

Audit Report**To the readers of
Basin Reserve Trust's
financial statements and performance information
for the year ended 30 June 2010**

The Auditor-General is the auditor of Basin Reserve Trust (the Trust). The Auditor-General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements and performance information included in the annual report of the Trust for the year ended 30 June 2010.

Unqualified opinion

In our opinion:

- The financial statements of the Trust on pages 1 to 20:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Trust's financial position as at 30 June 2010; and
 - the results of its operations and cash flows for the year ended on that date.
- The performance information of the Trust on pages 21 to 22 fairly reflects the achievements measured against the performance targets adopted for the year ended 30 June 2010.

The audit was completed on 20 August 2010, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and performance information did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and performance information. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Trustees;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information.

We evaluated the overall adequacy of the presentation of information in the financial statements and performance information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Trustees and the Auditor

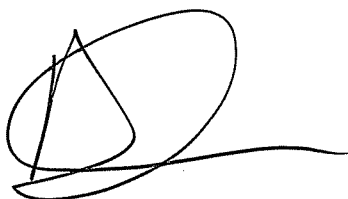
The Trustees are responsible for preparing the financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Trust as at 30 June 2010 and the results of its operations and cash flows for the year ended on that date. The Trustees are also responsible for preparing performance information that fairly reflects service performance achievements for the year ended 30 June 2010. The Trustee's responsibilities arise from the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the Trust.

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line extending to the right.

A P Burns
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

BASIN RESERVE TRUST (INCORPORATED)

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2010

BASIN RESERVE TRUST (INCORPORATED)

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BASIN RESERVE TRUST (INCORPORATED)
TRUST DIRECTORY AS AT 30 JUNE 2010

SETTLORS	Wellington City Council ("WCC") Cricket Wellington Incorporated ("CW")
TRUSTEES	Douglas Catley (Chairman) Don Neely John Morrison Glenn McGovern
MANAGER	Cricket Wellington Incorporated
DATE OF SETTLEMENT	24 February 2005
AUDITORS	Audit New Zealand on behalf of the Auditor-General Wellington
SOLICITOR	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 2010

	Note	Actual 2010 \$	Budget 2010 \$	Actual 2009 \$
Revenue				
Grant income - Wellington City Council	2	180,000	630,000	180,000
Grant income - other	2	-	-	50,000
Vested assets	3	-	-	45,362
Interest income		2,894	4,000	4,097
Revenue from operations	4	311,024	385,667	347,803
Total Revenue		493,918	1,019,667	627,262
Expenditure				
Operating expenses	5	460,259	449,350	350,818
Finance Costs		65	-	14
Depreciation	7	251,187	282,000	236,490
Capital Contributions	8	69,792	-	-
Total Expenditure		781,303	731,350	587,322
Net Surplus (Deficit) for the Year		(287,385)	288,317	39,940
Other Comprehensive Income		-	-	-
Total Comprehensive Income (Deficit) for the Year		(287,385)	288,317	39,940

BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

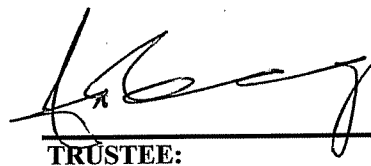
	Note	Settlers Funds \$	Accumulated Funds \$	Total Trust Funds \$
Balance as at 1 July 2008		100	1,801,071	1,801,171
Net Surplus (Deficit) for the Year		-	39,940	39,940
Total Comprehensive Income		-	39,940	39,940
Balance as at 30 June 2009		100	1,841,011	1,841,111
Balance as at 1 July 2009		100	1,841,011	1,841,111
Net Surplus (Deficit) for the Year		-	(287,385)	(287,385)
Total Comprehensive Income		-	(287,385)	(287,385)
Balance as at 30 June 2010		100	1,553,626	1,553,726

**BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010**

	Note	Actual 2010 \$	Budget 2010 \$	Actual 2009 \$
Non Current Liabilities				
Unsecured loan	9	8,677	-	-
		<u>8,677</u>	<u>-</u>	<u>-</u>
Current Liabilities				
Trade payables		143,260	93,000	59,782
Unsecured loan	9	4,339	-	21,693
Customer deposits & income received in advance		5,671	-	5,671
GST payable		-	2,000	-
Current account - Cricket Wellington	11	21,743	-	380
		<u>175,013</u>	<u>95,000</u>	<u>87,526</u>
Trust Funds	6	<u>1,553,726</u>	<u>2,066,417</u>	<u>1,841,111</u>
Total Trust Funds and Liabilities		<u><u>1,737,416</u></u>	<u><u>2,161,417</u></u>	<u><u>1,928,637</u></u>
Non Current Assets				
Property Plant & Equipment	7	<u>1,561,618</u>	<u>1,966,000</u>	<u>1,752,043</u>
Current Assets				
Cash & cash equivalents		124,473	147,987	73,198
Trade receivables		43,189	46,030	99,006
GST receivable		1,586	-	3,315
Prepayments		6,550	1,400	1,075
		<u>175,798</u>	<u>195,417</u>	<u>176,594</u>
Total Assets		<u><u>1,737,416</u></u>	<u><u>2,161,417</u></u>	<u><u>1,928,637</u></u>

For and on behalf of the Basin Reserve Trust (Incorporated) on 20th August 2010:


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 2010

	Note	Actual 2010 \$	Budget 2010 \$	Actual 2009 \$
Cash flows from operating activities				
Cash was provided from:				
Grants from related party - Wellington City Council		180,000	630,000	180,000
Grants other		-	-	50,000
Ground hireage - cricket		99,375	100,000	57,500
Other operations		261,290	282,667	273,161
Interest received		2,894	4,000	4,097
Sundry income		6,270	3,000	1,722
GST		1,729	10,000	(5,322)
Cash was disbursed to:				
Payments to suppliers		(398,302)	(422,000)	(318,636)
Payments to related party - Cricket Wellington		(22,130)	(36,600)	(60,000)
Unsecured Loan Repayments		(8,677)	-	-
Net cash flows from operating activities	12	<u>122,449</u>	<u>571,067</u>	<u>182,522</u>
Cash flows from investing activities				
Cash was disbursed to:				
Purchase of property plant & equipment		(71,927)	(500,000)	(166,864)
Net cash flows from investing activities		<u>(71,927)</u>	<u>(500,000)</u>	<u>(166,864)</u>
Cash flows from financing activities				
Cash was provided from:				
Increase in current account - Cricket Wellington		753	-	-
Cash was disbursed to:				
Decrease in current account - Cricket Wellington		-	-	(33,015)
Net cash flows from financing activities		<u>753</u>	<u>-</u>	<u>(33,015)</u>
Net increase (decrease) in cash held		51,275	71,067	(17,357)
Cash at the beginning of year		73,198	76,920	90,555
Cash at the end of year		<u>124,473</u>	<u>147,987</u>	<u>73,198</u>
Comprising:				
Cash and cash equivalents		124,473	147,987	73,198
Cash at the end of year		<u>124,473</u>	<u>147,987</u>	<u>73,198</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 2010

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 2010**

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.

The Trust is reliant on the WCC for a significant portion of its income, being \$180,000 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 \$180,000 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 2009/10 Annual Plan and in the Long Term Community Plan up to and including 2016, at the current funding level.

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.

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.

Changes in Accounting Policies

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

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 1: Summary of Significant Accounting Policies (continued)

The Trust has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

NZ IAS 1 Presentation of Financial Statements (Revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (Issued 2004). The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The Trust has decided to prepare a single statement of comprehensive income for the year ended 30 June 2010 under the revised standard. Financial statement information for the year ended 30 June 2009 has been restated accordingly. Items of other comprehensive income presented in the statement of comprehensive income were previously recognised directly in the statement of changes in equity.

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.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 1: Summary of Significant Accounting Policies (continued)

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.

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.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 1: Summary of Significant Accounting Policies (continued)

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.

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 7.

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

Of the Grant income received from the WCC, \$180,000 (2009 \$180,000) was an operational grant that was used to pay occupancy costs and make repairs and maintain the Basin Reserve.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 2: Grant Income (continued)

The Grant income - other, in the previous financial year was a grant payment to the Trust from the Lion Foundation to assist with the costs associated with the upgrade of the Long Room. These monies were used to acquire hard fit-out in the Long Room, whose ownership lies with the Trust.

Note 3: Vested Assets

During the previous financial year the Trust entered into a contractual arrangement with Scarlet Limited. As part of this contractual arrangement the Trust contributed \$50,000 of its own funds and also obtained a grant from the Lion Foundation of \$50,000, which was paid as a contribution for the upgrade of the Long Room at the Basin Reserve. The total value of the assets that vested with the Trust was \$145,362. The difference being 45,362, over and above what the Trust spent on these assets was treated in the previous financial year as a Vested Asset.

