



Basin Reserve Trust

STATEMENT OF INTENT

2009/2010

PURPOSE

The purpose of this Statement of Intent is to:

- (a) state publicly the activities and intentions of this council-controlled organisation for the year and the objectives to which those activities will contribute; and
- (b) provide an opportunity for shareholders to influence the direction of the organisation; and
- (c) provide a basis for the accountability of the directors to their stakeholders for the performance of the organisation.

This Statement of Intent covers the year 1 July 2009 to 30 June 2010 and the following two financial years.

BACKGROUND

The Basin Reserve Trust is a charitable trust, and operates on a not-for-profit basis. It was created in February 2005 for the purpose of managing and operating the Basin Reserve. The Trust was established by the Wellington City Council and Cricket Wellington Incorporated (the "stakeholders").

A. OBJECTIVES OF THE TRUST

The objectives of the trust are stated in the Trust Deed as agreed between the Wellington City Council and the Basin Reserve Trust and are highlighted below:

1. to contribute to the Wellington City Council's vision of Creative Wellington - Innovative Capital - positioning Wellington as an affordable, internationally competitive city.
2. to manage, administer, plan, develop, maintain, promote and operate the Basin Reserve for recreation and leisure 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 value 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 enter into management agreements and other contracts that are necessary or desirable to achieve the objects of the Trust;
5. to promote and co-ordinate the raising of funds to assist the management, administration, maintenance planning, promotion and further development of the Basin Reserve - in a manner consistent with the achievement of council objectives;
6. generally to do all acts, matters and things that the Trustees consider necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the public of Wellington;
7. to operate as a successful undertaking, managed on a not-for-profit basis;
8. to preserve and enhance the significant and recognised heritage value of the Basin Reserve;
9. to comply with all legislative and regulatory provisions relating to its operation and performance including statutory and general Council objectives for Council controlled organisations, and to acknowledge the Councils contribution where appropriate;

B. BOARD'S APPROACH TO GOVERNANCE OF THE TRUST

The Basin Reserve Trust is a Council Controlled Organisation. It was established in February 2002 by the Wellington City Council to manage and develop the Basin Reserve venue.

Role of the Board

The Trustees are responsible for setting the strategic direction for the Trust, and approving the Statement of Intent and Annual Business Plan. The Trustees monitor the organisational performance and ensures that the ongoing viability of the organisation is maintained.

The Trust delegates the daily operation of the Trust to Cricket Wellington Incorporated, pursuant to a Management Agreement between the two parties.

Trust Membership

Mr Douglas Catley (Chair)
Mr Don Neely MBE
Mr John Morrison
Mr Glenn McGovern

Trust Operations

The Trust meets bi-monthly, and considers a Management Report submitted by Cricket Wellington as Manager. Additional meetings are called irregularly as required.

Performance Management

The performance of the Trust is measured in part by achievement of agreed KPI's, in regards to operational activities. The Chair of the Board will undertake an annual evaluation of Trustee performance. Further, the individual performance of Trustees is monitored by the Wellington City Council (in respect of the two Council- appointed Trustees), and Cricket Wellington (in regards to the two Cricket Wellington-appointed Trustees).

The Trust acknowledges the need for ongoing professional development opportunities for Trustees, and encourages the undertaking of specialist training for identified needs. The Board will on an annual basis implement a programme that supports the identified needs. This may include programmes such as that offered by the NZ Institute of Directors (or similar) or specialist knowledge building from appropriate agencies.

Formal Requirements

1. This council-controlled organisation is a trust and is governed by the requirements of the Local Government Act 2002.
2. The Board will require the unanimous approval of the Board for:
 - 2.1. significant changes to the trust's structure;
 - 2.2. extraordinary transactions (entering into any contract or transaction except in the ordinary course of business);
 - 2.3. delegation of trustees' powers to any person;
 - 2.4. any decision to diversify business into a business not forming part of or being naturally ancillary to the core business of managing the Basin Reserve;
 - 2.5. major transactions - entering into any transaction greater than \$50,000 or 10% of total asset value (whichever threshold is lower);

