

REGENT on BROADWAY

Regent Theatre Trust Board

REPORT FOR THE HALF YEAR

ended 31 December 2021

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Executive Summary

These past six months have again been challenging as we continue to be strongly affected during these uncertain times by COVID-19 which has impacted on both our local events and touring shows from within New Zealand and from overseas.

During this six-month period a total of 35 different events representing 86 days of hire have now either been cancelled or postponed since the Government announced in August that we were going back into lockdown and subsequently into the different Covid Delta levels of restriction. The loss of shows/events such as the *Royal NZ Ballet*, most of the season of *We Will Rock You*, *Barbershop Musical Conference*, *PACANZ 2021* were just some of the events that has impacted on our operation.

The performances and events that did proceed were warmly embraced as the public are still wanting to come together and to have moments of normality, which seems to be all to few and far between during this past six month period. There still continues to be apprehension regarding safety and gatherings at anything above a previously COVID Level 1 status or working within the Orange traffic light framework.

Highlights for this period were:

- *Pasifika Fusion* Cultural Festival with over 700 attendees enjoying this celebration.
- *We Will Rock You* with 4 enthusiastic Performances from Act 3 Productions
- All the diversity of dance events held over this period, *Dance NZ Made*, *World on Stage*, *Anomaly Dance Company*, *PNDA Competitions* and *Danceworks* end of year Production.
- *Bee Gees Tribute*, *Hotel California*, *Chopper*, *The Music of Frozen* – great to have had touring shows back in the venue!
- Four school prize giving/awards events held during December.

Although the theatre had been restricted in use during this period due to Covid restrictions, we did manage, when we were able to be operational, a reasonable balance of shows and events.

As expected under these Covid conditions, we operated with a high percentage of community usage.

Working with our Friends

Contributions continue to be made by the Friends of the Regent which allows us to refresh and upgrade our equipment and improve our patrons' experiences attending the venue. During these past six months the Friends of the Regent (FoR) have made a commitment to contribute to help financially towards the replacement of the stage flying system scheduled later in the year. The purchase of a new camera to allow for improved visual pictures on our foyer TV screens has recently been made by the Friends.

To continually improve our service to our patrons, the FoR have now added additional types of products sold within our bars. This now allows for a wider range of choice for the public together with the additional benefits of paying by pay-wave which has greatly improved our customers experience.

We are indebted to the Friends of the Regent for their valuable support, not just financially, but for their time and enthusiasm. The Friends are an integral part of day-to-day theatre operations, providing warm welcoming ushering and front of house services. We are working together with the Friends especially during these ever-changing Covid times to not only look at how we can further improve guests' experiences but also to keep themselves and our customers safe within the venue.

Co-operation with Community Events

The Board's commitment to ensure that the theatre remains accessible to our community hirers continues. This is achieved primarily through the theatre's supportive community pricing rates, which is assisted by Council funding. Community use has been especially important during this period given the COVID restrictions on national/international events.

The Regent on Broadway Management and Trust Board sees this support as a key investment in the development and the future of the performing arts in our city.

Patronage and Theatre Usage

Summary of Patronage (monitors number of people coming to the Theatre):

Half year to 31 December 2021	18,337
Last half year ending 31 December 2020	38,190
Half year ending 31 December 2019	60,040
Half year ending 31 December 2018	58,361
Half year ending 31 December 2017	53,999

The effects of Covid can be clearly seen as the attendance figures above show the rapid decline in attendances following December 2019 when the pandemic first started to have an impact within the country.

6mth Attendances (July - December)

