
ST JAMES THEATRE TRUST ANNUAL REPORT 2004/05 REVIEW

1. Introduction

St James Theatre Charitable Trust (SJT) has submitted its audited annual report for the year to 30 June 2005.

2. Performance

a Financial results

(i) Against targets

Statement of Financial Performance

| <i>\$'000</i> | FY Actual | FY Budget | 2003/04 Actual |
|-------------------|--------------|--------------|-------------------|
| Income | 4,062 | 3,785 | 3,739 |
| Expenditure | 4,380 | 4,326 | 3,983 |
| Operating surplus | (317) | (541) | (244) |
| | | | |
| Operating margin | - | - | - |
| Return on equity | - | - | - |

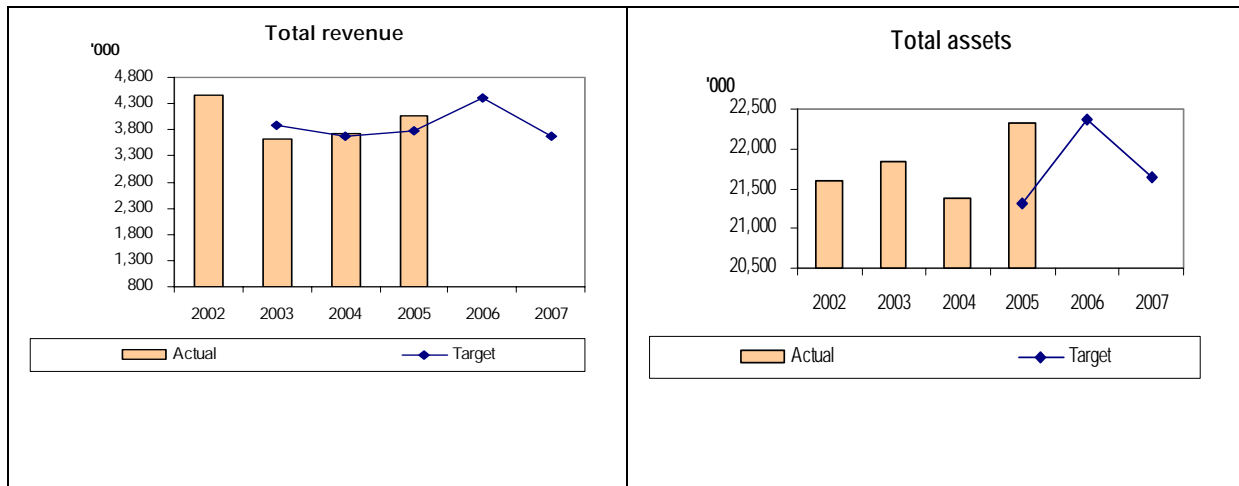
Statement of Financial Position

| <i>\$'000</i> | FY Actual | FY Budget | 2003/04 Actual |
|-------------------------|--------------|--------------|-------------------|
| Current assets | 1,496 | 810 | 1,519 |
| Non-current assets | 20,836 | 20,498 | 19,868 |
| Current liabilities | 748 | 531 | 585 |
| Non-current liabilities | 1,099 | - | - |
| Equity | 20,485 | 20,777 | 20,802 |
| Current ratio | 2:1 | 1.5:1 | 2.5:1 |
| Equity ratio | 92% | 98% | 97% |

Statement of Cash Flows,

| \$'000 | FY Actual | FY Budget | 2003/04 Actual |
|-----------------|--------------|--------------|-------------------|
| Operating | 618 | 371 | 355 |
| Investing | (1,644) | (800) | (213) |
| Financing | 1099 | - | - |
| Net | 73 | (429) | 142 |
| Closing balance | 1277 | 484 | 1,204 |

(ii) Trends



The fluctuating levels of revenue demonstrate the uncertain nature of the theatre business. The increase in total assets is due to the installation of the Opera House flying system. Whilst there is an increase in the total assets value, equity is diminishing due to the net deficit position.

