

**ST JAMES THEATRE CHARITABLE
TRUST**
(including St James Theatre Limited)

STATEMENT OF INTENT

2010 – 2011
1ST Draft

1 March 2010

**Prepared for the Wellington City Council in its capacity
as the Settlor of the St James Theatre Charitable Trust**

Wellington City Council ("the Settlor", St James Theatre Charitable Trust)
PO Box 2199
WELLINGTON

Dear Councillors

St James Theatre Charitable Trust –SOI 2010/2011

The last eighteen months have been difficult because of the global financial crisis. However the Trust has managed to continue to provide a broad range of high quality shows at both Theatres ranging from traditional opera, ballet, drama and musicals, both international and New Zealand, through to contemporary bands, community shows, comedy, and Church services. The Trust again achieved its 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 its relationship with its hirers, both overseas and local, to attract shows to Wellington. The Director Programming travelled to the UK to meet with the Royal Shakespeare Company, Sadlers Wells, the Ambassadors Theatre Group and attend the Edinburgh Festival. The DP also visited promoters in Australia. This not only keeps the St James brand international but also assists with the reputation of Wellington as the Arts Capital.

The result of the financially challenging times was a big reduction in the amount of shows being brought to the theatres. The Trust presented 2 own shows to fill gaps in the booking calendar. The Terracotta Warriors exhibition and "Push" starring Sylvie Guillem. Both shows were successful. The Terracotta Warriors was attended by over 19,000 people and "Push" was an artistic success in collaboration with Sadlers Wells, the Sydney Opera House and the Edge. The St James Theatre and Wellington remain known on the global theatre scene.

The success of the Terracotta Warriors Exhibition assisted the total number of performances, which was better than the KPI (272 against the KPI of 223) and once other events in both Theatres are added the total was 499. In terms of the community using the facilities this is very positive and still does not take into account the free Art exhibitions and the daily patronage of the Jimmy Café and the Café at the Opera House. Once this is taken into account we continue to host over 220,000 visits a year.

Before depreciation the operating deficit for 08/09 was \$(42) k of which \$31k is for the marketing of Slava's Snow Show in 09/10 but has to be recognised as an 08/09 expense because of accounting practice. An actual operating deficit of \$11k was an excellent result given the financial situation. With the Trust unable to fund its depreciation, funding capital renewals remain a challenge. The St James and the Council teams are working together on the Asset Management Plan having completed a condition assessment for both properties.

The theatres maintained their established high level of reputation with hirers due to the skilled and dedicated technical (backstage) workforce. The Trust continued to be a leader in the industry with regard to OSH and the application of the theatre industry's Guide to Safe Working Practices.

The lack of cash through sponsorship continues to be a reality, especially without a principle partner since 2007. The Trust has put a lot of effort into exploring other Arts Partnership (sponsorship) options and is grateful to the NZCT for their invaluable assistance.

Food and Beverage plays a vital in the cash flow and profitability of the Trust. Jimmy's has continued to grow in popularity and provides excellent community access to the Theatre on dark days as well as being financially important. The Café at the Opera House kept the "lights on" daily but has been leased out as it was not making a net profit. The Opera House being open brings life into the link between Courtenay Place and Manners Mall. The tenants, Pollux, open every day of the week.

Corporate events are still having a tough time because of the economy with many companies and Government departments being forced to drastically control spending. Much of our corporate business comes through meetings, dinners and cocktail parties associated with the larger conferences, as a result when the Convention Centre and the Hotels experience a downturn so do the Theatres.

The number of permanent employees was reduced through the year and positions continue to remain vacant whilst the cash position remains weak. It is a testament to the team that everyone has picked up the extra work load and remained positive.

One of the most fun highlights of the year was the joy of just under 5,000 children on stage at the St James enjoying the dinosaurs from Capital E's "The Petting Zoo". Audience development does not get much better than so many primary school age children being able to say that they have been on stage.

