



Annual General Meeting

**The Victoria Theatre Trust Board**

Tuesday 21<sup>st</sup> November, 2017 at 7.30pm  
At the Devonport Library

**AGENDA**

1. Welcome by Co-Chairs (Margot McRae, Mark Sigglekow)
2. Apologies: Mark Pearce, Chris Darby, Richard Hills, Jan O'Connor
3. Minutes last AGM
4. Treasurer's Report
5. Co-Chairs Report (Mark Sigglekow and Margot McRae)
6. Questions



(cc. Charitable Trust Registration No: CC29488)



**Minutes of the  
Annual General Meeting of  
THE VICTORIA THEATRE TRUST  
Wednesday 21<sup>st</sup> September 2016 at 7.30pm**

**Trustees Present:** Mark Sigglekow Co Chair  
Margot McRae Co Chair  
David Downs  
Hamish Grotrian  
Janet Mazenier

**Also Present:** Philipp Jaser (Cinema Manager)

**Apologies:** Jim Mason; Mark Pearce; Malcolm & Gwen Fergusson; Julie Irving

**In attendance:** Approx. 12 members of the public

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Margot McRae welcomed members of the public and outlined procedures.

**1. Approval of Previous AGM Minutes**

That the minutes of the Annual General Meeting of the Victoria Theatre Trust held on 25 August 2015 be adopted.

**Moved/Seconded (McRae/Downs)**

**2. Treasurer's Report**

David Downs presented the Audited Financial Statements for the year ended 31 October 2015 and a Profit and Loss (Budget Analysis for the period November 2015 through October 2016). (Attachment 1)

**Moved/Seconded (Sigglekow/Grotrian)** That the Financial Report from the Treasurer be accepted.

**2. Co Chair's Report**

Mark Sigglekow and Margot McRae read the Co Chairs' Annual Report.  
(Attachment 2)

**Moved/Seconded (Grotrian/Downs)** That the Annual Report of the Co-Chairs' be adopted.

**5. Questions from the Floor**

- Questions primarily related to earthquake strengthening and ongoing viability of the Vic. The attendees were very happy with progress in the six years (October) of operation of the Trust.

The formal business of the meeting concluded at 8.15pm.

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Confirmed

# **The Victoria Theatre Trust - Annual General Meeting – 21 November 2017**

## **Treasurers Report and Presentation of Annual Accounts For the Year Ended 31 October 2016**

### **Introduction**

I have pleasure in presenting the annual accounts for the Victoria Theatre Trust Board for the year ended 31 October 2016.

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

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, Hounsell Accounting Ltd. 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:

Firstly, we have reformatted the financial reports in line with the new report format required by the Charities commission, with richer information about the totality of the trust. This new format allows us to capture some of our non-financial metrics such as service performance as well as the more traditional measures.

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 saw more third party donations than the previous year, returning to previous levels. In the main these donations were for our new seat campaign.
- The Trusts operating expenses are largely in line with previous years, apart from an increase in expenses related to the new seats

- The trust shows a surplus of 20,221 however this includes a donation amount related to new seats which had not at that stage been purchased. This is the new accepted treatment of received income for charitable organisations.

Turning to the Trusts Statement of Financial Position (Balance Sheet) on page 7

- The Trust net asset position as at 31 October 2015 was \$436,622
- This comprised current assets of \$135,978, made up of bank funds, cash and sundry debtors.
- Current liabilities of \$15,887 comprise creditors and accruals
- The book value of fixed assets was \$316,531

### **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.

# Victoria Theatre Trust Board

## Performance Report

For the year ended  
Oct 31, 2016

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*[If the entity has an Independent Auditors Report or Independent Review Report - add this to your contents and attach to the Performance Report]*

## Victoria Theatre Trust Board

### Entity Information

"Who are we?", "Why do we exist?"

For the year ended  
Oct 31, 2016

Legal Name of Entity:*	Victoria Theatre Trust Board
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Other Name of Entity (if any):	VTT
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Type of Entity and Legal Basis (if any):*	Registered Charity
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Registration Number:	CC29488
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#### Entity's Purpose or Mission: \*

The Victoria Theatre Trust, a charitable trust which was formed in 2004 to save the theatre, is committed to refurbishing the Victoria Theatre and has completed part one of its refurbishment plan to date.

