

ST JAMES THEATRE CHARITABLE TRUST

**ANNUAL REPORT**

For the Year Ended 30 June 2009

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**For Year Ended 30 June 2009**

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## ST JAMES THEATRE CHARITABLE TRUST

### ANNUAL REPORT OF TRUSTEES

The Trustees are pleased to present the Annual Report of the St James Theatre Charitable Trust ("the Trust") for the year ended 30 June 2009.

#### **1. Vision**

The Board continues to seek to fulfill the vision of the Trust, viz:

*To provide a world class theatre experience to Wellingtonians and visitors, as well as to local and international theatre hirers, at the Westpac St James Theatre and the Opera House and in doing so to be a major contributor to the Quality of Life in Creative Wellington - Innovation Capital.*

#### **2. Activities**

The Trust and Group made a loss of \$654,792 compared to a budgeted loss of \$571,400.

During the year the St James Theatre was hired for performances for 218 days, including the Terracotta Warriors exhibition (2008: 140) and the Opera House for 107 (2008: 131). This figure includes dark days, pack in and pack out.

The St James Theatre had 175 performances (88 excluding Terracotta Warriors), against 76 in 2007/08 and 94 in 2006/07. In 2008/09 the Opera House had 97 performances against 115 in 2007/08 and 145 in 2006/07.

In the 2008/2009 year the Trust continued to focus on seeking to sustain the business through exploring new revenue streams, diversifying theatre show genre and hirers and increasing audiences. The Opera House has been a vital part of this strategy. Emphasis has been placed on improving the revenue and profitability of the Food, Beverage and Events Department which has been successful.

The possibilities for leasing the back lot at the Theatre and Counties Building for the development of apartments have been discussed extensively during this year.

Ongoing discussions with Shand Shelton and the Historic Places Trust have explored the possibilities for signage and lighting on the Theatre Building. This work will continue into 2009/2010.

There was very little capital work conducted during the year because of a lack of funds. No building work was performed at the Opera House.

At the St James Theatre, an extensive curtaining system was installed on the first floor gallery for the Terracotta Warriors Exhibition. It was intended that the curtains would be an investment for future events and exhibitions in this part of the Theatre.

Other maintenance issues on the building, including the façade have been effectively sidelined for the foreseeable future until funding issues are resolved.

A conditioning report for both buildings was commissioned at the request of Wellington City Council which outlined the extent of repairs and maintenance work recommended over the next ten years. The Trust will work through the process of how this can be achieved with the City Council.

The Fire Protection System has been part of discussions since late 2004. The installation of a Smoke Extract System, has been completed. The second stage will be the installation of the Sprinkler System in the auditorium and front of house. Continuation of this work is also dependent on funds.

### **3. Outlook**

The Trust continues to achieve the mission of "Keeping the two historic theatres as viable working theatres, delivering high quality experiences (shows) to Wellingtonians and visitors and contributing to the Council's outcomes including Stronger Sense of Place, More Eventful, More Inclusive and More Actively Engaged".

Vital to the Trust's success is the relationship with its hirers, both overseas, local and community, to attract shows to Wellington. The Trust has worked hard to develop new hirers and has had some major achievements in this area developing new genre and markets in the performing arts and events. The Trust is particularly aware of the necessary preparation for the global opportunity in marketing Wellington as the Events and Arts Capital of New Zealand presented by the Rugby World Cup in 2011. Marketing the venues as more accessible for the wider community will continue to be a focus of the Trust. Maintaining traditional audiences as well as attracting new ones becomes even more important in the current economic climate.

The Trust also continues to seek increased revenue generation outside of the auditoriums through enhancing revenue from greater utilisation of our cafes, as well as from non-events businesses, such as rents. Achieving this may require redevelopment of Jimmy's into more than a Cafe and also the soundproofing of the 1st floor gallery to make it more viable as an events space. Until funding is available however, the increasingly popular Jimmy Cafe will continue to operate as normal.

