

Annual General Meeting

The Victoria Theatre Trust Board

Wednesday 21st September, 2016 at 7.30pm At the Devonport Library

AGENDA

- 1. Welcome by Co-Chairs (Margot McRae, Mark Sigglekow)
- 2. Apologies
- 3. Approval of Previous AGM Minutes
- 4. Treasurer's Report (David Downs)
- 5. Co-Chairs Report (Mark Sigglekow and Margot McRae)
- 6. Restoration update (Hamish Grotrian)
- 7. Questions



The Victoria Theatre Trust - Annual General Meeting - 21 Sept 2016

Treasurers Report and Presentation of Annual Accounts For the Year Ended 31 October 2015

Introduction

I have pleasure in presenting the annual accounts for the Victoria Theatre Trust Board for the year ended 31 October 2015.

Our Trust Deed requires that these annual accounts are approved by the Trust Board, and this was done at a special meeting on 20 April 2016.

Accordingly, while this meeting is not formally required to approve and adopt these accounts, I will provide a full overview of the financial results, and the set of accounts provided to you tonight are, due to our status as a charitable trust, publicly available documents.

Overview of Financial Results

These accounts have been prepared in accordance with Generally Accepted Accounting Practice and applicable New Zealand Accounting Standards.

In accordance with our Trust deed these accounts have been audited by an independent auditor, Crowe Horwath. A copy of the auditor's report is included in the accounts.

I do not propose to discuss every balance in the accounts, but instead highlight the following key financial results:

Statement of Financial Performance first (P&L) located at page 6. Some key points:

- Donations by the contributions made through the \$1 ticket donation remain strong, reflecting good community support for the Vic
- This year we didn't seek as much third party donations, the lower donations amounts reflecting our belief at the time that The Vic needed to bed in the changes and ensure the operations of the theatre were running smoothly
- The Trusts operating expenses are largely in line with previous years, apart from the 'General expenses category', where we wrote down a long standing capital accrual
- The trust had a small loss for the year of \$1,574

Turning to the Trusts Statement of Financial Position (Balance Sheet) on page 5

- The Trust net asset position as at 31 October 2015 was \$416,401
- This comprised current assets of \$98,046, made up of bank funds, cash and sundry debtors.
- Current liabilities of \$7,715 comprise creditors and accruals and a provision for income received at the balance date which had not been then expended.
- The book value of fixed assets was \$322,070

Conclusion

In conclusion, as Treasurer I am pleased to say that the Victoria Theatre Trust is in sound financial position, and in partnership with the operator of The Vic, particularly Philipp Jaser, can continue to operate and enhance this wonderful community asset.

THEATRE

Victoria Theatre Trust
Financial Statements
For The Year Ended 31 October 2015

Victoria Theatre Trust Financial Statements For The Year Ended 31 October 2015

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The Victoria Theatre Trust Board gratefully acknowledges the support of the following organisation during the 2015 year:



Victoria Theatre Trust Trust Directory As At 31 October 2015

Location

The Victoria Theatre

48-56 Victoria Road

Devonport Auckland, 1309

Trustees

Margot McRae (Joint Chairman)

Mark Sigglekow (Joint Chairman)
David Downs (Secretary / Treasurer)

David (Jim) Mason Gillian Werry

Hamish Grotrian Mark Pearce

Auditors

Crowe Horwath New Zealand Audit Partnership

PO Box 158

Auckland

Bankers

ASB Bank, Devonport

Principal Activity

Charitable Trust - Registered as a charity on 30 June 2008

Solicitors

McVeagh Fleming

Prepared by

David Downs, Treasurer

Victoria Theatre Trust Statement of Financial Position As at 31 October 2015

	Note	2015	2014
TRUST EQUITY			
Trust Capital/Current Account		417,975	395,787
Current Year Surplus/(Deficit)		(1,574)	22,188
TOTAL TRUST EQUITY		416,401	417,975
REPRESENTED BY:			
CURRENT ASSETS			
Cash at Bank		87,947	55,251
Cash on Hand		-	-
Pre-payments		2,252	1,749
Sundry Debtors		7,847	6,980
TOTAL CURRENT ASSETS		98,046	63,980
CURRENT LIABILITIES			
Creditors & Accruals		6,213	6,111
Income in advance	13	1,502	8,696
TOTAL CURRENT LIABILITIES		7,715	14,807
FIXED ASSETS	7	322,070	354,982
FIXED ASSETS - WIP	8	4,000	13,820
SUBTOTAL FIXED ASSETS		326,070	368,802
NET ASSETS		416,401	417,975

Tuuntaa

Trustee

20 April 2016
Dated

The attached Notes and Audit Report form an integral part of, and should be read in conjunction with these financial statements.