Note 4: Revenue from Operations

	Actual 2010 \$	Budget 2010 \$	Actual 2009 \$
Ground hire - NZ Cricket	105,000	100,000	57,500
Ground hire - other	5,400	36,000	39,100
Function centre hireage	-	-	3,670
Concessions	27,737	30,000	19,818
Signage	96,667	96,667	120,448
Screen hireage	69,950	120,000	105,545
Sundry revenue	6,270	3,000	1,722
Total Revenue from Operations	311,024	385,667	347,803

Note 5: Operating Expenses

	Actual 2010 \$	Budget 2010 \$	Actual 2009 \$
Audit fee	11,221	13,000	11,180
Auditor - other services	-	-	-
Bad debts	10,000	-	-
Building repairs & maintenance	31,890	25,000	12,825
Casual staff	8,618	25,000	9,022
Cleaning costs	6,165	18,400	3,377
Grounds repairs & maintenance	71,414	57,500	35,696
Insurance	8,350	10,300	9,350
Management fee - Cricket Wellington	36,640	36,600	40,000
Other building costs	33,944	57,000	20,394

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 5: Operating Expenses (continued)	Actual 2010 \$	Budget 2010 \$	Actual 2009 \$
Power & gas	24,524	26,500	23,520
Rates & water rates	44,075	43,000	40,192
Rubbish removal	11,755	12,000	9,467
Security	8,952	12,000	9,756
Other operating expenses	152,711	113,050	126,039
Total Operating Expenses	460,259	449,350	350,818

Note 6: Trust Funds	Actual 2010 \$	Actual 2009 \$
Settlement on Trust		
Balance at start of year	100	100
Balance at end of year	100	100
Accumulated Funds		
Balance at start of Year	1,841,011	1,801,071
Surplus (Deficit) for the year	(287,385)	39,940
Balance at end of Year	1,553,626	1,841,011
	1,553,726	1,841,111

Note 7: 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.

During the current financial year the Trust managed the construction of new off-field practice facilities at the Basin Reserve on behalf of the WCC. The total cost of this facility was \$494,792 and the Trust received these funds from the WCC and in turn paid the contractors and consultants hired to construct this facility. This off-field practice facility is a WCC asset.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 7: Property, Plant & Equipment (continued)

	Leasehold Improvements	Drainage Works	Furniture & Fittings	Plant	Capital Work in Progress	Total
1 July 2008						
Cost	752,418	110,457	10,430	1,075,000	14,725	1,963,030
Accumulated depreciation	(42,273)	(6,754)	(7,041)	(101,588)	-	(157,656)
Carrying Amount	<u>710,145</u>	<u>103,703</u>	<u>3,389</u>	<u>973,412</u>	<u>14,725</u>	<u>1,805,374</u>
Year ended 30 June 2008						
Carrying amount at 1 July 2008	710,145	103,703	3,389	973,412	14,725	1,805,374
Additions	145,362	-	19,751	-	18,046	183,159
Depreciation	(51,716)	(7,872)	(2,752)	(174,150)	-	(236,490)
Carrying amount at 30 June 2009	<u>803,791</u>	<u>95,831</u>	<u>20,388</u>	<u>799,262</u>	<u>32,771</u>	<u>1,752,043</u>
30 June 2009						
Cost	897,780	110,457	30,181	1,075,000	32,771	2,146,189
Accumulated depreciation	(93,989)	(14,626)	(9,793)	(275,738)	-	(394,146)
Carrying Amount	<u>803,791</u>	<u>95,831</u>	<u>20,388</u>	<u>799,262</u>	<u>32,771</u>	<u>1,752,043</u>
Year ended 30 June 2010						
Carrying amount at 1 July 2009	803,791	95,831	20,388	799,262	32,771	1,752,043
Additions	13,723	-	-	79,810	-	93,533
Depreciation	(56,065)	(7,872)	(3,323)	(183,927)	-	(251,187)
Transfers	-	-	-	-	(32,771)	(32,771)
Carrying amount at 30 June 2010	<u>761,449</u>	<u>87,959</u>	<u>17,065</u>	<u>695,145</u>	<u>-</u>	<u>1,561,618</u>
30 June 2010						
Cost	911,503	110,457	30,181	1,154,810	-	2,206,951
Accumulated depreciation	(150,054)	(22,498)	(13,116)	(459,665)	-	(645,333)
Carrying Amount	<u>761,449</u>	<u>87,959</u>	<u>17,065</u>	<u>695,145</u>	<u>-</u>	<u>1,561,618</u>

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 8: Capital Contributions

During the current financial year the Trust agreed to make the following capital contributions:

1 A contribution to the construction of the new off-field practice facilities of \$44,792. This facility is a major benefit to the Basin Reserve and in particular for the hosting of international test cricket, as it is now an International Cricket Council requirement that grounds hosting international test matches must have such a facility.

