

# **BASIN RESERVE TRUST**

## **REVIEW OF 2008/09 ANNUAL REPORT**

The Trust presents its Annual Report for 2008/09 including audited financial statements and performance measures.

### **Highlights for the year**

- The Trust confirmed the renewal of Allied Nationwide Finance naming rights for another 3 years as well as securing a one-off capital grant from the Council of \$450k to enable it to fund the construction of its off-field practice wicket.
- The upgrade of the Long Room to enable greater utilisation of this venue for external functions was confirmed and it was financed through contributions from the Trust, the Lion Foundation and Scarlet Limited.

### **Performance**

#### **1. Financial**

A review of the Trust's financial statements highlights the following points:

- The Trust recorded a surplus of \$40k for the 2008/09 year but after allowing for the \$50k capital grant from the Lion Foundation (for the upgrade of the Long Room) the Trust achieved an operating deficit of \$10k
- Operating revenue was down \$88k (20%) on the previous year however the ratio of operating revenue to operating expenses was approximately the same as last year (0.99 to 1 in 2008/09 versus 0.94 to 1 in 2007/08). NZ Cricket ground hire (\$42k), concessions (\$44k) and signage (\$37k) were down on 2007/08 while screen hireage was up (\$56k)
- While the Trust achieved less revenue than in the previous year, its operating deficit of \$10k was better than the budgeted deficit of \$81k
- The Trust had less cash at year end than budgeted for, but its current ratio of 2:1 gives comfort over its ability to meet its liabilities
- During the year the Trust took out an unsecured, interest free loan from NZ Cricket to finance the painting of the Museum Stand prior to the England test match

#### Statement of Financial Performance

\$ '000	FY Actual	FY Budget	2007/08 Actual
Income	627	530	1,301
Expenditure	587	611	603
Surplus	40	(81)	699
Operating Surplus / (Deficit)	(10)	(81)	29

## Statement of Financial Position

\$ '000	FY Actual	FY Budget	2006/07 Actual
Current assets	177	108	217
Non current assets	1,752	1,708	1,805
Current liabilities	88	138	221
Non current liabilities	-	-	-
Equity	1,841	1,678	1,801
Current ratio	2 : 1	0.8 : 1	1 : 1
Equity ratio	95%	92%	89%

## Statement of Cash Flows

\$ '000	FY Actual	FY Budget	2007/08 Actual
Operating	183	181	859
Investing	(167)	(150)	(1,142)
Financing	(33)	-	21
Net	(17)	31	(263)
Closing balance	73	108	91

*Note: the Trust's financial statements comply with NZ IFRS.*

## 2. KPIs

The Trust performed strongly with its cricket event KPIs due to a significantly higher number of State Shield Twenty20 games than budgeted, as well as the re-introduction of women's cricket at the Basin after a break of several years. However this busier than anticipated cricket schedule meant that the Trust was unable to accommodate its 3 targeted non-cricket sporting events.

The Trust achieved 4 Out of its 5 targeted community events including a well received Carols by Candlelight in December and the AMI Summer Symphony featuring the Vector Wellington Orchestra.

The Trust exceeded target for both event revenue, due to higher than anticipated Concessions and Other Ground Hire revenue, and non-event revenue as a result of the Lion Foundation grant.

Below are the audited measures for the year:

<b>Number of Events</b>	<b>2009 Actual</b>	<b>2009 Target</b>
Cricket	21	11
Other sports	9	12
Cultural	0	3
Community	4	5
<b>Total Events</b>	<b>34</b>	<b>31</b>
<b>Number of Event Days</b>	<b>2009 Actual</b>	<b>2009 Target</b>
Cricket	39	33
Other sports	9	12
Cultural	0	3
Community	4	5

Total Event Days	<b>52</b>	<b>53</b>
	<b>2009 Actual</b>	<b>2009 Target</b>
Event revenue	\$116,418	\$80,000
Non-event revenue	\$506,747	\$355,000

### **3. Operations**

The Trust has entered into the granting of a concession to operate both function rooms in the RA Vance Stand with a commercial operator, Scarlet Limited. It is believed that the entry of a third party operator under such an arrangement will see the increased patronage and profile of the function rooms, as well as a more regular and appropriate commercial return to the Trust, than it was previously receiving.

Preparatory work continued throughout the period on the construction of the off-field practice wicket, with tendering documentation for the construction in place subject to Council's approval of the \$450k funding request.

### **4. Trends**

No meaningful trends available.

### **Governance**

The Trustees during the year were:

Douglas Catley (Chair)

Don Neely

John Morrison (Councillor)

Glenn McGovern

Glenn McGovern's term expired on 30 June 2009, and at the Council meeting of 29 June he was re-appointed for a further 2.5 years. In addition, Councillor McKinnon was appointed as an alternate Trustee for Councillor Morrison.

### **Key issues going forward**

There is a risk around the future management and funding of asset renewals and maintenance. Forecasts predict that the Trust will only be able to fund approximately 50% of the depreciation of its own assets in the next three years. The Council owned assets at the Basin Reserve are being depreciated, but no renewals budget has been planned in the 2009-19 LTCCP.

An Asset Condition Survey (covering the Trust-owned and Council-owned assets) completed during the year has highlighted some key areas of the site where maintenance was required however the Trust has not yet compiled a full Asset Management Plan. Officers will continue to work with them to achieve this

though there is a risk that the Asset Management Plan may require a higher investment in repairs and maintenance than is currently forecast.

On completion of the Trust's Asset Management Plan, the Council will be able to accurately budget for the long term asset renewals and maintenance.

### **Conclusion**

The Trust had another good year in 2008/09 and the continued upgrades and improvements should serve to improve the visitor experience and increase the patronage.