The Trust is looking to increase the number of joint ventures it undertakes as this risk-sharing option is a safer option than 'own shows' in these uncertain economic times. The likelihood of presenting 'own shows' has fallen considerably in the past 12 months due to the economy. For this reason, it is unlikely they will be considered as a viable option over the next 12 months, unless viable investors can be found.

Plans are ongoing to find funding through new sponsors and grants.

The Trust will continue the ongoing development of the Opera House as described earlier subject to funds being available.

### **4. Thanks**

The Trust records its appreciation of current sponsors - Marsh Insurance and Streets Ice Cream, and in particular New Zealand Community Trust (NZCT) for its support toward sponsorship.

The Wellington City Council – Mayor Kerry Prendergast, CEO Garry Poole, Councillor Ray Ahipene-Mercer, as the Culture and Arts portfolio leader and James Ogden, as Chair of CCOP subcommittee along with various Council officers with whom we deal throughout the year - have all been unfailingly supportive.

And, in particular, the Trust extend its thanks for the efforts which continue to be made by our Chief Executive (Craig Goodall) and his dedicated, experienced team of managers and staff on behalf of us all.

### **5. Trustees**

The Trustees during the year were:

Christopher Wilton Parkin (Chair)  
Juliet Mary Broad McKee  
Roger Holmes Miller  
Pele Catherine Walker  
Sam Knowles  
Stephanie Cook (appointed 1 July 2008)

All of the Directors received a fee of \$13,000 p.a, except Chris Parkin whose fee as Chairman was \$26,000. The Directors' fees are paid by the Trust.

### **6. Remuneration of Employees**

There were two employees of the Group whose remuneration was greater than \$100,000.

**ST JAMES THEATRE CHARITABLE TRUST**  
**BALANCE SHEET**  
As at 30 June 2009

Notes	Group		Trust Parent		
	2009	2008	2009	2008	
	\$	\$	\$	\$	
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	110,665	391,390	1,276	120,819
Trade and other receivables	6	387,858	467,092	989,026	1,014,750
Inventories		48,500	51,803	-	-
		<b>547,023</b>	<b>910,285</b>	<b>990,302</b>	<b>1,135,569</b>
<b>NON-CURRENT ASSETS</b>					
Intangibles	10	-	7,571	-	-
Property, Plant & Equipment	9	19,376,776	19,893,647	19,195,957	19,650,699
		<b>19,376,776</b>	<b>19,901,218</b>	<b>19,195,957</b>	<b>19,650,699</b>
<b>TOTAL ASSETS</b>		<b>19,923,799</b>	<b>20,811,503</b>	<b>20,186,259</b>	<b>20,786,268</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	11	904,721	1,068,064	311,829	353,339
Bank loan	6	104,592	97,412	104,592	97,412
Employee benefits	14	94,801	66,959	-	-
		1,104,114	1,232,435	416,421	450,751
<b>NON-CURRENT LIABILITIES</b>					
Bank loan	6	643,724	748,315	643,724	748,315
<b>TOTAL LIABILITIES</b>		<b>1,747,838</b>	<b>1,980,750</b>	<b>1,060,145</b>	<b>1,199,066</b>
<b>EQUITY</b>					
Settlement on Trust	13	2,700,000	2,700,000	2,700,000	2,700,000
Retained Earnings	13	15,475,961	16,130,753	16,426,114	16,887,202
		<b>18,175,961</b>	<b>18,830,753</b>	<b>19,126,114</b>	<b>19,587,202</b>
<b>TOTAL EQUITY</b>		18,175,961	18,830,753	19,126,114	19,587,202
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,923,799</b>	<b>20,811,503</b>	<b>20,186,259</b>	<b>20,786,268</b>

The Trustees of the St James Charitable Trust have authorised these financial statements for issue on .....