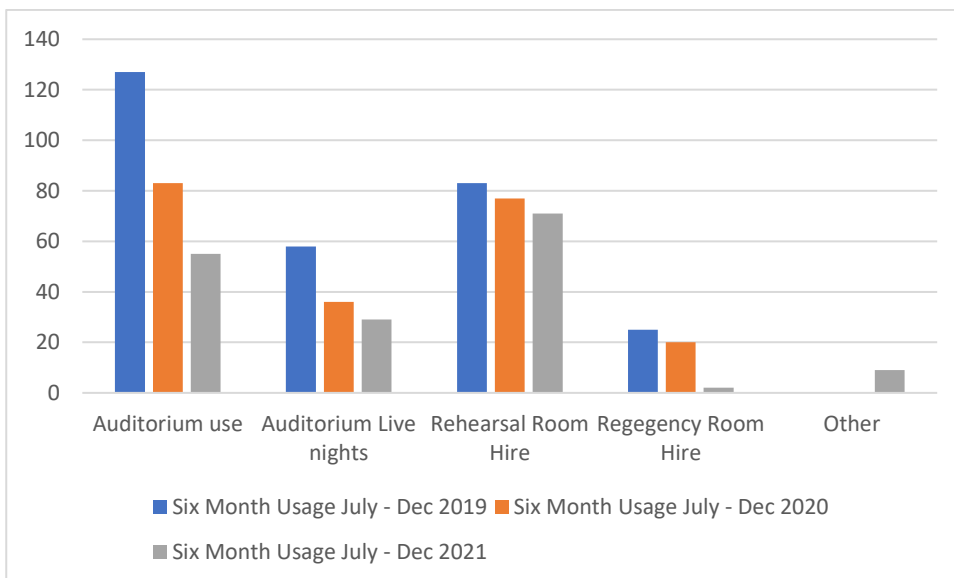


■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021

During the past six-month period, we went back again into Covid lockdown which had a dramatic effect on the number and types of events that we were able to hold at the Theatre. The immediate impact was to the local production of WE WILL ROCK YOU as the local Theatre Society was only 4 performances into their production before they had to close due to Covid Restrictions. The cancellation of two productions of the Royal New Zealand Ballet, PACANZ, Massey Graduation all contributed to the low number of attendances held during this period. A total of 35 different events was either cancelled or postponed during this six-monthly period.

During the month of September, no events were held within the auditorium after originally having a booking scheduled for every day.

THEATRE USAGE



The above graphs highlight the decline in the theatre usage due the current Covid pandemic.

A brief glance at the list below indicates some of the events that we did manage to hold during this six-month period.

JULY

Russell Street School: School Production
Chopper: Adult Comedy
The Music of Frozen: School Holiday Production
Unity Singers: Community Event
Pasifika: Competition

AUGUST

We will Rock You (Pack in & 4 Performances) Act Three Productions

SEPTEMBER

No Events (Covid Lockdown)

OCTOBER

Dance Competitions - Palmerston North Dance Association (PNDA)
The Show Must Go On – The Touring Company Ltd
Dance Production – Dean McKerras

NOVEMBER

Body Building Competitions – NZIFF
All Together Now Act 3 Productions Fund Raiser
Anomally Dance Dance Production
Dance NZ Made: Awards
Bee Gees Tribute – Showtime Australia

DECEMBER

Prize Giving and School Production – St Mary's School
Christmas Showcase – PNCC
School Production – Carncott School
Prize Giving – Freyberg College
Dance Production 2021 – DanceWorks

Auditorium Occupancy - by total days

Statistical data below is based upon 365 operational days per year. (No allowance has been made for the theatres traditional dark days e.g. Xmas Period, non-performance days during a show season)

This information was correct at the time of writing this report. As we have now been placed under the “Red Traffic light” system, due to an Omicron outbreak all of our current bookings continue to be affected and cancellations and postponements are continuing to be implemented. It is unknown how long we will be required to operate under this system.

2021– 2022 Auditorium Year Statistics						
Half year totals – THIS REPORTING YEAR (From July to Dec 2021)						
Total days the Auditorium was used: 72			Total days the Auditorium was available: 184			
Professional events	8	4.3%	0.31	Events/week	1.33	Events/month
Community events	64	34,8%	2.46	Events/week	10.66	Events/month
Remaining days the Auditorium is available	112	60.9%			11.99	Total events per month
Forecast year totals – THIS REPORTING YEAR (From Jan 2022 to June 2022) – PROJECTED						
Total advance bookings for Auditorium: 81			Total days the Auditorium is available: 181			
Professional events	17	9.4%	0.65	Events/week	2.83	Events/month
Community events	44	24.3%	2.43	Events/week	10.5	Events/month
Remaining days the Auditorium is available	120	66,6%			13.33	Total events per month