The Trust remains committed to our mission of "Entertaining Wellington" by meaningful engagement with the evolving community and our belief in the social and economic value of Wellington's reputation as the Arts Capital of New Zealand. In 2009 we were voted Wellington's favourite theatre by the readers of the Capital Times. It was also heartening that in a ticketing survey of concert venues in the five largest metropolitan cities the St James was ranked third and the Opera House ranked sixth for overall customer satisfaction.

The development of Jimmy's as an entertainment and event venue continue with the installation of acoustic baffles, thanks to the Pelorus Trust. The cabaret season also helped with the reputation of Courtenay Place as the party zone for Wellington. Hosting the players after party following the NZI 7's in 2009 was fun.

For the year 2010/2011 the Business Plan will focus on six key areas:

- Show Business
- Food and Beverage and Other Income
- Theatre Support
- Trust and Other Assets
- Preparation for RWC 2011
- Climate Change and the ETS legislation

Yours sincerely

Chris Parkin
Chair

Name of Organisation

St James Theatre Charitable Trust
PO Box 9132
Wellington

The St James Theatre Charitable Trust is a Registered Charitable Trust established by the Wellington City Council. The Trust has provision for the appointment of up to nine Trustees.

The current Trustees are:

Chris Parkin (Chair)	Stephanie Cook
Roger Miller	Sam Knowles
Pele Walker	

(Note: Trustees are also
Directors of St James
Theatre Ltd)

Stephen Whittington is a
Director of St James
Theatre Ltd

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Auditors

PricewaterhouseCoopers (on behalf of the Auditor General)

Solicitors

Buddle Findlay
Morrison Kent

Bankers

ANZ Banking Group
125 Victoria Street, Wellington

Founding Sponsors

Wellington City Council; Lotteries Grants Board; Wellington Community Trust

St James Theatre Charitable Trust
(including St James Theatre Limited)
STATEMENT OF INTENT
2010 - 2011

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ST JAMES THEATRE CHARITABLE TRUST

STATEMENT OF INTENT

1 The Status of the Trust

The St James Theatre Charitable Trust is a registered charitable trust under the Charitable Trust Act 1957. The Trust is currently responsible for the following facilities:

- St James Theatre
- The Opera House

1.1 Mission Statement

The Trust's Mission Statement reflects the current long-term role of the Trust, which is:

To provide a world class theatre experience to Wellingtonians and visitors, as well as to local and international theatre hirers, at the St James Theatre and the Opera House and in doing so to be a major contributor to the
positioning of Wellington as an affordable, internationally competitive City

In order to satisfy the Mission the Trust works to:

- achieve the financial viability and overall success of both theatres.
- preserve the heritage aspects of both buildings.
- provide a broad range of high quality patron and hirer services to enhance and make viable the total theatre experience.
- maintain a highly skilled and dedicated staff.
- give leadership in the adoption of best and safe practice in the industry.
- continually broaden and grow the audience base and attractions for current and future generations.

In short the Trust works to achieve its logo tag line of “Entertaining Wellington”.

The above mission statement is further underpinned by the Trust's objectives, which are stated in the Trust Deed between the St James Theatre Charitable Trust and the Wellington City Council.

1.2 Objectives

The Trust's objectives and direction are largely defined by its Trust Deed (1998) and by subsequent agreements with the Settlor, particularly in relation to the acquisition of the Opera House.

The objectives for which the St James Theatre Charitable Trust was established are:

- (a) To acquire and preserve the St James Theatre in recognition of its value to the citizens of Wellington as an historic building.
- (b) To manage, promote, refurbish and administer the St James Theatre as a venue for the live performance of cultural and artistic events so as to promote an appreciation of the arts in Wellington and to enter into management agreements and other contracts that are necessary or desirable for that purpose.