.....  
Trustee

.....  
Trustee

**ST JAMES THEATRE CHARITABLE TRUST**

**INCOME STATEMENT  
For the Year ended 30 June 2009**

Notes	Group		Trust Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>INCOME</b>				
<b>Revenue</b>				
Sale of goods and services	3,436,752	4,233,100	-	-
Commercial lease income - from PP& E assets	214,376	184,769	-	-
<b>Total Revenue for Operating Activities</b>	<b>3,651,128</b>	<b>4,417,869</b>	-	-
Other grant and subsidy income	4 423,148	445,395	395,555	444,055
Total Financial income	3 1,141	23,613	1,141	11,789
<b>TOTAL OPERATING INCOME</b>	<b>3 4,075,418</b>	<b>4,886,877</b>	<b>396,696</b>	<b>455,844</b>
<b>EXPENDITURE</b>				
Change in inventories of finished goods and work in progress	3,304	9,707	-	-
Raw materials and consumables used	1,722,639	2,142,229	173,196	105,376
Employee benefits expense	1,989,791	1,803,281	-	-
<b>Depreciation and Amortisation</b>				
Depreciation	604,797	688,206	524,336	591,067
Amortisation	7,570	12,609	-	-
<b>Total Depreciation and Amortisation</b>	<b>612,367</b>	<b>700,815</b>	<b>524,336</b>	<b>591,067</b>
Finance costs	57,101	65,174	56,925	63,874
Operating lease payments	60,495	60,495	-	-
Directors/Trustees fees	103,327	101,767	103,327	101,767
Other expenses	181,186	497,687	-	14,370
Impairment losses	-	-	-	249,658
<b>TOTAL OPERATING EXPENDITURE</b>	<b>4,730,210</b>	<b>5,381,155</b>	<b>857,784</b>	<b>1,126,112</b>
<b>NET DEFICIT BEFORE TAX</b>	<b>(654,792)</b>	<b>(494,278)</b>	<b>(461,088)</b>	<b>(670,268)</b>
Tax	-	-	-	-
<b>NET DEFICIT FOR THE YEAR AFTER TAX</b>	<b>(654,792)</b>	<b>(494,278)</b>	<b>(461,088)</b>	<b>(670,268)</b>

*The statement of accounting policies and notes to these statements form part of and should be read in conjunction with these financial statements.*

**ST JAMES THEATRE CHARITABLE TRUST**  
**STATEMENT OF MOVEMENTS IN TRUST FUNDS**  
For the year ended 30 June 2009

Group	Contributed Equity \$	Accumulated Surpluses \$	Total Equity \$
Balance at 1 July 2008	2,700,000	16,130,753	18,830,753
Net Deficit For the Year	-	(654,792)	(654,792)
Total recognised income and expense	2,700,000	15,475,961	18,175,961
Prior period adjustment	-	-	-
Balance at 30 June 2009	2,700,000	15,475,961	18,175,961

**Trust Parent**

Balance at 1 July 2008	2,700,000	16,887,202	19,587,202
Net Deficit For the Year	-	(461,088)	(461,088)
Total recognised income and expense	2,700,000	16,426,114	19,126,114
Prior period adjustment	-	-	-
Balance at 30 June 2009	2,700,000	16,426,114	19,126,114

**Group**

Balance at 1 July 2007	2,700,000	16,443,709	19,143,709
Net Deficit For the Year	-	(494,278)	(494,278)
Total recognised income and expense	2,700,000	15,949,431	18,649,431
Prior period adjustment	-	181,322	181,322
Balance at 30 June 2008	2,700,000	16,130,753	18,830,753

**Trust Parent**

Balance at 1 July 2007	2,700,000	17,376,148	20,076,148
Net Deficit For the Year	-	(670,268)	(670,268)
Total recognised income and expense	2,700,000	16,705,880	19,405,880
Prior period adjustment	-	181,322	181,322
Balance at 30 June 2008	2,700,000	16,887,202	19,587,202

**KEY PERFORMANCE INDICATORS**  
For the Year Ended 30 June 2009

Key Performance Indicator	Targets	Actual	Notes
Total number of days utilised:			
St James Theatre	162	218	
Opera House	140	107	
Number of performances			
St James Theatre	115	175	(N.B. Includes 87 Terracotta Warriors days)
Opera House	108	97	
Average utilisation of seats (total seats sold per performance):			
St James Theatre	55%	63%	Seats sold for Push
Opera House	55%	N/A	
Total Assets: Liabilities	13:1	11.4:1	
Current Ratio	2:1	0.55:1	

*The statement of accounting policies and notes to these statements form part of, and should be read in conjunction with these financial statements.*

## ST JAMES THEATRE CHARITABLE TRUST

### STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2009

#### **1. General information**

The financial statements for the "Trust Parent" are those of St James Theatre Charitable Trust ("the Trust") as a separate legal entity. St James Theatre Charitable Trust is a trust registered under the Incorporated Societies Act 1908.