As stated in Note 7 above the ownership of this facility lies with the WCC and they agreed to meet the costs of the facility up to a maximum sum of \$450,000. The actual cost of the facility was \$494,792 and the Trust agreed to contribute the shortfall to the WCC, being \$44,792. This amount had not been paid as at balance date and was included as a Trade payable in the Statement of Financial Position.

2 A contribution to the WCC for the up-grade of Karori Park of \$50,000. The usage of the Basin Reserve for domestic cricket fixtures has become particularly congested in the last two seasons, particularly with the introduction of the twenty-twenty format of the game. The Basin Reserve is the only ground in Wellington with first class cricket status and the WCC has decided to up-grade Karori Park so as to be able to obtain first class status for that ground. The Trust has decided to contribute \$50,000 to this up-grade so as to alleviate any pressure on the Basin Reserve and to also ensure that scheduled first class fixtures at the Basin Reserve can be moved to Karori Park, if they clash with any other events scheduled to be held at the Basin Reserve. This amount has not been paid as at balance date and \$25,000 of the amount is included as a Trade payable in the Statement of Financial Position and the final \$25,000 is recorded as a Commitment in Note 15 below, as it is not payable until certain further work is performed on the Karori Park up-grade.

Note 9: Unsecured Loan

The unsecured loan is from New Zealand Cricket (Incorporated), and is 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 10: Trustee Disclosures

The Trustees of the Trust are:

Douglas Catley (Chairman)	- appointed by CW
Don Neely	- appointed by CW
Glenn McGovern	- appointed by WCC
John Morrison	- appointed by WCC

In the year to 30 June 2010, the Trustees did not receive any remuneration in regard to their duties as trustees (30 June 2009 Nil).

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 11: 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 \$180,000 (2009 \$180,000) to the Trust as a contribution towards the costs of operating the Trust.
- 2 WCC paid the Trust \$494,792 (2009 \$0), which the Trust then on paid to the contractors and consultants employed to erect and construct the new off-field practice facilities at the Basin Reserve.
- 3 WCC paid the Trust \$500 (2009 \$0) as part payment for the hireage of the replay screen at a fundraising event held at the Basin Reserve.
- 4 The Trust paid WCC the sum of \$22,590 (2009 \$17,210) for water rates at the Basin Reserve.
- 5 The Trust paid WCC the sum of \$23,485 (2009 \$22,982) for rates at the Basin Reserve.
- 6 The Trust paid WCC the sum of \$694 (2009 \$120) for building warrant of fitness administration fees, annual licence and grease trap fees and resource monitoring.
- 7 The Trust agreed to make a capital contribution to WCC of \$44,792 (2009 \$0) for part of the costs associated with the construction and erection of the new off-field practice facility.
- 8 The Trust agreed to make a capital contribution to WCC of \$25,000 (2009 \$0) for part of the costs associated with the up-grade of Karori Park.
- 9 CW was paid \$36,640 (2009 \$40,000) by the Trust for the provision of management and secretarial services.
- 10 CW was paid \$43,182 (2009 \$32,319) by the Trust for casual labour and event set up costs. These transactions were all completed on normal commercial terms.
- 11 CW paid the Trust \$0 (2009 \$4,740) to re-imburse it for various administrative expenditure incurred.
- 12 The Stadium Trust provided turf maintenance services to the Trust at a cost of \$17,202 (2009 \$0). This transaction was also completed on normal commercial terms.
- 13 CW was paid \$12,665 (2009 \$17,000) by the Trust for the provision of corporate entertainment during events. This expense of the Trust was pursuant to the terms and conditions of a sponsorship agreement that the Trust was a party to.
- 14 CW was paid \$0 (2009 \$1,379) as a 50% re-imburement for the aifares to the United Kingdom incurred by the Chief Executive, Gavin Larsen. During his trip to the United Kingdom Mr Larsen investigated possible sightcreen options for use at the Basin Reserve.
- 15 CW was paid \$15,000 (2009 \$0) as a contribution towards the production costs of The First 50 Tests, a book that was published to commemorate the Basin Reserves hosting of 50 test matches.
- 16 Pursuant to an arrangement between the Trust and CW, CW were due \$0 (2009 \$1,106), being their share of net revenue from function centre hireage, for administering and managing the function centre operation for the Trust.
- 17 Pursuant to an arrangement between the Trust and CW, CW were due \$753 (2009 \$956), being their share of net revenue from picket fence plaque sales, for administering, marketing and managing this process on behalf of the Trust.
- 18 An amount of \$21,743 (2009 \$380) was owed to CW by the Trust at balance date. This advance was interest free, repayable on demand and unsecured.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 11: Related Parties (continued)

19 An amount of \$73,489 (2009 \$0) was owed to WCC by the Trust at balance date. This advance was interest free, repayable on demand and unsecured.