- 2.6. disputes (commencing or settling any litigation, arbitration or other proceedings which are significant or material to the trust's business)
 - 2.7. borrowings in a manner that materially alters the trust's banking arrangements, advancing of credit (other than normal trade credit) exceeding \$5,000 to any person except for making deposits with bankers, or giving of guarantees or indemnities to secure any person's liabilities or obligations;
 - 2.8. sale of assets (sell or dispose of fixed assets for a total price per transaction exceeding \$10,000 or a series of aggregated transactions exceeding \$20,000); and
 - 2.9. capital expenditure at a total cost to the trust, per transaction, exceeding \$50,000 or a series of aggregated transactions exceeding \$100,000.
3. The Board will require the agreement of the Basin Reserve Trustees, Council and Cricket Wellington for:
- 3.1. any changes to the trust deed;
 - 3.2. any arrangement, dissolution, reorganisation, liquidation, merger or amalgamation of the trust;
 - 3.3. any "major transactions" as that term is defined in the Companies Act 1993.
- 4 The contribution to Wellington City Council's strategic direction is demonstrated by the alignment of the Trusts objectives with those of the Council.

In particular the Trust will contribute to the Councils strategy in areas of Economic Development by being "more eventful" and in Social and Recreation by actively promoting sporting and recreational activity and the enhancement of the facility thereby increasing its value to the community.

C. THE NATURE AND SCOPE OF THE ACTIVITIES TO BE UNDERTAKEN BY THE GROUP

The principal objective of the trust is long term management of the Basin Reserve and to operate as a successful business, managed on a non-profit basis.

Strategic Direction.

The Basin Reserve Trust's vision for the Basin Reserve is for it to be recognised domestically and internationally as a premier cricketing venue, to be sustainable operationally and financially, and to contribute to the wider Wellington region in terms of provision and promotion of quality events.

To achieve this vision the following strategic goals have been identified:

- 1 To ensure the Basin Reserve is the leading cricket venue in New Zealand
- 2 To enhance the heritage value and character of the Basin Reserve
- 3 To maximise revenues from existing and new event opportunities.
- 4 To develop a close working relationship with the Wellington City Council event and recreation team in order to maximise event opportunities for the city.
- 5 To increase event programmes such that the venue is part of Wellingtons outdoor entertainment and event environment.
- 6 To manage the Basin Reserve and Wellington City Council assets efficiently and effectively.
- 7 To meet all public accountability and regulatory requirements.

Asset Management

The Trust has concluded the first step of an Asset Management Plan, with an Asset Condition Survey completed in November 2008. A number of repairs and maintenance deemed urgent or unsafe have been actioned.

The Trust now proposes to discuss the next step in the Asset Management Plan process with Council officers, with a view to settling a series of priorities and timelines over the next few months.

Community Use and Programme of Events

The Basin Reserve has enjoyed a wider use in recent times, beyond its core activity as a cricket ground. The Trust is mindful of the sense of connection that many Wellingtonians have with the Basin Reserve, and where it is available is seeking to increase the number of non-cricket activities that are held. In recent times this has included Carols by Candlelight and music concerts, with scope to establish and grow these key community events.

Council Events Objectives

The Trust will continue to develop its relationship with the WCC Events team (in particular), to identify any opportunities for non-sporting events. The two WCC-appointed Trustees also enjoy a strong operating (working) relationship with the WCC Events team, and as such are well positioned to identify, promote and progress any appropriate hosting and staging opportunities to the wider Trust to consider.

Risk Management

The Trust undertakes the following measures to manage identified risks.

Financial and Legal Risks	<ul style="list-style-type: none">• External audit and review of financial accounts (undertaken by Audit NZ)• Interests Register documented at each Trust meeting• Fraud Policy adopted by the Trust (detailing the Trust's policy for fraud prevention)• The Trust's financial matters are managed by an external Accountant, whom also sits on Trust meetings and partakes in business discussions and decision-making (as a non-voting member of the Trust's Executive)
Health & Safety	<ul style="list-style-type: none">• Health & Safety policy in place, reviewed bi-annually• Evacuation Procedures in place• Meet all building WOF requirements and act in the required manner on IQP reports
Operating Risks	<ul style="list-style-type: none">• Routine Maintenance Plan in place to ensure facility meets a necessary standard• Comprehensive Asset Management Plan to be initiated in the 2008-09 period, as a matter of urgency• For cricket-specific events, the Trust meets or exceeds NZC and/or ICC set criteria

D. THE RATIO OF CONSOLIDATED SHAREHOLDERS' FUNDS TO TOTAL ASSETS, AND THE DEFINITIONS OF THOSE TERMS

A statement of the ratio of shareholders' funds to assets is not considered appropriate at this time.