The long-term plan is for a complete restoration of the theatre, including seismic strengthening and heritage renovation.

This will be funded through applications to principle funding agencies, but in the meantime the VTT will need to demonstrate that the Vic is a viable and thriving part of the community.

#### Entity Structure: \*

The VTT is governed by a board of trustees (Board). The Board is incorporated as a Charitable Trust Board under the Charitable Trusts Act 1957 and, as such, is a separate legal entity and (subject to the terms of its Trust Deed) has power to do anything that a body corporate may do.

The Board may from time to time establish committees to advise it on specific areas of its operations.

## Victoria Theatre Trust Board

### Entity Information

"Who are we?", "Why do we exist?"

For the year ended  
Oct 31, 2016

#### Main Sources of the Entity's Cash and Resources:\*

The VTT raises funds through Donations made at The Victoria Theatre, Devonport. A \$1 donation is requested from every ticket sale, which goes towards the VTT. In addition, the VTT regularly applies for grants from funding bodies, and undertakes its own fund raising activities.

#### Main Methods Used by the Entity to Raise Funds:\*

- \* \$1 donation from ticket sales at The Victoria Theatre ('The Vic')
- \* Funding from Foundation North, Pub Charities and other similar organisations
- \* Donations from the general public



#### Entity's Reliance on Volunteers and Donated Goods or Services: \*

All board members are volunteers, and we regularly seek help from the community for unpaid activities such as fundraising, working bees etc.



## Victoria Theatre Trust Board

### Entity Information

"Who are we?", "Why do we exist?"

For the year ended  
Oct 31, 2016

#### Additional Information:\*

##### Trustees

Margot McRae (Joint Chairman)

Mark Sigglekow (Joint Chairman)

David Downs (Secretary / Treasurer)

David (Jim) Mason

Hamish Grotrian

Mark Pearce

Gillian Werry (Part of the year - Resigned 1/6/16)

Janet Mazenier (Part of the year - Joined 1/6/16)

#### Contact details

Physical Address:	The Victoria Theatre 48-56 Victoria Road Devonport, Auckland, 0624
Postal Address:	The Victoria Theatre Trust, PO Box 32-044, Devonport, Auckland 0724
Phone/Fax:	+64 21 758967
Email/Website:	<a href="http://www.thevic.org.nz">www.thevic.org.nz</a> <a href="mailto:trustees@thevic.org.nz">trustees@thevic.org.nz</a>

**Victoria Theatre Trust Board**  
**Statement of Service Performance**  
*"What did we do?", When did we do it?"*  
For the year ended  
Oct 31, 2016

**Description of the Entity's Outcomes\*:**

The Trust maintains the Vic Theatre for community use and historic value. Our outcomes related to the use of the venue for community purposes.

	Actual*	Budget	Actual*
Description and Quantification (to the extent practicable) of the Entity's Outputs:*	This Year	This Year	Last Year
Use of the venue for Live Theatre	14		37
Use of the venue for community fundraising	26		22
Other community uses of the venue	117		79

**Additional Output Measures:**

During the year we have continued to maintain and restore the heritage nature of the building, including building maintenance and repair of fixtures and fittings to their original state.

**Additional Information:**

# Victoria Theatre Trust Board

## Statement of Financial Performance

"How was it funded?" and "What did it cost?"  
For the year ended  
Oct 31, 2016

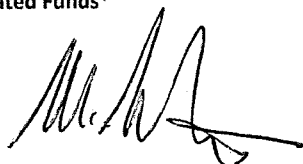
	Note	Actual* This Year \$	Budget This Year \$	Actual* Last Year \$
	1			
<b>Revenue</b>				
Donations, fundraising and other similar revenue*		91,547		56,972
Fees, subscriptions and other revenue from members*		-		-
Revenue from providing goods or services*		31,344		28,536
Interest, dividends and other investment revenue*		2,635		5,223
Other revenue		-		-
<b>Total Revenue*</b>		<b>125,526</b>	<b>-</b>	<b>90,731</b>
	2			
<b>Expenses</b>				
Expenses related to public fundraising*		-		-
Volunteer and employee related costs*		-		-
Costs related to providing goods or services*		105,305		92,305
Grants and donations made*		-		-
Other expenses		-		-
<b>Total Expenses*</b>		<b>105,305</b>	<b>-</b>	<b>92,305</b>
<b>Surplus/(Deficit) for the Year*</b>		<b>20,221</b>	<b>-</b>	<b>(1,574)</b>

**Victoria Theatre Trust Board**  
**Statement of Financial Position**  
 "What the entity owns?" and "What the entity owes?"