No related party debts have been written off or forgiven during the year (2009 Nil).

Note 12: Reconciliation of Reported Surplus with Cash Flows from Operating Activities

	Actual 2010 \$	Actual 2009 \$
Net surplus (deficit) for the year	(287,385)	39,940
Adjustments:		
Add non-cash items:		
Depreciation	251,187	236,490
Delete non-cash items:		
Vested assets	-	(45,362)
Movement in working capital:		
Decrease/(increase) in receivables & sundry debtors, prepayments, income tax refund due & GST receivable	52,071	22,670
(Decrease)/increase in accounts payable & accruals & customer deposits, income received in advance & GST payable	106,576	(71,216)
	<u>158,647</u>	<u>(48,546)</u>
Net Cash Flows from Operating Activities	<u>122,449</u>	<u>182,522</u>

Note 13: Financial Instruments

The Trust's financial instruments include financial assets (cash and cash equivalents, derivative financial instruments, loans and receivables, available-for-sale financial instruments, investments in subsidiaries and associates), 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:

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 13: Financial Instruments (continued)

	2010		2009	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
	\$	\$	\$	\$
<i>Financial Assets</i>				
Cash and cash equivalents	124,473	124,473	73,198	73,198
Trade receivables	43,189	43,189	99,006	99,006
<i>Financial Liabilities</i>				
Payables	143,260	143,260	59,782	59,782
Unsecured loan	4,339	4,339	21,693	21,693

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.

The Trust holds a credit enhancement via the Crown Retail Deposit Guarantee Scheme (CRDGS) for funds held with banks that have opted into the scheme. There is a cap on the size of the deposit that is covered by the guarantee of \$1 million per depositor per guaranteed institution. The total amount of funds covered by the CRDGS is \$101,889 (2009 \$61,191).

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

	2010	2009
	\$	\$
<i>Financial Assets</i>		
Cash and cash equivalents	124,473	73,198
Trade receivables	43,189	99,006
	<u>167,662</u>	<u>172,204</u>

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 13: Financial Instruments (continued)

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

	2010		2009	
	Gross Receivable	Impairment	Gross Receivable	Impairment
	\$	\$	\$	\$
Trade receivables				
Not past due	37,564	-	31,043	-
Past due 0-3 months	5,625	-	67,963	-
Past due 3-6 months	-	-	-	-
Past due more than 6 months	-	-	-	-
Total trade receivables	43,189	-	99,006	-

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 2010

Note 13: Financial Instruments (continued)

	Balance Sheet	Total Contractual Cashflows	2010		
			0-12 months	1-2 years	2-5 years
			\$	\$	\$
Trade payables	143,260	143,260	143,260	-	-
Unsecured loan	4,339	4,339	4,339	-	-
Total financial liabilities settled on a gross basis	147,599	147,599	147,599	-	-

	Balance Sheet	Total Contractual Cashflows	2009		
			0-12 months	1-2 years	2-5 years
			\$	\$	\$
Trade payables	59,782	59,782	59,782	-	-
Unsecured loan	21,693	21,693	21,693	-	-
Total financial liabilities settled on a gross basis	81,475	81,475	81,475	-	-

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 2010

Note 13: Financial Instruments (continued)

	Balance Sheet	Total Contractual Cashflows	2010 0-12 months	1-2 years	2-5 years
Variable rate instruments	\$	\$	\$	\$	\$
Cash and cash equivalents	124,473	124,473	124,473	-	-
Total variable rate instruments	<u>124,473</u>	<u>124,473</u>	<u>124,473</u>	<u>-</u>	<u>-</u>
	Balance Sheet	Total Contractual Cashflows	2009 0-12 months	1-2 years	2-5 years
Variable rate instruments	\$	\$	\$	\$	\$
Cash and cash equivalents	73,198	73,198	73,198	-	-
Total variable rate instruments	<u>73,198</u>	<u>73,198</u>	<u>73,198</u>	<u>-</u>	<u>-</u>

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 14: Contingent Liabilities & Contingent Assets

There were no Contingent Liabilities or Assets as at 30 June 2010 (2009 Nil).

