

BASIN RESERVE TRUST (INCORPORATED)

DRAFT ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

BASIN RESERVE TRUST (INCORPORATED)

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BASIN RESERVE TRUST (INCORPORATED)
TRUST DIRECTORY AS AT 30 JUNE 2013

SETTLORS	Wellington City Council ("WCC") Cricket Wellington Incorporated ("CW")
TRUSTEES	Douglas Catley (Chairman) Don Neely John Morrison Sir John Anderson
MANAGER	Cricket Wellington Incorporated
DATE OF SETTLEMENT	24 February 2005
AUDITORS	Audit New Zealand on behalf of the Auditor-General Wellington
SOLICITORS	Maclister Mazengarb DLA Phillips Fox
BANKERS	Westpac Banking Corporation
ADDRESS	Brierley Pavilion, Hawkins Basin Reserve Rugby Street Wellington
POSTAL ADDRESS	P O Box 578 Wellington

BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Actual 2013 \$	Budget 2013 \$	Actual 2012 \$
Income				
Grant income	2	355,000	180,000	230,000
Ground hire income		104,500	140,500	157,800
Other income	3	171,185	181,600	209,649
Interest income		3,874	3,000	3,275
Total Income		634,559	505,100	600,724
Expenditure				
Operating expenses	4	562,205	459,345	444,238
Finance Costs		46	-	50
Depreciation	6	273,052	270,000	267,318
Total Expenditure		835,303	729,345	711,606
Net Surplus (Deficit) for the Year		(200,744)	(224,245)	(110,882)
Other Comprehensive Income		-	-	-
Total Comprehensive Income (Deficit) for the Year		(200,744)	(224,245)	(110,882)

BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Settlors Funds \$	Accumulated Funds \$	Total Trust Funds \$	Budget Total Trust Funds \$
Balance as at 1 July 2011	100	1,259,407	1,259,507	1,482,000	
Net Surplus (Deficit) for the Year	-	(110,882)	(110,882)	(153,650)	
Total Comprehensive Income		-	(110,882)	(110,882)	(153,650)
Balance as at 30 June 2012		100	1,148,525	1,148,625	1,328,350
Balance as at 1 July 2012	100	1,148,525	1,148,625	1,054,000	
Net Surplus (Deficit) for the Year	-	(200,744)	(200,744)	(224,245)	
Total Comprehensive Income		-	(200,744)	(200,744)	(224,245)
Balance as at 30 June 2013		100	947,781	947,881	829,755

The accompanying notes form part of these financial statements.

BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	Actual 2013 \$	Budget 2013 \$	Actual 2012 \$
Current Liabilities				
Trade payables		67,255	86,000	83,111
Unsecured loan	7	-	-	4,339
Current account - Cricket Wellington	9	31,907	-	14,796
Total Current Liabilities		<u>99,162</u>	<u>86,000</u>	<u>102,246</u>
Total Liabilities		<u>99,162</u>	<u>86,000</u>	<u>102,246</u>
Trust Funds	5	<u>947,881</u>	<u>829,755</u>	<u>1,148,625</u>
Total Trust Funds and Liabilities		<u><u>1,047,043</u></u>	<u><u>915,755</u></u>	<u><u>1,250,871</u></u>
Non Current Assets				
Property Plant & Equipment	6	892,605	844,000	1,139,780
Total Non Current Assets		<u>892,605</u>	<u>844,000</u>	<u>1,139,780</u>
Current Assets				
Cash & cash equivalents		82,314	55,755	41,816
Trade receivables		67,573	13,000	53,931
GST receivable		2,767	2,000	13,554
Prepayments		1,784	1,000	1,790
Total Current Assets		<u>154,438</u>	<u>71,755</u>	<u>111,091</u>
Total Assets		<u><u>1,047,043</u></u>	<u><u>915,755</u></u>	<u><u>1,250,871</u></u>

For and on behalf of the Basin Reserve Trust (Incorporated) on September 2013:

TRUSTEE:

TRUSTEE:

The accompanying notes form part of these financial statements.

BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Actual 2013 \$	Budget 2013 \$	Actual 2012 \$
Cash flows from operating activities				
Cash was provided from:				
Grants from related party - Wellington City Council		355,000	180,000	180,000
Grants other		-	-	25,000
Revenue from operations		219,698	215,400	271,572
Revenue from related parties		70,750	70,000	41,250
Interest received		3,874	3,000	3,275
GST		10,787	28,500	553
Cash was disbursed to:				
Payments to suppliers		(511,268)	(414,795)	(459,996)
Payments to related party - Cricket Wellington		(55,000)	(56,350)	(31,516)
Net cash flows from operating activities	10	93,841	25,755	30,138
Cash flows from investing activities				
Cash was disbursed to:				
Purchase of property plant & equipment		(49,004)	-	(70,552)
Net cash flows from investing activities		(49,004)	-	(70,552)
Cash flows from financing activities				
Cash was disbursed to:				
Decrease in current account - Cricket Wellington		-	-	(1,563)
Unsecured Loan Repayments		(4,339)	-	(4,340)
Net cash flows from financing activities		(4,339)	-	(5,903)
Net increase (decrease) in cash held		40,498	25,755	(46,317)
Cash at the beginning of year		41,816	30,000	88,133
Cash at the end of year		82,314	55,755	41,816
Comprising:				
Cash and cash equivalents		82,314	55,755	41,816
Cash at the end of year		82,314	55,755	41,816

All cash balances are available to the Trust without restriction

The accompanying notes form part of these financial statements.

BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes form part of these financial statements.

**BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 1: Summary of Significant Accounting Policies

Reporting Entity

These financial statements are for the Basin Reserve Trust ("the Trust"), a charitable trust established by the Wellington City Council ("WCC") and Cricket Wellington ("CW") and registered under the Charitable Trusts Act 1957 and also registered with the Charities Commission. The trust has designated itself as a public benefit entity.

The Trust is a Council Controlled Organisation (CCO) as defined by Part 1, section 6 of the Local Government Act 2002.

The Trust operates under the Basin Reserve Trust Deed dated 24 February 2005. The parties to the Deed are WCC, CW and the Trustees.

The WCC holds the Basin Reserve as a reserve and upon trust to be used for the purposes of a cricket and recreation ground by the citizens of Wellington pursuant to a Deed of Trust dated 17 October 1884. The purpose of the Basin Reserve Trust is the management and operation of the Basin Reserve.

Basis of Preparation

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

The financial statements have also been prepared in accordance with the requirements of the Charitable Trusts Act 1957.

The information is presented in New Zealand dollars.

The Trust is reliant on the WCC for a significant portion of its income, being \$355,000 in this financial year and \$180,000 in the last financial year. The terms under which this funding is provided are contained in a Management Deed dated 16 March 2005. This Deed provides that normal funding from the WCC, to a maximum of \$355,000 p.a, will continue in future years subject to the approval by the WCC in its annual planning process. Following enquiry, the WCC have advised that funding for the Trust is provided for in the 2013/14 Annual Plan and in the Long Term Community Plan up to and including 2016, at this funding level of \$355,000.

Statement of Compliance with International Financial Reporting Standard

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to IFRS (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1: Summary of Significant Accounting Policies (continued)

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year.

The following amendments and revision to standards have been early adopted:

NZIFRS 7 Financial Instruments: Disclosures - The effect of early adopting these amendments is the following information is no longer disclosed:

- the carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated; and
- the maximum exposure to credit risk by class of financial instrument if the maximum credit risk exposure is best represented by their carrying amount.

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted and which are relevant to the Trust are:

NZIFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39 except for when an entity elects to designate a financial liability at fair value through the surplus or deficit. The new standard is required to be adopted for the year ended 30 June 2014. The Trust has not yet assessed the effect of the new standard and expects that it will not be early adopted.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied.

Revenue recognition

All revenue is measured at the fair value of consideration received.