The consolidated financial statements for the "Group" are those of the economic entity comprising St James Charitable Trust and its wholly owned subsidiary, St James Theatre Limited (the "Subsidiary").

The Trust is a registered trust and domiciled in New Zealand. The address of its registered office is 77-87 Courtenay Place, Wellington.

The Wellington City Council (WCC) is the Settlor on the Trust and as such appoints the Board of Trustees.

Changes to New Zealand legislation (Local Government Amendment Act 1999, and the Income Tax Amendment Act 1999) have resulted in the Trust having lost its charitable status for income tax purposes as at 30 June 2001, due to its position as a Council Controlled Organisation.

The Trust's Settlers do not have the power to amend these financial statements once issued.

The primary objective of the Trust is "to provide a world class theatre experience to Wellingtonians and visitors, as well as to local and international theatre hirers, at the Westpac St James Theatre and the Opera House and in doing so to be a major contributor to the Quality of Life in Creative Wellington - Innovation Capital."

The Trust and Group are designated as public benefit entities for financial reporting purposes.

The financial statements of the Trust are for the year ended 30 June 2009. The financial statements were authorised for issue by the Board of Trustees on.....

#### **2. Summary of significant accounting policies**

##### **a. Basis of preparation**

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other relevant applicable Financial Reporting Standards.

The Trust and Group are qualifying entities within the Framework for Differential Reporting. The Trust and Group qualify on the basis that they are not publicly accountable and are not large entities. The Trust and Group have taken advantage of all differential reporting concessions available to them.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional and presentation currency of the Trust and its Subsidiary is New Zealand dollars.

The particular accounting policies, which materially affect the measurement in relation to the income statement and balance sheet are as follows:



b. Revenue recognition

Revenue comprises the fair value for the sale of goods and services, excluding Goods and Services Tax, rebates and discounts. Revenue is recognised as follows:

Sales of goods

Sales of goods are recognised when the Group has delivered a product to the customer. Retail sales are usually in cash or by credit card. The recorded revenue is the amount of the sale, including credit card fees payable for the transaction. Such fees are included in bank fees and finance costs.

Sales of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to the stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

Rental income

Rental income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

Grants

Grants are recognised in the Income Statement when the funds are received. Any grants for which there are restrictions placed on the use and/or recognition of the grant, and when these requirements have not been completed are carried as liabilities until the conditions have been fulfilled. Sponsorship is recognised immediately, as the benefit has been accrued to the other party upon payment of the sponsorship.

c. Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of the Trust as at 30 June 2009 and the results of the subsidiary for the year then ended. The Trust and its subsidiary together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Trust controls another entity.

Subsidiaries which form part of the Group are consolidated from the date on which control is transferred to the Trust. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, less costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the Income Statement.

Inter-company transactions, balances and unrealised gains on transactions between subsidiary companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

d. Leases

Operating Lease

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

e. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings as a current liability in the Balance Sheet.

f. Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for doubtful debts.

g. Inventories

Inventories held for sale on a commercial basis are valued at the lower of cost and net realisable value.

The cost of the inventory is determined using the first-in first-out method.

The write down from cost to current replacement cost or net realisable value is recognised as an expense in the Income Statement.

h. Property, plant and equipment

Property, plant and equipment are shown at cost, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Income Statement.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives.

The depreciation rates adopted are as follows:

Buildings	1% - 2%
Building fit-out, Plant & Equipment	4% - 80%
Technological Equipment	6.6% - 36%
Furniture & fittings	7.8% - 18.6%
Uniforms	80%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

i.

### Intangible assets

#### Software acquisition

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of the Group's website are recognised as an expense when incurred.

