

BASIN RESERVE TRUST

REVIEW OF 2010/11 ANNUAL REPORT

The Basin Reserve Trust (the Trust) presents its Annual Report for 2010/11 including audited financial statements and performance measures.

Highlights for the year

- Following the demise of Allied Nationwide Finance, Hawkins Construction was confirmed as the new naming rights sponsor for the Basin Reserve.
- The new off-field practice wickets were completed and have been very well received by teams using the facilities.
- In June the Trust initiated a trial of locking the gates of the Basin Reserve between 10pm and 6am in an effort to curb increasing rates of vandalism and violence inside the ground. The results are encouraging and the Trust will consider making this a permanent practice.
- In March, Stephen Fleming hosted *Fill the Basin*, a charity cricket match to raise money for people affected by the Christchurch earthquakes. Over 10,000 people attended the event with more than \$500,000 being raised for the cause.
- A major report was commissioned from Shand Shelton to outline the scope of deferred maintenance work that needs to be undertaken. As a result, \$125,000 was spent to address urgent work identified on the RA Vance Stand and the score board. A schedule of remaining deferred maintenance work is being developed in consultation with Council officers for consideration as part of the Long Term Plan.

Performance

1. Financial

Statement of Comprehensive Income

\$ '000	2010/11 FY Actual	2010/11 FY Budget	2009/10 Actual
Income	381	485	494
Income excl WCC grants	201	305	314
Expenditure	675	607	781
Surplus/(Deficit)	(294)	(122)	(287)

Statement of Financial Position

\$ '000	2010/11 FY Actual	2010/11 FY Budget	2009/10 Actual
Current assets	141	129	176
Non current assets	1,321	1,513	1,562
Current liabilities	198	81	175
Non current liabilities	4	4	9
Equity	1,260	1,557	1,554
Current ratio	0.7 : 1	1.5 : 1	1 : 1
Equity ratio	86%	95%	89%

Statement of Cash Flows

\$ '000	2010/11 FY Actual	2010/11 FY Budget	2009/10 Actual
Operating	(20)	119	131
Investing	(12)	-	(72)
Financing	(4)	-	(8)
Net	(36)	119	51
Closing balance	88	129	124

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

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

- After absorbing depreciation of \$262k, the Trust recorded a deficit of (\$294k) for 2010/11 against a budgeted deficit of (\$122k).
- This unfavourable result was due primarily to revenue from operations being 35% under budget because of lower returns on ground hire, signage income and hireage of the replay screen.
 - Ground hire for cricket matches was under budget in part because it was anticipated that the charge for holding a test match would be \$75k per game, whereas during the year it was agreed to reduce this fee to \$55k. Also, the ground was unavailable for use in April when unplanned upgrades to drainage were undertaken.
 - Signage was 55% below budget due to the loss of the naming rights sponsor at the beginning of the year and only gaining a new naming rights sponsor, Hawkins Construction, in March 2011.
 - Hireage of the replay screen was 40% below budget as a result of the general economic climate.
- Expenses were 11% over budget as a result of increased operating expenses, depreciation and a one-off unbudgeted capital contribution of \$25k to the upgrade of Karori Park.
- The overall cash position for the Trust is tight, reflecting increased pressure on covering operating costs. The Trust is working to off-set costs by increasing revenue from ground hire to diverse groups, although this is restricted through the Basin Reserve's status as an international test venue.

2. KPIs

The Trust performed strongly on its KPIs for cricket number of events and number of event days. The KPI for other sports, however, were below target due to the ground being unavailable for hire in April when drainage upgrades were carried out and club rugby finals not being played at the grounds as a result of 'home' teams not making the playoffs this year.

However, numbers attending events were 57% over budget following Stephen Fleming's *Fill the Basin* charity cricket match on March 13 2011 in aid of the Christchurch Earthquake recovery.

Below are the audited measures for the year:

Number of Events	2010/11 Actual	2010/11 Target
Cricket	16	10
Other sports	7	12
Community	10	5
Total Events	33	27
Number of Event Days	2010/11 Actual	2010/11 Target
Cricket	34	28
Other sports	7	12
Community	11	5
Total Event Days	52	45
	2010/11 Actual	2010/11 Target
Event revenue	\$194,903	\$301,667
Non-event revenue as % of total revenue	58%	66%

3. Council Strategies

The Basin Reserve Trust contributed to a number of Council strategies during 2010/11, primarily:

Social and Recreation: The Basin Reserve has hosted a number of successful events this year that have drawn significant crowds to the venue, including the New Zealand vs. Pakistan cricket test, 5 domestic 20/20 matches, the *Fill the Basin* Charity cricket match and the Summers Set Music Festival.

Governance

The Trustees during the year were:

Douglas Catley (Chair)

Don Neely

John Morrison (Councillor)

Glenn McGovern

John Morrison was reappointed in October 2010 for another term. Doug Catley and Don Neely's terms expired on 28 February 2011 but they were reappointed by Cricket Wellington for another term.

Key issues going forward

1. Increasing Council funding

The Trust has signalled that they will be seeking additional Council funding through the Long Term Plan process to offset continued increases in operating, maintenance and security costs.

2. Security and Vandalism

Closure of the Basin Reserve during the night will be reviewed and a strategy developed for enhancing security at the grounds. In particular, the Trust will focus on strategies for deterring vandalism both inside the grounds and around the perimeter fence.

3. Asset Management

Work will continue on addressing the deferred maintenance work identified in the Shand Shelton report. In order to achieve this in a timely and efficient way, there is an expectation that the capex allocation within the Long Term Plan will need to be brought forward. The Trust will also work with Council officers to consider earthquake strengthening options and a maintenance schedule for the Museum stand.

4. Basin Reserve Flyover

The Trust will continue to monitor and have input into the New Zealand Transport Association's plans to build a flyover around the Basin Reserve through to the Mt Victoria Tunnel. Their focus will be to ensure that measures will be put in place to mitigate any disruption and interference to cricket matches and other events at the ground should the roading project proceed.

Conclusion

The Trust had a good year in 2010/11 in terms of number of cricket and other sports events and event days, however revenue was well below target. The new off-field practice facilities have proved a major benefit to the Trust and have helped to ensure that the Basin Reserve retains its Test Match cricket ground status. Initial discussions on the impact and mitigation of the proposed flyover around the Basin reserve have begun and will be furthered in 2011/12. The Trust will continue to monitor and implement security strategies to ensure that the Basin remains safe and accessible to patrons and the public. Issues remain concerning how the remaining deferred maintenance work will be prioritised and funded. The Basin Reserve continues to contribute to the Council's strategic outcomes in the area of Social and Recreation.