- (c) To acquire any land or other assets where the Trustees determine that such land or other assets are to be used as part of the facilities of the St James Theatre or in connection with its management and operation.
- (d) Generally to sponsor, support and promote performing arts, and the preservation of historic buildings, in Wellington, but only if the primary objects in (a) (b) and (c) above are, in the complete discretion of the Trustees, being served.
- (e) Generally to do all acts, matters and things that the Trustees consider necessary or conducive to further or attain the other objects of the Trust set out above.

2 Governance

The St James Theatre Charitable Trust is a Council Controlled Organisation. It was established in 1993 by the Wellington City Council to manage and administer the St James Theatre.

2.1 Role of the Board

The Board is responsible for the ongoing viability of the organisation and that the Trust meets its annual Business Plan. The Board achieves this through the monthly monitoring of KPIs and the financial results of the organisation.

2.2 Board Membership

The current structure of the St James Theatre Charitable Trust is a Board of Trustees whose members' terms are for a maximum of six consecutive years. There are currently five members. They are:

Chris Parkin (Chair)	31 December 2012
Stephanie Cook (Council appointee)	31 October 2010*
Pele Walker	31 December 2010*
Roger Miller	31 December 2011
Sam Knowles	31 December 2012

* Reappointable in relation to the WCC 6 yrs policy.

There is one Company Director of the St James Theatre Ltd, being Stephen Whittington, who is not a Trustee.

Council policy in appointing members is to spread the terms to ensure continuity of knowledge is retained within the Board. The Board meets monthly except for December. They are all non-executive board members with the Chief Executive Officer attending all board meetings and the Chief Financial Officer attending all Audit & Risk Sub-Committee meetings.

2.3 Board Operations

The Board is responsible for governance and the strategic direction of the business and delegates the day-to-day operational responsibilities to the CEO (and management team), who reports monthly to the Board.

The Board operates three formal Sub-Committees and other ad hoc committees as required. The three formal Sub-Committees are the Audit & Risk Sub-Committee, HR Sub-Committee and Property Sub-Committee.

The Trust is also the sole shareholder of St James Theatre Ltd, which operates the two venues. Directors of St James Theatre Ltd are the above Trustees plus Stephen Whittington.

2.4 Audit & Risk Sub-Committee

The Audit & Risk Sub-Committee meets quarterly, reviews financial performance, monitors compliance issues and initiates reviews of key departmental performance. The Sub-Committee considers any Theatre business proposal where the Trust would be involved at a higher risk level than merely a hirer of the Theatres.

2.5 Human Resources Sub-Committee

The Human Resources Sub-Committee meets from time to time to establish HR Policy and to assist when a senior appointment is being made.

2.6 Property Sub-Committee

The Property Sub-Committee meets as required considering major property maintenance or development issues.

3 The Nature and Scope of the Activities to be Undertaken

The Trust will:

- continue to manage and develop the St James Theatre and the Opera House, delivering high quality experiences, events and programmes for the residents of Wellington and national and international visitors;
- proactively seek to develop new initiatives that link to its role as a key provider of performing arts venues within Wellington;
- work with other organisations with a strategic fit to find ways where it can assist them with their aims to both parties mutual advantage;
- further develop and broaden the range of programmes with an aim to reach continually wider audiences;
- develop national and international relationships that benefit the venues by partnering with other institutions;
- support the marketing initiatives of Positively Wellington Tourism to ensure a balanced programme of events and exhibitions that will enhance the overall visitor experience to Wellington;
- continue to form close links and partnerships with private sector entities who are interested in the performing arts;
- work with others in the arts and heritage sector to promote opportunities for joint events;
- continue to form links with the wider Wellington community, including the education sector.

3.1 Background and Operating Environment

The Trust operates in the arts, entertainment and culture sector. It earns income from hirers, 'Own Shows', food & beverage sales, tenancies, grants and sponsorship. It acts in a dynamic and marginal market with competition from other activities competing for patron's time and discretionary dollar.

