

EXECUTIVE SUMMARY

The Basin Reserve Trust had a strong year with a number of successes both on and off the field. The Basin hosted two international test matches with the West Indies touring in December 2013 and India coming to Wellington in February 2014. The latter test included Brendan McCullum's historic triple century. As a result, spectator numbers well exceeded the forecast for the year.

Off field, work began on implementing the Trust's Facilities Management Plan by addressing some of the most urgent deferred maintenance work around the ground. All projects were completed on time and on budget. The Trust continued to be involved in the discussions and subsequent Board of Inquiry hearing around the NZTA's proposal for the Basin Reserve flyover. However, this did incur unbudgeted legal expenses.

In April, the Trust began work with representatives from the Council and Wellington Cricket on the development of a master plan for the Basin Reserve to look at the future of the Basin and the work required to future-proof the ground as the premiere international cricket venue and community space. A steering group has been established that has engaged with key stakeholders, including NZ Cricket, NZ Heritage, the Westpac Stadium and the NZ Cricket Museum. A draft master plan is expected to be ready for consideration in October 2014.

The NZ Cricket Players' Association (NZCPA) voted the Basin Reserve as having the best wicket in the country. Also, the Basin changing rooms & player viewing areas were voted the best in the country for the second year running. While this is a pleasing result, the Trust notes that there is increasing completion from other venues around the country that are improving their facilities, most notably Hagley Oval in Christchurch.

Hawkins' naming rights sponsorship of the Basin Reserve came to an end in April 2014. The Trust continues to investigate options for securing a new naming rights sponsor

During the year, two long serving trustees, Doug Catley and John Morrison, retired from the board. They were replaced by John Greenwood and Cr Paul Eagle.

SUMMARY FINANCIALS

FINANCIAL PERFORMANCE	2011/12 Actual	2012/13 Actual	2013/14 Actual	2013/14 Budget	Variance
Total Revenue	600,724	634,559	632,564	671,600	(39,036)
Operating Expenses	444,238	562,205	613,296	551,940	(61,356)
EBITDA	156,486	72,354	19,268	119,660	(100,392)
Net Profit after tax and depr	(110,822)	(200,744)	(182,844)	(78,340)	(104,504)
FINANCIAL POSITION					
Total Assets	1,250,871	1,047,043	840,562	972,230	
Total Liabilities	102,246	99,162	75,525	80,000	
Equity	1,148,625	947,881	765,037	892,230	
CASH FLOWS					
Total Net Cash Flows	(46,317)	40,498	27,952	92,502	
Opening Cash	88,133	41,816	82,314	82,314	
Closing Cash	41,816	82,314	110,266	192,089	

A review of the financial statements of the Basin Reserve Trust highlights the following points:

- Total revenue was below budget by \$39k (6%) in part because the naming rights sponsorship with Hawkins Infrastructure came to an end in April 2014 and was not renewed. The Trust is working to secure a new naming rights sponsor. In addition, revenue from hiring out the Monstavisation screen was below budget because the company went into receivership part way through the year. Monstavisation has begun operations again and revenue for screen hire is anticipated to return in 2014/15 to previous levels.
- Operating expenses were over budget by \$61k (11%). This was due mainly to \$90k of unbudgeted legal expenses in relation to the Basin Reserve Flyover work with NZTA and bad debts (\$32k) with the company that organises the screen hire on behalf of the trust.

KEY PERFORMANCE INDICATORS

30 JUNE		2012	2013	2014	2015
Number of Events					
Cricket	Target	16	15	12	10
	Actual	16	20	22	
Other Sports	Target	4	6	6	10
	Actual	11	1	9	
Community	Target	2	2	2	2
	Actual	1	1	2	
Number of Event Days					
Cricket	Target	32	34	32	26
	Actual	29	32	41	
Other Sports	Target	4	6	6	10
	Actual	11	1	6	
Community	Target	2	2	2	2
	Actual	1	1	2	
Numbers Attending Events					
Attendance	Target	36,000	34,800	28,000	29,800
	Actual	24,507	32,878	30,664	
Practice Facility Usage					
Improve profitability (EBITDA)	Target	Not reported	Not reported	70	70
	Actual			93	

KPI COMMENTARY

The Trust met or exceeded all its events performance measures, with higher than expected cricket matches and attendance numbers as a result of securing test match in December against the West Indies that was not factored into their SOI. 2013/14 also marked the return of winter sports fixtures to the Basin following the upgrade of the drainage work.