As at  
 Oct 31, 2016

	Note	Actual* This Year \$	Budget This Year \$	Actual* Last Year \$
<b>Assets</b>	3			
<b>Current Assets</b>				
Bank accounts and cash*		113,208		87,947
Debtors and prepayments*		22,770		10,099
Inventory*		-		-
Other current assets		-		-
<b>Total Current Assets</b>		<b>135,978</b>	-	<b>98,046</b>
<b>Non-Current Assets</b>				
Property, plant and equipment*		316,531		326,070
Investments*		-		-
Other non-current assets		-		-
<b>Total Non-Current Assets</b>		<b>316,531</b>	-	<b>326,070</b>
<b>Total Assets*</b>		<b>452,509</b>	-	<b>424,116</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Bank overdraft*		-		-
Creditors and accrued expenses*		13,687		6,213
Employee costs payable*		-		-
Unused donations and grants with conditions*		2,200		1,502
Other current liabilities		-		-
<b>Total Current Liabilities</b>		<b>15,887</b>	-	<b>7,715</b>
<b>Non-Current Liabilities</b>				
Loans*		-		-
Other non-current liabilities		-		-
<b>Total Non-Current liabilities</b>		-	-	-
<b>Total Liabilities*</b>		<b>15,887</b>	-	<b>7,715</b>
<b>Total Assets less Total Liabilities (Net Assets)*</b>		<b>436,622</b>	-	<b>416,401</b>
<b>Accumulated Funds</b>				
Capital contributed by owners or members*		-		-
Accumulated surpluses or (deficits)*		436,622		416,401
Reserves*		-		-
<b>Total Accumulated Funds*</b>		<b>436,622</b>	-	<b>416,401</b>

signed



date 13 March 2017

signed



date 13 March 2017

# Victoria Theatre Trust Board

## Statement of Cash Flows

"How the entity has received and used cash"

For the year ended  
Oct 31, 2016

	Actual* This Year (2016) \$	Actual* Last Year (2015) \$
<b>Cash Flows from Operating Activities*</b>		
<b>Cash was received from:</b>		
Donations, fundraising and other similar receipts *	91,547	56,972
Fees, subscriptions and other receipts from members *		
Receipts from providing goods or services *	18,673	30,989
Interest, dividends and other investment receipts *	2,635	1,400
Net GST		
<b>Cash was applied to:</b>		
Payments to suppliers and employees *	45,523	42,348
Donations or grants paid *		
<b>Net Cash Flows from Operating Activities*</b>	<b>67,332</b>	<b>47,013</b>
<b>Cash flows from Investing and Financing Activities*</b>		
<b>Cash was received from:</b>		
Receipts from the sale of property, plant and equipment *		
Receipts from the sale of investments *		
Proceeds from loans borrowed from other parties *		
Capital contributed from owners or members *		
Other cash items from activities		
<b>Cash was applied to:</b>		
Payments to acquire property, plant and equipment *	42,071	14,317
Payments to purchase investments *		
Repayments of loans borrowed from other parties *		
Capital repaid to owners or members *		
<b>Net Cash Flows from Investing and Financing Activities*</b>	<b>(42,071)</b>	<b>(14,317)</b>
<b>Net Increase / (Decrease) in Cash*</b>	<b>25,261</b>	<b>32,696</b>
<b>Opening Cash*</b>	<b>87,947</b>	<b>55,251</b>
<b>Closing Cash*</b>	<b>113,208</b>	<b>87,947</b>
<b>This is represented by:</b>		
Bank Accounts and Cash *	113,208	87,947

**Victoria Theatre Trust Board**  
**Statement of Accounting Policies**  
**"How did we do our accounting?"**

For the year ended  
Oct 31, 2016

**Basis of Preparation\***

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

**Goods and Services Tax (GST)\***

The Trust is registered for GST.

All amounts are recorded exclusive of GST where applicable, except for Debtors and Creditors which are stated inclusive of GST.

