
BASIN RESERVE TRUST (INCORPORATED)

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2011

BASIN RESERVE TRUST (INCORPORATED)

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**BASIN RESERVE TRUST (INCORPORATED)
TRUST DIRECTORY AS AT 30 JUNE 2011**

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, Hawkins 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 2011

	Note	Actual 2011 \$	Budget 2011 \$	Actual 2010 \$
Revenue				
Grant income - Wellington City Council	2	180,000	180,000	180,000
Grant income - other	2	1,500	-	-
Interest income		4,201	3,000	2,894
Revenue from operations	3	194,903	301,667	311,024
Total Revenue		380,604	484,667	493,918
Expenditure				
Operating expenses	4	387,544	366,050	460,259
Finance Costs		1	-	65
Depreciation	6	262,278	241,000	251,187
Capital Contributions	7	25,000	-	69,792
Total Expenditure		674,823	607,050	781,303
Net Surplus (Deficit) for the Year		(294,219)	(122,383)	(287,385)
Other Comprehensive Income		-	-	-
Total Comprehensive Income (Deficit) for the Year		(294,219)	(122,383)	(287,385)

BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Settlers Funds \$	Accumulated Funds \$	Total Trust Funds \$
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
Balance as at 1 July 2010		100	1,553,626	1,553,726
Net Surplus (Deficit) for the Year		-	(294,219)	(294,219)
Total Comprehensive Income		-	(294,219)	(294,219)
Balance as at 30 June 2011		100	1,259,407	1,259,507

The accompanying notes form part of these financial statements.

BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	Actual 2011 \$	Budget 2011 \$	Actual 2010 \$
Non Current Liabilities				
Unsecured loan	8	4,339	4,338	8,677
		<u>4,339</u>	<u>4,338</u>	<u>8,677</u>
Current Liabilities				
Trade payables		142,885	74,323	143,260
Unsecured loan	8	4,339	4,339	4,339
Customer deposits & income received in advance		25,000	-	5,671
GST payable		-	2,000	-
Current account - Cricket Wellington	10	26,086	-	21,743
		<u>198,310</u>	<u>80,662</u>	<u>175,013</u>
Trust Funds				
	5	<u>1,259,507</u>	<u>1,556,717</u>	<u>1,553,726</u>
Total Trust Funds and Liabilities				
		<u>1,462,156</u>	<u>1,641,717</u>	<u>1,737,416</u>
Non Current Assets				
Property Plant & Equipment	6	<u>1,320,916</u>	<u>1,513,000</u>	<u>1,561,618</u>
Current Assets				
Cash & cash equivalents		88,133	128,717	124,473
Trade receivables		31,117	-	43,189
GST receivable		14,107	-	1,586
Prepayments		7,883	-	6,550
		<u>141,240</u>	<u>128,717</u>	<u>175,798</u>
Total Assets				
		<u>1,462,156</u>	<u>1,641,717</u>	<u>1,737,416</u>

For and on behalf of the Basin Reserve Trust (Incorporated) on 19th August 2011:

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 2011

	Note	Actual 2011 \$	Budget 2011 \$	Actual 2010 \$
Cash flows from operating activities				
Cash was provided from:				
Grants from related party - Wellington City Council		180,000	180,000	180,000
Grants other		26,500	-	-
Ground hireage - cricket		63,125	80,000	99,375
Other operations		116,182	221,267	261,290
Interest received		4,201	3,000	2,894
Sundry income		1,155	1,000	6,270
GST		(12,521)	-	1,729
Cash was disbursed to:				
Payments to suppliers		(366,084)	(329,950)	(398,302)
Payments to related party - Cricket Wellington		(32,728)	(36,600)	(22,130)
Net cash flows from operating activities	11	<u>(20,170)</u>	<u>118,717</u>	<u>131,126</u>
Cash flows from investing activities				
Cash was disbursed to:				
Purchase of property plant & equipment		(12,263)	-	(71,927)
Net cash flows from investing activities		<u>(12,263)</u>	<u>-</u>	<u>(71,927)</u>
Cash flows from financing activities				
Cash was provided from:				
Increase in current account - Cricket Wellington		430	-	753
Cash was disbursed to:				
Decrease in current account - Cricket Wellington		-	-	-
Unsecured Loan Repayments		(4,337)	-	(8,677)
Net cash flows from financing activities		<u>(3,907)</u>	<u>-</u>	<u>(7,924)</u>
Net increase (decrease) in cash held		<u>(36,340)</u>	<u>118,717</u>	<u>51,275</u>
Cash at the beginning of year		<u>124,473</u>	<u>10,000</u>	<u>73,198</u>
Cash at the end of year		<u>88,133</u>	<u>128,717</u>	<u>124,473</u>
Comprising:				
Cash and cash equivalents		88,133	128,717	124,473
Cash at the end of year		<u>88,133</u>	<u>128,717</u>	<u>124,473</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 2011

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 2011

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 2011/12 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 2011

Note 1: Summary of Significant Accounting Policies (continued)

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 2014. The Trust has not yet assessed the effect of the new standard and expects that it will not be early adopted.