Grants Revenue

Grants received from the WCC are a primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its obligations as specified in the trust deed. The Trust also receives other assistance for specific purposes, and these grants or donations, usually contain restrictions on their use.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1: Summary of Significant Accounting Policies (continued)

Grants and Donations are recognised as revenue when they become receivable, unless there is an obligation to return the funds if the conditions of the grant are not met. If there is such an obligation the grant or donation, are initially recorded as income received in advance and are recognised as revenue when the conditions of the grant or donation are satisfied.

Taxation

The Trust is registered with the Charities Commission and is thus exempt from income tax under the Income Tax Act 2007. The Trust is not exempt from the need to comply with indirect tax obligations such as Goods and Services, Fringe Benefit and Entertainment and accordingly complies with those obligations that are applicable.

Goods and services tax (GST)

All revenue and expense transactions are recorded exclusive of GST. Assets and liabilities are similarly stated exclusive of GST, with the exception of receivables and payables, which are stated with GST included.

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

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.

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 impairment.

A provision for impairment of receivables is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Property, plant, and equipment

The Trust has the following broad categories of property, plant and equipment:

- Leasehold improvements
- Drainage works
- Furniture & fittings
- Plant
- Capital work in progress

All property, plant and equipment is initially recorded at cost. The assets are carried at cost less depreciation.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1: Summary of Significant Accounting Policies (continued)

Depreciation is provided for on a straight line basis on all tangible property, plant and equipment other than capital work in progress, at depreciation rates calculated to allocate the assets' cost less estimated residual value, over their estimated useful lives.

Major depreciation periods are:

Leasehold improvements	2.20 - 66.70% SL
Drainage works	5.50 - 7.20% SL
Furniture & fittings	12.00 - 48.00% SL
Plant	16.20 - 21.00% SL

Budget figures

The budget figures are those approved by the Trustees and published in the annual plan. They have been prepared using the same accounting policies as are employed in preparing these financial statements.

Impairment

If the recoverable amount of an item of property, plant and equipment is less than its carrying amount, the item is written down to its recoverable amount. The write down of an item is recognised as an expense in the statement of comprehensive income.

The carrying amount of an item of property, plant and equipment that has previously been written down to recoverable amount is increased to its current recoverable amount if there has been a change in the estimates used to determine the amount of the write down.

The increased carrying amount of the item will not exceed the carrying amount that would have been determined if the write down to recoverable amount had not occurred. The reversal of a write down of an item is recognised in the statement of comprehensive income.

Critical accounting estimates and assumptions

In preparing these financial statements the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Property, plant and equipment useful lives and residual values

At each balance date the Trust reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Trust to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Trust, and expected disposal proceeds from the future sale of the asset.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1: Summary of Significant Accounting Policies (continued)

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the statement of comprehensive income, and carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by:

- physical inspection of assets; and
- asset replacement programs.

The Trust has not made significant changes to past assumptions concerning useful lives and residual values. The Carrying amounts of property, plant and equipment are disclosed in note 6.

Critical judgements in applying the Trust's accounting policies

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

Note 2: Grant Income

	Actual 2013 \$	Budget 2013 \$	Actual 2012 \$
Grant income - WCC	355,000	180,000	180,000
Grant income - other	-	-	50,000
	355,000	180,000	230,000

The Grant income received from the WCC was an operational grant that was used to pay occupancy costs and make repairs and maintain the Basin Reserve.

The Grant income - other, in the previous financial year, represents a grant payment to the Trust from the Lion Foundation as a contribution towards the costs of upgrading the players changing room facilities in the R. A. Vance Stand.