The Trust did not meet all of its financial targets. There were unbudgeted capital projects in relation to the Facilities Management Plan, and the 'Council Percentage of Revenue' ratio was not adjusted following the increase in the Trust's operating grant last year.

OUTLOOK

Key activities and issues anticipated in 2014/15 include:

- Securing a new naming rights sponsor.
- Preparing for the Basin Reserve's involvement in Cricket World Cup 2015.
- Finalising and implementing the Master Plan for the Basin Reserve, including securing and aligning funding to each of the subprojects.
- Undertaking renewal work on the Groundsman's Cottage to enable the ground keeping facilities to be moved out of its current temporary accommodation.

BASIN RESERVE TRUST (INCORPORATED)

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2014

BASIN RESERVE TRUST (INCORPORATED)

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**BASIN RESERVE TRUST (INCORPORATED)
TRUST DIRECTORY AS AT 30 JUNE 2014**

SETTLORS	Wellington City Council ("WCC") Cricket Wellington Incorporated ("CW")
TRUSTEES	Sir John Anderson (Chairman) Paul Eagle John Greenwood Don Neely
MANAGER	Cricket Wellington Incorporated
DATE OF SETTLEMENT	24 February 2005
AUDITORS	Audit New Zealand on behalf of the Auditor-General Wellington
SOLICITORS	DLA Phillips Fox Maclister Mazengarb
BANKERS	Westpac Banking Corporation
ADDRESS	Brierley Pavilion, 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 2014

	Note	Actual 2014 \$	Budget 2014 \$	Actual 2013 \$
Income				
Grant income	2	355,000	355,000	355,000
Ground hire income		164,500	152,500	104,500
Other income	3	108,444	161,100	171,185
Interest income		4,620	3,000	3,874
Total Income		632,564	671,600	634,559
Expenditure				
Operating expenses	4	613,296	551,940	562,205
Finance Costs		-	-	46
Depreciation	6	202,112	198,000	273,052
Total Expenditure		815,408	749,940	835,303
Net Surplus (Deficit) for the Year		(182,844)	(78,340)	(200,744)
Other Comprehensive Income		-	-	-
Total Comprehensive Income (Deficit) for the Year		(182,844)	(78,340)	(200,744)

BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Settlors Funds \$	Accumulated Funds \$	Total Trust Funds \$	Budget Total Trust Funds \$
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
Balance as at 1 July 2013	100	947,781	947,881	970,570	
Net Surplus (Deficit) for the Year	-	(182,844)	(182,844)	(78,340)	
Total Comprehensive Income	-	(182,844)	(182,844)	(78,340)	
Balance as at 30 June 2014		100	764,937	765,037	892,230

The accompanying notes form part of these financial statements.

BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	Actual 2014 \$	Budget 2014 \$	Actual 2013 \$
Current Liabilities				
Creditors and other payables	7	69,604	70,000	67,255
Current account - Cricket Wellington	9	5,921	10,000	31,907
Total Current Liabilities		<u>75,525</u>	<u>80,000</u>	<u>99,162</u>
Total Liabilities		<u>75,525</u>	<u>80,000</u>	<u>99,162</u>
Trust Funds	5	<u>765,037</u>	<u>892,230</u>	<u>947,881</u>
Total Trust Funds and Liabilities		<u>840,562</u>	<u>972,230</u>	<u>1,047,043</u>
Non Current Assets				
Property Plant & Equipment	6	714,180	685,141	892,605
Total Non Current Assets		<u>714,180</u>	<u>685,141</u>	<u>892,605</u>
Current Assets				
Cash & cash equivalents		110,266	192,089	82,314
Trade receivables		2,070	95,000	67,573
GST receivable		9,136	-	2,767
Prepayments		4,910	-	1,784
Total Current Assets		<u>126,382</u>	<u>287,089</u>	<u>154,438</u>
Total Assets		<u>840,562</u>	<u>972,230</u>	<u>1,047,043</u>

For and on behalf of the Basin Reserve Trust (Incorporated) on 8th August 2014:

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 2014

	Note	Actual 2014 \$	Budget 2014 \$	Actual 2013 \$
Cash flows from operating activities				
Cash was provided from:				
Grants from related party - Wellington City Council		355,000	355,000	355,000
Revenue from operations		300,447	241,600	219,698
Revenue from related parties		38,000	55,000	70,750
Interest received		4,620	3,000	3,874
GST		-	28,500	10,787
Cash was disbursed to:				
Payments to suppliers		(554,743)	(534,598)	(511,268)
Payments to related party - Cricket Wellington		(83,500)	(56,000)	(55,000)
GST		(6,369)	-	-
Net cash flows from operating activities	10	<u>53,455</u>	<u>92,502</u>	<u>93,841</u>
Cash flows from investing activities				
Cash was disbursed to:				
Purchase of property plant & equipment		(25,503)	-	(49,004)
Net cash flows from investing activities		<u>(25,503)</u>	<u>-</u>	<u>(49,004)</u>
Cash flows from financing activities				
Cash was disbursed to:				
Unsecured Loan Repayments		-	-	(4,339)
Net cash flows from financing activities		<u>-</u>	<u>-</u>	<u>(4,339)</u>
Net increase (decrease) in cash held		27,952	92,502	40,498
Cash at the beginning of year		82,314	99,587	41,816
Cash at the end of year		<u>110,266</u>	<u>192,089</u>	<u>82,314</u>
Comprising:				
Cash and cash equivalents		110,266	192,089	82,314
Cash at the end of year		<u>110,266</u>	<u>192,089</u>	<u>82,314</u>

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 2014

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 2014**

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 both this financial year and in the previous 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 2014/15 Annual Plan and in the Long Term Community Plan up to and including 2017, 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 2014

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 2016. The Trust has not yet assessed the effect of the new standard and expects that it will not be early adopted.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under the Accounting Standards Framework, the Trust will be eligible to apply the simple format reporting disclosure regime (Tier 3 reporting entity) of the public sector Public Benefit Entity Accounting Standards. The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. Therefore the Trust will transition to the new standards in preparing its 30 June 2015 financial statements. The Trust has not assessed the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 1: Summary of Significant Accounting Policies (continued)

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.

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.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 1: Summary of Significant Accounting Policies (continued)

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.

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.

**BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 1: Summary of Significant Accounting Policies (continued)

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.

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.

Leasehold improvement assets

All leasehold improvements relate to improvements made to land and buildings owned by WCC . The Trust does not have a formal lease agreement in place with WCC, so it is assumed that the Trust will occupy the premises indefinitely.

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 2014 \$	Budget 2014 \$	Actual 2013 \$
Grant income - WCC	355,000	355,000	355,000
	<u>355,000</u>	<u>355,000</u>	<u>355,000</u>

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 2: Grant Income (continued)

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.

Note 3: Other Income	Actual 2014 \$	Budget 2014 \$	Actual 2013 \$
Concession income	22,279	30,000	26,715
Signage	80,000	96,000	97,437
Screen hireage	-	35,000	40,459
Miscellaneous income	6,165	100	6,574
Total Other Income	108,444	161,100	171,185

Note 4: Operating Expenses	Actual 2014 \$	Budget 2014 \$	Actual 2013 \$
Building expenses	49,580	62,800	81,523
Ground expenses	108,172	163,000	156,636
Occupancy expenses	113,651	127,700	134,269
Event running expenses	73,601	55,000	69,738
Audit fee	12,340	11,500	12,020
Administration expenses	211,783	115,690	99,546
Bad debts	31,763	-	-
Other expenses	12,406	16,250	8,473
Total Operating Expenses	613,296	551,940	562,205

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 5: Trust Funds

	Actual 2014 \$	Actual 2013 \$
Settlement on Trust		
Balance at start of year	100	100
Balance at end of year	<u>100</u>	<u>100</u>
Accumulated Funds		
Balance at start of year	947,781	1,148,525
Total comprehensive income (deficit) for the year	<u>(182,844)</u>	<u>(200,744)</u>
Balance at end of Year	<u>764,937</u>	<u>947,781</u>
	<u>765,037</u>	<u>947,881</u>

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 2014

Note 7: Creditors and Other Payables

	Actual 2014 \$	Actual 2013 \$
Trade Payables	16,642	23,287
Accrued Expenses	52,962	43,968
	69,604	67,255