#### Amortisation

Computer software licenses are amortised on a straight-line basis over their estimated useful life of 3 years.

Amortisation begins when the asset is available for use and ceases at the date that the asset is disposed of or has a zero net book value.

The amortisation charge for each period is recognised in the Income Statement.

j.

### Impairment of non-financial assets

Assets with a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Group would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the Income Statement.

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### Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

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### Employee benefits

#### Short-term benefits

Short term employee benefits are those that the Group expects to be settled within 12 months of balance date and are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date and sick leave.

m. Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

n. Good and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Balance Sheet.

Commitments and contingencies are disclosed exclusive of GST.

o. Taxation

The income tax expense recognised for the year is calculated using the taxes payable method and is determined using tax rules. Under the taxes payable method, income tax expense in respect of the current period is equal to the income tax payable for the same period.

p. Critical judgements in applying the Group's accounting policies

The Trustees must exercise their judgement when recognising grant income to determine if conditions of the grant contract have been satisfied. This judgement will be based on the facts and circumstances that are evident for each grant contract.

q. Financial assets

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after Balance Sheet date. These are classified as non-current assets. Loans and receivables are classified as 'Trade and other receivables' and 'Cash and cash equivalents' in the Balance Sheet. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

r. Financial risk management

The Group's activities expose it to credit risk, foreign exchange risk and interest rate risk.

Credit risk

The Group incurs credit risk from transactions with debtors in the normal course of business. The Group does not have any significant concentration of credit risk.

Amounts owed by debtors are unsecured. The Group does not require any collateral or security to support debtors. The carrying value of receivables are equivalent to their fair value.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Australian dollar. Foreign exchange risk arises from future commercial transactions and recognised monetary asset and liabilities. The Group manages this risk by monitoring exchange rates on a daily basis and making purchases as considered prudent at the time.

Interest Rate Risk

The Group's interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest risk.

s. Foreign currency translation  
Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

t. Investments in subsidiaries

Investments in subsidiaries in the Trust Parent financial statements are stated at cost less impairment.

u. Settlement on trust

Settlement on trust is classified as equity in the balance sheet. These funds are recognised at the fair value contributed by the Settlor on inception of the Trust.

v. Prior Period Adjustment

During the year, it was established that a number of assets within the Building Plant and Equipment had been over-depreciated over a number of years. As a result, opening balances for retained earnings and accumulated depreciation have been re-stated, and depreciation for last year re-calculated. These changes are reflected in the Statement of Movements in Trust Funds.

As a result, the opening retained earnings balance at 1 July 2008 was increased by \$181,322, and depreciation expense was decreased in 2007-08 by \$72,600.

w. Going Concern Assumption

The financial statements have been prepared under the going concern assumption. The Trust considers that this assumption is appropriate for a number of reasons. The Trust:-

- a) has prepared cash flow forecasts that demonstrate that it can meet its financial obligations,
- b) has an uncommitted bank overdraft facility of \$1m in place for any temporary cash shortfalls,
- c) will take steps to address potential shortfalls in working capital should they eventuate.

ST JAMES THEATRE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the year ended 30 June 2009

**3 Revenue and other income**

	Group		Trust Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Theatre operations	1,737,170	2,613,220	-	-
Food, beverage and events	1,699,582	1,619,880	-	-
Grants and sponsorship	415,147	445,395	387,554	444,055
Tenancies and other income	214,376	184,769	-	-
Interest	1,141	23,613	1,141	11,789
<b>Total</b>	<b>4,067,416</b>	<b>4,886,877</b>	<b>388,695</b>	<b>455,844</b>

**4 Grants and donations**

	Group		Trust Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Grant income during the year comprises:	268,972	290,679	241,379	289,339
Wellington City Council (refer note 18)	154,176	154,716	154,176	154,716
<b>Total</b>	<b>423,148</b>	<b>445,395</b>	<b>395,555</b>	<b>444,055</b>

**5 Cash and cash equivalents**

The Trust and Group currently uses call accounts to earn interest on any excess funds held for operational purposes.