Note 3: Other Income

	Actual 2013 \$	Budget 2013 \$	Actual 2012 \$
Concession income	26,715	35,000	19,725
Signage	97,437	96,000	101,340
Screen hireage	40,459	50,000	82,375
Miscellaneous income	6,574	600	6,209
Total Other Income	171,185	181,600	209,649

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 4: Operating Expenses	Actual 2013 \$	Budget 2013 \$	Actual 2012 \$
Building expenses	81,523	34,600	36,624
Ground expenses	156,636	148,800	133,395
Occupancy expenses	134,269	114,200	112,483
Event running expenses	69,738	45,000	68,204
Administration expenses	111,566	99,545	84,164
Other expenses	8,473	17,200	9,368
Total Operating Expenses	562,205	459,345	444,238

Note 5: Trust Funds	Actual 2013 \$	Actual 2012 \$
Settlement on Trust		
Balance at start of year	100	100
Balance at end of year	100	100
Accumulated Funds		
Balance at start of year	1,148,525	1,259,407
Total comprehensive income (deficit) for the year	(200,744)	(110,882)
Balance at end of Year	947,781	1,148,525
	947,881	1,148,625

Note 6: Property, Plant & Equipment

Certain assets, totalling \$155,716 that related to the Basin Reserve, were transferred from the Wellington Regional Stadium Trust to the Trust. These assets were transferred for nil consideration, but were taken up in the accounts of the Trust at the book values in the accounts of the Wellington Regional Stadium Trust as at 1 July 2004. The value of the donated assets was recognised in the statement of comprehensive income for the year ending 30 June 2005.

Ownership of the Basin Reserve buildings remains with the WCC.

Ownership of the assets required to maintain the Basin Reserve playing surfaces remains with the Wellington Regional Stadium Trust.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 7: Unsecured Loan

The unsecured loan was from New Zealand Cricket (Incorporated), and was interest free. The funds from the loan were used to paint the Museum Stand seating prior to the English test held at the Basin Reserve Trust.

Note 8: Trustee Disclosures

The Trustees of the Trust are:

Douglas Catley (Chairman)	- appointed by CW
Don Neely	- appointed by CW
Sir John Anderson	- appointed by WCC
John Morrison	- appointed by WCC

In the year to 30 June 2013, the Trustees did not receive any remuneration in regard to their duties as trustees (30 June 2012 Nil).

Note 9: Related Parties

The settlors of the Trust are WCC and CW and therefore they are deemed to be related parties of the Trust. Because both the Trust and the Wellington Regional Stadium Trust ("the Stadium Trust") are members of the Wellington City Council Group, there is deemed to be common outside control or significant influence. Consequently, the Stadium Trust is also a related party of the Trust. During the year the following material transactions took place with these related parties.

- 1 WCC made a grant of \$355,000 (2012 \$180,000) to the Trust as a contribution towards the costs of operating the Trust.
- 2 WCC paid the Trust \$0 (2012 \$7,000), for the use of the Basin Reserve for training during Rugby World Cup 2011.
- 3 The Trust paid WCC the sum of \$37,617 (2012 \$19,151) for water rates at the Basin Reserve.
- 4 The Trust paid WCC the sum of \$26,041 (2012 \$25,186) for rates at the Basin Reserve.
- 5 The Trust paid WCC the sum of \$324 (2012 \$130) for building warrant of fitness administration fees.
- 6 The Trust paid WCC the sum of \$10,000 (2012 \$10,000) as a contribution for the Karori Park operation.
- 7 An amount of \$8,284 (2012 \$0) was paid to WCC for supplying and planting four large Pohutakawas at the ground.
- 8 The Trust paid WCC the sum of \$1,579 (2012 \$0) as a capital contribution for work performed on the R A Vance stand.
- 9 An amount of \$14,316 (2012 \$14,293) was owed to WCC by the Trust at balance date. This amount is included as a trade payable at balance date.
- 10 CW paid the BRT \$42,000 (2012 \$70,000) as a hire fee for the domestic cricket season.
- 11 CW was repaid the sum of \$0 (2012 \$1,563), being the amount that it was owed as at 30 June 2011.
- 12 The Trust incurred expenditure of \$55,000 (2012 \$56,640) charged by CW for the provision of management and secretarial services.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 9: Related Parties (continued)

