



**REGENT THEATRE TRUST BOARD
ANNUAL REPORT 2015-16**

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Our Directory

Come and see us at:

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Palmerston North
New Zealand

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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

Trust Board

| | |
|----------------------------|-----------------|
| Maurice Rowe (Chair) | Adrian Broad |
| Martin Carr (Deputy Chair) | Susan McConachy |
| Pat Snoxell | Stephen Parsons |
| David Lea | Gail Shirley |
| Rachel Corser (Secretary) | |

The Trust Board originated from the group of people who fought to save the Theatre in the early 1990s. The Board completed its job of saving and re-establishing the Theatre and in 2001 was restructured from a representative based group to a smaller skill based group. The Trust exists to further the interests of the Regent on Broadway and leases the Theatre from the Palmerston North City Council.

Staff

| | |
|---|---------------------------------------|
| Charles Forbes (General Manager) | Jason Woods (Technical Manager) |
| Julie Walker (Financial Controller) | Cheenu Natarajan (Theatre Technician) |
| Anoushka Treur (Promotions and Marketing Coordinator) | |
| Karen Hambling (Ticketing Clerk) | Jenina Mangoma (Ticketing Clerk) |
| Taylor Ellis (Ticketing Clerk) | Janice Jones (FOH Manager) |
| Chris Laing (FOH Manager) | David Walsh (FOH Manager) |

The Theatre employs 11 permanent staff, three of which are casual staff. All employees are accountable to the Trust Board through the General Manager.

Friends of the Regent

Office Holders

| | |
|---------------------------------|-----------------------------|
| Jo-Ann Cowie (President) | Christine Earle (Treasurer) |
| Adam Robertson (Vice President) | Barbara Ingram (Secretary) |

Friends of the Regent Patrons:

Anna Leese
Michael Houstoun

The Friends is an incorporated society whose members voluntarily give their time to the Regent on Broadway. The Friends contract to provide ushering services to the Theatre hirers and provide the Theatre with equipment purchased from these fundraising efforts.

Palmerston North City Council

| | |
|------------------------------|--------------------|
| Grant Smith (Mayor) | Lew Findlay |
| Duncan McCann (Deputy Mayor) | Aleisha Rutherford |
| Jim Jefferies | Leonie Hapeta |
| Bruno Petrenas | Tangi Utikere |
| Rachel Bowen | Susan Baty |
| Adrian Broad | Billy Meehan |
| Vaughan Dennison | Ross Linklater |
| Chris Teo-Sherrell | Annette Nixon |

Chief Executive: Paddy Clifford

Palmerston North City Council is the building owner and has provided the majority of the funding required to restore the Regent on Broadway in 1998. The Council provides an annual operational grant to the Regent on Broadway.

21ST ANNUAL CHAIRMAN'S REPORT

2015/16 Year Ending 30 June 2016

The financial year continued to show some reduction in the availability of live performance product for the Theatre, with consequential lower audience and visitor numbers and various promoters of such product seemingly seeking to minimise risk by concentrating on larger city centres. However, while the early part of 2016 in particular proved quite flat (suffering again from not having a major local production at that time of the year to buffer what is typically a more difficult period), this picked up noticeably in the latter portion of the financial year which saw a significant and quite buoyant uplift in productions and visitor numbers. The final result for the year was better than previously anticipated showing an overall surplus in Theatre Operations of \$16,285. Current future bookings are very encouraging and there is continuing demand for use of the venue for local community events.

THEATRE EVENTS

The principal production for the 2015/16 year was Mamma Mia! in August 2015 (produced by Abbey Musical Theatre) which extended over a fourteen show season with audience numbers totalling over 9300. Other significant productions included the New Zealand Symphony Orchestra's "Classical Hits" in September 2015, and the Royal New Zealand Ballet's productions of "A Midsummer Night's Dream" in September 2015 "and "The Wizard of Oz" in June 2016. In addition, the Theatre hosted U.K. comedian Alan Davies in July 2015, The Glenn Miller Orchestra in October 2015, a performance by the Russian Ballet in November 2015 and The Ten Tenors in May 2016 along with various other well-known popular performances. Further details of events during the 2015/16 year are provided in the General Manager's Annual Report.

THE FRIENDS

The Friends again have continued to provide great and much-valued support for the Theatre both operationally and by way of fund-raising and donations for the improvement of Theatre facilities. Donations have been received from the Friends during the 2015/16 year of \$13,483 bringing total donations from the Friends since the Theatre reopened in 1998 to \$650,446. I again record the Board's appreciation for the commitment and dedication of the Friends, and all those members, particularly the President and Committee members, who generously give their time to support and foster Theatre activities.

TICKETING

The Theatre's Event Ticketing Centre operated for the 2015/16 year at a surplus of \$4,420 compared with a surplus of \$12,216 for the 2014/15 year. The ticketing fee revenue was \$18,559 less than the previous year, somewhat offset by a reduction of \$9,254 in respect of employee related costs.

REGENT ON BROADWAY PROMOTIONS (ROBP)

The Board's ROBP activities resulted in a surplus of \$19,614 for the 2015/16 year (compared with a deficit of \$254 for the 2014/15 year).

The Board's ROBP fund has been operating since the Theatre reopened in 1998 and assists in securing certain performances at the Theatre which would not otherwise be likely to occur without some degree of venue involvement. This fund has been accumulated from the Board's entrepreneurial activities involving agreements to participate in risk sharing arrangements for specific productions which are assessed and approved by the Board for the purpose. These activities to date have enabled accumulations from successful events while some losses have been incurred by the fund from time to time in the course of these activities. The ROBP fund accumulated from these activities stands at \$111,019 at the end of the financial year (compared with \$91,405 at the end of the 2014/15 year).

FINANCIAL OVERVIEW

Overall Performance

The Board's financial statements for the 2015/16 year accompany this Annual Report. After allowing for depreciation of \$97,181 (compared with \$90,242 for the 2014/15 year), the overall Statement of Financial Performance shows a deficit for the year of \$42,097 (compared with a surplus of \$148,857 for the 2014/15 year). However, the surplus for the previous year included donations from the Friends of \$94,407 (compared with \$13,483 for the 2015/16 year) plus a special community grant procured by the Board of \$95,343 (principally for funding new lighting equipment for the Theatre). Without these donations and special grant the overall deficit for the 2015/16 year would be \$55,580 compared with a deficit of \$40,903 for the 2014/15 year.

Theatre and Ticketing Operations

A summary of the Board's core Theatre hireage and ticketing operations for the last four financial years (excluding donations, depreciation, ROBP activities and other extraordinary items) is as follows:

| | 2015/16 | 2014/15 | 2013/14 | 2012/13 |
|--|------------------------|------------------------|-----------------------|------------------------|
| Theatre Operations Surplus/(Deficit) | \$16,285 | \$35,330 | \$14,772 | \$93,594 |
| Ticketing Operations Surplus/(Deficit) | <u>\$4,420</u> | <u>\$12,216</u> | <u>(\$15,528)</u> | <u>(\$8,232)</u> |
| Total Surplus/(Deficit) | <u>\$20,705</u> | <u>\$47,546</u> | <u>(\$756)</u> | <u>\$85,332</u> |

Net Assets

The Board's Statement of Financial Position shows net assets of \$488,741 (down from \$530,838 at the end of the 2014/15 year in which community donations of \$189,750 were received compared with \$13,483 from the Friends in the 2015/16 year). The following table summarises the position at the end of the 2015/16 year and for the two previous years:

| | 2015/16 | 2014/15 | 2013/14 |
|---|--------------------------|-------------------------|--------------------------|
| Net assets at beginning of year | \$530,838 | \$381,981 | \$447,583 |
| Net assets at end of year | <u>\$488,741</u> | <u>\$530,838</u> | <u>\$381,981</u> |
| Increase/(Reduction) during year | <u>(\$42,097)</u> | <u>\$148,857</u> | <u>(\$65,602)</u> |

Depreciation for each of these years was \$97,181 for the 2015/16 year, \$90,242 for the 2014/15 year, and \$75,966 for the 2013/14 year.