2020 – 2021 Year Statistics

Half year totals – THIS REPORTING YEAR (From July to Dec 2020)						
Total days the Auditorium was used: 103			Total days the Auditorium was available: 173			
Professional events	15	8.7%	0.61	Events/week	2.50	Events/month
Community events	89	51.4%	3.60	Events/week	14.83	Events/month
Remaining days the Auditorium is available	70				17.33	Total events per month
Full year totals – THIS REPORTING YEAR (From Jan to June 2021) - PROJECTED						
Total days the Auditorium was used: 81			Total days the Auditorium was available: 171			
Professional events	39	22.8%	1.59	Events/week	6.50	Events/month
Community events	42	24.6%	1.71	Events/week	7.00	Events/month
Remaining days the Auditorium is available	90				13.50	Total events per month

Financial Position

The financial performance for this half year period has again been put under pressure with the postponement or cancellation of so many bookings. Over the past six months the Regent received both the Government Wage subsidy and the Governments Resurgence Payments to assist during the lockdown and subsequent Covid restriction period. As can be seen from the above graphs

we have not seen the return to the level of business to pre-COVID times. Quite the opposite, as companies and promoters have been unable to tour through boarder closures or trouble pinning down bookings for places in MIQ. Many were also concerned about the financial impact should COVID levels change again once they were on tour.

This continues to put the Regent in a tight financial position, as product needs to come into the building to bring in revenue to cover our costs.

With the assistance from the wage subsidy and the Resurgence payments together with continual financial control of all expenses, we have achieved an operational surplus of \$33,623 for the six months trading period, compared to a deficit of \$65,590 for the same period last year. A reduction with our advertising costs (due to non-events being held) and an estimated saving of \$28k during this six-month period of Audit costs (as Audit re-scheduled from September to January) has helped contribute to our improved result from last year.

We continue to be aware that we have very limited cushion to cover expenses during our normal periods of least income, being the forthcoming months of January through to early March (although this year we did have the rescheduled performances of We Will Rock You booked during early February but was subsequently cancelled when we went into the Red Traffic System in January).

The reduced income for January and February is traditionally due to the festive and holiday season shut down period however with the introduction of the Red Traffic light system and the cancellations of bookings, (including the already downturn in touring shows) the balance of the years forward bookings is not only disappointing but also very concerning. There is naturally a follow-on effect with a reduction in ticket sales due to the low numbers of shows and event booked at the theatre during this time.

With the impact that Covid is having on us and with the continuous threat of the Omicron Virus hanging over us we have had to re forecast our budget for the balance of the year. It is difficult to forecast as we continue our journey through the unknown. Our original budget forecast for year-end was for a small surplus for theatre operations of \$2,653 before depreciation. Our revised operational forecast for year-end, before depreciation, is estimated to be a deficit of approximately. \$40,000 - \$80,000 if the current climate of restrictions continues.

The following table summarises our financial position for this half year period:

	2021-22 Half year Budget	2021-22 Half year Actual	2020-21 Half year Actual
Income from hire and cost recoveries	232,593	135,901	180,979
Wages Subsidy/Resurgence Payment		82,156	
Expenses	350,420	304,769	365,712
Surplus (Deficit) before Council grant	(117,825)	(86,712)	(184,733)
Operating Grant from Council	120,330	120,335	119,143
Surplus/(deficit) after Council Grant	2,505	33,623	(65,590)

The above summary is exclusive of depreciation. Depreciation for this half year period is budgeted at \$69,500

Future Resourcing

The purpose of the Trust as set out in the Trust Deed is to control, develop, promote, enhance and maintain the Regent Theatre so that it may be utilised and enjoyed by the inhabitants of the Manawatu.

Stage 2 of the audio system upgrade which was delayed last year due to the Covid interruptions is planned for this financial year. Quotes are currently being sourced.

Repair work on the walls and roof throughout this heritage building is consistently being maintained.

The Flying System replacement is the next major project that the theatre is currently undertaking. The ropes and wires need replacement as our current equipment has been in place since the theatre re-opened 24 years ago and due to wear and tear now does not comply with Health and Safety Standards. This project requires a large investment (approx. \$112k). PNCC has contributed \$50k to this project with the Friends of the Regent agreeing to \$25k with the balance being raised via a funding agency.