**Income Tax**

Victoria Theatre Trust Board is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

**Bank Accounts and Cash**

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

**Income**

Income from Grants and Donations is included in revenue for the year, unless there is a 'use or return' condition, in which case it is included in 'Income in Advance' (if the condition is not met).

**[Name of Specific Accounting Policy]\***

n/a

**Tier 2 PBE Accounting Standards Applied (if any)\***

n/a

**Changes in Accounting Policies\***

There have been no changes in accounting policies during the financial year (last year - nil)

**Victoria Theatre Trust Board**  
**Notes to the Performance Report**  
For the year ended  
Oct 31, 2016

**Note 1 : Analysis of Revenue**

Revenue Item	Analysis	This Year	Last Year
Fundraising revenue		\$	\$
	<b>Total</b>	-	-

Revenue Item	Analysis	This Year	Last Year
Donations and other similar revenue	Donations - 50c Fund	29,664	24,138
	Donations - Ticket Sales	29,664	24,138
	Other Grants	32,219	8,696
	<b>Total</b>	91,547	56,972

Revenue Item	Analysis	This Year	Last Year
Fees, subscriptions and other revenue from members		\$	\$
	<b>Total</b>	-	-

Revenue Item	Analysis	This Year	Last Year
Revenue from providing goods or services	Lease or rental revenue	31,344	28,536
	<b>Total</b>	31,344	28,536

Revenue Item	Analysis	This Year	Last Year
Interest, dividends and other investment revenue	Interest	857	1,400
	Other	1,778	3,823
	<b>Total</b>	2,635	5,223

**Victoria Theatre Trust Board**  
**Notes to the Performance Report**  
For the year ended  
Oct 31, 2016

**Note 1 : Analysis of Revenue**

Revenue Item	Analysis	This Year	Last Year
		\$	\$
Other revenue			
	<b>Total</b>	-	-



**Victoria Theatre Trust Board**  
**Notes to the Performance Report**  
For the year ended  
Oct 31, 2016

**Note 2 : Analysis of Expenses**

Expense Item	Analysis	This Year	Last Year
Expenses related to public fundraising		\$	\$
	<b>Total</b>	-	-

Expense Item	Analysis	This Year	Last Year
Volunteer and employee related costs		\$	\$
	<b>Total</b>	-	-

Expense Item	Analysis	This Year	Last Year
Costs related to providing goods or services		\$	\$
	Advertising	1,175	2,049
	Audit Fees	-	1,678
	Bank Fees	458	461
	Cleaning	592	-
	Consulting & Accounting	1,438	261
	Depreciation	51,609	57,049
	Depreciation Adjustment	-	-
	Entertainment	-	180
	Equipment Rental	-	400
	Fire, Health & Safety	2,688	4,384
	Freight & Courier	-	-
	General Expenses	3,416	14,849
	Insurance	3,133	2,870
	Legal expenses	-	571
	Office Expenses	307	375
	Printing & Stationary	-	131
	Repairs & Maintenance	40,489	7,047
	<b>Total</b>	105,305	92,305

Expense Item	Analysis	This Year	Last Year
Grants and donations made		\$	\$
	<b>Total</b>	-	-

Expense Item	Analysis	This Year	Last Year
Other expenses		\$	\$
	<b>Total</b>	-	-

**Victoria Theatre Trust Board**  
**Notes to the Performance Report**  
For the year ended  
Oct 31, 2016

**Note 3 : Analysis of Assets and Liabilities**

Asset Item	Analysis	This Year	Last Year
Bank accounts and cash		\$	\$
	Bank accounts	113,208	87,947
	Cash	-	-
	<b>Total</b>	<b>113,208</b>	<b>87,947</b>

Asset Item	Analysis	This Year	Last Year
Debtors and prepayments		\$	\$
	Pre-payments	10,994	2,252
	Debtors	11,776	7,847
	<b>Total</b>	<b>22,770</b>	<b>10,099</b>

Asset Item	Analysis	This Year	Last Year
Inventory		\$	\$
	<b>Total</b>	<b>-</b>	<b>-</b>

Asset Item	Analysis	This Year	Last Year
Other Current Assets		\$	\$
	<b>Total</b>	<b>-</b>	<b>-</b>