3.2 Strategic Direction

It is clear that the opportunity for the Trust to increase its income from traditional show business activities is limited by the desire by promoters to bring shows into Wellington. As a 'theatre for hire' the St James Theatre and Opera House had been well utilised, for the size of the population, until the deterioration of the economy. The Trust believes that its pricing structure is already above that of most similar New Zealand theatres, most of which enjoy the benefit of subsidies or funding, and therefore can only be increased marginally without detriment. The exception to this would be where significant gaps appear in the programme schedule and then only if the Trust is satisfied that the risk can be sufficiently quantified to avoid more than a minor effect on the Trust's resources. This occurred in the latter half of 2008-09 and in July 2009-10 with the Terracotta Warriors, PUSH starring Sylvie Guillem and Slava's Snowshow, all artistic

and financial successes (they broke even or returned a profit). In an effort to improve its financial performance the Trust is focusing strategically on several areas.

The Trust has been working closely with the Council on ways to maximise the opportunities presented by Rugby World Cup 2011, guaranteeing that visitors have an enjoyable time in our city and that we maximise the ongoing legacy of visitor experience improvements.

The Trust is aware of the significance of Climate Change and takes all practical steps within its financial ability to assist with waste minimization and prepare for future Emissions Trading Scheme Legislation.

Asset Performance

The Trust increased its revenue from non show business sources in 2008-09 and continued to perform well in through the recession by focusing on increasing revenue where possible from tenancies, food and beverage, car parks and recoveries. In 2009-10 the areas where revenue decreased was in venue hire by promoters and event hirers because of the global financial crisis. The Trust has continued to improve the performance of its café operations whilst maintaining control for the Theatre operations. The operating result for 2008-09 before depreciation was very close to break even, a great result given the economic situation.

A 2009 ticketing survey of concert goers in the 5 largest metropolitan cities in New Zealand ranked the St James 3rd and the Opera House 6th for overall patron satisfaction.

Asset Utilization

All existing leases and tenancies with third parties have been reviewed and increased where appropriate.

Projects are ongoing to make more use of *Jimmy's* as an entertainment venue. With the improvement in the acoustic quality live bands and community groups are now able to perform in the Jimmy. A number of New Zealand promoters have expressed interest. The Trust has looked at more innovative ways to maximize the revenue from the first floor gallery after the success of the *Terracotta Warriors* by holding a very successful Cabaret season at the end of 2009. Further shows are also planned as well as planning under way for another exhibition in 2011.

Non-business Income Raising

This covers the area of sponsorship, naming rights and any other sources of funding. The Trust is very grateful for the support shown by the New Zealand Community Trust in a very difficult Sponsorship market. The Pelorus Trust has also been generous with the grant for the acoustic baffles in the *Jimmy*.

The Trust will continue to look for sponsorship and apply for grants as this is a vital source of revenue for the preservation of both Theatres. The St James will celebrate its centenary in 2012 and the Opera House in 2014.

3.3 Alignment with Council outcomes and KPIs

The Trust will provide quarterly reports, in the mutually agreed format, to the Council Controlled Organisation Performance Sub-Committee on the agreed dates. The Trust's Key Performance Indicators are outlined in **Appendix B**.