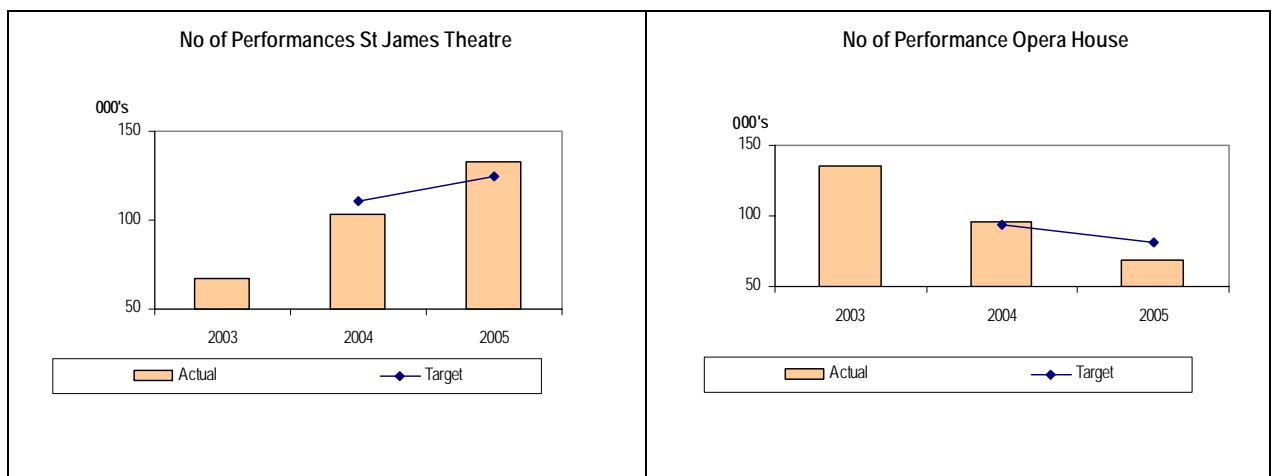
b KPIs

(i) Against targets

| Measure | 2004/05 Target | 2004/05 Actual | Comment |
|--|-------------------|-------------------|---|
| Work within approved budget | - | - | Achieved |
| Work within strategic plan/Sol | - | - | Achieved |
| Number of Performances St James Theatre Opera House | 125 81 | 133 69 | The Opera House was closed for part of the year to allow the installation of the new flying system. |
| Total number of days utilised ▪ St James Theatre ▪ Opera House | 161 104 | 205 91 | The Opera House was closed for part of the year to allow the installation of the new flying system. |
| Average Utilisation of Seats own shows | 55% | 54% | |

| Measure | 2004/05 Target | 2004/05 Actual | Comment |
|--|------------------------------------|------------------|--|
| Number of Performance Related Events | 50 | 62 | Achieved |
| Number of Non Performance Related Events | 197 | 111 | There was an increase in the number of theatre performances held at the St James |
| Average Performance Spend per Head (inc GST) <ul style="list-style-type: none"> ▪ St James Theatre ▪ Opera House | \$1.50 - \$3.50 \$0.30 - \$1.50 | \$3.24 \$2.06 | Achieved |
| Average Yield per non performance event (inc venue rental) GST excl | \$3,368 | \$2,307 | There was an increase in the number of theatre performances held at the St James |

(ii) Trends



The St James had a good year in 2004-2005 in terms of the number of performances. The Opera House shows a downward trend in the year 2004-2005, this was as a result of the theatre being closed to install the new flying system.

Revenue from food and beverage has increased over the years due to the improved facilities including the Jimmy and the Espresso Café.

c Significant changes

(i) In activities

There have been no major changes in the activities of the Trust. The highly competitive theatre market means that the Trust continually looks at ways of ensuring full utilisation of the venues. This translates into additional joint venture shows or own shows, which in the past have proven very successful, for example Seven Fingers.

(ii) Other – governance

Beverly Wakem stepped down as Chair of the Trust on 31 December 2004. Geoff Atkinson was appointed as Chair with effect from 1 January 2005. Ross Baker retired 31 December 2004 and Roger Miller appointed with effect from 1 January 2005. The new Council triennium saw the replacement of Councillor Helene Ritchie with Councillor Ian McKinnon.

3. Discussion

a Key items from the year

As the market becomes increasingly competitive SJT takes on greater risk to ensure the most effective utilisation of the theatres. There have been some real wins, for example Seven Fingers and Maui. Conversely the Hobbit did not provide a return on investment.

b Issues for consideration

- At what point does the risk become too high? SJT proactively manages its risk and has recently reviewed its risk and cash reserves policy to take into account the changing environment.
- SJT are currently reviewing the options relating to the back lot at the St James Theatre. The Trust has received reports on this and it is not clear what impact this might have on the Trust's future operations.
- The future of audience development will need to be considered as the current funding ends in 2005/06.

4. Conclusion

a Summary of analysis

Overall it has been a good year with a number of successful shows such as Saturday Night Fever and Maui. SJT worked with promoters on joint venture shows as well as its own show.

The new Opera House flying system was installed along with a minor upgrade of the fire sprinkler system. The remainder of the sprinkler system is to be completed over the next two years.

b Looking forward

SJT continue to be proactive in its approach to ensure maximum utilisation of both the St James Theatre and the Opera House. However, given the competitive nature of the theatre business it is inevitable the SJT will take on a greater share of the risk. The future capital works include the installation of a pit lift at the St James, which will be part funded by the New Zealand Community Trust; auditorium at the Opera House along with a front of house sprinkler systems.

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