PLANNED SUPPLEMENTARY BAR FACILITIES FOR THE THEATRE

As mentioned in last year's Annual Report, the Board has for some time been concerned at congestion which occurs in the Theatre foyer in relation to patron hospitality for well attended events. Arrangements have now been made with the Council for establishing a more permanent bar and hospitality facility by incorporating into the Theatre, alongside the existing entrance foyer, the adjoining tenancy area previously used as separately tenanted shop premises fronting Broadway. Plans are well underway for integrating this additional area into the Theatre, and physical work will be commenced once formal building consent details have been finalised. The Board is confident that this rearrangement will make a significant contribution to enhancing the theatre-going experience.

PNCC GRANT

The Council grant received for the 2015/16 year was \$236,521.

The grant was established in 1998 when the Theatre was reopened following its restoration, and has from time to time been increased over the years with additional supplements. From the end of the 2015/16 year, the various components of the supplemented grant have been rationalised and brought into line so as to be administered on a common treatment basis. The Board is supportive of the steps now taken by the Council in this respect, and records its appreciation for this rearrangement.

HOW THE COMMUNITY FEELS ABOUT THE REGENT

The City Council Communitrak Survey includes survey material to show how the Theatre is rated by the people of Palmerston North. Although a survey was not conducted in this 2015/16 reporting year the survey continues to show that the Theatre is highly rated by the people of Palmerston North.

THANKS

Again I express my thanks to the Theatre Manager, Charles Forbes, and his team for their work and efforts over the past year, and to each of the Board members for their time and continued commitment given on a gratuitous basis to the affairs of the Board.

September 2016

Maurice Rowe
Chairman

GENERAL MANAGER'S ANNUAL REPORT

The 2015–16 Year Ending 30 June 2016

The Year

The number of events hosted in this reporting year, and in particular to the second half of the year, was slightly less than last year. This reduced activity can be partly attributed to 3 factors:

- A major musical production that has traditionally been presented in April each year is currently not being staged.
- A regular hirer of the Rehearsal Room has reduced the number of dates they require.
- A slight downturn in bookings for functions, weddings and Dance Schools.

It has been the objective of the Trust to encourage the staging of a major musical production early each year. This has traditionally been performed in April and the Trust has usually been successful in encouraging a local theatre group to mount a production during this time. The key reason for this objective is to create activity during a period when traditionally there are a limited number of events booked. Possibly due to reduced resourcing or other priorities, our local theatre groups are currently finding it difficult to commit to a major stage production during this time and since 2014 there has not been a major musical production in April. The second point is in reference to a School of Singing class which has been a regular booking in the Rehearsal Room and which has traditionally equated to 64 events each year. For this reporting year this booking has reduced its activity by 20 events. It has also decided to close the school as from August 2016. The third point could be attributed to the downsizing that is occurring with some of our local dance schools who unfortunately no longer require the capacity of the Regent on Broadway. In respect to the reduction in functions, this is primarily due to competition from other venues that can provide guests parking and full catering which the Regent on Broadway cannot provide. These and other incidental factors have had an overall impact in the reduced total number of reported events for this year.

As mentioned there are traditionally a limited number of events booked in the early months of the calendar year but for this year the numbers were lower than normal. The reduced activity during this period has been of concern to the Board especially as the theatre is no longer presenting a major musical production during this time. To generate activity during this period of the current year the Board has taken the initiative to mount a production without the support of a local theatre group. This is an abnormal move for the Regent Theatre Trust but if successful could be a model for future ventures. The production planned is the successful mid 70's musical "A Chorus Line" and will be performed in mid-April as a fund-raiser for Arohanui Hospice. As would be expected this reduction in the number of events has had a flow on effect for the non-achievement of a Key Performance indicator of no less than 100,000 persons attending events, for this year theatre attendances achieved were 89,280.

Bookings from our commercial hirers who bring the professional shows to the Regent on Broadway remain positive with a slight increase in events in comparison to last year. Activity from this sector has remained reasonably stable over the years but there was a slight downturn reported in the 2014/15 reporting year. As was mentioned at the time, there is considerable competition in this sector from the major arena type concerts which has a bearing on whether a commercial promoter is prepared to mount a smaller regional tour at a time when one of these high profile events is also touring. This is still a concern to our commercial hirers and we are still experiencing slightly below average enquiries from this sector. This also has had an impact on attendances plus the ability to achieve another Key Performance Indicator of no less than 40 live nights at full commercial rates, for this year performances at full commercial rates were 35.

Use of the theatre by our community groups remains positive with a steady demand for available dates. School and tertiary awards ceremonies make up approximately 16% of Auditorium live nights and school concerts and cultural festivals make up almost 9% of Auditorium live nights. Overall just over 78% of all Auditorium live nights are in relation to local community events. It is still a key objective of the Board to make the venue as accessible as is possible to all community groups and organisations. A clear indication that this is being achieved is that over 55% of Auditorium hire income is generated from our commercial hirers, even though they occupy only 22% of all Auditorium live nights. Along with the PN Council Operational Grant funding, the income generated from commercial hire meets a large percentage of the theatre's high operational costs and therefore the means to provide reduced hire rates to our community hirers.

Following is a list of key productions which were hosted in this 2015 – 2016 reporting period.

- **ALAN DAVIES**
Producers: Live Nation Australasia
Performed: 21st July. Attendance: 767 patrons.
Following the sell-out success of his long-awaited return to stand-up comedy in 2013, Alan Davies (star of QI and Jonathan Creek) returned to New Zealand with his critically acclaimed follow up show 'Little Victories'. Much lauded as resident dunderhead on QI or the charming but reticent crime solver Jonathan Creek, Davies virtuosic storytelling and whip-smart funny bones combined to make this a not to be missed show.
- **MAMMA MIA!**
Producers: Palmerston North Operatic Society
Performed: 14th – 29th August. Attendance: 9299 patrons.
Set in a beach resort in the Mediterranean, Mamma Mia! tells the story of Sophie, a bride-to-be with one wish - to have her absent father walk her down the aisle. After reading passages about three old lovers in her mother's diary, Sophie sends each a wedding invitation in the hopes of learning which one is her father. From that point on, it's a musical journey to find the truth. Featuring the songs of the Swedish super-group ABBA this production was one of the highlight for this reporting period.
- **DAFFODILS**
Producers: Regent on Broadway Promotions
Performed: 1st September. Attendances: 310 patrons.
Daffodils is the story of 16-year-old Rose and 18-year-old Eric - a teddy boy and a farm girl from Hamilton who met at the lake by the daffodils and fell in love. It was the same place that Eric's parents met 20 years earlier. Was it destiny? Perhaps.
An outstanding New Zealand production which the theatre was proud to host.
- **ISLA GRANT**
Producers: Grand International Concerts Ltd - NZ.
Performed: 5th September. Attendance: 609 patrons.
Scotland's legendary singer/songwriter, Isla Grant, returned to New Zealand for her farewell concert tour. Isla is an internationally acclaimed recording artist, her beautiful voice combed country folk songs to easy listening, presented an unforgettable evening's entertainment.
- **THE SLEEPING BEAUTY**
Producers: XDR Australia Cultural Promotions
Performed: 14th September. Attendance: 145 patrons.
With its large cast, fairy-tale settings and glorious Tchaikovsky score This Sleeping Beauty production was the essence of classical grandeur. This version had all the elements of an enduring fairy tale: romance, poetry, fate, goodness versus evil, and of course, love! A delightful and well performed production.