Victoria Theatre Trust Statement of Financial Performance For The Year Ended 31 October 2015

	Note	2015	2014
Income			
Interest Income		1,400	953
Other Revenue		3,823	13,994
Rental Income		28,536	28,564
Total Income		33,759	43,511
Plus Other Income			
Donations - 50c fund		24,138	21,301
Donations		24,138	45,287
Other Grants		8,696	
Total Other Income		56,972	66,588
Gross Income		90,731	110,099
Less Expenses			
Advertising		2,049	1,090
Audit Fees		1,678	2,000
Bank Fees		461	447
Cleaning		•	897
Consulting & Accounting		261	509
Depreciation	7	57,049	63,072
Entertainment		180	-
Equipment Rental		400	
Fire, Health & Safety		4,384	5,454
Freight & Courier		~	100
General Expenses	8	14,849	2,711
Insurance		2,870	1,383
Legal expenses		571	133
Office Expenses		375	170
Printing & Stationary		131	
Repairs & Maintenance		7,047	9,945
Total Operating Expenses		92,305	87,911
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Net Surplus		(1,574)	22,188

The attached Notes and Audit Report form an integral part of, and should be read in conjunction with these financial statements.



Victoria Theatre Trust Statement of Movements in Equity For The Year Ended 31 October 2015

	Note	2015	2014
EQUITY AT BEGINNING OF YEAR		417,975	395,787
Current Year Surplus/(Deficit)		(1,574)	22,188
EQUITY AT END OF YEAR		416,401	417,975

The attached Notes and Audit Report form an integral part of, and should be read in conjunction with these financial statements.



Victoria Theatre Trust Notes to The Financial Statements For the Year Ended 31 October 2015

1. Reporting Entity

The Victoria Theatre Trust is a charitable trust governed by the trust deed dated 16 October 2004.

2. Statutory Base

The financial statements are prepared in accordance with applicable financial reporting standards and generally accepted accounting policies appropriate to the circumstances of the Trust.

3. Measurement Base

The measurement base adopted is historical cost

4. Differential Reporting

The Victoria Theatre Trust is a qualifying entity in accordance with the New Zealand Institute of Chartered Accountants Differential Reporting Framework, as the Trust is not large.

The Trust has taken advantage of differential reporting exemptions available to it under the following standards:

FRS-10	Statement of Cash Flows
SSAP-23	Financial Reporting For Segments
FRS-31	Disclosure of Information About Financial Instruments
FRS-9	Information to be Disclosed in Financial Statements

5. Accounting Policies

The following accounting policies which affect the measurement of financial performance and financial position have been applied.

5.1 Valuation of Fixed Assets

Fixed assets are measured at cost, less accumulated depreciation and impairment losses.

Asset Category	Depreciation Rate (DV)
Computer Equipment	50%
Leasehold Improvements	10%
Drapes	25%
Theatre Seats	20%
Digital Projectors/Screens	20%
Central Heating System	20%
Air Conditioning Equipment	12%
Sound System/Speakers	40%
Air Conditioning Equipment	12%



5.2 Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST) except for receivables and payables which are stated inclusive.

The net amount recoverable from, or payable to, the Inland Revenue Department, is included as part of receivables or payables in the statement of financial position.

5.3 Taxation

The Victoria Theatre Trust has charitable status and is exempt from income tax.

5.4 Depreciation

Fixed assets are depreciated over their estimated useful lives on a diminishing value basis. Depreciation is charged to the Statement of Financial Performance.

The statement of financial position also included a capitalised work in progress balance relating to capital works undertaken which as at balance date were not part of depreciable property. This has been disposed of in the current year.

5.5 Inventories

There are no inventories.

5.6 Revenue

Revenue derived by the Trust is disclosed on a gross basis. The exception to this is fundraising events organised for the benefit of the Trust by other parties. In this case, only net revenue (gross income generated from the event less costs incurred by the fundraising party) is recognised in the Statement of Financial Performance of the Trust.

