

ST JAMES THEATRE CHARITABLE TRUST

REVIEW OF 2010/11 ANNUAL REPORT

St James Theatre Charitable Trust (the Trust) presents its draft Annual Report for 2010/11, including financial statements and performance measures.

Highlights for the year

- Although there was a strong “business as usual” focus to the year, a lot of work was put in to preparations for winding up the Trust and for operations to transfer to the new Wellington Venues Ltd CCTO.
- The strategic focus of the Trust this year was on seeking to sustain the business through exploring new revenue streams, diversifying theatre-show genre and hirers, and increasing audience numbers.
- As part of the asset management plan, \$217k was spent on addressing deferred maintenance on the St James and Opera House buildings and funded by WCC. The main focus of the work was water-proofing the exterior of the St James Theatre and repairing the Opera House veranda.
- Improvements were made to the Jimmy Café in the St James Theatre, including the installation of sound and lighting equipment.
- The St James Theatre Charitable Trust ceased trading on June 30 2011.

Performance

1. Financial

A summary of the St James Charitable Trust’s financial statements is given below:

Statement of Comprehensive Income

\$ '000	2010/11 FY Actual	2010/11 FY Budget	2009/10 Actual
Income	3,939	3,932	4,557
Expenditure	4,436	4,384	4,820
Surplus/(Deficit)	(496)	(452)	(263)

Statement of Financial Position

\$ '000	2010/11 FY Actual	2009/10 Actual
Current assets	18,667	739
Non current assets	-	18,852
Current liabilities	1,250	1,146
Non current liabilities	-	532
Equity	17,417	17,913
Current ratio	15 : 1	0.6 : 1
Equity ratio	93%	91%

Note: the Trust’s financial statements have been prepared using NZ IFRS.

A review of the Trust's financial statements highlights the following points:

- The Trust made an operating profit before depreciation of \$86k against a budgeted surplus of \$123k. After absorbing depreciation of \$583k, the Trust made a loss of (\$496k) versus a budget loss of (\$454k).
- Income of \$3.9m was on budget, but down compared to \$4.6m from the previous year primarily because 2010/11 was a non-International Arts Festival year.
 - Theatre operations income was \$1.52m (2009/10: \$2.26m) and income from food, beverage and events was \$1.6m (2009/10: \$1.7m) for the year.
- Operational Expenditure was \$4.44m, in line with the budget of \$4.38m (2009/10: \$4.82m). The reduced expenditure compared to 2009/10 was attributable to this being a non-Festival year.
- Other Expenses includes \$217k in deferred building maintenance, and \$45k of building insurance costs that had been picked up by WCC in 2009/10.
- Grant income from WCC increased by 150% on 2009/10 figures, from \$194k to \$497k. WCC grants for 2010/11 includes \$217k for the deferred maintenance programme, \$154k for the flying system loan and \$126k carried over on monies received for the flying system loan.
- At balance date, the Trust held bank deposits of \$15k and had reduced its bank loan from \$644k to \$532k during the year.
- The balance sheet shows a significant increase in current assets because all property, plant and equipment was required to be reclassified as current assets at 30 June 2011 due to the imminent wind-up of the Trust. The non-current portion of the bank loan has also been reclassified.

2. KPIs

A summary of the 2010/11 KPIs for the year is given below:

Performance measure	Target 2010/11	Actual 2010/11	Actual 2009/10
Number of Performances at St James Theatre	86	91	117
Total number of days Utilisation at St James Theatre including Jimmy Café operation	290	322	338
Average Utilisation of Seats at St James Theatre (inc. complementary tickets) - %	-	67%	65%
Number of Performances at Opera House	108	87	99
Total number of days Utilisation at Opera House**	160	125	129
Average Utilisation of Seats at Opera House (inc. complementary tickets) - %	-	66%	72%

*includes Jimmy Café operation

**excludes Pollux café

The Trust exceeded target on all KPIs for the St James Theatre. The Opera House did not achieve its targets as a result of fewer than anticipated bookings from events displaced by Rugby World Cup 2011 and lower numbers of corporate event bookings in the final quarter of the year.

Both St James Theatre and the Opera House received high satisfaction ratings with St James achieving 97% (2009/10: 97%) and Opera House 84% (2009/10:

89%) for overall experience rating from patrons who have seen a show in the last 12 months.

3. Council Strategies

The St James Theatre Trust contributed to a number of Council strategies during 2010/11, primarily:

Economic Development: Each year shows and events staged at the St James Theatre and Opera House draw thousands of patrons into the Wellington CBD with a flow-on economic impact that extends beyond the theatre box office to surrounding restaurants, bars and other central city businesses. The theatres are also the site for over 150 full-time and part-time workers who engage in administration, front-of-house, catering and backstage or technical roles.

Cultural Wellbeing: The St James Theatre and Opera House hosted over 175 performances to an estimated audience of 122,000 patrons. In addition to the Royal New Zealand Ballet, the NBR New Zealand Opera and the Vector Wellington Orchestra, the venues featured local, national and international artists including the Royal Haymarket Theatre's production of *Waiting for Godot*, *The Rocky Horror Picture Show*, Toni Childs, Brooke Fraser, Rick Stein, Footnotes Dance Company and the Wellington Gilbert and Sullivan Society's season of *HMS Pinafore* and *Trial by Jury*.

Governance

The Trustees during the year were:

Chris Parkin
Roger Miller
Pele Walker
Sam Knowles
Stephanie Cook
Derek Fry

The term for all trustees will now expire on 31 December 2011 or upon the wind up of the Trust, whichever comes first.

Key issues going forward

1. Winding up of the St James Theatre Trust

The merger between the St James Theatre Charitable Trust and WCC's 'Convention Centre' took place on 1 July 2011 with the trading activities of Trust undertaken within the new Wellington Venues CCTO from that date. Once residual transactions and other details have been finalised, the Trust will be wound up and the assets and liabilities transferred to WCC. Ownership of the St James Theatre and the Opera House will be retained within the Council, while the operational assets will transfer to Wellington Venues Ltd. All St James Theatre staff transferred over to the new entity as of 1 July 2011.

Conclusion

The St James Theatre Trust was able to achieve a trading profit before depreciation, despite a challenging economic climate and the preparations for the merger with the Convention Centre into a new CCTO. The St James Theatre exceeded its KPIs with a higher number of performance and utilisation days than anticipated and contributed strongly to the Council's strategic outcomes in the areas of Cultural Wellbeing and Economic Development.