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.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 1: Summary of Significant Accounting Policies (continued)

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.

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

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 1: Summary of Significant Accounting Policies (continued)

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.

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.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 1: Summary of Significant Accounting Policies (continued)

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 (2010 \$180,000) was an operational grant that was used to pay occupancy costs and make repairs and maintain the Basin Reserve.

The Grant income - other, in this financial year represents a grant payment to the Trust from the Lion Foundation of \$25,000 to assist with the costs associated with the upgrade of the players facilities in the R.A. Vance Stand. The other \$1,500 represents a grant from New Zealand Cricket Inc. as a contribution towards the costs of an independent drainage report on the ground.

Note 3: Revenue from Operations	Note	Actual 2011 \$	Budget 2011 \$	Actual 2010 \$
Ground hire - NZ Cricket		62,500	80,000	105,000
Ground hire - other		19,150	24,000	5,400
Concession income	15	21,105	20,000	27,737
Signage		43,348	96,667	96,667
Screen hireage		47,645	80,000	69,950
Sundry revenue		1,155	1,000	6,270
Total Revenue from Operations		194,903	301,667	311,024

Note 4: Operating Expenses	Actual 2011 \$	Budget 2011 \$	Actual 2010 \$
Audit fee	11,260	12,000	11,221
Auditor - other services	-	-	-
Bad Debts	20,000	-	10,000
Building repairs & maintenance	8,009	25,000	31,890
Casual staff	5,252	20,000	8,618
Cleaning costs	541	10,000	6,165
Grounds repairs & maintenance	96,089	43,000	71,414
Insurance	8,400	10,000	8,350
Management fee - Cricket Wellington	36,640	36,600	36,640

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 4: Operating Expenses (continued)	Actual 2011 \$	Budget 2011 \$	Actual 2010 \$
Other building costs	19,866	32,000	33,944
Power & gas	16,332	24,000	24,524
Rates & water rates	53,903	41,000	44,075
Rubbish removal	10,905	10,000	11,755
Security	5,739	10,000	8,952
Other operating expenses	94,608	92,450	152,711
Total Operating Expenses	<u>387,544</u>	<u>366,050</u>	<u>460,259</u>

Note 5: Trust Funds	Actual 2011 \$	Actual 2010 \$
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	1,553,626	1,841,011
Total comprehensive income (deficit) for the year	(294,219)	(287,385)
Balance at end of Year	<u>1,259,407</u>	<u>1,553,626</u>
	<u>1,259,507</u>	<u>1,553,726</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 2011

Note 6: Property, Plant & Equipment (continued)

	Leasehold Improvements	Drainage Works	Furniture & Fittings	Plant	Capital Work in Progress	Total
1 July 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	803,791	95,831	20,388	799,262	32,771	1,752,043
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 2009	761,449	87,959	17,065	695,145	-	1,561,618
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	761,449	87,959	17,065	695,145	-	1,561,618
Year ended 30 June 2011						
Carrying amount at 1 July 2010	761,449	87,959	17,065	695,145	-	1,561,618
Additions	2,950	-	-	9,313	-	12,263
Depreciation	(56,776)	(7,872)	(3,134)	(192,703)	-	(260,485)
Carrying amount at 30 June 2011	707,623	80,087	13,931	511,755	-	1,313,396
30 June 2011						
Cost	914,453	110,457	30,181	1,164,123	-	2,219,214
Accumulated depreciation	(206,830)	(30,370)	(16,250)	(652,368)	-	(905,818)
Carrying Amount	707,623	80,087	13,931	511,755	-	1,313,396

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 7: 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 \$0 (2010 \$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.
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 at the previous balance date and was included as a Trade payable in the Statement of Financial Position. This amount has since been paid.
- 2 A contribution to the WCC for the up-grade of Karori Park of \$25,000 (2010 \$25,000). 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. The amount not paid at balance date is \$37,500 (2010 \$25,000).