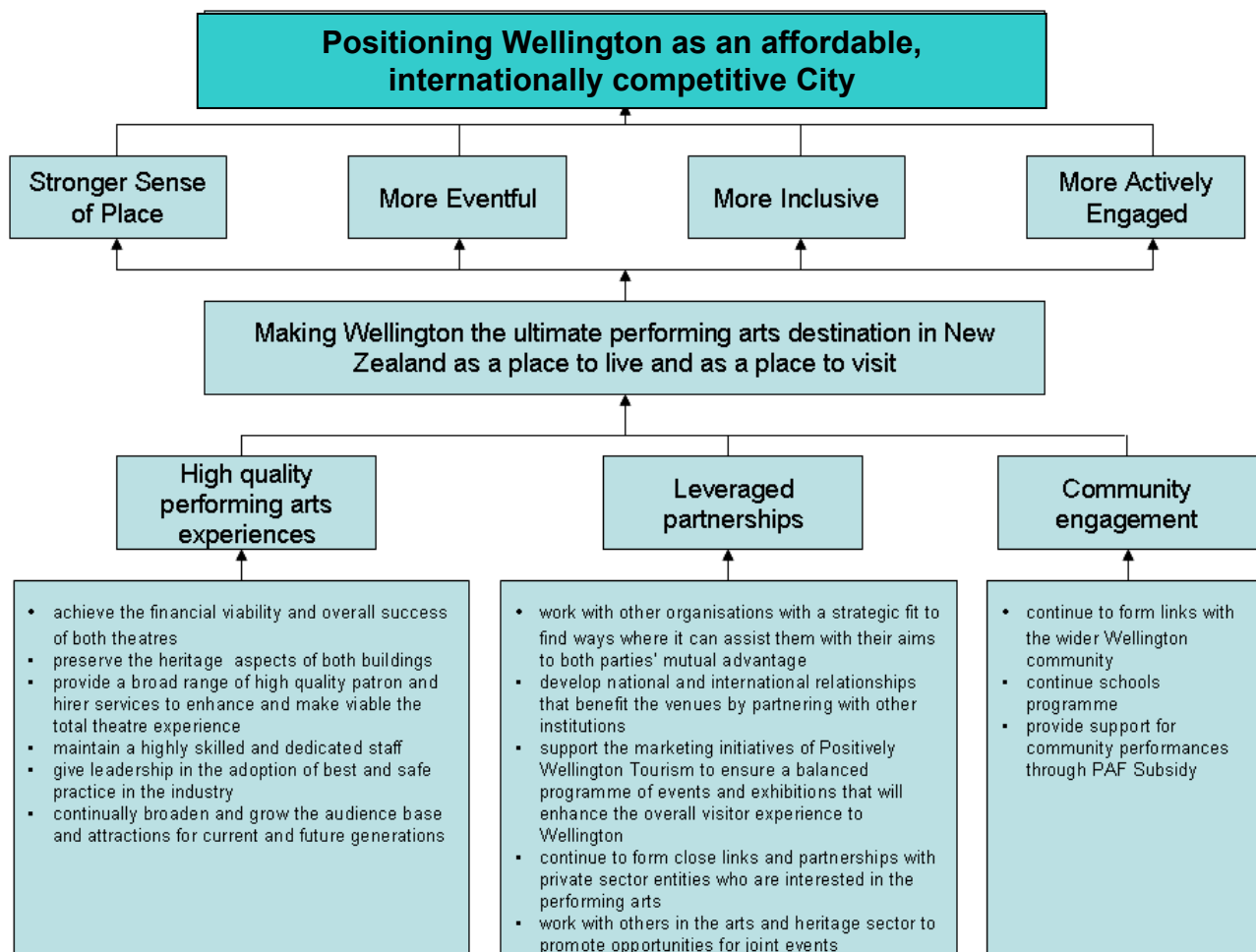
The Trust's Annual Report and audited accounts will be supplied to the Wellington City Council as per the Local Government Act 2002 S67.

The Trust shall provide an Annual Business Plan by the end of May 2010.

The Trust shall advise the Council, as far as it is able, of any events or intentions planned which

are likely to arouse significant public interest upon which the Council may wish to respond quickly.

The Settlor and the Board of Trustees may agree to report on other matters that can arise from time to time.



Increasing attendance numbers and types of attendees will continue to be a major focus.

Attendance

Attendance numbers at performances have been steadily increasing from 72,000 in 1998 to an average of 170 - 180,000 each year since the Trust's inception in 1998.

Added to this are those who attend the cafes, food and beverage events, conferences, meetings, social functions, art exhibitions, open days and school tours, all of which continue to increase, and are now estimated at over 50,000 people per annum measured by the people served in the Jimmy and those counted at the events described. This takes the total visitors through both venues to over 220,000 per annum.