E. THE ACCOUNTING POLICIES OF THE GROUP

1. Financial statements will comply with the requirements of the Financial Reporting Act 1993 (FRA). That Act requires the financial statements of a reporting entity to comply with Generally Accepted Accounting Practice (GAAP). Financial statements will also comply with the requirements of the Local Government Act 2002.
2. General Accounting Policies - Accounting policies adopted will be consistent with the Financial Reporting Standards (FRSs) and the Statements of Standard Accounting Practice (SSAPs) issued by the Institute of Chartered Accountants of New Zealand.
3. Particular Accounting Policies -Recognition of Revenue - Revenue will be recognised when an invoice is raised after service is provided. Other transactions that comply with the definition of "Revenue" in the Statement of Concepts issued by the Institute of Chartered Accountants of New Zealand will also be recognised as revenue.
4. Goods and Services Tax -The financial statements will be prepared on a GST exclusive basis except for accounts receivable and accounts payable which are shown GST inclusive.
5. Accounts Receivable -Accounts receivable will be stated at net realisable value.
6. Inventories -Inventories will be stated at the lower of cost or net realisable value.
7. Investments -Investments will be stated at the lower of cost or net realisable value.
8. Consolidation – Consolidation will be in accordance with FRS36, 37 and 38.
9. Leases - Cost of operating leases (if any) will be recognised as expenditure over the term of the lease.

F. THE PERFORMANCE TARGETS AND OTHER MEASURES BY WHICH THE PERFORMANCE OF THE TRUST MAY BE JUDGED IN RELATION TO ITS OBJECTIVES

1. In general, the trust will:
 - 1.1. achieve targets within allocated budgets;
 - 1.2. comply with financial, technical and regulatory standards;
 - 1.3. establish a business plan by 30 June 2009;
 - 1.4. ensure property and asset maintenance is carried out in accordance with asset management plans and to best applicable trade standards and practice;
 - 1.5. meet the performance measures agreed by Council.
2. Specific performance measures for the trust are:
 - 2.1. number of events
 - 2.1.1. cricket
 - 2.1.2. other sports
 - 2.1.3. other (cultural, recreational etc)
 - 2.1.4. community (subsidised or free)
 - 2.2. number of event days
 - 2.3. numbers attending events
 - 2.4. residents satisfaction with events

- 2.5. hirer satisfaction with venue and events
- 2.6. maintain playing surface to international standard
- 2.7. Percentage of non-event revenues

Performance targets for 2009-10 are as set out in Appendix 1. The KPI's recorded are identical in phasing and total to the 2008-09 year, reflecting that the venue has now secured regular events at agreed times throughout the year, and there remains little available capacity for further events.

Commentary on Financial Forecasts for 2010-12

With respect to the financial accounts appended to this document, the Trust has budgeted to receive \$450,000 by way of a special grant for the off field practice wickets in the 2010 financial year and is budgeting to spend \$500,000 by way of capital expenditure on these practice wickets.

G. AN ESTIMATE OF THE AMOUNT OR PROPORTION OF ACCUMULATED PROFITS AND CAPITAL RESERVES THAT IS INTENDED TO BE DISTRIBUTED TO THE STAKEHOLDERS

There is no intention to pay out reserves to stakeholders.