- 13 An amount of \$31,907 (2012 \$48,006) was owed to CW by the Trust at balance date. This amount is represented by the CW current account.
- 14 An amount of \$0 (2012 \$28,750) was owed to the Trust by CW by at balance date. This amount has been deducted from the CW current account.
- 15 The Stadium Trust provided turf maintenance services to the Trust at a cost of \$44,436 (2012 \$50,000). This transaction was also completed on normal commercial terms.
- 16 The Trust paid the Stadium Trust \$0 (2012 \$9,313) to re-imburse them for 50% of the costs associated with the acquisition of new covers and sandbags for the new practice wicket facility.
- 17 The Trust paid the Stadium Trust \$0 (2012 \$1,975) for extra drainage preparation during the Rugby World Cup 2011. This transaction was also completed on normal commercial terms.
- 18 An amount of \$12,500 (2012 \$12,500) was owed to the Stadium Trust at balance date. This amount is included as a trade payable at balance date.
- 19 An amount of \$97 (2012 \$130) was paid to Don Neely to re-imburse him for travel costs for attending Trustee meetings.
- 20 Catley Investments Limited, of which Doug Catley is a Director and Shareholder paid \$6,000 (2012 \$6,000) to become a Gold Member of the Basin Reserve.
- 21 Catley Investments Limited, of which Doug Catley is a Director and Shareholder was paid \$0 (2012 \$304) for expenses incurred for being a Gold Member of the Basin Reserve.
- 22 An amount of \$625 (2012 \$0) was paid to Doug Catley to re-imburse him for expenses incurred on behalf of the Trust in their dealings with NZTA.

No related party debts have been written off or forgiven during the year (2012 Nil).

Note 10: Reconciliation of Reported Surplus with Cash Flows from Operating Activities

	Actual 2013 \$	Actual 2012 \$
Net surplus (deficit) for the year	(200,744)	(110,882)
Adjustments:		
Add non-cash items:		
Depreciation	273,052	267,318
Movement in working capital:		
Decrease/(increase) in receivables & sundry debtors, prepayments, income tax refund due & GST receivable	(2,849)	(16,168)
(Decrease)/increase in accounts payable & accruals & customer deposits, income received in advance & GST payable	24,382	(110,130)
	<u>21,533</u>	<u>(126,298)</u>
Net Cash Flows from Operating Activities	<u>93,841</u>	<u>30,138</u>

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 11: Financial Instruments

The Trust's financial instruments include financial assets (cash and cash equivalents, trade receivables, and financial liabilities (payables that arise directly from operations and borrowings). The main purpose of the Trust's financial instruments is to raise finance for the Trust's operations.

As part of its normal operations, the Trust is exposed to credit risk, interest rate risk and liquidity risk. The Trust's exposure to these risks and the action that the Trust has taken to minimise the impact of these risks is outlined below:

Fair Value

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arms length transaction. The fair values and carrying amounts of all financial instruments are detailed below by class:

	2013		2012	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
	\$	\$	\$	\$
<i>Financial Assets</i>				
Cash and cash equivalents	82,314	82,314	41,816	41,816
Trade receivables	67,573	67,573	53,931	53,931
<i>Financial Liabilities</i>				
Payables	67,255	67,255	83,111	83,111
Unsecured loan	-	-	4,339	4,339
Current account - Cricket Wellington	31,907	31,907	14,796	14,796

Credit Risk

Credit risk is the risk that a third party will default on its obligations to the Trust, therefore causing a loss. The Trust is not exposed to any material concentrations of credit risk. Receivables balances are monitored on an ongoing basis with the result that the Trust's exposure to bad debts is not significant. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 11: Financial Instruments (continued)

The Trust's maximum exposure to credit risk at balance date is:

<i>Financial Assets</i>	2013	2012
	\$	\$
Cash and cash equivalents	82,314	41,816
Trade receivables	67,573	53,931
	<u>149,887</u>	<u>95,747</u>

The status of trade receivables at the reporting date is as follows:

	2013		2012	
	Gross	Impairment	Gross	Impairment
	Receivable		Receivable	
	\$	\$	\$	\$
Trade receivables				
Not past due	9,545	-	13,926	-
Past due 0-3 months	-	-	26,105	-
Past due 3-6 months	14,259	-	11,500	-
Past due more than 6 months	43,769	-	2,400	-
Total trade receivables	<u>67,573</u>	<u>-</u>	<u>53,931</u>	<u>-</u>

Liquidity Risk

Liquidity risk is the risk arising from unmatched cash flows and maturities.