- **A MIDSUMMER NIGHT'S DREAM**
 Producers: Royal New Zealand Ballet
 Performed: 16th September. Attendance: 1353
 A Midsummer Night's Dream, based on Shakespeare's play and with Mendelssohn's wonderful incidental music delighted the audience. Witty choreography, displayed in designs by Tracy Grant Lord (Cinderella, Romeo and Juliet) and lighting by Kendall Smith (Giselle) brought Shakespeare's enchanted wood and vivid characters to fresh new life for the audience.
 An outstanding production.
- **CLASSICAL HITS**
 Producers: New Zealand Symphony Orchestra
 Performed: 18th September. Attendance: 612 patrons.
 The brilliant Music Director James Judd returned to the NZSO for this evening of classical hits. The audience heard a selection of favourite melodies, Rossini's infectious William Tell Overture, Johan Strauss II's iconic Blue Danube Waltz and Wagner's tremendous Ride of the Valkyries. An evening of assorted dances and what has been described as glorious displays of orchestral splendour!
- **LAST NIGHT OF THE PROMS**
 Producers: Regent on Broadway Promotions
 Performed: 27th September. Attendance: 852 patrons.
 The Fitzherbert Rowe Lawyers' "Last Night of the Proms" was a fun filled evening of classical music hits performed by one of New Zealand's top military bands the Royal New Zealand Navy Band. It also featured International Soloist Anna Leese along with a 100 voice youth choir from local schools. The concert was performed with all the pomp and ceremony that is the tradition of the "Last Night of the Proms".
- **SOUTH PACIFIC**
 Producers: Ben McDonald Ltd
 Performed: 28th September. Attendance: 434 patrons.
 Based on James A Mitchiner's Pulitzer prize-winning book "Tales of the South Pacific" this award-winning musical is set on a small South Pacific island during WWII. The audience enjoyed such classic songs as 'Some Enchanted Evening', 'Bali Ha'i', 'I'm Gonna Wash That Man Right Outta My Hair' and 'There Is Nothin' Like A Dame'.
- **MODERN MAORI QUARTET**
 Producers: Regent on Broadway Promotions
 Performed: 30th September. Attendance: 361
 A fresh take on classic Maori showbands, the Modern Maori Quartet are a good looking, suave and multi-talented Maori foursome who love crooning their spin on modern and classic numbers. The show was a trip down memory lane into Aotearoa's musical past and present plus including some recent international hits.
- **THE GLENN MILLER ORCHESTRA**
 Producers: ATA Allstar Artists Pty Ltd
 Performed: 10th October. Attendance: 477 patrons
 Following their sell-out tour of NZ in 2013, the Glenn Miller Orchestra returned with their unique repertoire of the huge Glenn Miller hits of the 1940's. This show was in conjunction with the 75th ANZAC Anniversary year.

- **10CC**
 Producers: In Concert Ltd
 Performed: 12th November. Attendance: 707 patrons.
 10cc, comprising of Graham Gouldman, Rick Fenn, Mick Wilson, Mike Stevens and Paul Burgess returned after being a phenomenal hit when they performed in NZ to over 50,000 people during their Summer Concert Tour last year. Fans were treated with hearing hits such as Kiwi favourite Dreadlock Holiday and The Things We Do For Love, And in a rare double-bill, 10cc co-founder Graham Gouldman opened the show with his Heart Full of Songs acoustic set, performing hits he wrote for other artistes, such as Bus Stop and Look Through Any Window (for The Hollies), No Milk Today (Herman's Hermits) and Heart Full of Soul and For Your Love (The Yardbirds).
- **SWAN LAKE**
 Producers: Russian Ballet Ltd
 Performed: 19th November. Attendances: 654 patrons
 This Imperial Russian Ballet Company 2015 performance of Swan Lake marked their 14th visit to New Zealand. The Imperial Russian Ballet Company comprises 40 dancers from the major ballet schools of Russia.
 A beautiful production of this famous ballet and which was thoroughly enjoyed by the patrons who attended.
- **THE LAUGHING SAMOANS**
 Producers: Ete Eteuati
 Performed: 21st November. Attendance: 325 patrons.
 "Fink About It" saw the return of all the favourite Laughing Samoans characters such as Auntie Tala, Uncle Sam, Paul and Victor, the father and son, the Samoan married to the European as well as another episode of the children's TV programme Island Time.
- **7 DAYS LIVE**
 Producers: Tetherthedogsin Ltd
 Performed: 5th December. Attendances: 1148 patrons
 A night of NZ comedy based on the 7 Days TV production. Starring Jeremy Corbett, Paul Ego, Dai Henwood and others, the show was quick-fire stand-up comedy based on a no-holds-barred game of 7 Days.
- **THE BOOK OF EVERYTHING**
 Producers: Regent on Broadway Promotions
 Performed: 8th – 9th March. Attendances: 538 patrons.
 Beautifully adapted from the novel by Guus Kuijer, THE BOOK OF EVERYTHING celebrated the limitless power of imagination and of the heart. A production that appealed to all ages and was proudly produced by Regent on Broadway Promotions.
- **SINATRA LIVES**
 Producers: Regent on Broadway Promotions
 Performed: 9th April. Attendances: 407 patrons.
 With the centenary of Sinatra being celebrated around the world, the Regent on Broadway engaged New Zealand's top musicians to pay tribute to the man who extended the boundaries of jazz and popular music. Sinatra "Lives" featured the Rodger Fox Big Band with vocalists Ray Woolf, Grant Sullivan, Steve Carlin and Erna Ferry.

- **HMS PINAFORE**
 Producers: Ben McDonald Ltd
 Performed: 22nd April. Attendances: 290 patrons.
 A satirical tale of forbidden love and shocking revelations of class and identity, HMS PINAFORE is possibly one of Gilbert and Sullivan's most popular comic creations, with songs including 'Little Buttercup' and 'He is an Englishman'.
- **JUDITH DURHAM**
 Producers: Showcase Entertainment Group
 Performed: 1st May. Attendances: 827 patrons.
 The golden voice of The Seekers, Judith Durham, toured New Zealand for a very special matinee concert series called 'This is My Song', a special event that celebrated the hits, highlights and inspirational favourites from her 50 year songbook.
- **LIVING LEGENDS**
 Producers: Brigham Young University (USA)
 Performed: 3rd May. Attendances: 785 patrons.
 This show celebrated the native cultural heritage of North and South America and the South Pacific. Living Legends presented a vibrant cultural spectacle of energy, music, costume and dance.
- **BEATLEMANIA**
 Producers: Showtime Management Aust. Pty Ltd
 Performed: 15th May. Attendances: 441 patrons.
 A concert that re-lived the heyday of the world's favourite Pop act with Beatlemania - On Tour. This live tribute show recreated a true Beatles experience - authentic costumes, replica instruments and all the songs were performed with attention to detail and in their original key!
- **CHOPPER**
 Producers: Laughing Stock Productions
 Performed: 21st May. Attendances: 541 patrons.
 Heath Franklin once again brought his rather risqué show with a new twist. The new state of Anzakistan, and he was just the bloke to run it.
- **THE TEN TENORS**
 Producers: Event Entertainment Ltd
 Performed: 29th May. Attendances: 1209 patrons.
 The Power of TEN, a celebration of the exhilarating and unique sound for which The Ten Tenors are world-renowned. This new show presented some of the most dynamic songs in the world, classical arias plus rock anthems and gave them that special tenorial treatment. A great night's entertainment.
- **JAZZ GALA**
 Producers: Rodger Fox & Associates
 Performed: 4th June. Attendances: 738 patrons.
 Smash together the Rodger Fox Big Band and four of the greatest Kiwi vocalists - Holly Smith, Debbie Harwood, Mark Williams and Erna Ferry - give them free rein at the Classic Kiwi Songbook and Jazz Standards and you had an event like no other. This was a great climax to this year's Jazz Festival.