H. THE INFORMATION TO BE PROVIDED TO THE STAKEHOLDERS BY THE TRUST DURING THE COURSE OF THE FINANCIAL YEAR

1. In each year the trust shall comply with the reporting requirements under the Local Government Act 2002.
2. In particular, it shall provide:
 - 2.1. a statement of intent detailing all matters required under the Local Government Act 2002;
 - 2.2. a strategic plan, to be updated at least every 3 years;
 - 2.3. an annual budget and business plan for the coming financial year, to be presented in accordance with the shareholding Councils' budgeting and planning cycles; and
 - 2.4. an annual report.
3. Within two months after the end of the first half of each financial year, the Trust shall provide, in accordance with section 66 of the Local Government 2002, a report on the operations of the Trust to enable an informed assessment of its performance, including financial statements and a comparison against budget and the statement of intent.
4. Within 3 months after the end of each financial year, the Trust shall provide in accordance with section 67, 68 and 69 of the Local Government 2002:
 - 4.1. a comparison of the performance of the Trust with the statement of intent;
 - 4.2. an explanation of any material variances between that performance and the statement of intent;
 - 4.3. audited consolidated financial statements for that financial year;
 - 4.4. an auditor's report on:
 - 4.4.2. those financial statements, and
 - 4.4.3. performance targets and other measures by which performance was judged in relation to that organisation's objectives

5. Within 1 month after the end of each quarter, the Trust shall provide a management report which will include (for the quarter and year-to-date)
 - 5.1. a Statement of Financial Performance
 - 5.2. a Statement of Financial Position
 - 5.3. a Statement of Cash Flows
 - 5.4. a report on key performance indicators
 - 5.5. an explanation of any material variances between that performance and the statement of intent
6. The information must be presented in such a way as to enable an informed assessment of the operations of the Trust.

I. THE PROCEDURES TO BE FOLLOWED BEFORE THE TRUST SUBSCRIBES FOR, PURCHASES, OR OTHERWISE ACQUIRES SHARES IN ANY TRUST OR OTHER ORGANISATION

There is no intention to subscribe for shares in any other trust or invest in any other organisation.

J. ANY ACTIVITIES FOR WHICH THE BOARD SEEKS COMPENSATION FROM ANY LOCAL AUTHORITY (WHETHER OR NOT THE LOCAL AUTHORITY HAS AGREED TO PROVIDE THE COMPENSATION)

None.

K. THE BOARD'S ESTIMATE OF THE COMMERCIAL VALUE OF THE STAKEHOLDERS' INVESTMENT IN THE TRUST AND THE MANNER IN WHICH, AND THE TIMES AT WHICH, THAT VALUE IS TO BE REASSESSED

The net value of the Stakeholder's investment in the trust is estimated to be valued at \$180,000 as at 31 March 2009.

L. ANY OTHER MATTERS THAT ARE AGREED BY THE STAKEHOLDERS AND THE BOARD.

There are no other matters.

Appendix I: Performance measures and targets

Measure	Frequency	Measurement	Target Q1	Q2	Q3	Q4	FY
Administrative Measures							
Achieve targets within allocated budgets	Annual	Budget forecasts are met					
Comply with financial, technical and regulatory standards	Quarterly	Council reports submitted within stated timeframes					
Asset Management Plan carried out	Quarterly	Planned maintenance activities effected within budget					
Operating Measures							
Number of events	Quarterly						
- cricket		Cricket matches		3	8		11
- other sports		Sports events	6			6	12
- other (cultural etc)		Other events			3		3
- community		Other events	1	1	3		5
Number of event days	Quarterly						
- cricket		Cricket days		12	21		32
- other sports		Sports days	6			6	12
- other (cultural etc)		Other days			3		3
- community		Other days	1	1	3		5
Numbers attending events	Quarterly	Attendance figures	1,200	10,000	28,000	1,200	40,400
Resident's satisfaction with events	Quarterly	Measurement to be determined					
Hirer satisfaction with venue and events	Quarterly	Positive formal feedback received					
Playing surface to be maintained to an international standard	Annual	Based upon NZC and ICC feedback					
Financial measures							
Results within budget	Annual						
Capital expenditure – within budget	Annual						
Event income	Annual	\$100,000					
Non-event income as a % of total income	Annual	75% of total income					
Business Plan developed	Annual	Submission of Business Plan					

Appendix II: Financial budgets, measures and targets

As attached.