Looking Forward

Forward bookings for the remainder of this year currently remains a concern due to the reduced number of advance bookings for both community and professional events. The lack of advance bookings for touring shows remains a concern as these types of events bring in the greater revenue stream. With the borders still closed, the strict MIQ restrictions and the current threat of the Omicron virus hanging over us, this continues to create uncertainty with promoters, community groups and ticket buyers alike.

Covid/Omicron has continued to make a huge impact on the Arts sector and under the Red Traffic light system of only having a capacity of 100 people in a defined space we will continue to have trouble holding events or live performances.

Performance Outcomes

The Regent Theatre Trust Board is seeking to achieve the following outcomes.

Performance against strategic priorities for the 2021-22 half year

Summary of Key Performance Outcomes.

	Key objective for 2021/22	Outcome for this half year reporting period
1. To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawatū 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 140	Unlikely to Achieve Total auditorium hires in this half year were 55 days.
	Total number of main auditorium national/international venue hirers (actual live performances), to be not less than 25.	Unlikely to Achieve Only 6 National/international venue hirers in this half year.
	Total number of events overall that are held over all spaces in the theatre 310	Not on track but still achievable Total number of events held over all spaces in the theatre in this half years was 136. Main usage being the Rehearsal room Hire with 70 events
	Secured 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 is \$90 -\$110k.	Not yet due for Measurement This will advise during the next report at the end of the financial year.
	Additional capital expenditure funding for other projects from the Friends of the Regent or other funding providers is \$70,000.	On Track \$50,000 secured from PNCC for replacement of Stage Flying System together with \$25,000 from Friends of Regent
	Outsource research project for the Regent, pre-European to present day	On Track. Lesson plan currently being developed for primary and intermediate school age children
	Further develop tours offered by the Regent Target 3	Not on Track but still achievable. Tours not pursued during this period due to Covid restrictions
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 24.	Unlikely to Achieve This half year period contained 8 variety type shows.
	Total number of tertiary graduation ceremonies held, not less than 7	Unlikely to Achieve No tertiary graduation ceremonies held in this half year, due to Covid restrictions.

	Total number of local school concerts held, not less than 8.	Unlikely to Achieve Due to COVID . Only 3 school productions were hosted.
	Total number of school prize-giving held, not less than 14.	Unlikely to Achieve COVID also impacted prize-givings, with only 3 held in this half year.
	Total number of ethnically diverse concerts and productions, both community and professionally produced, not less than 4.	Achieved 6 ethnically diverse events were held during this half year.
	Investigate a simple customer experience device while further investigation is done into a more robust survey for audience and hirers	On Track
	Upgrade of CCTV \$3,500	On Track
	Investigate installing additional external lighting \$10k	On Track
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 69,000	Unlikely to Achieve Due to the number of events cancelled or postponed in response to Covid, Total attendances for this this half year period is behind target at 18,337
	Develop an improved website	Achieved

Financial Performance Against Forecast Budget for 2020-21 Financial Year

Report for half year performance to 31 Dec 2020	Forecast Budget for Half year to December 2021	Actual Outcome for half year to Dec 2021	Forecast Budget for half year to Dec 2020	Actual Outcome for half year to Dec 2020
Income: Theatre Operations				
Commissions (merch)	950	35	1,636	559
Advertising recoveries	3,150	2,506	6,545	2,586
Interest	2,448	827	1,450	2,636
Other room hire	3,455	5,220	6,545	4,173
Other recoveries and hireage	102,240	70,062	133,647	88,329
Theatre hireage	106,000	37,239	81,818	67,560
Ticketing Centre	17,500	20,012	42,000	15,136
PNCC operating grant	120,330	120,335	119,143	119,143
Wage Subsidy		68,852		
Resurgent Payments		13,304		
TOTAL INCOME	356,073	338,392	392,784	300,122
Expenditure: Theatre Operations				
Audit	28,000	0	24,320	26,846
Accounting	10,000	13,365	8,115	8,898
Insurance	0	0	0	0
General operating costs	37,500	43,995	47,955	46,723
Recoverable	62,496	43,578	61,091	58,325
Marketing	9,854	5,581	22,500	11,641
Office expenses	2,500	1,637	3,600	2,378
Personnel costs incl Front of House casuals	165,600	168,281	196,500	178,957
Ticket Centre				
Operating costs	4,050	4,901	5,400	3,934
Marketing	1,020	320	1,750	1,250
Personnel (wages)	26,400	23,111	28,500	26,760
Retail/Admin premises lease and rates	0	0	0	0
Conference Attendance	2,500	0		
TOTAL EXPENDITURE	349,920	304,769	399,731	365,712
Operations Surplus (Deficit)	6,153	33,623	-6,946	-65,590
Depreciation (principally donated assets)	69,500	69,500	69,500	69,500
Surplus (Deficit) after Depreciation for Theatre Operations	-63,347	-35,877	-76,446	-135,090
Other Income/Expense (Not included in annual budget)	0	0	0	0
	0	0	0	0
	0	0	0	0
TOTAL Surplus (Deficit) Regent Theatre Trust	-158,721	-35,877	-76,446	-135,090