Wider Community

Since 2000 the Trust has been committed to audience development and to encouraging visitation by a wide range of people to both theatres.

Since the Audience Development funding from Council ended in 2006 the Trust has, at its own cost, continued this work through various methods including schools and tour programmes and proactively encouraging community groups including Maori, Polynesian and Asian communities (not just arts groups) to use the facilities.

Of note is the increase in the number of performances for, and attendees from, the wider community in particular for young people such as *Kia Ora Khalid*. This has been because of active programming to attract comedy, music, new NZ music, hip hop, Kapa Haka, Polyfest, Maori, Polynesian, Indian, Thai, Indonesian, Chinese and African performances, entertainment for children (approx. 5,000 children onstage with *The Petting Zoo* in early 2009 for example), dance schools and community groups such as body builders, yoga and churches.

The majority of these events do not register through traditional marketing means i.e. newspaper, mainstream radio or TV advertising. They are accessed through targeted means including email marketing, internet sites, blog sites, txt and other 'viral marketing' methods. Therefore, in many cases, they attract specific groups of people and are below the radar of the general public.

The Capital Times voted the St James as the people's favourite Theatre for 2009.

3.4 Organisational Health and Capability

The Trust has a small and dedicated team. It is vital to have the right people. The stability of key management personnel, in a traditionally high turnover industry, is a strong indicator of the success of the Trust's ongoing work in recruitment and retention.

The economic climate made 2008-09 a financially challenging year. The Trust was overdrawn for only 2 days, an excellent result given the lack of funding and an indication of the tight financial controls in place such as the reduction in fte's and property costs for example. 2009-10 will also be challenging but happily the programme is very busy.

The Trust is making every effort to maximise opportunities through its relationships with the Council Events Team and the Wellington Convention Centre. This has been done by support and regular and transparent communication around performance programming, events and in marketing Wellington through the Convention Bureau (PWT).

There is a difficulty in applying for event funding from the Council Event Funding in that the funding appears to be largely pre committed whereas the Trust's requirements are often only known a few weeks in advance. The Trust approached the Council for a general fund of \$200k for 2009-10 without success because of the financial constraints already imposed on Council. The Council has helped with marketing funding for *Slava's Snowshow* and with insurance costs for which the Trust is grateful.

The Trust has also assisted Zealandia (café), Downstage (staffing), and the City Gallery (staffing) in 2009-10. It is a positive for Wellington that the WCC CCO'S and theatres all work closely together.

3.5 Risk Management

Own Show Risk

In an effort to minimize dark (none rented) days, the Trust proactively searches for shows and events available for outright purchase or forms of joint venture. This can involve significant financial risk which is managed by the Audit & Risk Sub-Committee under Delegated Authority. The Trust has in place a set of procedures which ensure that financial risks remain within bearable limits. In the current economic climate the Trust will not be able to purchase shows or events without significant levels of sponsorship or external funding.

Asset Risk

In its 11 year history, the Trust has only occasionally achieved sufficient profitability to provide fully for depreciation however it has been able to provide for all maintenance requirements. This position is well known by the Settlor from earlier reports and discussions. With respect to major asset maintenance and replacement, The Trust is pleased to see that the matter of the responsibility of long term maintenance will be addressed by the Council during the 2010/11 Annual Plan deliberations.

Refer **Appendix A** for further details on how the Trust manages its risks.

Liquidity Risk

In anticipation of tight liquidity the Trust has arranged the necessary credit facility with its Bank. The facility is for a total of \$1 million between the Trust and the Company.

3.6 Council Relationship Principles

The Trust will provide quarterly reports in the mutually agreed format to the Council's Council Controlled Organisation Performance Sub-Committee on the agreed dates and present its Business Plan and Statement of Intent on mutually agreed dates.