On a cash flow basis, the Trust maintains sufficient funds to cover all obligations as they fall due.

The following table sets out the contractual cash flows for all financial liabilities that are settled on a gross cash flow basis. Contractual cash flows for financial liabilities comprise the notional amount and interest payment.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 11: Financial Instruments (continued)

	Balance Sheet	Total Contractual Cashflows	2013		
			0-12 months	1-2 years	2-5 years
	\$	\$	\$	\$	\$
Trade payables	67,255	67,255	67,255	-	-
Current account - Cricket Wellington	31,907	31,907	31,907	-	-
Total financial liabilities settled on a gross basis	99,162	99,162	99,162	-	-

	Balance Sheet	Total Contractual Cashflows	2012		
			0-12 months	1-2 years	2-5 years
	\$	\$	\$	\$	\$
Trade payables	83,111	83,111	83,111	-	-
Unsecured loan	4,339	4,339	4,339	-	-
Current account - Cricket Wellington	14,796	14,796	14,796	-	-
Total financial liabilities settled on a gross basis	102,246	102,246	102,246	-	-

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Trust's financial instruments will fluctuate due to changes in market interest rates. The Trust is exposed to interest rate risk from its interest-earning financial assets. The Trust is risk averse and seeks to minimise exposure arising from its treasury activities. It doesn't undertake unnecessary investment or borrowing activity, nor is it speculative in the activity it undertakes, with the overall intention being to avoid placing the capital value of individual investment and borrowing facilities at risk.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 11: Financial Instruments (continued)

The effective interest rates and contractual re-pricing or maturity periods (whichever is earlier) of financial instruments are as follows:

		2013			
	Balance Sheet	Total Contractual Cashflows	0-12 months	1-2 years	2-5 years
Variable rate instruments	\$	\$	\$	\$	\$
Cash and cash equivalents	82,314	82,314	82,314	-	-
Total variable rate instruments	82,314	82,314	82,314	-	-
	2012 Balance Sheet	Total Contractual Cashflows	0-12 months	1-2 years	2-5 years
Variable rate instruments	\$	\$	\$	\$	\$
Cash and cash equivalents	41,816	41,816	41,816	-	-
Total variable rate instruments	41,816	41,816	41,816	-	-

Equity Management

The Trust's equity includes accumulated funds and retained earnings, revaluation reserves and settlements made on the Trust.

The Local Government Act 2002 requires the Trust to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

Note 12: Contingent Liabilities & Contingent Assets

There were no Contingent Liabilities or Assets as at 30 June 2013 (2012 Nil).

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 13: Commitments

	2013	2012
	\$	\$
Commitments for the acquisition of assets approved and contracted for at balance date:		
Within one year	-	-
Greater than one year	-	-
	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>
Operating commitments approved and contracted for at balance date:		
Within one year	-	-
Greater than one year	-	-
	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>

Note 14: Concession Agreement

During the financial year ended 30 June 2009 the Trust entered into a contractual arrangement with Scarlet Limited. Under the terms of this arrangement the Trust granted to Scarlet Limited an exclusive right to provide all food and beverage facilities at the Basin Reserve until 31 March 2016. Scarlet also have a right of renewal under this arrangement for one further terms of three years. In consideration for granting this concession the Trust receives 4.5% of all gross revenues generated from Scarlet Limited under this contractual arrangement.

Note 15: Variance Against Budget

The major variances in revenue was that the budget didn't foresee the increase in the operational grant to be received from the WCC from \$180,000 to \$355,000. Screen hireage was lower than budgeted for due to the unforeseen economic downturn in running events in this financial year. Expenditure was over budget due mainly to the budget not recognising the amount of funds that could be spent on maintaining and making repairs to the buildings and grounds, due to the increase in the WCC grant received. Event running expenses were also higher than budgeted for due to the unforeseen costs of hosting an English series and also the cost of Consultants was higher than budgeted for due to the need to engage specialists to advise on arrangements with NZTA.