Asset Item	Analysis	This Year	Last Year
Property, Plant & Equipment		\$	\$
	Fixed Assets	312,531	322,070
	Fixed Assets - WIP	4,000	4,000
	<b>Total</b>	<b>316,531</b>	<b>326,070</b>

Asset Item	Analysis	This Year	Last Year
Investments		\$	\$
	<b>Total</b>	<b>-</b>	<b>-</b>

Asset Item	Analysis	This Year	Last Year
Other non-current assets		\$	\$
	<b>Total</b>	<b>-</b>	<b>-</b>

# Victoria Theatre Trust Board

## Notes to the Performance Report

For the year ended  
Oct 31, 2016

### Note 3 : Analysis of Assets and Liabilities

Liability Item	Analysis	This Year	Last Year
Creditors and accrued expenses	Creditors & accruals	\$ 13,687	\$ 6,213
	Total	13,687	6,213

Liability Item	Analysis	This Year	Last Year
Employee costs payable		\$ -	\$ -
	Total	-	-

Liability Item	Analysis	This Year	Last Year
Unused donations and grants with conditions	Unused grants	\$ 2,200	\$ 1,502
	Total	2,200	1,502

Liability Item	Analysis	This Year	Last Year
Other current liabilities		\$ -	\$ -
	Total	-	-

Liability Item	Analysis	This Year	Last Year
Loans		\$ -	\$ -
	Total	-	-

Liability Item	Analysis	This Year	Last Year
Other non-current liabilities	Adjustment for under-accrued depreciation	\$ -	\$ -
	Total	-	-

# Victoria Theatre Trust Board

## Notes to the Performance Report

For the year ended  
Oct 31, 2016

### Note 4 : Property, Plant and Equipment

This Year					
Asset Class*	Opening Carrying Amount*	Purchases	Sales/Disposals	Current Year Depreciation and Impairment*	Closing Carrying Amount*
Land*	-	-	-	-	-
Buildings*	-	-	-	-	-
Motor Vehicles*	-	-	-	-	-
Furniture and fixtures*	182,056	30,183	-	22,098	190,141
Office equipment*	6,135	6,024	-	2,313	9,846
Computers (including software)*	-	-	-	-	-
Machinery*	133,608	6,134	-	27,199	112,543
Heritage assets	-	-	-	-	-
Work In Progress	-	4,000	-	-	4,000
<b>Total</b>	<b>321,799</b>	<b>46,341</b>	<b>-</b>	<b>51,610</b>	<b>316,530</b>

PPE7 - PPE8	
Current Valuation*	Source and Date of Valuation*
-	-
-	-
-	-
190,141	Estimated
9,846	Estimated
-	-
112,543	Estimated
-	-
4,000	-

Last Year					
Asset Class*	Opening Carrying Amount*	Purchases	Sales/Disposals	Current Year Depreciation and Impairment*	Closing Carrying Amount*
Land*	-	-	-	-	-
Buildings*	-	-	-	-	-
Motor Vehicles*	-	-	-	-	-
Furniture and fixtures*	186,008	18,812	-	22,764	182,056
Office equipment*	6,777	-	-	642	6,135
Computers (including software)*	63	-	63	-	-
Machinery*	165,120	2,132	-	33,644	133,608
Heritage assets	-	-	-	-	-
Extra Depr'n on revalued assets	-	271	-	-	271
<b>Total</b>	<b>357,968</b>	<b>21,215</b>	<b>63</b>	<b>57,050</b>	<b>322,070</b>

#### Significant Donated Assets Recorded - Source and Date of Valuation\*


#### Significant Donated Assets - Not Recorded\*


**Victoria Theatre Trust Board**  
**Notes to the Performance Report**  
For the year ended  
Oct 31, 2016

**Note 5: Accumulated Funds**

This Year				
Description*	Capital Contributed by Owners or Members*	Accumulated Surpluses or Deficits*	Reserves*	Total*
Opening Balance	-	416,401	-	416,401
Capital contributed by owners or members*	-	-	-	-
Capital returned to owners or members*	-	-	-	-
Surplus/(Deficit)*	-	20,221	-	20,221
Distributions paid to owners or members*	-	-	-	-
Transfer to Reserves*	-	-	-	-
Transfer from Reserves*	-	-	-	-
Closing Balance	-	436,622	-	436,622