Financial Position for the Half Year to 31 December 2020

	Financial position to December 2021	Financial position to December 2020 (last year)
ASSETS		
Current Assets		
Chequing/Savings		
Total Chequing/Savings	388,531	299,987
Accounts Receivable		
Accounts Receivable	8,082	29,187
Total Accounts Receivable	8,082	29,187
Other Current Assets		
Seeding funding for PNOS	0	0.00
Accrued Revenue		0
Accounts Receivable - Other	66	66
Accrued Interest	1,973	1,973
Prepayments	10,169	10,169
Total Other Current Assets	12,208	12,208
Total Current Assets	394,616	341,382
Total Fixed Assets	484,611	615,205
TOTAL ASSETS	893,432	956,857

	Financial position to December 2021	Financial position to December 2020
LIABILITY AND EQUITY		
Current Liabilities		
Accounts payable	16,515	22,512
Total Accounts Payable	16,515	22,512
Other Current Liabilities		
COVID-19 Wage Subsidy		35,564
Audit and Accounting Accrual	31,515	31,515
GST Tax Payable	-7,868	-4,592
Holiday Pay Accrual	23,545	23,545
Income in Advance	22,200	26,928
PAYE Payable		9,642
Ticketek funds	1,120	1,002
Wages Payable	12,564	12,565
Total Other Current Liabilities	83,076	136,169
Total Current Liabilities	99,591	158,681
TOTAL LIABILITIES	99,591	158,681
EQUITY		
Maintenance Reserve	150,000	150,000
Piano Fund Equity	46,624	46,624
Regent on Broadway Promotions	91,405	91,405
Retained Earnings	639,895	803,918
Net Income	-34,492	-135,090
Total Equity	793,841	798,176
TOTAL LIABILITIES AND EQUITY	893,432	956,857

RegentTheatre Trust Board
Statement of Forecast Cashflows
For the year ended 30 June 2021 to 30 June 2025

	Actual '2020-21	Budget '2021-22	Projected '2022-23	Projected '2023-24	Projected '2024-25
OPERATING CASHFLOWS					
CASH INFLOWS					
Income Banked	855,730	634,602	442,364	469,665	492,835
Interest Received	4,241	1,700	1,000	1,150	1,350
Total Cashflow Inflows	859,971	636,302	443,364	470,815	494,185
CASH OUTFLOWS					
Theatre Operations	279,128	277,426	150,909	153,927	157,005
Employee related expenses	443,189	381,000	225,000	225,000	229,500
Regent on Broadway promotions	155,296	-	33,103	43,125	43,700
Event Ticketing Centre	8,760	9,775	5,463	5,750	5,750
Total Cash Outflows	886,373	668,201	414,474	427,802	435,955
Total Operating Cashflows	(26,402)	(31,899)	28,890	43,013	58,230
NON OPERATING CASHFLOW					
Asset Purchases	9,552	-	-	49,594	35,794
GST Paid IRD	(50,151)	37,761	32,885	29,114	31,898
Total Non Operating Cashflows	(40,599)	37,761	32,885	78,708	67,692
CHEQUE BANK ACCOUNT					
Opening Balance	171,154	185,351	115,691	111,696	76,002
Savings and Investments Income	-	-	-	-	-
Add Operating surplus / (deficit)	(26,402)	(31,899)	28,890	43,013	58,230
Add Non-operating surplus / (deficit)	40,599	(37,761)	(32,885)	(78,708)	(67,692)
Closing Balance	185,351	115,691	111,696	76,002	66,540