- **MICHAEL JACKSON SHOW**
Producers: Showtime Management Aust. Pty Ltd
Performed: 6th June. Attendances: 669 patrons.
A musical tribute and live concert experience that journeyed through Michael Jackson's vast and incredible catalogue of work. Featuring Dantanio as MJ and a live international band with choreographed dancers plus authentic costumes and brilliant effects. A show that was sheer entertainment.
- **THE WIZARD OF OZ**
Producers: Royal New Zealand Ballet
Performed: 9th June. Attendances: 1393 patrons.
World Premiere. Join Dorothy on her journey to the Emerald City, and the friends and foes she encounters along the way, as she learns that quick wits, compassion and courage - and just a touch of magic - are inside us all.
A brand new ballet superbly performed.
- **AVALANCHE CITY**
Producers: Brent Eccles Entertainment
Performed: 17th June. Attendances: 387 patrons.
Avalanche City toured New Zealand with their 'Little Fire" tour, and with support from singer/songwriter Ciaran McMeeken. The tour celebrated Avalanche City's latest single of the same name which has quickly gaining favour across New Zealand as a most-added song on New Zealand radio.
- **RECLAIM THE THRONE**
Producers: Palace Dance Studio
Performed: 18th June. Attendances: 1326 patrons.
A hugely popular performance of Hip Hop featuring the world champions Bubblegum, Royal Family Varsity and Royal Family Adults.

The above events were but a few of the many excellent community and professional events that were performed on the Regent on Broadway stage.

The major production for this reporting period was "Mamma Mia" presented by the Abbey Musical Theatre, August 2015. The production was outstanding and was hugely popular playing to 9299 patrons over 14 performances. As mentioned in previous reports, these productions compare well with professional shows which confirms the wonderful resource of talent which exists in our region. The Regent Theatre Trust and Management make an effort to encourage our local theatre groups to present these annual big stage productions. It is these productions which encourage and develop the interest and skills in the performing arts that has the potential to shape future career paths plus bring to the city the big stage productions (such as "Cats", "Les Miserables" and "Miss Saigon") that would otherwise not perform at the Regent on Broadway or in our region. Congratulations must go to Abbey Musical Theatre for giving our regional audiences the opportunity to see this excellent and very entertaining musical.

REGENT ON BROADWAY PROMOTIONS

Last year's downturn in events prompted the venue to be more proactive than it has in previous years in seeking out opportunities and to source more shows. This resulted in 6 additional events which were financially resourced through the theatre's entrepreneurial entity, Regent on Broadway Promotions. This has resulted in an increase in productions that otherwise would not have been performed in our city.

The following productions were presented through Regent on Broadway promotions in association with Tour Makers which is a contracted division of Creative New Zealand:

- DAFFODILS
Performed: 1st September. Attendances: 310 patrons.
- MODERN MAORI QUARTET
Performed: 30th September. Attendance: 361
- THE BOOK OF EVERYTHING
Performed: 8th – 9th March. Attendances: 538 patrons.

The following productions were produced by Regent on Broadway Promotions but as a result of the Regent Theatre Trust plus local contractors and entertainers coming together and creating a show from its beginnings:

- LAST NIGHT OF THE PROMS
Performed: 27th September. Attendance: 852 patrons.
- SINATRA LIVES
Performed: 9th April. Attendances: 407 patrons.

Reasonably good patronage was achieved at all performances as well as a financially positive outcome. Investigation continues into other productions that may be receptive to our local theatre patrons and which are in line with the theatre's vision as New Zealand's leading and most vibrant provincial theatre.

THE FRIENDS OF THE REGENT

Each year I report how special the Friends of the Regent are to the Regent on Broadway and how they are an integral part of theatre operations. The Friends are responsible for the ushering and catering duties on event day. The training undertaken by this group of volunteers is to a very high level which gives assurance to the Regent Theatre Trust and Management that we have a safe and efficient working venue. The dedication and commitment by the Friends is outstanding especially when it is being provided by a group who receive no personal reward except the satisfaction they are supporting their city's Auditorium and one of New Zealand's iconic performing arts facilities.

The services for ushering and front-of-house catering provided by the Friends of the Regent are on-charged to each event. All proceeds from these services are then given back to the theatre by way of support to the theatre's infrastructure or the provision of new equipment.

Contributions from the Friends of the Regent total \$13,483.00 for this reporting year. Approved contributions by the Friends to the theatre's facilities were to reinstate the donor plaques on the theatre seating. The original plaques were part of the old seating and were unable to be reused following the seating replacement project in March 2015. Contributions from the Friends for this year were less than are usual due to the request to support the venue foyer expansion project. \$70,000.00 of funds held by the Friends has been committed to this project. This holding back of funds has had an impact on not achieving another Key Performance Indicator for this year of additional capex funding from the Friends of the Regent and other external providers of not less than \$40,000.00.

The Regent Theatre Trust and Management is once again extremely grateful to the Friends of the Regent for the overwhelming support provided, not only through the supply of equipment and infrastructure but also the provision of highly skilled and professional front of house ushering and catering services.

THE TEAM

A performing arts venue of the size and capacity of the Regent on Broadway cannot operate without the skill and expertise of a good team to advise and support the large variety of events held. A cohesive and skilled team is the cornerstone of any successful operation and I am proud to be part of a team that strives to achieve the goals that has contributed to the success of all events held at the Regent on Broadway this year.

Our team of Julie Walker, Anoushka Treur, Karen Hambling and Jenina Mangoma who look after the theatre's administration and ticketing, and Jason Woods and Cheenu Natarajan who are responsible for all things technical, have all performed exceptionally this year. Also our Front of House Management team of Chris Laing, Janice Jones and David Walsh who look after theatre operations and our patrons on show day.

I wish to thank this skilled and talented team for their hard work and dedication in bringing the Regent on Broadway through another very successful year.

LOOKING FORWARD

The Regent on Broadway team are in constant communication with our key hirers and we are already working on securing bookings for 2017 and beyond. Bookings for the remainder of 2016 are excellent with a range of shows that should appeal to all sections of our community. The challenges in respect to audience growth is a constant focus for our audience development program and will receive continuing attention in this and future years.

Bookings from our local community groups grows, especially our local schools. Considerable effort is made to attract schools and other education providers to use the theatre. It is principally through the types of events that involve our youth that we see growth in the performing arts by creating the performers and audiences of tomorrow.

APPRECIATION

The Management and team of the Regent on Broadway would like to thank the Palmerston North City Council for its continued support and Council staff who have provided their advice, expertise and services during the year.

I would again like to express my gratitude to the Operational team and Friends of the Regent plus thank members of the Regent Theatre Trust Board for their professional governance in helping guide the theatre through another successful year.

September 2016

Charles Forbes
General Manager

Regent Theatre Trust Board.
Performance outcomes for Key Performance Indicators.

Reporting period 2015/2016: Full year results.