The Trust's Annual Report and audited accounts will be supplied to the Wellington City Council within 90 days of the end of the financial year.

The principles governing the relationship with Wellington City Council as its Settlor will include:

- Ensuring that the Council is fully apprised of any significant deviations from the budgeted cash flows.
- Adhering to Clause 6.1(b) of the Trust Deed in regard to any overdraft or loan.
- Early advice to the Wellington City Council in the event of any major situation that is potentially contentious in nature.
- Disclosing any significant transactions that are planned within the Trusts Business Plan.

As part of the Trust's relationship with the Wellington City Council, the Chair and the CEO of the Trust meet regularly with the Mayor and CEO of the Council and, as required, with the Council's Council Controlled Organisation Performance Sub-Committee and officers.

The CEO and the CFO meets regularly with the Portfolio Manager Council Controlled Organisations.

4 Measuring Performance

4.1 Key Performance Indicators

Both the St James Theatre and the Opera House have KPIs that relate directly to their activities.

These KPIs, targets for the 2010/2011 fiscal year and the source of monitoring and confirmation, are described in **Appendix B**.

5 Financial Information

5.1 Trust Accounting Policies

The financial statements of the Trust and Group are prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The particular accounting policies, which materially affect the measurement of in relation to the Balance Sheet and Income Statement, are as follows:

Grants received are recognised in the Income Statement when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement 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. The Trustees must exercise their judgment when recognising grant income to determine if conditions of the grant contract have been satisfied. This judgment will be based on the facts and circumstances that are evident for each grant contract.

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.

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.

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.

Property, plant and equipment is shown at cost, less accumulated depreciation and impairment losses. 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 residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

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% to 18.6%
Uniforms	80%

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 net book value of zero. The amortisation charge for each period is recognised in the Income Statement.

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. 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.

Short-term benefits; short term employee benefits are those that the Trust and Group expects to be settled within 12 months of balance date 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.

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

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.

The income tax expense recognised for the year is based on the accounting surplus, adjusted for permanent differences between accounting and tax rules. At 31 March 2010, the Trust carried forward a loss for tax purposes of \$4,286,924.

Total equity is made up of the Settlement on Trust and Accumulated Retained Earnings. St James Theatre is a Trust in perpetuity, and the monies settled can not be recalled and are not repayable on demand or in the future. Therefore the monies settled are in effect equity have been accounted for as equity.

5.2 Activities for which Compensation from Council is Sought

As outlined in **section 3.5** the Trust last year apprised and received agreement from Council that, where replacement or refurbishment of major assets is concerned, the Trust will have to look to its Settlor or its bank (supported by the Settlor) for funding. A long term Asset Maintenance Plan is being developed with Council officers as already noted.

5.3 Contingent Liabilities

There are no contingent liabilities for the Trust and Group (2009: nil).

5.4 Distribution to Settlor

The St James Theatre Charitable Trust does not make any distributions to the Settlor.

5.5 Board's Estimate of the book value of the Trust

The current book value of the land and buildings at cost is \$ 14,363,003 (30/06/2009)

Signed

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Chris Parkin
Chair

Appendix A

St James Theatre Charitable Trust Risk Profile (Mitigating factors will be in the Business Plan)

Risk Event/Area						Comment
Business risk	L	M	H	VH	E	
Financial - Cashflow					√	A risk of overdraft from mid-January and likely to remain in and out of o/d until end of June.
Financial - Profitability				√		Holding steady - forecasting breakeven operating profit for financial year. Subject to change if promoters pull out of shows.
Financial - Growth				√		In current climate, unrealistic to expect more than current revenue levels.
Customer - Satisfaction		√				Surveys in café have shown very high levels. Difficult to objectively measure in other areas but appears high through ticketing surveys.
Customer - Service Delivery		√				High standard maintained.
Human Resources			√			Some areas stretched with non-replacement of staff. Need to be mindful of workloads.
Regulatory - WCC	√					Reports being completed in timely fashion.
Strategic - Business Structure				√		Future of Trust structure is uncertain with ongoing WCC review. Outcome of venues report to be discussed by Steering Group in February 2010.
Competition from Auckland			√			The Edge in Auckland receives significant Council funding. Risk of promoters not coming to Wellington. Programming continues to work collaboratively with them.
Asset Management Plan		√				Pressure from WCC to maintain assets. Likely to be funded by WCC.