Note 8: Trustee Disclosures

The Trustees of the Trust are:

Sir John Anderson (Chairman)	- appointed by WCC	
Douglas Catley	- appointed by CW	Resigned 24 February 2014
Paul Eagle	- appointed by WCC	Appointed 23 October 2013
John Greenwood	- appointed by CW	Appointed 24 February 2014
John Morrison	- appointed by WCC	Resigned 23 October 2013
Don Neely	- appointed by CW	

In the year to 30 June 2014, the Trustees did not receive any remuneration in regard to their duties as trustees (30 June 2013 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 (2013 \$355,000) to the Trust as a contribution towards the costs of operating the Trust.
- 2 The Trust paid WCC the sum of \$34,729 (2013 \$37,617) for water rates at the Basin Reserve.
- 3 The Trust paid WCC the sum of \$26,790 (2013 \$26,041) for rates at the Basin Reserve.
- 4 The Trust paid WCC the sum of \$207 (2013 \$324) for building warrant of fitness administration fees.
- 5 The Trust paid WCC the sum of \$10,000 (2013 \$10,000) as a contribution for the Karori Park operation.
- 6 An amount of \$0 (2013 \$8,284) was paid to WCC for supplying and planting four large Pohutakawas at the ground.
- 7 The Trust paid WCC the sum of \$0 (2013 \$1,579) as a capital contribution for work performed on the R A Vance stand.
- 8 An amount of \$14,127 (2013 \$14,316) was owed to WCC by the Trust at balance date. This amount is included as a trade payable at balance date.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 9: Related Parties (continued)

- 9 CW paid the Basin Reserve Trust \$38,000 (2013 \$42,000) as a hireage fee for the domestic cricket season.
- 10 The Trust incurred expenditure of \$56,000 (2013 \$55,000) charged by CW for the provision of management and secretarial services.
- 11 An amount of \$5,921 (2013 \$31,907) was owed to CW by the Trust at balance date. This amount is represented by the CW current account.
- 12 The Stadium Trust provided turf maintenance services to the Trust at a cost of \$19,909 (2013 \$44,436). This transaction was also completed on normal commercial terms.
- 13 An amount of \$24,076 (2013 \$12,500) was owed to the Stadium Trust at balance date. This amount is included as a trade payable at balance date.
- 14 An amount of \$0 (2013 \$97) was paid to Don Neely to re-imburse him for travel costs for attending Trustee meetings.
- 15 An amount of \$177 (2013 \$0) was paid to Don Neely to re-imburse him for telephone charges and photographs for the 1992 World Cup Reunion held at the Indian Test Match.
- 16 Catley Investments Limited, of which Doug Catley is a Director and Shareholder paid \$0 (2013 \$6,000) to become a Gold Member of the Basin Reserve.
- 17 Penelope Catley, a daughter of Doug Catley, paid \$5,217 (2013 \$0) to become a Gold Member of the Basin Reserve.
- 18 An amount of \$0 (2013 \$625) 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 (2013 Nil).

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

	Actual 2014 \$	Actual 2013 \$
Net surplus (deficit) for the year	(182,844)	(200,744)
Adjustments:		
Add non-cash items:		
Depreciation	202,112	273,052
Movement in working capital:		
Decrease/(increase) in receivables & sundry debtors, prepayments, income tax refund due & GST receivable	56,009	(2,849)
(Decrease)/increase in accounts payable & accruals & customer deposits, income received in advance & GST payable	(21,822)	24,382
	<u>34,187</u>	<u>21,533</u>
Net Cash Flows from Operating Activities	<u>53,455</u>	<u>93,841</u>

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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:

<i>Financial Assets</i>	2014	2013
	\$	\$
Loans and receivables		
Cash and cash equivalents	110,266	82,314
Trade receivables	2,070	67,573
Financial Liabilities		
Financial liabilities at amortised cost		
Creditors and other payables	69,604	67,255
Current account - Cricket Wellington	5,921	31,907

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. Cash and cash equivalents includes money in bank accounts with an institution, which has a long term credit rating with Standard and Poors of AA-. 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.
financial position.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 11: Financial Instruments (continued)

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

<i>Financial Assets</i>	2014	2013
	\$	\$
Cash and cash equivalents	110,266	82,314
Trade receivables	2,070	67,573
	<u>112,336</u>	<u>149,887</u>