Note 8: 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 9: 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 2011, the Trustees did not receive any remuneration in regard to their duties as trustees (30 June 2010 Nil).

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 10: 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 (2010 \$180,000) to the Trust as a contribution towards the costs of operating the Trust.
- 2 WCC paid the Trust \$0 (2010 \$494,792), 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.
The Trust agreed to make a capital contribution to WCC of \$0 (2010 \$44,792) for part of the costs associated with the construction and erection of the new off-field practice facility. This amount was paid in the current financial year.
- 3 The Trust received \$16,197 (2010 \$0) from the WCC to re-imburse them for expenditure made under the annual WCC Asset Maintenance Plan. These funds were on paid to the contractor who performed the maintenance work on behalf of the WCC.
- 4 WCC paid the Trust \$0 (2010 \$500) as part payment for the hireage of the replay screen at a fundraising event held at the Basin Reserve.
- 5 The Trust paid WCC the sum of \$29,513 (2010 \$22,590) for water rates at the Basin Reserve.
- 6 The Trust paid WCC the sum of \$24,390 (2010 \$23,485) for rates at the Basin Reserve.
- 7 The Trust paid WCC the sum of \$120 (2010 \$694) for building warrant of fitness administration fees, annual licence and grease trap fees and resource monitoring.
- 8 The Trust agreed to make a capital contribution to WCC of \$25,000 (2010 \$25,000) for part of the costs associated with the up-grade of Karori Park. During the current financial year the Trust paid WCC the sum of \$12,500 (2010 \$0) towards this financial commitment.
- 9 An amount of \$43,553 (2010 \$73,489) was owed to WCC by the Trust at balance date. This amount is included as a trade payable at balance date.
- 10 CW was paid \$36,640 (2010 \$36,640) by the Trust for the provision of management and secretarial services.
- 11 CW was paid \$20,073 (2010 \$43,182) by the Trust for casual labour event set up costs and other costs. These transactions were all completed on normal commercial terms.
- 12 CW was paid \$4,926 (2010 \$12,665) 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.
- 13 CW was paid \$0 (2010 \$15,000) 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.
- 14 An amount of \$26,086 (2010 \$21,743) was owed to CW by the Trust at balance date. This advance was interest free, repayable on demand and unsecured. Included in this total is an amount of \$390 (2010 \$753) being their share of net revenue from picket fence plaque sales, for administering, marketing and managing this process on behalf of the Trust.
- 15 The Stadium Trust provided turf maintenance services to the Trust at a cost of \$50,321 (2010 \$17,202). This transaction was also completed on normal commercial terms.
- 16 The Trust paid the Stadium Trust \$9,313 (2010 \$0) to re-imburse them for 50% of the costs associated with the acquisition of new covers and sandbags for the new practice wicket facility.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 10: Related Parties (continued)

- 17 An amount of \$57,869 (2010 \$19,352) was owed to the Stadium Trust at balance date. This amount is included as a trade payable at balance date.
- 18 An amount of \$174 (2010 \$0) was paid to Don Neely for copies of the book The First 50 Tests. These books were given to potential naming rights sponsors of the Basin Reserve.
- 19 An amount of \$1,249 (2010 \$0) was paid to Doug Catley to re-imburse him for entertainment expenses on behalf of the Trust. This expense was incurred entertaining the Basin Reserves new naming rights sponsor.

No related party debts have been written off or forgiven during the year (2010 Nil).

Note 11: Reconciliation of Reported Surplus with Cash Flows from Operating Activities

	Actual 2011 \$	Actual 2010 \$
Net surplus (deficit) for the year	(294,219)	(287,385)
Adjustments:		
Add non-cash items:		
Depreciation	262,278	251,187
Movement in working capital:		
Decrease/(increase) in receivables & sundry debtors, prepayments, income tax refund due & GST receivable	(1,782)	52,071
(Decrease)/increase in accounts payable & accruals & customer deposits, income received in advance & GST payable	13,553	115,253
	<u>11,771</u>	<u>167,324</u>
Net Cash Flows from Operating Activities	<u>(20,170)</u>	<u>131,126</u>

Note 12: 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:

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 12: Financial Instruments (continued)

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:

	2011		2010	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
	\$	\$	\$	\$
<i>Financial Assets</i>				
Cash and cash equivalents	88,133	88,133	124,473	124,473
Trade receivables	31,117	31,117	43,189	43,189
<i>Financial Liabilities</i>				
Payables	142,885	142,885	143,260	143,260
Unsecured loan	8,678	8,678	13,016	13,016