30-Jun-09	Group	Trust Parent	Interest Rate	Maturity
	\$	\$		
Cash at bank and in hand	(917)	575	0%	Current
Deposits at call	111,581	701	Variable	Current
<b>Total cash &amp; cash equivalents</b>	<b>110,664</b>	<b>1,276</b>		

30-Jun-08	Group	Trust Parent	Interest Rate	Maturity
	\$	\$		
Cash at bank and in hand	289,314	25,914	0%	Current
Deposits at call	102,076	94,905	Variable	Current
<b>Total cash &amp; cash equivalents</b>	<b>391,390</b>	<b>120,819</b>		

ST JAMES THEATRE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
For the year ended 30 June 2009

**6 Borrowings**

As at 30 June 2009 the ANZ Bank has approved funding of up to \$1.0 million to the Trust and Group. Currently this is by way of an overdraft arrangement of \$500,000 each for the Subsidiary and the Trust at the floating interest rate of 11.3% (2008: 11.3%) per annum on any overdrawn amount. The Trust entered into a 10 year Term loan with the ANZ at an annual interest rate of 7.13%. The Trust paid total interest of \$56,925 for the year ended 30 June 2009 (2008: \$63,874).

<b>30-Jun-09</b>		<b>Group</b>	<b>Trust Parent</b>	<b>Interest Rate</b>	<b>Maturity</b>
		<b>\$</b>	<b>\$</b>		
Bank loans	Current	104,592	104,592		
	Non-Current	643,724	643,724		
	<b>TOTAL</b>	<b>748,316</b>	<b>748,316</b>	<b>7.13%</b>	<b>1-May-15</b>

  

<b>30-Jun-08</b>		<b>Group</b>	<b>Trust Parent</b>	<b>Interest Rate</b>	<b>Maturity</b>
		<b>\$</b>	<b>\$</b>		
Bank loans	Current	97,412	97,412		
	Non-Current	650,904	650,904		
	<b>TOTAL</b>	<b>845,727</b>	<b>845,727</b>	<b>7.13%</b>	<b>1-May-15</b>

**7 Trade and other receivables**

	<b>Group</b>		<b>Trust Parent</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade	301,093	421,964	188,073	199,323
Subsidiaries	-	-	798,084	811,582
Related parties	-	-	-	-
Prepayments	71,717	4,000	-	-
Other receivables	15,048	41,128	2,869	3,845
<b>Total</b>	<b>387,858</b>	<b>467,092</b>	<b>989,026</b>	<b>1,014,750</b>

**8 Bad and doubtful trade receivables**

The Trust and Group have recognised losses of \$6,903 in respect of bad and doubtful trade receivables during the year ended 30 June 2009 (2008: Nil).

**9 Investment in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies described above.

ST JAMES THEATRE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (*Continued*)  
For the year ended 30 June 2009

Name of entity	Principal activities	Equity holding	
		<u>2009</u>	<u>2008</u>
St James Theatre Limited	Theatre management	100%	100%

**Interests in subsidiaries**

Carrying value of interests in subsidiaries	nil	nil
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The Trust's investment in the subsidiary comprises 101 ordinary shares which are fully paid.  
The subsidiary has a balance date of 30 June.

As at 30 June 2008 the Trust undertook an impairment assessment of its investment in the subsidiary. As a result of the assessment, the trustees have elected to write the value of this investment down to nil, as the carrying value exceeded the recoverable amount.