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

	2014		2013	
	Gross	Impairment	Gross	Impairment
	Receivable		Receivable	
	\$	\$	\$	\$
Trade receivables				
Not past due	2,070	-	9,545	-
Past due 0-3 months	-	-	-	-
Past due 3-6 months	-	-	14,259	-
Past due more than 6 months	-	-	43,769	-
Total trade receivables	<u>2,070</u>	<u>-</u>	<u>67,573</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 2014

Note 11: Financial Instruments (continued)

	Balance Sheet	Total Contractual Cashflows	2014 0-12 months	1-2 years	2-5 years
	\$	\$	\$	\$	\$
Creditors and other payables	69,604	69,604	69,604	-	-
Current account - Cricket Wellington	5,921	5,921	5,921	-	-
Total financial liabilities settled on a gross basis	75,525	75,525	75,525	-	-

	Balance Sheet	Total Contractual Cashflows	2013 0-12 months	1-2 years	2-5 years
	\$	\$	\$	\$	\$
Creditors and other 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	-	-

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 does not 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.

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

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 11: Financial Instruments (continued)

	Balance Sheet	Total Contractual Cashflows	2014 0-12 months	1-2 years	2-5 years
Variable rate instruments	\$	\$	\$	\$	\$
Cash and cash equivalents	110,266	110,266	110,266	-	-
Total variable rate instruments	110,266	110,266	110,266	-	-
Interest rate for monies on call deposit	2.55%				

	Balance Sheet	Total Contractual Cashflows	2013 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	-	-
Interest rate for monies on call deposit	2.55%				

Equity Management

The Trust's equity includes accumulated funds and retained earnings.

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 2014 (2013 Nil).

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 13: Commitments

There were no operating or capital Commitments as at 30 June 2014 (2013 Nil).

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 term 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 were that the Naming Rights Sponsorship was terminated in April 2014 and not renewed for another three years as was anticipated and also the Company that organised the Screen hireage on behalf of the Trust was placed in Receivership during this financial year.

The major variances in expenditure were in Ground, Administration and Other expenses. Ground expenses were lower than budgeted for due to an over accrual in Turf management costs in the previous financial year.

Administration expenses were higher than budgeted for due to the cost of Consultants who were engaged to advise the Trust regarding its arrangements with NZTA over the Basin Bridge Proposal. Other expenses were higher than budgeted for due to a Bad Debt being with the Company that organises the screen hireage on behalf of the Trust.

Trade receivables were lower than budgeted for due to the reduction in Other revenue amounts at the end of this financial year.

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 (2013 Nil).

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

- The Trust's Statement of Intent for the year ended 30 June 2014 was adopted in May 2013
- 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 2014

	<u>Target</u>	<u>Actual</u>
Administrative		
Achieve targets within allocated budgets	Achieved	Not Achieved
Comply with financial, technical and regulatory standards	Achieved	Achieved
Asset management plan carried out	Achieved	Achieved
Operating - Number of Events		
Cricket	12	22
Other Sports	6	9
Community	2	2
Operating - Number of Event Days		
Cricket	32	41
Other Sports	6	6
Community	2	2
Numbers attending events	28,000	30,664
Practice facility usage	70	93
Hirer satisfaction with venue and events	Achieved	Achieved
Playing surface to be maintained to an international standard	Achieved	Achieved
Council subsidy per visitor	< \$6.00	\$12.00

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

PERFORMANCE MEASURES

12 months to 30 June 2014

Financial	<u>Target</u>	<u>Actual</u>
Results within Budget	Achieved	Not Achieved
Capital expenditure - within Budget	Achieved	Not Achieved
Council % of Revenue ratio	< 35%	56%
Event Income	\$100,000	\$164,500
Non-Event Income as a % of Total Income	75%	74%
Business Plan developed	Achieved	Achieved

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 2014**

VARIANCES TO TARGET

The number of cricket events and event days were higher than the budget due to the opening up of the ground this season to more unscheduled games.

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 2014 fairly reflect the financial position, results of operations and service performance achievements of the Trust.

Sir John Anderson
Chairman
Date: 8th August 2014

Peter Clinton
Chief Executive
Cricket Wellington Inc.
Date: 8th August 2014