APPENDIX II: FINANCIAL BUDGETS, MEASURES AND TARGETS

BASIN RESERVE TRUST (INCORPORATED)

INCOME STATEMENT FOR THE YEARS ENDING

	30 June 2010 \$000	30 June 2011 \$000	30 June 2012 \$000
Income	1,020	515	580
Expenditure	731	715	755
Fair value gains/(losses)	-	-	-
Surplus from operations	<u>289</u>	<u>(200)</u>	<u>(175)</u>
Finance costs	-	-	-
Surplus before income tax	<u>289</u>	<u>(200)</u>	<u>(175)</u>
Income tax expense	-	-	-
Net Surplus/(Deficit) for the Year	<u><u>289</u></u>	<u><u>(200)</u></u>	<u><u>(175)</u></u>

These financial budgets have been prepared using accounting policies that comply with NZIFRS

BASIN RESERVE TRUST (INCORPORATED)

STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDING

	30 June 2010 \$000	30 June 2011 \$000	30 June 2012 \$000
Net surplus/(deficit) for the year	289	(200)	(175)
Movements in reserves	-	-	-
Total recognised income and expense	<u>289</u>	<u>(200)</u>	<u>(175)</u>
Transactions with beneficiaries	-	-	-
Equity at beginning of year	1,778	2,067	1,867
Equity at end of year	<u><u>2,067</u></u>	<u><u>1,867</u></u>	<u><u>1,692</u></u>

These financial budgets have been prepared using accounting policies that comply with NZIFRS

BASIN RESERVE TRUST (INCORPORATED)**BALANCE SHEET AS AT**

	30 June 2010 \$000	30 June 2011 \$000	30 June 2012 \$000
Current liabilities	95	95	95
Non-current liabilities	-	-	-
Trust funds	2,067	1,867	1,692
Total equity and liabilities	<u>2,162</u>	<u>1,962</u>	<u>1,787</u>
Non-current assets	1,966	1,759	1,574
Current assets	196	203	213
Total assets	<u>2,162</u>	<u>1,962</u>	<u>1,787</u>

These financial budgets have been prepared using accounting policies that comply with NZIFRS

BASIN RESERVE TRUST (INCORPORATED)

CASH FLOW STATEMENT FOR THE YEARS ENDING

	30 June 2010 \$000	30 June 2011 \$000	30 June 2012 \$000
Cash flows from operating activities	571	107	150
Cash flows from investing activities	(500)	(100)	(140)
Cash flows from financing activities	-	-	-
Net increase (decrease) in cash held	<u>71</u>	<u>7</u>	<u>10</u>
Cash at the beginning of year	77	148	155
Cash at the end of year	<u><u>148</u></u>	<u><u>155</u></u>	<u><u>165</u></u>

These financial budgets have been prepared using accounting policies that comply with NZIFRS

BASIN RESERVE TRUST (INCORPORATED)

**RECONCILIATION OF REPORTED SURPLUS AFTER TAXATION WITH CASH FLOWS FROM
OPERATING ACTIVITIES FOR THE YEARS ENDING**

	30 June 2010 \$000	30 June 2011 \$000	30 June 2012 \$000
Net profit (loss) for the year	289	(200)	(175)
Add (less) non-cash items:			
Depreciation	282	307	325
Movement in working capital:			
Increase (decrease) in payables	-	-	-
(Increase) decrease in receivables	-	-	-
Net cash flows from operating activities	<u>571</u>	<u>107</u>	<u>150</u>

These financial budgets have been prepared using accounting policies that comply with NZIFRS

BASIN RESERVE TRUST (INCORPORATED)**DETAILS OF FIXED ASSETS AS AT**

	30 June 2010 \$000	30 June 2011 \$000	30 June 2012 \$000
Leasehold improvements at cost	1,369	1,469	1,609
Leasehold improvements accumulated depreciation	(230)	(284)	(356)
Carrying amount	<u>1,139</u>	<u>1,185</u>	<u>1,253</u>
Drainage works at cost	110	110	110
Drainage works accumulated depreciation	(23)	(31)	(39)
Carrying amount	<u>87</u>	<u>79</u>	<u>71</u>
Furniture fittings & plant at cost	1,092	1,092	1,092
Furniture & fittings accumulated depreciation	(352)	(597)	(842)
Carrying amount	<u>740</u>	<u>495</u>	<u>250</u>
Total at cost	2,571	2,671	2,811
Total accumulated depreciation	(605)	(912)	(1,237)
Total carrying amount	<u><u>1,966</u></u>	<u><u>1,759</u></u>	<u><u>1,574</u></u>