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

	2011	2010
	\$	\$
<i>Financial Assets</i>		
Cash and cash equivalents	88,133	124,473
Trade receivables	31,117	43,189
	<u>119,250</u>	<u>167,662</u>

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 12: Financial Instruments (continued)

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

	2011		2010	
	Gross Receivable \$	Impairment \$	Gross Receivable \$	Impairment \$
Trade receivables				
Not past due	17,871	-	37,564	-
Past due 0-3 months	13,246	-	5,625	-
Past due 3-6 months	-	-	-	-
Past due more than 6 months	-	-	-	-
Total trade receivables	<u>31,117</u>	<u>-</u>	<u>43,189</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 2011

Note 12: Financial Instruments (continued)

	Balance Sheet	Total Contractual Cashflows	2011		
			0-12 months	1-2 years	2-5 years
	\$	\$	\$	\$	\$
Trade payables	142,885	142,885	142,885	-	-
Unsecured loan	8,678	8,678	8,678		
Total financial liabilities settled on a gross basis	151,563	151,563	151,563	-	-

	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	13,016	13,016	13,016	-	-
Total financial liabilities settled on a gross basis	156,276	156,276	156,276	-	-

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 2011

Note 12: Financial Instruments (continued)

	Balance Sheet	Total Contractual Cashflows	2011		
			0-12 months	1-2 years	2-5 years
Variable rate instruments	\$	\$	\$	\$	\$
Cash and cash equivalents	88,133	88,133	88,133	-	-
Total variable rate instruments	88,133	88,133	88,133	-	-
	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	124,473	124,473	124,473	-	-

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 13: Contingent Liabilities & Contingent Assets

There were no Contingent Liabilities or Assets as at 30 June 2011 (2010 Nil).

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 14: Capital Commitments

	2011	2010
	\$	\$
Commitments for the acquisition of assets approved and contracted for at balance date:		
Within one year	-	-
Greater than one year	-	-
	<u>-</u>	<u>-</u>

Note 15: 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 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 16: Variance Against Budget

The major variances in revenue were that when the budget was prepared it was anticipated that the charge for holding a test match would be \$75,000 per game, whereas during the year it was decided to reduce this fee to \$55,000, signage was well below budget due to the demise of the naming rights sponsor at the beginning of the year and only gaining a new naming rights sponsor at the end of the financial year, screen hireage was also below budget due to the general economic recession. Expenditure was over budget mainly due to the unforeseen capital contribution made when the budget was prepared.

Trade payables were higher than budgetted for due the unforeseen large bills received at balance date and also didn't budget for the capital contribution to be paid. Property plant and equipment was lower than budgetted for due to the budget reflecting that the Trust would own the new practice facility wicket, whereas this asset is in fact owned by the WCC.

Note 17: Events After Balance Date

There are no events after balance date that effect the financial statements or the notes to the financial statements (2010 Nil).

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

- The Trust's Statement of Intent for the year ended 30 June 2011 was adopted in May 2010
- 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 2011

	<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	Achieved
Operating - Number of Events		
Cricket	10	16
Other Sports	12	7
Community	5	10
Operating - Number of Event Days		
Cricket	28	34
Other Sports	12	7
Community	5	11
Numbers attending events	26,400	41,560
Hirer satisfaction with venue and events	Quarterly	Achieved
Playing surface to be maintained to an international standard	Annual	Achieved
Council subsidy per visitor	Less than \$6.00	\$4.33

**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	Not Achieved
Council % of Revenue ratio	Less than 35%	47%
Event Income	100,000	102,755
Non-Event Income as a % of Total Income	75% of total income	53% of total income
Business Plan developed	Annual	Achieved

**BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF COMPLIANCE AND RESPONSIBILITY
FOR THE YEAR ENDED 30 JUNE 2011**

VARIANCES TO TARGET

The number of cricket events and event days exceeded budget due to greater useage of the ground for cricket events than budgeted for. The number of other sports events and event days is lower than budgeted for due to the fact that the ground was unavailable for hire in April when additional drainage upgrades to the ground were being carried out. Also this useage is dependant on the success of the grounds host club qualifying for the final series. Community events and event days were higher than budgetted for due to the unforecasted use of the ground by Aviation Security Services who used the ground for bomb disposal training in preparation for RWC 2011.

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 2011 fairly reflect the financial position, results of operations and service performance achievements of the Trust.

Douglas Catley
Chairman
Date: 19th August 2011

Gavin Larsen
Chief Executive
Cricket Wellington Inc.
Date: 19th August 2011