The outcome that the Regent Theatre Trust Board is seeking to achieve:

To develop, promote, enhance and maintain the Regent on Broadway as an active civic amenity for use by the community, community groups and as a world-class 1400 seat heritage auditorium as a venue for live performances, community events, graduations and the performing arts, attracting international, national and local performances.

| | 2015/16 full year KPI's | Full year result To June 2016 | Full year result To June 2015 |
|---|-------------------------|---|---|
| Attendances | | | |
| Percentage attendance's to commercial events in respect to total attendances: Not less than | 30% | 31.06% | 33.12% |
| Percentage attendance's to community events in respect to total attendances: Not less than | 60% | 68.94% | 60.65% |
| Total attendances over year for all events: No less than | 100,000 | *89,280 | 87,761 |
| Increase subscriber numbers of data base: Not less than | 5% | No Data Available | No Data Available |
| Events | | | |
| Live nights at full commercial rates: Not less than | 40 | *35 | 31 |
| Auditorium hireage from commercial use: Not less than | 55% | 55.09% | 66.39% |
| Cultural Festivals, concerts and ceremonies; days of use: No less than | 4 | 5 | 3 |
| Use of auditorium for school prize-givings; days of use: No less than | 8 | 12 | 9 |
| Tertiary Graduations; days of use: No less than | 10 | 14 | 15 |
| Accommodating community generated requests to hire: minimum % | 95% | 100% | 100% |
| Partnership programme with local theatre groups: Least number of events | 1 | 1 | 2 |
| Partnership programme with professional groups: Least number of events | 1 | 3 | 0 |
| Usage of Regency Room; number of functions: No less than | 35 | 36 | 18 |
| Usage of the Rehearsal Room; days of use: No less than | 100 | 215 | 235 |
| Total live nights for the year: No less than | 160 | 161 | 159 |
| Financial | | | |
| Additional capex funding from the Friends of the Regent and other external providers of charity funding: no less than | \$40k | *\$13,483 | \$189,750 |
| Communitrak Survey | | | |
| The 2 yearly Communitrak survey for visitor satisfaction: Not less than | 90% | No survey was conducted in the 2015-16 year | No survey was conducted in the 2014-15 year |

Note: Full year results not achieved and marked * are referred to in more detail within the General Managers' report.

Statistics for the year ended 30th June 2016

Measures of level of activity generated by the theatre 2013/14 2014/15 2015/16

| | | | |
|---|------------|------------|------------|
| Number of events held at the Regent on Broadway | 514 | 413 | 367 |
| Auditorium days usage | 230 | 165 | 162 |
| Total number of days open for business | 308 | 308 | 308 |

Measures of the overall success of the events held at the Theatre

| | | | |
|---|------------------|------------------|------------------|
| Total attendances for each year | 94,544 | 87,761 | 89,280 |
| Our total attendances were sourced from: | | | |
| National / International Theatre | 26,717 | 22,487 | 19,494 |
| Conferences and other commercial activities | 8,397 | 11,703 | 8,239 |
| Local Theatre | 34,807 | 27,185 | 34,579 |
| Schools, Massey, IPC and UCOL | 21,440 | 24,486 | 26,607 |
| Other local events | 3,183 | 1,900 | 361 |
| Total attendances since we re-opened in May 1998: | 1,735,194 | 1,822,955 | 1,912,235 |

Measures of the financial performance of the Theatre Operations

| | | | |
|--|--------------------|--------------------|--------------------|
| Total theatre revenue – hire and cost recoveries | \$484,137 | \$462,498 | \$407,701 |
| Operational Grant from PN City Council | \$229,040 | \$234,643 | \$236,521 |
| Expenses (less depreciation) | (\$698,405) | (\$661,811) | (\$642,407) |
| Depreciation (Principally donated assets) | (\$75,966) | (\$90,242) | (\$97,181) |
| Operating surplus (deficit) after all costs | (\$61,194) | (\$54,912) | (\$95,366) |

Measures of the activities of Regent on Broadway Promotions

| | | | |
|---|-------------------|----------------|-----------------|
| Surplus (Deficit) from <i>Regent on Broadway Promotions</i> | (\$27,094) | (\$254) | \$19,614 |
| Number of Promotions | 2 | 2 | 6 |

Measures of activities of the EventTICKETINGCentre

| | | | |
|-------------------------------------|-------------------|-----------------|----------------|
| Surplus (Deficit) from TicketDirect | (\$15,528) | \$12,216 | \$4,420 |
|-------------------------------------|-------------------|-----------------|----------------|

Communitrak Survey
Visitor satisfaction rating

| | | | | | |
|---------------|------|---------------|------|---------------|---------------|
| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Not Available | 98% | Not Available | 98% | Not Available | Not Available |

Appendix A

Regent Theatre Trust Board 2015 to 2016 Annual Report

June 2016 Full year reporting.

Regent on Broadway Auditorium Occupancy Statistics - by total days

Based upon 308 operational days per year

(Approximately 57 dark days for annual leave, maintenance and the traditional seasonal dark days)

2014 - 2015 Year Statistics

Half Year totals

Total days auditorium usage 116

Total days auditorium is availab 154

| | | | | | | | | | |
|--------------------|----|-------|---------------------|----|-------|------|----------------|--------------|------------------------|
| Professional event | 19 | 16.4% | Professional events | 19 | 12.3% | 0.81 | Events per wee | 3.51 | Events per month |
| Community events | 97 | 83.6% | Community events | 97 | 63.0% | 4.12 | Events per wee | 17.90 | Events per month |
| | | | Available days | 20 | 13.0% | | | <u>21.40</u> | Total Events per month |

Full Year totals

Total days auditorium usage 165

Total days auditorium is availab 308

| | | | | | | | | | |
|---------------------|-----|-------|---------------------|-----|-------|------|----------------|--------------|------------------------|
| Professional event: | 31 | 18.8% | Professional events | 31 | 10.1% | 0.66 | Events per wee | 2.86 | Events per month |
| Community events | 134 | 81.2% | Community events | 134 | 43.5% | 2.84 | Events per wee | 12.35 | Events per month |
| | | | Available days | 143 | 46.4% | | | <u>15.21</u> | Total Events per month |

2015 - 2016 Year Statistics

Half Year totals

Total days auditorium usage 104

Total days auditorium is availab 154

| | | | | | | | | | |
|--------------------|----|-------|---------------------|----|-------|------|----------------|--------------|------------------------|
| Professional event | 17 | 16.3% | Professional events | 17 | 11.0% | 0.72 | Events per wee | 3.14 | Events per month |
| Community events | 87 | 83.7% | Community events | 87 | 56.5% | 3.69 | Events per wee | 16.05 | Events per month |
| | | | Available days | 50 | 32.5% | | | <u>19.19</u> | Total Events per month |

Full Year totals

Total days auditorium usage 162

Total days auditorium is availab 308

| | | | | | | | | | |
|---------------------|-----|-------|---------------------|-----|-------|------|----------------|--------------|------------------------|
| Professional event: | 35 | 21.2% | Professional events | 35 | 11.4% | 0.74 | Events per wee | 3.23 | Events per month |
| Community events | 127 | 77.0% | Community events | 127 | 41.2% | 2.69 | Events per wee | 11.71 | Events per month |
| | | | Available days | 146 | 47.4% | | | <u>14.93</u> | Total Events per month |

Regent Theatre Trust Board.

Entity Information

For the year ended 30 June 2016

Legal name

Regent Theatre Trust Inc. (the Trust).

Type of entity and legal basis

The Trust is incorporated in New Zealand under the Charitable Trusts Act 1957. The Trust is controlled by The Palmerston North City Council and is a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

The Trust's purpose or mission

The primary objective of the Trust is to maximise use of the theatre by being pro-active in encouraging professional and amateur theatre, conference organisers, community groups, schools and the general public to make full use of the facilities and make a very major contribution to the Palmerston North City Council city vision.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of five Trustees who oversee the governance of the Trust, a General Manager who is responsible for the day to day operations and management and reporting to the Trustees, plus eight other full-time staff who support the General Manager. The Trustees are appointed by the Palmerston North City Council.

Main sources of the Trust's cash and resources

Operating grants received from the Palmerston North City Council plus other income as received by way of Theatre hire and event ticketing centre income are the primary sources of funding to the Trust.