Last Year				
Description*	Capital Contributed by Owners or Members*	Accumulated Surpluses or Deficits*	Reserves*	Total*
Opening Balance	-	417,977	-	417,977
Capital contributed by owners or members*	-	-	-	-
Capital returned to owners or members*	-	-	-	-
Surplus/(Deficit)*	-	(1,574)	-	(1,574)
Distributions paid to owners or members*	-	-	-	-
Transfer to Reserves*	-	-	-	-
Transfer from Reserves*	-	-	-	-
Other	-	(2)	-	(2)
Closing Balance	-	416,401	-	416,401

Breakdown of Reserves		Actual*	Actual*
Name*	Nature and Purpose*	This Year	Last Year
		\$	\$
	Total	-	-

**Victoria Theatre Trust Board**  
**Notes to the Performance Report**  
For the year ended  
Oct 31, 2016

**Note 6 : Commitments and Contingencies**

Commitment*	Explanation and Timing*	At balance date	At balance date
		This Year*	Last Year*
		\$	\$
Commitments to lease or rent assets*			
	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.		
Commitment to purchase property, plant and equipment*	Purchase of new seats	24,000	-
Commitments to provide loans or grants*			

**Contingent Liabilities and Guarantees**

There are no contingent liabilities or guarantees as at balance date (Last Year - nil )

**Victoria Theatre Trust Board**  
**Notes to the Performance Report**  
For the year ended  
Oct 31, 2016

**Notes 7-12**

**Note 7: Other**

**Significant Grants and Donations with Conditions which have not been Recorded as a Liability\***

Description*	Original Amt*	Not Fulfilled Amt*	Purpose and Nature of the Condition(s)*
Pub Charities	2,200	2,200	Purchase new poster boxes
Rental in advance	1,502	1,502	Rental for bar area received in advance

**Goods or Services Provided to the Entity in Kind\***

Description*	Amount*

**Assets Used as Security for Liabilities\***

Nature and Amount of Borrowing*	Nature and Amount of Asset Used as Security*

**Note 8: Assets Held on Behalf of Others\***

Description of the Assets Held*	Name of Entity of Whose Behalf Assets are Held*

**Related Party Disclosures:**

There were no transactions involving related parties during the financial year. (Last Year - Nil)

**Note 10: Events After the Balance Date\***

This Year		
Nature of Event*	Estimate of Financial Effect*	Effect, if any on the entity's ability to continue operating*
Bar redevelopment work was completed in December 2016 and will be reflected in future years' reports.	22,000	Positive impact
Extra new seating for the theatre was ordered in December 2016. The seating ordered in 2016 is expected to be installed in Feb 2017.	35,000	Positive impact

**Note 11: Ability to Continue Operating\***

The Trust has made a net loss of 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.

**Note 12: Correction of Errors\***

In preparing these accounts, we have added a historical cost of \$269 for under-accrued depreciation on a physical asset which had not been marked as depreciating.

**Additional Information**



**INDEPENDENT AUDITOR'S REPORT**  
**To the Trustees of Victoria Theatre Trust Board**  
**Report on the Performance Report**

We have audited the accompanying Performance Report of Victoria Theatre Trust Board on pages 1 to 17, which comprise Entity Information for the year ended 31 October 2016, the Statement of Financial Position as at 31 October 2016, the Statement of Service Performance, Statement of Financial Performance and Cash Flows for the year then ended, and the Statement of Accounting Policies and other explanatory information.

**Trustees' Responsibility for the Performance Report**

The Trustees are responsible on behalf of the entity for:

- (a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) the preparation and fair presentation of the Performance Report which comprises:
  - the entity information;
  - the statement of service performance; and
  - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the Performance Report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and
- (c) for such internal control as the Trustees determine is necessary to enable the preparation of the Performance Report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Performance Report based on our audit. We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the Performance Report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Performance Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Performance Report, including performing procedures to obtain evidence about and evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Performance Report, 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 Performance Report 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 made by management, as well as evaluating the overall presentation of the Performance Report.

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, Victoria Theatre Trust Board.

### **Opinion**

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the Performance Report on pages 1 to 17 presents fairly, in all material respects:
  - the entity information for the year ended 31 October 2016;
  - the service performance for the year then ended; and
  - the financial position of Victoria Theatre Trust Board as at 31 October 2016, and its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).