Trade receivables were higher than budgeted for due to it taking longer to collect amounts due from two particular customers.

Note 16: Events After Balance Date

There are no events after balance date that effect the financial statements or the notes to the financial statements (2012 Nil).

BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF SERVICE PERFORMANCE

- The Trust's Statement of Intent for the year ended 30 June 2013 was adopted in May 2012
- The main objectives of the Trust are as follows:
 1. To contribute to the Wellington City Council's vision of Creative Wellington - Innovative Capital, by continuing to attract national and international sporting events to Wellington.
 2. To manage, administer, plan, develop, maintain, promote and operate the Basin Reserve for recreational activities and for the playing of cricket, for the benefit of the inhabitants of Wellington.
 3. To establish a long term policy for the further development of the Basin Reserve as a recreational facility and as a facility for the playing of cricket, other sports and as a venue for other community based activities.
 4. To preserve and enhance the significant and recognised heritage value of the Basin Reserve.
 5. To comply with all legislative and regulatory provisions relating to it's operation and performance, including statutory and general Council objectives for Council controlled organisations.

PERFORMANCE MEASURES

12 months to 30 June 2013

	<u>Target</u>	<u>Actual</u>
Administrative		
Achieve targets within allocated budgets	Annual	Not Achieved
Comply with financial, technical and regulatory standards	Quarterly	Achieved
Asset management plan carried out	Quarterly	Not Achieved
Operating - Number of Events		
Cricket	15	20
Other Sports	6	1
Community	2	1
Operating - Number of Event Days		
Cricket	34	32
Other Sports	6	1
Community	2	1
Numbers attending events	34,800	32,878
Hirer satisfaction with venue and events	Quarterly	Achieved
Playing surface to be maintained to an international standard	Annual	Achieved
Council subsidy per visitor	Less than \$6.00	\$10.80

**BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF SERVICE PERFORMANCE**

PERFORMANCE MEASURES

12 months to 30 June 2012

	<u>Target</u>	<u>Actual</u>
Financial		
Results within budget	Annual	Achieved
Capital expenditure - within Budget	Annual	Not Achieved
Council % of Revenue ratio	Less than 35%	56%
Event Income	\$100,000	\$104,500
Non-Event Income as a % of Total Income	75% of total income	84% of total income
Business Plan developed	Annual	Achieved

In terms of the Asset Maintenance Plan, the Trust has not had the expertise available to it, or indeed the funding to commission it and has been in discussions with Council officers since 2008 about using the Council's Property Division to prepare the plan. While this has not occurred to date, more recently Council has retained GHD to complete a Facilities Management Plan for the Basin Reserve, which will include an Asset Maintenance Plan.

In terms of Hirer satisfaction with the venue and events, the achievement of this measure is based on the satisfaction of New Zealand Cricket and Cricket Wellington, as they are the Trust's most significant hirers, and is not based on a survey conducted on all hirers of the Basin Reserve.

With regard to Capital expenditure, when the Budget was set it wasn't envisaged that there would be any Capital expenditure requirements during the year, however as it turns out there were.

**BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF COMPLIANCE AND RESPONSIBILITY
FOR THE YEAR ENDED 30 JUNE 2013**

VARIANCES TO TARGET

The number of other sports and community events and event days were less than the budget due to the ground being unavaialble for use in the non cricket season as the drainage upgrade was carried out.

COMPLIANCE

The Board and management of the Basin Reserve Trust ("the Trust") confirm that all statutory requirements of the Local Government Act 2002 regarding financial and operational management have been complied with.

RESPONSIBILITY

The Board and management of the Trust accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting and performance information of the Trust.

In the opinion of the Board and management, the annual Financial Statements for the year ended 30 June 2013 fairly reflect the financial position, results of operations and service performance achievements of the Trust.

Douglas Catley
Chairman
Date:

Peter Clinton
Chief Executive
Cricket Wellington Inc.
Date:

