10,696
Recoverable Expenses		4,267	5,000	9,532
Show Expenses		9,047	11,000	11,743
<b>Total Costs of Goods Sold</b>		<b>13,570</b>	<b>16,600</b>	<b>31,971</b>

### 6 Employee and Contractor Related Costs

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Salaries, Wages and Employment Related Costs		118,383	81,000	73,501
Contractor Costs		6,014	15,000	9,414
Trustee Remuneration		3,400		
KiwiSaver Employer Contributions		3,490	2,250	2,308
<b>Total Employee Related Costs</b>		<b>131,287</b>	<b>98,250</b>	<b>85,223</b>

### 7 Administration and Overheads

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Cleaning		3,954	3,017	3,486
Hire of Plant and equipment		235	208	580
Light, Heating and Power		13,387	18,297	16,464
Marketing		4,545	6,144	6,180
Office Costs		1,001	781	679
Postage, Printing and Stationery		1,118	1,245	1,169
Telephone and Internet		3,800	2,881	2,904
<b>Total Administration and Overhead Costs</b>		<b>28,041</b>	<b>32,573</b>	<b>31,462</b>

8 Other Expenses

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Audit Fees		9,034	8,862	8,564
Bank Charges		90	41	40
Consulting and Accountancy		844	921	812
General Expenses		3,421	1,661	4,326
Insurance		3,551	2,778	2,723
Legal Expenses		0	0	0
Professional Development		597	2,000	1,368
Repairs and Maintenance		17,022	12,240	13,600
Security		572	502	492
Subscriptions and Compliance Costs		3,688	1,399	1,473
Travel - National		193	0	0
Waste Disposal		1,284	1,440	1,448
<b>Total Other Expenses</b>		<b>40,294</b>	<b>31,844</b>	<b>21,247</b>

9 Bank Accounts and Cash

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Cash on Hand		658		458
Non Profit Current		57,745		20,049
Rapid Save (donations)		45,960		50,292
<b>Total Cash and Cash Equivalents</b>		<b>104,362</b>	<b>0</b>	<b>70,799</b>

10 Debtors and Prepayments

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Accounts receivable		820		12,772
GST Receivable		-250		461
<b>Total Creditors &amp; Other Payables</b>		<b>569</b>		<b>13,233</b>

## 11 Property, Plant and Equipment

	Furniture and fittings	Theatre Equipment	Computer Equipment	Total
Cost				
<b>Balance as at 1 July 2018</b>	<b>41,374</b>	<b>456,982</b>	<b>3,499</b>	<b>501,855</b>
Additions	7,683	79,077	0	86,760
Disposals	-2,235	0	-1,251	-3,486
<b>Balance as at 30 June 2019</b>	<b>46,822</b>	<b>536,059</b>	<b>2,248</b>	<b>585,129</b>
Accumulated depreciation and Impairment Losses				
<b>Balance as at 1 July 2018</b>	<b>13,675</b>	<b>257,969</b>	<b>2,160</b>	<b>273,804</b>
Depreciation Expenses	5,131	31,653	580	37,364
Disposals	-1,155	0	-732	-1,887
<b>Balance as at 30 June 2019</b>	<b>17,651</b>	<b>289,622</b>	<b>2,008</b>	<b>309,281</b>
<b>Carrying Amount</b>	<b>29,171</b>	<b>246,437</b>	<b>240</b>	<b>275,848</b>
Cost				
<b>Balance as at 1 July 2019</b>	<b>46,822</b>	<b>536,059</b>	<b>2,248</b>	<b>585,129</b>
Additions	3,399	88,834	0	92,233
Disposals		-11,988	0	-11,988
<b>Balance as at 30 June 2020</b>	<b>50,221</b>	<b>612,905</b>	<b>2,248</b>	<b>665,374</b>
Accumulated depreciation and Impairment Losses				
<b>Balance as at 1 July 2019</b>	<b>17,651</b>	<b>289,622</b>	<b>2,008</b>	<b>309,281</b>
Depreciation Expenses	5,252	29,778	128	35,158
Disposals	0		0	0
<b>Balance as at 30 June 2020</b>	<b>22,903</b>	<b>319,400</b>	<b>2,136</b>	<b>344,439</b>
<b>Carrying Amount</b>	<b>27,318</b>	<b>293,505</b>	<b>112</b>	<b>320,935</b>

There are no restrictions over the title of the Trust's property, plant, and equipment; nor is any pledged as security for liabilities.

## 12 Creditors and Accrued Expenses

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Accrued Expenses		11,826		17,536
PAYE Payable		1,868		1,788
Creditors		4,332		17,232
GST Payable		-408		0
Income in Advance		3,140		0
Unpaid Expense Claim		288		0
<b>Total Creditors &amp; Other Payables</b>		<b>21,046</b>		<b>36,556</b>

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

## 13 Employee and Contractor Related Costs Payable

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Holiday Pay Liability		5,005		4,677
Wages Accrual		4,058		2,942
<b>Total Employee Costs Payable</b>		<b>9,063</b>		<b>7,619</b>

#### 14 Unused Donations and Grants with Conditions

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Lions Club of Middle Districts		500		500
Donations for future Matiness		374		0
NZCT		0		5,000
<b>Total Unused Grants and Grants with Conditions</b>		<b>874</b>		<b>5,500</b>

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

#### 15 Accumulated Surpluses

	Note	Actual 2020	SOI Budget 2020	Actual 2019
Balance at 1 July		310,099	341,426	227,830
Current Period Surplus/(Deficit)		84,781	46,890	82,269
<b>Balance at 30 June</b>		<b>394,880</b>	<b>388,316</b>	<b>310,099</b>

#### 16 Capital Commitments and Operating Leases

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

#### 17 Contingencies

##### CONTINGENT LIABILITY

The Trust has no contingent liabilities (2019 nil).

##### CONTINGENT ASSETS

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

#### 18 Capital Management

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

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

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

#### 19 Explanation of major variances against budget

To be completed



## REVENUE

## EXPENDITURE

## BALANCE SHEET

### 20 Events after Balance Date

There were no events after balance date that require disclosure.

### 21 Ability to continue operating

The Trust intends to continue operating in future periods.