Grants (or part of Grants) received but not yet spent at balance date would be recorded as a liability.

6. Change in Accounting Policies

There have been no changes in accounting policies which have been applied on a basis inconsistent with the previous year.

7. Fixed Assets:

	2015	2014
Computers	w.	2,540
Less Accumulated Depreciation		(2,477)
	**	63
Leasehold refurbishment	318,312	299,500
Less Accumulated Depreciation	(137,934)	(116,998)
·	180,378	182,502
Projectors, Screens& Sound Systems	248,743	246,610
Less Accumulated Depreciation	(115,136)	(81,880)
•	133,607	164,730



Note 7 (Continued)

Total Net Fixed Assets	322,070	354,983
•	8,085	7,688
Less Accumulated Depreciation	(5,356)	(2,498)
Other Assets	13,441	10,186

Current year depreciation charges by asset category are as follows:

Asset Category	Current Year Depn	Cost Price	Accum Depn	Closing Book Value
Air conditioning	3,002	37,232	17,552	19,681
Computer Equipment	£	2,540	•	
Equipment	642	3,500	933	2,567
Leasehold Improvements	16,842	244,119	93,422	150,697
Projection Equipment	31,269	236,180	110,202	125,977
Screen	1,737	11,631	4,684	6,947
Seating	2,920	40,526	28,847	11,679
Sound System	638	4,053	2,785	1,268
Total	57,049	579,781	258,426	318,815

8. General Expense - Loss on Disposal

Prior period consulting costs, which had previously been capitalised as fixed asset work in progress in the amount of \$13,820 have been written off given the changes in scope and regulation subject to the consulting work being performed.

9. Capital Expenditure Commitments

There were no capital commitments at balance date (2014: \$nil).

10. Contingent Liabilities

There were no contingent liabilities at balance date (2014: \$nil)

11. Related Parties

In 2014 there were no related party transactions (2014: \$nil)

12. Lease

The Victoria Theatre Trust Board has leased the Victoria Picture Theatre Building located at 48-56 Victoria Road Devonport from the Auckland Council (former North Shore City Council). This lease was entered into on 10 March 2010 for a term of 33 years. The annual rental payable under the lease is \$1 per annum.



13. Income in advance

During the 2015 year there was no grant income received that was not accounted for and expended. (2014: \$8,696).

14. Operation of the Theatre

The Victoria Theatre Trust entered a new operator agreement with The Vic Limited, who commenced operations of the theatre on 1 October 2012.

The agreement with The Vic Limited is for a 5-year term with a further right of renewal of 5 years, subject to meeting certain conditions and performance levels.

15. Significant Events After Balance Date

None.

16. Going Concern

The Trust has made a net loss of \$1,574 during the year but remains with a healthy cash balance. The normal cash operating costs associated with ensuring the maintenance of the Theatre are expected to continue to be met by current and budgeted income. However, the Trust is reliant upon, amongst others, obtaining sufficient funding in the form of grants, donations and other revenue and cash flows from Theatre operations to advance its medium to longer term activities and progress the refurbishment and development of the Theatre.





Crowe Horwath

New Zealand Audit Partnership

Member Crowe Horwath International

Audit and Assurance Services

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www.crowehorwath.co.nz

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Victoria Theatre Trust

Report on the Financial Statements

We have audited the financial statements of Victoria Theatre Trust on pages 5 to 11, which comprise the statement of financial position as at 31 October 2015, the statement of financial performance, and statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand; and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, the trust.



Opinion

In our opinion, the financial statements on pages 5 to 11 present fairly, in all material respects, the financial position of Victoria Theatre Trust as at 31 October 2015, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

Crowne Horwall

Crowe Horwath New Zealand Audit Partnership CHARTERED ACCOUNTANTS

21 April 2016



Chairpersons' Report for the AGM and Building Owner Victoria Theatre Trust 21 September 2016

This year has seen a continuation of solid growth in building use with patronage up 25% on last year. This has assisted the Trust to commit areas for upgrade before this summer and to further progress restoration planning details.