**10 Property, plant and equipment**

	Land and Buildings	Fit out, Plant & Equipment	Technological Equipment	Furniture, Fittings & Uniforms	Total
<b><u>GROUP</u></b>					
<b>As at 30 June 2009</b>					
Cost	16,145,555	9,875,732	17,019	46,228	26,084,534
Accumulated depreciation	(1,782,552)	(4,925,206)	-	-	(6,707,758)
<b>Net Book Amount</b>	<b>14,363,003</b>	<b>4,950,526</b>	<b>17,019</b>	<b>46,228</b>	<b>19,376,776</b>
<b>As at 30 June 2008</b>					
Cost	16,145,555	9,847,224	70,203	147,131	26,210,113
Accumulated depreciation	(1,680,988)	(4,495,745)	(45,014)	(94,719)	(6,316,466)
<b>Net Book Amount</b>	<b>14,464,567</b>	<b>5,351,479</b>	<b>25,189</b>	<b>52,412</b>	<b>19,893,647</b>
<b><u>TRUST PARENT</u></b>					
<b>As at 30 June 2009</b>					
Cost	16,145,555	9,347,184	-	-	25,492,739
Accumulated depreciation	(1,782,552)	(4,514,230)	-	-	(6,296,782)
<b>Net Book Amount</b>	<b>14,363,003</b>	<b>4,832,954</b>	<b>-</b>	<b>-</b>	<b>19,195,957</b>
<b>As at 30 June 2008</b>					
Cost	16,145,555	9,291,611	-	-	25,437,166
Accumulated depreciation	(1,680,988)	(4,105,479)	-	-	(5,786,467)
<b>Net Book Amount</b>	<b>14,464,567</b>	<b>5,186,132</b>	<b>-</b>	<b>-</b>	<b>19,650,699</b>

The bank loans and overdraft of the Trust and Group are secured by first mortgage over the Group's freehold land and buildings.



ST JAMES THEATRE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (*Continued*)  
For the year ended 30 June 2009

**11 Intangibles**

**Group**

	<b>Computer Software</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>As at 30 June 2009</b>		
Cost	162,630	162,630
Accumulated depreciation	(162,630)	(162,630)
<b>Net Book Amount</b>	<b>-</b>	<b>-</b>
<b>As at 30 June 2008</b>		
Cost	184,094	184,094
Accumulated depreciation	(176,523)	(176,523)
<b>Net Book Amount</b>	<b>7,571</b>	<b>7,571</b>

The Trust does not hold any intangible assets (2008: Nil).

**12 Trade and other payables**

	<b>Group</b>		<b>Trust Parent</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade	242,823	355,764	510	45,101
Subsidiaries	-	-	-	394
Related parties	-	-	-	-
Revenue in advance	280,123	286,748	280,123	280,123
Performance deposits held	161,363	235,090	-	-
Accruals	128,158	103,749	13,000	14,370
GST payable	92,254	86,713	18,196	13,351
<b>Total</b>	<b>904,721</b>	<b>1,068,064</b>	<b>311,829</b>	<b>353,339</b>

**ST JAMES THEATRE CHARITABLE TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
For the year ended 30 June 2009

**13 Financial assets by category**

<b>Assets as per balance sheet</b>	<b>Loans and Receivables</b>
<b>Group</b>	
<b>As at 30 June 2009</b>	
Trade and other receivables	316,141
Cash and cash equivalents	<u>110,664</u>
	426,805
<b>As at 30 June 2008</b>	
Trade and other receivables	463,092
Cash and cash equivalents	<u>391,390</u>
	854,482
<b>Trust Parent</b>	
<b>As at 30 June 2009</b>	
Trade and other receivables	989,026
Cash and cash equivalents	<u>1,276</u>
	990,302
<b>As at 30 June 2008</b>	
Trade and other receivables	1,014,750
Cash and cash equivalents	<u>120,819</u>
	1,135,569

**Financial instruments by category**

<b>Liabilities as per balance sheet</b>	<b>Measured at amortised cost</b>
<b>As at 30 June 2009</b>	
<b>Group</b>	
<b>As at 30 June 2009</b>	
Borrowings	748,316
Trade and other Payables	<u>904,721</u>
	1,653,037
<b>As at 30 June 2008</b>	
Borrowings	845,727
Trade and other Payables	<u>1,068,064</u>
	1,913,791
<b>Trust Parent</b>	
<b>As at 30 June 2009</b>	
Borrowings	748,316
Trade and other Payables	<u>311,829</u>
	1,060,145
<b>As at 30 June 2008</b>	
Borrowings	845,727
Trade and other Payables	<u>353,339</u>
	1,199,066

**14 Income taxation**

For taxation purposes, the Group falls within the Trust "Group." The St James Theatre Charitable Trust is not a charitable trust for taxation purposes because of its position as a Council Controlled Organisation. However, the Trust does not currently pay any income tax and does not expect to pay any in the foreseeable future. This is because the Trust is in a tax loss position and has significant tax losses available to be carried forward (approximately \$3.2 million as at 30 June 09) and offset against any future income tax liability.