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 15: Capital Commitments

	2010	2009
	\$	\$
Commitments for the acquisition of assets approved and contracted for at balance date:		
Within one year	-	-
Greater than one year	-	-
	<hr/> <hr/>	<hr/> <hr/>

The Trust has made a commitment to the WCC, that if further work is performed on the up-grade of Karori Park then the Trust will contribute a further \$25,000 to the costs of this up-grade. The reasons for this are outlined in Note 8 above.

Note 16: Concession Agreement

During the previous financial year 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 2013. Scarlet also have a right of renewal under this arrangement for two 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 17: Variance Against Budget

The major variance is that when the budget was prepared it was anticipated that the Trust would receive a grant of \$450,000 from the WCC relating to the new practice wicket facility and that the Trust would spend this money as capital expenditure and that the Trust would own the practice wicket facility. What actually transpired was that the practice wicket facility was owned by the WCC and the Trust merely managed the building of the facility on the WCC's behalf. Other revenue variances were caused mainly by the general economic recession which made it difficult to lease the ground out to other event organisers and also reduced the income generated from screen hireage from that budgetted for. Expenditure was over budget mainly due to the unforeseen capital contributions when the budget was prepared.

Trade payables were higher than budgetted for due to the accruals required for the capital contributions, and property, plant and equipment was lower than budgetted for due to the budget reflecting that the Trust would own the new practice wicket facility, whereas this facility is in fact owned by the WCC.

Note 18: Events After Balance Date

There are no events after balance date that effect the financial statements or the notes to the financial statements (2009 Nil).

BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF SERVICE PERFORMANCE

- The Trust's Statement of Intent for the year ended 30 June 2010 was adopted in May 2009
- 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 2010

	<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	11	18
Other Sports	12	34
Other Cultural	3	0
Community	5	3
Operating - Number of Event Days		
Cricket	32	41
Other Sports	12	34
Other Cultural	3	0
Community	5	3
Numbers attending events	40,400	34,770
Resident's satisfaction with events	Quarterly	Achieved
Hirer satisfaction with venue and events	Quarterly	Achieved
Playing surface to be maintained to an international standard	Annual	Achieved

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

PERFORMANCE MEASURES

12 months to 30 June 2010

Financial	<u>Target</u>	<u>Actual</u>
Results within Budget	Annual	Not Achieved
Capital expenditure - within Budget	Annual	Achieved
Event Income	100,000	138,137
Non-Event Income	75% of total income	73% of total income
Business Plan developed	Annual	Achieved

**BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF COMPLIANCE AND RESPONSIBILITY
FOR THE YEAR ENDED 30 JUNE 2010**

VARIANCES TO TARGET

The major variances are in the number of Cricket Events and Event Days, the number of Other Sports Events and Event Days, Other Cultural and Community Events and Event Days and the amount of Non-Event Income. The number of Cricket Events and Event Days is higher than forecast due to an extra test match being hosted at the Basin Reserve and also an increased domestic Twenty20 playing programme. The number of Other Sports Events and Event Days are also higher than forecast due to the Phoenix Football team using the ground for training and also Wellington College winter teams using the ground to train on. Other Cultural and Community Events and Event Days did not meet forecast. Dates were offered to Carols By Candlelight and the Ballons Festival Event, but unfortunately both the promoters of these events decided not to use the ground. Also the Wellington Symphony Orchestra did not return to the ground in this financial year. The amount of Non-Event Income did not quite meet expectations due to the reduction in screen hireage revenue as a result of the economic downturn.

COMPLIANCE

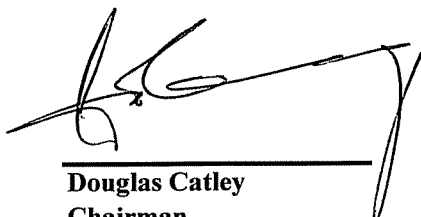
The Board and management of the Basin Reserve Trust ("the Trust") confirm that all statutory requirements of the Local Government Act 2002 regarding financial and operational management have been complied with.

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 2010 fairly reflect the financial position, results of operations and service performance achievements of the Trust.



**Douglas Catley
Chairman**

Date: 20th August 2010



**Gavin Larsen
Chief Executive
Cricket Wellington Inc.
Date: 20th August 2010**

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