These financial budgets have been prepared using accounting policies that comply with NZIFRS

BASIN RESERVE TRUST (INCORPORATED)**DETAILED INCOME STATEMENT FOR THE YEARS ENDING**

	30 June 2010 \$000	30 June 2011 \$000	30 June 2012 \$000
Grant income - Wellington City Council	180,000	180,000	180,000
Grant income - Wellington City Council -1	450,000	-	-
Interest income	4,000	4,000	4,000
Revenue from operations			
Ground hire - NZ Cricket	100,000	55,000	100,000
Ground hire - Winter	6,000	6,000	6,000
Ground hire - Other Events	30,000	35,000	40,000
Concessions	30,000	20,000	30,000
Signage	96,667	96,667	96,667
Scoreboard screen hireage	120,000	115,000	120,000
Picket fence income	3,000	3,000	3,000
Total Income	1,019,667	514,667	579,667

1. Budgetted Grant for the off-field practice wickets that Council has agreed to consider funding, however has not been unconditionally guaranteed as of yet.

Operating Expenses			
Audit fee	13,000	13,000	14,000
Building repairs & maintenance	25,000	20,000	18,000
Casual staff	25,000	20,000	20,000
Cleaning costs	18,400	16,000	19,000
Grounds repairs & maintenance			
Electrical services grounds	6,000	6,000	6,000
Equipment hire	5,000	5,000	5,000
Ground cleaning	15,000	10,000	15,000
Irrigation	2,000	2,000	2,000
Painting	10,000	8,000	8,000
Plumbing	1,000	1,000	1,000
Structures	15,000	15,000	10,000
Turf	3,500	3,500	3,500
Insurance	10,300	10,300	10,300
Management fee - Cricket Wellington	36,600	36,600	36,600
Other building costs			
Electrical services	10,000	10,000	10,000
Fire system	6,000	6,000	6,000
Painting	15,000	15,000	15,000
Pest control	5,500	5,500	5,500
Plumbing	10,000	10,000	8,000
Sanitary	7,500	7,500	7,500
Special Works	3,000	3,000	3,000
Power & gas			
Gas	9,000	10,000	10,000
Power	17,500	18,500	19,000

BASIN RESERVE TRUST (INCORPORATED)**DETAILED INCOME STATEMENT FOR THE YEARS ENDING**

	30 June 2010 \$000	30 June 2011 \$000	30 June 2012 \$000
Rates & water rates			
Rates	25,000	26,000	27,000
Water	18,000	19,000	19,000
Rubbish removal	12,000	10,000	12,000
Security	12,000	10,000	12,000
Other operating expenses			
Consumables - Laundry & Toilets	10,000	10,000	10,000
Telephones	15,000	15,000	15,000
Bank Fees	50	50	50
Consultants	20,000	18,000	20,000
Event set up costs	50,000	30,000	50,000
Marketing	15,000	15,000	10,000
Sundry	2,500	2,500	2,500
Picket fence costs	500	500	500
Finance Costs	-	-	-
Depreciation	282,000	307,000	325,000
Total Expenditure	731,350	714,950	755,450

These financial budgets have been prepared using accounting policies that comply with NZIFRS

BASIN RESERVE TRUST (INCORPORATED)**DETAILS OF FIXED ASSETS BEING DEPRECIATED AS AT**

	30 June 2010 \$000	30 June 2011 \$000	30 June 2012 \$000
Leasehold improvements			
Electronic Screen Structure - 3.6% S.L.	9	9	9
New Media Facilities - 8.4% S.L.	26	26	26
Long Room Upgrade - 8.4% S.L.	8	8	8
Sundry Other	6	6	6
New Capital Expenditure (Estimate)	-	5	23
	<u>49</u>	<u>54</u>	<u>72</u>
Drainage works			
New Irrigation System 7.2% S.L.	8	8	8
Furniture fittings & plant at cost			
Domino LED Screen 16.2% S.L.	174	174	174
New Practice Wickets (Estimate)	48	68	68
Other Sundry	3	3	3
	<u>225</u>	<u>245</u>	<u>245</u>
	<u><u>282</u></u>	<u><u>307</u></u>	<u><u>325</u></u>

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