Regent Theatre Trust Board.
Theatre operations
 For the year ended 30 June 2016

| | <i>Note</i> | 2016 \$ | 2015 \$ |
|--|-------------|-----------------------|-----------------------|
| Revenue | | | |
| Theatre hire | | 177,778 | 213,470 |
| Recoveries and commissions | | 229,922 | 243,323 |
| Council Funding - PNCC | | 236,521 | 234,643 |
| Recovered impaired receivables | | - | - |
| Interest revenue | | 6,859 | 5,705 |
| Total income | | <u>651,080</u> | <u>697,141</u> |
| Expenses | | | |
| Operating costs | 2 | 223,520 | 245,287 |
| Administration costs | 2 | 64,235 | 52,657 |
| Employee related costs | | 347,040 | 363,867 |
| | | <u>634,795</u> | <u>661,811</u> |
| Net operating surplus / (deficit) | | 16,285 | 35,330 |

These statements are to be read in conjunction with the notes and accounting policies on pages 26-35

Regent Theatre Trust Board.
Regent on Broadway Promotions
For the year ended 30 June 2016

| | <i>Note</i> | 2016 \$ | 2015 \$ |
|--|-------------|-------------------|-------------------|
| Revenue | | | |
| Sinatra Lives | 21 | 13,796 | - |
| Book of Everything | | 3,222 | - |
| Oliver 2014 | | - | 5,614 |
| Modern Maori Quartet | | 5,203 | - |
| Daffodils | | 1,495 | - |
| Last Night of the Proms 2015 | 21 | 27,183 | - |
| Reach for the Stars | | 4,655 | 3,582 |
| | | <hr/> | <hr/> |
| Total income | | 55,554 | 9,196 |
| | | <hr/> | <hr/> |
| Expenses | | | |
| A Chorus Line | | 66 | - |
| Doris Day | | 1,733 | - |
| Sinatra Lives | | 14,728 | - |
| Book of Everything | | 4,713 | - |
| Oliver 2014 | | - | 2,640 |
| Modern Maori Quartet | | 985 | - |
| Daffodils | | 1,386 | - |
| Last Night of the Proms | | 11,829 | 646 |
| Reach for the Stars | | 500 | 6,164 |
| | | <hr/> | <hr/> |
| | | 35,940 | 9,450 |
| | | <hr/> | <hr/> |
| Net operating surplus / (deficit) | | 19,614 | (254) |

These statements are to be read in conjunction with the notes and accounting policies on pages 26-35

Regent Theatre Trust Board.
Piano Campaign
 For the year ended 30 June 2016

| | <i>Note</i> | 2016 \$ | 2015 \$ |
|--|-------------|-------------------|-------------------|
| Revenue | | | |
| Interest revenue | | 1,284 | 2,058 |
| Total income | | <u>1,284</u> | <u>2,058</u> |
| Expenses | | | |
| Piano maintenance | | - | - |
| | | <u>-</u> | <u>-</u> |
| Net operating surplus / (deficit) | | <u>1,284</u> | <u>2,058</u> |

The Trust Board had undertaken a fund raising campaign for the specific purpose of purchasing a new grand piano. In December 2001 this grand piano was purchased with any remaining funds to be used on maintenance, upkeep and tuning.

Regent Theatre Trust Board.
Event Ticketing Centre
For the year ended 30 June 2016

| | <i>Note</i> | 2016 | 2015 |
|--|-------------|-----------------------|-----------------------|
| | | \$ | \$ |
| Revenue | | | |
| Ticketing fees | | 107,610 | 126,169 |
| Interest revenue | | 53 | - |
| Recoveries | | 324 | - |
| Total income | | <u>107,987</u> | <u>126,169</u> |
| Expenses | | | |
| Cost of sales | | 6,870 | 5,494 |
| Eftpos terminals / computers | | 1,847 | 2,684 |
| Electricity | | 2,727 | 3,917 |
| Freight | | 552 | 2,204 |
| Employee related costs | | 55,985 | 65,239 |
| Rental | | 13,293 | 13,996 |
| Stationery | | 512 | 196 |
| Telephone | | 10,669 | 8,886 |
| Training | | - | 957 |
| Marketing and promotion | | 11,112 | 10,380 |
| | | <u>103,567</u> | <u>113,953</u> |
| Net operating surplus / (deficit) | | <u>4,420</u> | <u>12,216</u> |

These statements are to be read in conjunction with the notes and accounting policies on pages 26-35

Regent Theatre Trust Board.
Statement of financial performance
For the year ended 30 June 2016

| | <i>Note</i> | 2016 \$ | 2016 <i>Budget</i> \$ | 2015 \$ |
|---|-------------|-------------------|---------------------------------|-------------------|
| Revenue | | | | |
| Theatre Operations | 1 | 407,700 | 471,800 | 456,792 |
| Regent on Broadway Promotions | | 55,554 | 70,000 | 9,196 |
| Piano Campaign | | - | - | - |
| Event Ticketing Centre | | 107,934 | 120,000 | 126,169 |
| Council Funding - PNCC | | 236,521 | 236,521 | 234,643 |
| Interest revenue | | 8,196 | 6,000 | 7,763 |
| Community Grants | | - | - | 95,343 |
| Donations from Friends of Regent | 20 | 13,483 | - | 94,407 |
| Total income | | <u>829,388</u> | <u>904,321</u> | <u>1,024,313</u> |
| Expenses | | | | |
| Theatre Operations | 2 | 287,757 | 300,462 | 297,944 |
| Employee related expenses | 3 | 403,025 | 486,610 | 428,940 |
| Regent on Broadway Promotions | | 35,940 | 65,000 | 9,450 |
| Piano Campaign | | - | - | - |
| Event Ticketing Centre | | 47,582 | 51,538 | 48,880 |
| Depreciation | | 97,181 | 80,000 | 90,242 |
| Total expenses | | <u>871,485</u> | <u>983,610</u> | <u>875,456</u> |
| Net surplus / (deficit) for the year | | <u>(42,097)</u> | <u>(79,289)</u> | <u>148,857</u> |

The Trustees have resolved to transfer none (2015: \$Nil) of the net operating surplus (deficit) to the maintenance reserve.

Regent Theatre Trust Inc.
Statement of changes in equity
For the year ended 30 June 2016

| | Total Equity \$ |
|--------------------------------------|--------------------------------|
| Balance as at 1 July 2014 | 381,981 |
| Net surplus / (deficit) for the year | 148,857 |
| Balance as at 30 June 2015 | 530,838 |
| | |
| Balance as at 1 July 2015 | 530,838 |
| Net surplus / (deficit) for the year | (42,097) |
| Balance as at 30 June 2016 | 488,741 |

Balances disclosed in this statement are attributable to the Trust.

These statements are to be read in conjunction with the notes and accounting policies on pages 26-35

Regent Theatre Trust Inc.
Statement of financial position

As at 30 June 2016

| | <i>Note</i> | 2016 \$ | 2015 \$ |
|--------------------------------|-------------|-----------------------|-----------------------|
| Current assets | | | |
| Bank accounts and cash | 4 | 156,681 | 157,134 |
| Prepaid Insurance | | 7,752 | 9,587 |
| Debtors | 5 | 18,425 | 11,039 |
| Investments | 6 | 160,879 | 155,106 |
| Seeding capital receivable | | 32,693 | 10,487 |
| | | <u>376,430</u> | <u>343,354</u> |
| Non-current assets | | | |
| Property, plant & equipment | 7 | 234,641 | 315,274 |
| | | <u>234,641</u> | <u>315,274</u> |
| Total assets | | <u>611,071</u> | <u>658,627</u> |
| Less liabilities: | | | |
| Current liabilities | | | |
| Creditors and accrued expenses | 8 | 58,463 | 84,067 |
| Deposits in advance | 9 | 12,693 | 9,913 |
| Employee costs payable | 10 | 39,589 | 26,620 |
| Goods & services tax | | 11,585 | 7,190 |
| Total liabilities | | <u>122,330</u> | <u>127,790</u> |
| Assets less liabilities | | <u>488,741</u> | <u>530,838</u> |
| Equity | | | |
| Steinway Piano Campaign Fund | 16 | 46,624 | 45,340 |
| Theatre Operations | 17 | 181,098 | 244,094 |
| Regent on Broadway Promotions | 18 | 111,019 | 91,405 |
| Maintenance Reserve | 19 | 150,000 | 150,000 |
| Total equity | | <u>488,741</u> | <u>530,838</u> |

Authorised for issue on behalf of the Board:

Trustee

Date:

Trustee

Date:

These statements are to be read in conjunction with the notes and accounting policies on pages 26-35

Regent Theatre Trust Inc.