Last year we reported that at that time since the Trust took over the building over \$700,000 had been put back into it and on top of this is the positive affect it has had on surrounding businesses and Devonport. Highlights of financial commitments this year were the expenditure of over \$30,000 to address a maintenance issue and the commitment of \$34,000 as the first stage of a seating upgrade and \$30,000 to reconfigure the Lounge bar to increase space for Events Use. We also repainted the theatre's front façade in early 2016 at a cost of \$17,000 and this significantly improved the exterior look of the building.

The decision last year to integrate the Lounge bar space with the theatre has proven to be successful. It has encouraged further community and performing arts events. These previously were constrained with less lobby space and less direct catering access.

This year we have seen continued steady bookings of live performances at the Vic and we now have an average of almost 2 live acts a month. Over the past year these have included performances by Nathan Haines, Georgia Duder-Woods, the Jews Brothers, a local Ukelele Band and the NZ Navy Band.

There's been a huge variety of performances at the Vic, from a theatre production of Pride and Prejudice, Moon Poetry nights and live tribute acts to Cat Stevens and Fleetwood Mac. As well our weekly Open Mic Nights have become Friday Night Live at the Lounge and this provides a welcome and free platform for emerging new performers.

In 2015 we began an initiative to encourage new live performance by offering free nights for music/theatre/dance acts. This resulted in a play reading of Money Matters by Devonport writer Gilly Burnett; The Big Night In with young local musician Molly Rollinson and The Chromatics with a night of live music and slam poetry with the proceeds going to Canteen; and Southern String Alliance with five folk music bands from around Auckland.

The Trust's long-term vision is to restore the building to a high standard and the planning for this is continuing. In the interim the Trust has to attend to maintenance and refurbishment issues to ensure the building remains comfortable and safe for its audiences and performers.

We began a fund-raising campaign to replace our cinema seats and have raised \$22,000 so far this year.

The additional 40 new seats to the Victoria Cinema/Theatre and the Lounge bar re-configuration will be undertaken in November. The new seats are wider and deeper with more leg room for patron comfort. Seats being replaced are being relocated to both maintain the overall seat numbers in the Victoria and to add to the Albert Cinema capacity upstairs.

We wish to thank Foundation North for supporting this initiative with a \$20,000 grant.

The Lounge Bar reconfiguration will reduce the (oversized) back of bar space whilst maintaining the on site Gelato manufacturing and kitchen. In addition to increased patron circulation space for major events this will be the enabling works for a dual use space allowing a small cinema together with café and musical event configurations.

The Trust has had a steady and increased flow of income from the dollar ticket donation system which works well with the Theatre Manager's Contract. As the treasurer's report shows the Trust is in a sound financial position and the accounts have been audited.

We would like to thank Pub Charities and for their continued support of the Trust with a grant that enabled us to improve our external lighting with floodlights to the façade.

A cornerstone to the continued success of 'The Vic' is the Theatre General Manager & Programme Director, Philipp Jaser. He employs six full or part-time staff plus 11 casual employees to manage the operations and plan the events. He now has a plentiful selection of films to meet community interests. Events for both performing arts and private hires are intensive for organisation and management.

Philipp has a strong focus on children and family events and children's private parties and school holiday film-making courses are increasingly popular. The Vic provides a strong community service for fund-raising and is regularly hired by schools and community groups for film preview fund-raisers. Highlights over the past year have been the Show Me Shorts Film Festival, cast and crew screenings and premiere screenings for a number of New Zealand film makers, and increased support and patronage for live performances by established and emerging artists.

Philipp enjoys a good relationship with patrons, community organisations and the Victoria Theatre Trust which he says are important factors in the success of the Vic as a community venue and creative hub.

We want to thank our fellow trustees for their work and support over the last year. Hamish Grotrian has further developed our brief for restoration planning and Mark Pearce is addressing our strategic plan. David Downs has continued doing great work as treasurer. Jim Mason continues as a longstanding Trustee. We especially want to thank our departing trustee, Gillian Werry for her contribution over the past year. We have a new trustee Janet Mazenier, a former corporate strategic planner turned artist, who will focus on art activities and fund-raising. Mark Sigglekow and Margot McRae have been elected as co chairs and David Downs as treasurer/secretary.

This is a good time to thank all those in the community who have helped us on the way. We believe the re-emergence of the Victoria Theatre is a reflection of Devonport's strong community values

Mark Sigglekow Co-Chairperson

Margot McRae Co-Chairperson

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