## 15 Equity and retained earnings

### a. Equity

	Group		Trust Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Settlement on Trust	2,700,000	2,700,000	2,700,000	2,700,000
Retained earnings (b)	15,475,961	16,130,753	16,426,114	16,887,202
<b>Total equity</b>	<b>18,175,961</b>	<b>18,830,753</b>	<b>19,126,114</b>	<b>19,587,202</b>

### b. Retained earnings

	Group		Trust Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Balance at beginning of year	16,130,753	16,625,031	16,887,202	17,557,470
Net deficit for the year	(654,792)	(494,278)	(461,088)	(670,268)
<b>Balance at end of year</b>	<b>15,475,961</b>	<b>16,130,753</b>	<b>16,426,114</b>	<b>16,887,202</b>

The Settlement on Trust balance above has been classified as equity due to the fact that this amount is not required to be repaid.

## 16 Employee benefits

Group & Parent	2009	2008
	\$	\$
Annual leave entitlements	91,445	65,397
Wages and salaries payable	3,356	1,562
<b>Total employee benefits</b>	<b>94,801</b>	<b>66,959</b>

## 17 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Trust Group.

	Group		Trust Parent	
	2009	2008	2009	2008
PricewaterhouseCoopers:	\$	\$	\$	\$
Assurance services	24,450	28,951	(8,219)	7,500
Taxation services and other financial advice	6,525	10,880	-	-
<b>Total fees</b>	<b>30,975</b>	<b>39,831</b>	<b>(8,219)</b>	<b>7,500</b>

ST JAMES THEATRE CHARITABLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (*Continued*)  
For the year ended 30 June 2009

**18 Commitments**

The following details commitments associated with the Trust and the Group.

a. Capital commitments

The capital commitments for the Trust and Group at 30 June 2009 amounted to Nil (2008: Nil).

b. Lease commitments

In the previous year the Group leased computer equipment from Technology Rental Limited under a three year operating lease. There were no renewal options or options to purchase in respect of computer equipment held under operating leases. A new leasing arrangement was entered into for an upgraded server in July 2007.

The ongoing lease commitment under non-cancellable operating leases is:

	Group		Trust Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Less than one year	47,918	60,505	-	-
Between one and five years	254	47,879	-	-
<b>Total lease commitments</b>	<b>48,172</b>	<b>108,384</b>	<b>-</b>	<b>-</b>

**19 Contingent liabilities**

There are no contingent liabilities for Trust and Group at 30 June 2009 (2008: Nil).

**20 Related party information**

The Trust and Subsidiary had material transactions with the following related parties:

Mr. S Whittington is a Director of the Subsidiary and is not a Trustee of the Trust. Mr. Whittington receives directors fees of \$13,000 p.a. (2008: \$13,000 p.a.) which are paid directly to Buddle Findlay, of which Mr. Whittington is a partner, and are used to provide the Trust and Group with legal advice during the year.

The WCC has given the Trust an operating grant of \$154,176 p.a. for 10 years for the Opera House Flying system upgrade project. As at 30 June 2009 the unspent grant income of \$280,122 has been recognised in the Balance Sheet as income received in advance (2008: \$280,122).

An asset exists at 30 June 2009 of \$798,084 (2008: \$811,582) this represents the remaining management fee payable by the Subsidiary to the Trust of \$221,166 and other expenses and cash advances owed by the Subsidiary to the Trust. There was no management fee payable from the Subsidiary to the Trust in 2009 (2008: Nil). This amount is eliminated on consolidation.

There is no amount included in accounts payable as at 30 June 2009 owed to the Subsidiary (2008: \$394).

The Trust pays the directors fees for the Subsidiary (2008: same). In 2009, the audit fee was paid by the Subsidiary (split between Subsidiary & Trust in 2008).

**21 Events occurring after balance date**

There have been no events that have occurred subsequent to balance date (2008: Nil).