Hounsell Accounting Limited  
Auckland  
13 March 2017

## **VTT AGM Chairpersons' Report Nov 2017**

The Victoria Theatre Trust has enjoyed a year of stability and consolidation and has laid the groundwork for the restoration of the theatre with a detailed restoration plan.

In other highlights the Vic Ltd has taken up its option to extend the Management Contract for a further five years; we have installed 70 new seats; completed the changes to our lounge bar area; seen an increase in the use of the theatre for live and community events.

We have also made improvements to the external signage and look of the theatre and have tackled some serious maintenance problems.

Overall it has been another good and productive year that has seen The Vic consolidate its position as a great community cinema and live performance space which is serving its community well.

The success of the business has meant the trust continues to be in a sound financial position.

### **Seats**

In early 2017 the trust installed 70 new cinema seats in the downstairs Victoria Theatre. This was achieved by fund-raising within the community and through external grants of \$25,000.

We were keen to replace the second-hand seats that have served us well for the last seven years and we have had positive feedback from our audiences who appreciate the more comfortable and wider seats.

We were well supported in this project by Foundation North and NZCT and have had great support from the community where ten families have sponsored the buying of one \$500 seat.

### **Our audience:**

Community use through private hire and performing arts has continued to be strong and by seats represent 18% of all sold. We are particularly pleased that the performing arts use component this year is up 1% to 7% - there is a performing arts event on average every week at the Vic.

For all events 56,700 seats were sold representing over 10% per annum growth in use over the past 3 years since the conversion to digital cinema.

## **Improvements**

This year we continued our external improvements with the support of a grant from Pub Charities. We replaced the damaged fascia board and added new signage around the edge of the building and also added a new poster box.

Through the Devonport Museum's heritage plaque campaign, we have installed a plaque on an outer wall which promotes the theatre's heritage significance.

We have also improved much of the internal signage for the theatre.

An important improvement was to the lounge area which is now an integral part of the Vic. We improved the space by reducing the behind-the-bar area to enlarge the lounge for patrons.

This now offers catering support for Vic events and has led to an increase in hires of the lounge for birthday parties and community events. 55 events were held here over the last year.

We are pleased to note that sales of gelato and icecream have overtaken alcohol sales.

The enlarged lounge has also enabled the area to be used for live events, like open mic nights and small-scale performances. This is in line with the Trust's vision to ensure the Vic is accessible for use by emerging artists.

This area is a multi-purpose space that can also be used as a fourth cinema in the future.

We have improved disability access to the downstairs cinema by lowering the floor at the entry and will soon be completing an enlargement of the space for wheelchairs.

In the upstairs cinema we have installed a centre isle handrail to improve stair safety.

## **Maintenance**

In June/July this year heavy rain led to serious leaking problems in the top floors of the building. Torrential rain overwhelmed the internal guttering system in the roof and water entered the interior walls of the top floor.

We identified the cause of the problem and added downpipes and improved the roof flashings and have no repeat of the flooding.

Through the year we have completed remedial work on toilets and plumbing.

## **Operator**

We continue to have a strong co-partnership relationship with Philipp Jaser of the Vic Limited.

He has shown great commitment to the Vic and has worked hard to promote live performance and community events at the theatre.

The operator agreement with the Vic Ltd was due for renewal this year and in September we finalized a new agreement with Philipp Jaser for a further five year term with a right

of renewal. The Trust was also able to negotiate improved commercial terms while maintaining the back to back Community Objectives.  
The new agreement allows the trust to increase the one dollar ticket donation to \$1.50 over five years.

## **Restoration**

### **Appendix A**

## **Thanks**

We want to thank our fellow trustees: David Downs, Mark Pearce, Hamish Grotrian, Libby Boyd and Jim Mason. We farewelled Janet Mazenier and welcomed long-term Devonport resident and local Rotarian, Libby Boyd onto the Trust.

We want to particularly pay tribute to David Downs who has continued to work tirelessly for the trust this year despite undergoing cancer treatment. We wish him well for his future treatment.

Mark Sigglekow and Margot McRae have been re-elected as co-chairpersons, David Downs as treasurer and Mark Pearce as secretary.

Thanks must also go to the Devonport community that continues to support the Vic and has ensured it is now at the heart of the local arts and entertainment scene.