Market risk	L	M	H	VH	E	
Economic forecast			√			Is likely to have affect on financial performance until at least June 2011.
Interest rate risk	√					Loan interest rate is fixed. Starting to pay interest on current account.
Liquidity and funding					√	Liquidity is poor and funding opportunities few. Continued tight control over expenses is necessary
Operational Risk						
Internal Fraud	√					Duplicate authorisation required for all transactions. Received unqualified audit report for 08/09.
External Fraud	√					Low risk of external fraud affecting business
Employment Practices and Safety	√					Being managed to expectations
Customers, products and business practices		√				Changing economic climate means we need be flexible with events and adopt innovative approaches to generating revenue e.g. Jimmy, Exhibitions, Cabaret season
Physical damage to assets		√				St James & Opera House buildings now covered under WCC insurance. Lower premiums but higher deductibles than previous year
Business disruption and system failure		√				Daily backup performed. Work closely with IT provider LANtech for any IT issues.

Risk magnitude: L=Low M=Medium H=High VH=Very High E=Extreme

Appendix B Key Performance Indicators St James Theatre Charitable Trust 2010/2011

Dimension <i>Mega / Macro / Micro</i>	Measure	Effect <i>Control / influence</i>	Frequency of measure	Target 2009/10	Target 2010/11		Change	Target 2010/11	Change
				<i>Agreed</i>	<i>Agreed last year</i>	<i>Proposed by CCO this year</i>		<i>Proposed by WCC this year</i>	
Mega	% of Wellingtonians and New Zealanders who say that Wellington is the Arts Capital of New Zealand	I	Annual						
	% of Wellingtonians and New Zealanders who agree that Wellington has a culturally rich and diverse scene	I	Annual						
	Have you been to see a Show at the St James or the Opera House in the last 12 months?	I	Annual WCC RSS	May 2008: Yes OH = 26%, Yes SJT = 30%, Yes Both = 16%, Neither = 60%					
	How do you rate the overall experience at the St James or the Opera House if you have been to see a Show in the last 12 months?	I	Annual WCC RSS	May 2008: SJT - Good = 47%, Very Good = 49%(VG was 61% in 06/07); OH – G = 52%, VG = 37%					
Macro	<i>Non-financial</i>								
	Number of Performances								
	- St James	C	Quarterly	76	-		-	-	-
	- Opera House	C	Quarterly	84	-		-	-	-
	Number of Non Performance Events								
	-St James	C	Quarterly	210					
	-Opera House	C	Quarterly	60					
	Total number of days Utilisation								
	- St James	C	Quarterly	286	-		-	-	-

Dimension	Measure	Effect	Frequency of measure	Target 2009/10	Target 2010/11		Change	Target 2010/11	Change
				Agreed	Agreed last year	Proposed by CCO this year		Proposed by WCC this year	
Mega / Macro / Micro		Control / influence							
	- Opera House	C	Quarterly	144	-		-	-	-
	The Jimmy Bar – days open			300					

Dimension	Measure	Effect	Frequency of measure	Target 2009/10	Target 2010/11		Change	Target 2010/11	Change
				Agreed	Agreed last year	Proposed by CCO this year		Proposed by WCC this year	
Mega / Macro / Micro		Control / influence							
Micro	Non-financial								
	-	-	-	-	-	-	-	-	-
	Financial								
	To try and not go overdrawn								
	Total Assets: Liabilities			13:1	-	13:1	-		-
	Current Ratio			2:1	-	1:1	-	-	-