Statement of cash flows

For the year ended 30 June 2016

| | <i>Note</i> | 2016 | 2015 |
|---|-------------|-----------------------|-----------------------|
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| <i>Cash was provided from:</i> | | | |
| Receipts of council funding | | 236,521 | 234,643 |
| Interest receipts | | 8,525 | 7,763 |
| Donations and Grants | | 21,240 | 189,750 |
| Receipts from operations | | 562,829 | 615,730 |
| | | <u>829,115</u> | <u>1,047,886</u> |
| <i>Cash was applied to:</i> | | | |
| Payments to suppliers and employees | | 786,083 | 813,777 |
| GST (net) | | (1,043) | (4,562) |
| | | <u>785,040</u> | <u>809,215</u> |
| Net cash flows from operating activities | | <u>44,075</u> | <u>238,671</u> |
| Cash flows from investing and financing activities | | | |
| <i>Cash was provided from:</i> | | | |
| Receipts from sale of investments | | 155,106 | 100,674 |
| Repayment of seeding capital | | 10,487 | 20,657 |
| | | <u>165,593</u> | <u>121,331</u> |
| <i>Cash was applied to:</i> | | | |
| Payments to acquire investments | | 160,879 | 155,106 |
| Payments to acquire property, plant and equipment | | 16,549 | 181,704 |
| Lending of seeding capital | | 32,693 | 5,987 |
| | | <u>210,121</u> | <u>342,798</u> |
| Net cash flows from investing and financing activities | | <u>(44,528)</u> | <u>(221,467)</u> |
| Net increase (decrease) in cash for the year | | <u>(453)</u> | <u>17,204</u> |
| Add opening bank accounts and cash | | 157,134 | 139,930 |
| Closing bank accounts and cash | 4 | <u>156,681</u> | <u>157,134</u> |

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Regent Theatre Trust Board.
Statement of accounting policies
For the year ended 30 June 2016

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.

Regent Theatre Trust Board.

Statement of accounting policies (continued)

For the year ended 30 June 2016

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.

Lease expense

Lease payments are recognised as an expense on a straight-line basis over the lease term.

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

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.

Regent Theatre Trust Board.

Statement of accounting policies (continued)

For the year ended 30 June 2016

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 | 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.

Regent Theatre Trust Board.
Notes to the financial statements
For the year ended 30 June 2016

1. Theatre Operations Revenue

| | 2016 | 2015 |
|---|----------------|----------------|
| | \$ | \$ |
| Theatre hire | 177,778 | 213,470 |
| Recoveries and commissions | 229,922 | 243,323 |
| Total Theatre Operations Revenue | 407,700 | 456,793 |

2. Theatre Operations Expenditure

| | 2016 | 2015 |
|---|----------------|----------------|
| | \$ | \$ |
| <i>Operating costs</i> | | |
| Advertising & promotion | 30,574 | 31,839 |
| Advertising recoverable | 19,663 | 27,578 |
| Cleaning | 28,369 | 23,735 |
| Electricity & gas | 49,871 | 54,332 |
| Freight & cartage | 111 | 265 |
| Water | 725 | 781 |
| Recoveries | 13,002 | 6,214 |
| Repairs & maintenance | 17,359 | 35,430 |
| Retail lease & rates | 10,442 | 10,997 |
| Sanitation | 11,329 | 11,704 |
| Technical supplies | 1,671 | 1,424 |
| Ushering staff | 40,404 | 40,988 |
| | 223,520 | 245,287 |
| <i>Administration costs</i> | | |
| Audit fees (Audit New Zealand) | 19,881 | 19,435 |
| Bad debts | 877 | 137 |
| Bank fees | 544 | 520 |
| Computer expenses | 497 | 582 |
| Entertainment | 2,889 | 2,964 |
| Financial services | 9,118 | 5,869 |
| Insurance | 13,153 | 4,410 |
| Miscellaneous | 1,595 | 1,627 |
| Petty cash | 217 | 174 |
| Postage | 136 | - |
| Secretarial services | 4,000 | 4,000 |
| Security | 947 | 1,040 |
| Stationery | 1,062 | 1,676 |
| Subscriptions & licenses | 4,595 | 3,667 |
| Telephone | 4,724 | 6,556 |
| | 64,235 | 52,657 |
| Total Theatre Operations Expenditure | 287,755 | 297,944 |

Regent Theatre Trust Board.
Notes to the financial statements (continued)
For the year ended 30 June 2016

3. Employee related costs

| | 2016 | 2015 |
|---|----------------|----------------|
| | \$ | \$ |
| Salaries and wages | 393,524 | 437,022 |
| Increase / (decrease) in employee costs payable | 9,501 | (8,082) |
| Total employee benefit costs | <u>403,025</u> | <u>428,940</u> |

4. Bank accounts and cash

Analysis of total cash book balances and deposit accounts as at 30 June:

| | 2016 | 2015 |
|--------------------------------|----------------|----------------|
| | \$ | \$ |
| Theatre administration account | 72,354 | 147,811 |
| Ticketek account | 12,326 | 9,323 |
| Call Account | 72,001 | - |
| | <u>156,681</u> | <u>157,134</u> |

5. Debtors

| | 2016 | 2015 |
|-----------------------------------|---------------|---------------|
| | \$ | \$ |
| Trade receivables | 17,663 | 9,948 |
| Less provision for impairment | - | - |
| Total trade receivables | <u>17,663</u> | <u>9,948</u> |
| Accrued interest | 762 | 1,091 |
| Total trade and other receivables | <u>18,425</u> | <u>11,039</u> |

Regent Theatre Trust Board.
Notes to the financial statements (continued)
For the year ended 30 June 2016

6. Investments

| | 2016 | 2015 |
|----------------------------|----------------|----------------|
| | \$ | \$ |
| Current investments | | |
| ANZ Bank term deposits | 160,879 | 155,106 |
| Total investments | 160,879 | 155,106 |