# The Vic – Strengthening and Restoration Plan – 12 Nov 17

## RESTORATION PLANNING PROGRESS

It is now 5 years since the last estimate to refurbish. Since then the VTT has been active in establishing the right manager for the Vic to reflect the Community Objectives, making the change to digital technology and integrating the previously separate restaurant operation into the Theatre as an event space and a 4<sup>th</sup> cinema and event space.

The 2015 estimate was \$9m reflecting the Conservation Plan scope and need for Digital conversion. This was indicatively reviewed in 2015 with some scope reductions and the already installed digital conversion as \$7m. Increases in construction cost would not see this around \$8.5m. The challenge to fund such a restoration has grown dramatically since the Vic lease from Council 8 years ago. The GFC resulted in cut backs to funds available to Charitable trusts like VTT and the Christchurch and Kaikoura Earthquakes have dramatically increased the funding requests from earthquake risk buildings like the Vic.

Over the past 2 years VTT has progressed design development of the refurbishment layout to the ground floor entry / front of house area. This focussed on the opportunity to integrate the separate restaurant with the theatre operation but maintained the need for a kitchen of significance. This latter need has since diminished with the restaurant now integrated as an event support and shortly will be a boutique 4<sup>th</sup> cinema space. What is clear is that the whole of the front of house including the existing toilets needs re-planning together with substantial finishes replacement, particularly the toilet areas. These have proven to be expensive to maintain.

## FUNDING

The ideal approach would be staged construction with matching staged funding over quite a long period. However the nature of the strengthening envelops the whole building with activity and establishing a lift (required with the consent) anchors the need for front of house works. The Vic will be closed to the public and possibly a small local temporary cinema facility will be operated.

The strategy to progress funding needs to be a traditional approach of design development to allow consents and contractor tenders and a construction phase. There will be 3 elements of funding:

1. Stage 1 \$220,000 Funds for design development to allow accurate estimates
2. Stage 2 \$380,000 Funds for working drawings, building consent and contractor tenders
3. Stage 3 \$5,200,000 Balance of design and Construction Strengthening and Restoration

Traditional community project funders require a minimum of 33% securement in place before considering. This will be a challenge for VTT as operational revenue is principally directed at maintenance (not insignificant because of the age and size of the building) and small areas of improvement as they become required to maintain customer comfort

## WORK SCOPE

The elements in the restoration project scope to date were generally set out in the Building Lease from Council and reflected the Conservation Plan. In view of the challenges to funding these have been refined down without detrimentally affecting the objectives. The original and current scope plan are listed in the table below:

Element	Original Scoping	Current Scoping
Earthquake strengthen building	To minimum standards (33%)	To industry guidelines (67%)
Re –create the original upper level Lounge Bar	New mezzanine floor to allow the Lounge to be on level 2	No new level, existing restaurant has been converted to a lounge
Replace seats and projection equip.	New seats to Victoria and all new digital projection systems	Seating upgrades are under way and Digital conversion completed
Provide a lift to all levels	A lift to all cinema levels	No change
Refurbish 3 cinemas spaces	Replace flooring and all finishes	Work with existing floors and upgrade finishes on an as required basis
Improve the entry and lobby size	Re-build the front of house entry and lobby area	Ditto (because of maintenance and operational inefficiencies) but

excluding the completed Lounge Space.

Stage amenity improvement	Make changes to allow truck access to side of stage, add performer toilets, add lighting bars / improve stage equipment and add fly hoists.	Performer toilets have been added, no physical change proposed. Lighting bars and some equipment fly hoists planned. Improvements to stage equipment to the top cinema included.
Improve fire protection	Provide fire sprinklers throughout	Modernise by replacing smoke and heat detector system.
Refurbish front façade and roof	Paint and plaster façade and replace roof	Re-paint to façade completed. New roof with thermal and acoustic insulation planned.

## COST

The Quantity Surveyor has provided a budget estimate, based on a 2019 Construction Start and including all related costs such as neighbour liaison and temporary part cinema relocation.

Including all fees but excluding GST the cost elements broadly are:

Earthquake strengthening	\$2,500,000
Lift access	\$400,000
Restoration	\$2,400,000
Equipment and stage	\$500,000
GST Excluded	<b>\$5,800,000</b>

A broad brush programme for the funding, design and construction activities is as follows.