7. Property, plant and equipment

| | Plant and Equipment | Furniture and Fittings | Piano | Lease Hold Improvements | Total |
|-------------------------------------|------------------------|---------------------------|----------------|----------------------------|------------------|
| Cost | | | | | |
| Balance at 1 July 2014 | 803,023 | 178,049 | 186,554 | 131,189 | 1,298,815 |
| Additions | 177,860 | 3,844 | - | - | 181,704 |
| Disposals | - | - | - | - | - |
| Balance at 30 June 2015 | <u>980,883</u> | <u>181,893</u> | <u>186,554</u> | <u>131,189</u> | <u>1,480,519</u> |
| Balance at 1 July 2015 | 980,883 | 181,893 | 186,554 | 131,189 | 1,480,519 |
| Additions | 795 | 13,971 | - | 1,783 | 16,549 |
| Disposals | - | - | - | - | - |
| Balance at 30 June 2016 | <u>981,678</u> | <u>195,864</u> | <u>186,554</u> | <u>132,972</u> | <u>1,497,068</u> |
| Accumulated depreciation | | | | | |
| Balance at 1 July 2014 | 714,147 | 164,882 | 127,307 | 68,668 | 1,075,004 |
| Depreciation expense | 66,035 | 4,048 | 9,327 | 10,832 | 90,242 |
| Disposals | - | - | - | - | - |
| Balance at 30 June 2015 | <u>780,182</u> | <u>168,930</u> | <u>136,634</u> | <u>79,500</u> | <u>1,165,246</u> |
| Balance at 1 July 2015 | 780,182 | 168,930 | 136,634 | 79,500 | 1,165,246 |
| Depreciation expense | 71,016 | 6,027 | 9,327 | 10,811 | 97,181 |
| Disposals | - | - | - | - | - |
| Balance at 30 June 2016 | <u>851,198</u> | <u>174,957</u> | <u>145,961</u> | <u>90,311</u> | <u>1,262,427</u> |
| Carrying amounts | | | | | |
| At 30 June 2015 | 200,701 | 12,963 | 49,920 | 51,689 | 315,274 |
| At 30 June 2016 | <u>130,480</u> | <u>20,907</u> | <u>40,593</u> | <u>42,661</u> | <u>234,641</u> |

Regent Theatre Trust Board.
Notes to the financial statements (continued)
For the year ended 30 June 2016

8. Creditors and accrued expenses

| | 2016 | 2015 |
|--------------------------------------|---------------|---------------|
| | \$ | \$ |
| Creditors | 41,639 | 59,632 |
| Accrued expenses | 16,824 | 24,435 |
| Total creditors and accrued expenses | <u>58,463</u> | <u>84,067</u> |
| Comprising: | | |
| Current | <u>58,463</u> | <u>84,607</u> |
| Total creditors and accrued expenses | <u>58,463</u> | <u>84,607</u> |

9. Deposits in advance

Deposits in advance are funds received by the theatre for shows and events yet to come.

10. Employee costs payable

| | 2016 | 2015 |
|------------------------------|---------------|---------------|
| | \$ | \$ |
| Annual leave | 24,637 | 14,823 |
| Wages owing | 13,108 | 9,640 |
| Lieu hours owing | 1,844 | 2,157 |
| Total employee costs payable | <u>39,589</u> | <u>26,620</u> |
| Comprising: | | |
| Current | <u>39,589</u> | <u>26,620</u> |
| Total employee costs payable | <u>39,589</u> | <u>26,620</u> |

Regent Theatre Trust Board.
Notes to the financial statements (continued)
For the year ended 30 June 2016

11. Related party transactions

Palmerston North City Council

The Trust purchased goods and services from the Palmerston city Council on normal commercial terms.

The total amount of operating grants received from the Council is disclosed in the statement of financial performance. There were no outstanding balances owed to the council at balance date (2015: Nil).

In terms of the Management Agreement between the Palmerston North City Council and the Trust, the Council's charges for rent, rates and insurance attributable to the Theatre are covered by the Council's internal accounting processes and do not require an actual payment to be made by the trustees.

A payment of \$81 was made to The Globe Theatre which is also a Council Controlled Organisation (2015: Nil).

Key management personnel

Fitzherbert Rowe Lawyers received payments totalling \$5,750 in the course of the year. The party is related because the partner Maurice Rowe is also a Trustee.

Aside from the transaction mentioned above, the Trustees did not receive payment for any other services in the 2016 financial year (2015: Nil).

12. Operating lease commitments

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

| | 2016 | 2015 |
|---|--------------|---------------|
| | \$ | \$ |
| Not later than one year | 4,939 | 23,815 |
| Later than one year and not later than five years | - | 4,939 |
| Later than five years | - | - |
| Total non-cancellable operating leases | 4,939 | 28,754 |

The Trust lease a lock up shop comprising part of the Regent Theatre Building situated at 67 Broadway Avenue. The lease was renewed September 2014 for 2 years.

The Trust leases ETFPOS machines from EFTPOS Central for a period of 36 months that was executed on the 15 June 2014.

Regent Theatre Trust Board.
Notes to the financial statements (continued)
For the year ended 30 June 2016

13. Commitment to provide loan

There is the commitment to provide seeding capital up to \$30,000 of which seeding capital of \$29,586 has been provided (2015: \$10,487). There are no additional capital commitments as at 30 June 2016 (2015: Nil).

14. Contingent assets and liabilities

The Trust has no contingent assets or liabilities as at 30 June 2016 (2015: Nil).

15. Events subsequent to balance date

There have been no significant events subsequent to balance date (2015: Nil)

16. Steinway Piano Campaign Fund

| | 2016 | 2015 |
|----------------------------------|---------------|---------------|
| | \$ | \$ |
| Balance at beginning of year | 45,340 | 43,282 |
| Net surplus / (deficit) for year | 1,284 | 2,058 |
| Balance at end of year | 46,624 | 45,340 |

17. Theatre Operations

| | 2016 | 2015 |
|-----------------------------------|----------------|----------------|
| | \$ | \$ |
| Balance at beginning of year | 244,094 | 97,040 |
| Donated Assets | 13,483 | 94,407 |
| Community Grants | - | 95,343 |
| Net surplus / (deficit) for year* | 20,702 | 47,546 |
| Depreciation | (97,181) | (90,242) |
| Balance at end of year | 181,098 | 244,094 |

*Includes net surplus / (deficit) for both Theatre Operations and Event Ticketing Centre

Regent Theatre Trust Board.
Notes to the financial statements (continued)
For the year ended 30 June 2016

18. Regent on Broadway promotions

| | <i>2016</i> | <i>2015</i> |
|----------------------------------|----------------|---------------|
| | \$ | \$ |
| Balance at beginning of year | 91,405 | 91,659 |
| Net surplus / (deficit) for year | 19,614 | (254) |
| Balance at end of year | <u>111,019</u> | <u>91,405</u> |

19. Maintenance reserve

| | <i>2016</i> | <i>2015</i> |
|-------------------------------|----------------|----------------|
| | \$ | \$ |
| Balance at beginning of year | 150,000 | 150,000 |
| Balance at end of year | <u>150,000</u> | <u>150,000</u> |

The maintenance reserve fund of \$150,000 was set up principally to support the Regent Theatre Trust's maintenance obligations in respect to theatre equipment and other tangible assets of the trust.

20. Donations from Friends of Regent for assets and time.

Donations from Friends of The Regent this year total \$13,483 (2015: \$94,407).
Amounts donated to 30 June 2016 total \$650,446 (2015: \$636,963).

21. Donations from other sources.

Regent on Broadway Promotions revenue includes donations of \$7,800 (2015: Nil).

Independent Auditor's Report

To the readers of The Regent Theatre Trust Board's financial statements and performance information for the year ended 30 June 2016

The Auditor-General is the auditor of Regent Theatre Trust Board (the Trust). The Auditor-General has appointed me, Andrew Clark, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on her behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the Trust on pages 23 to 36, that comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on page 15.

In our opinion:

- the financial statements of the Trust:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2016; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) standard.
- the performance information of the Trust presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2016.

Our audit was completed on 27 September 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trust Board and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements and performance information in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trust Board;
- the appropriateness of the reported performance information within the Trust's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Trust Board

The Trust Board is responsible for the preparation and fair presentation of financial statements for the Trust that comply with generally accepted accounting practice in New Zealand. The Trust Board is also responsible for preparation of the performance information for the Trust.

The Trust Board's responsibilities arise from the Local Government Act 2002 and the Trust Deed.

The Trust Board is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and the performance information that are free from material misstatement, whether due to fraud or error. The Trust Board are also responsible for

the publication of the financial statements and the performance information, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Trust.

Andrew Clark
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

