

BASIN RESERVE TRUST (INCORPORATED)

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2012

BASIN RESERVE TRUST (INCORPORATED)

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BASIN RESERVE TRUST (INCORPORATED)
TRUST DIRECTORY AS AT 30 JUNE 2012

SETTLORS	Wellington City Council ("WCC") Cricket Wellington Incorporated ("CW")
TRUSTEES	Douglas Catley (Chairman) Don Neely John Morrison Sir John Anderson
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 2012**

	Note	Actual 2012 \$	Budget 2012 \$	Actual 2011 \$
Income				
Grant income - Wellington City Council	2	180,000	180,000	180,000
Grant income - other	2	50,000	-	1,500
Revenue from operations	3	367,449	335,000	194,903
Interest income		3,275	3,000	4,201
Total Income		600,724	518,000	380,604
Expenditure				
Operating expenses	4	444,238	405,650	387,544
Finance Costs		50	-	1
Depreciation	6	267,318	266,000	262,278
Capital Contributions	7	-	-	25,000
Total Expenditure		711,606	671,650	674,823
Net Surplus (Deficit) for the Year		(110,882)	(153,650)	(294,219)
Other Comprehensive Income		-	-	-
Total Comprehensive Income (Deficit) for the Year		(110,882)	(153,650)	(294,219)

**BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012**

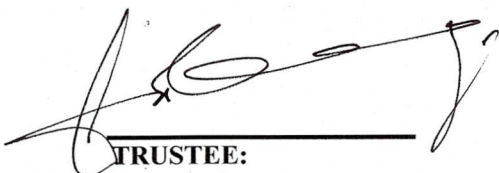
	Note	Settlors Funds \$	Accumulated Funds \$	Total Trust Funds \$	Budget Total Trust Funds \$
Balance as at 1 July 2010		100	1,553,626	1,553,726	1,764,100
Net Surplus (Deficit) for the Year		-	(294,219)	(294,219)	(122,383)
Total Comprehensive Income		-	(294,219)	(294,219)	(122,383)
Balance as at 30 June 2011		100	1,259,407	1,259,507	1,641,717
Balance as at 1 July 2011		100	1,259,407	1,259,507	1,482,000
Net Surplus (Deficit) for the Year		-	(110,882)	(110,882)	(153,650)
Total Comprehensive Income		-	(110,882)	(110,882)	(153,650)
Balance as at 30 June 2012		100	1,148,525	1,148,625	1,328,350

The accompanying notes form part of these financial statements.

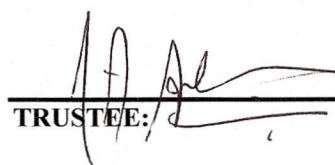
**BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	Note	Actual 2012 \$	Budget 2012 \$	Actual 2011 \$
Non Current Liabilities				
Unsecured loan	8	-	-	4,339
Total Non Current Liabilities		-	-	4,339
Current Liabilities				
Trade payables		83,111	16,000	142,885
Unsecured loan	8	4,339	4,000	4,339
Customer deposits & income received in advance		-	-	25,000
GST payable		-	-	-
Current account - Cricket Wellington	10	14,796	-	26,086
Total Current Liabilities		102,246	20,000	198,310
Total Liabilities		102,246	20,000	202,649
Trust Funds	5	1,148,625	1,328,350	1,259,507
Total Trust Funds and Liabilities		1,250,871	1,348,350	1,462,156
Non Current Assets				
Property Plant & Equipment	6	1,139,780	1,106,000	1,320,916
Total Non Current Assets		1,139,780	1,106,000	1,320,916
Current Assets				
Cash & cash equivalents		41,816	152,000	88,133
Trade receivables		53,931	90,350	31,117
GST receivable		13,554	-	14,107
Prepayments		1,790	-	7,883
Total Current Assets		111,091	242,350	141,240
Total Assets		1,250,871	1,348,350	1,462,156

For and on behalf of the Basin Reserve Trust (Incorporated) on 17th August 2012:



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 2012

	Note	Actual 2012 \$	Budget 2012 \$	Actual 2011 \$
Cash flows from operating activities				
Cash was provided from:				
Grants from related party - Wellington City Council		180,000	180,000	180,000
Grants other		25,000	-	26,500
Revenue from operations		271,572	216,000	180,462
Revenue from related parties		41,250	50,000	-
Interest received		3,275	3,000	4,201
GST		553	28,500	(12,521)
Cash was disbursed to:				
Payments to suppliers		(459,996)	(323,000)	(366,084)
Payments to related party - Cricket Wellington		(31,516)	(42,500)	(32,728)
Net cash flows from operating activities	11	<u>30,138</u>	<u>112,000</u>	<u>(20,170)</u>
Cash flows from investing activities				
Cash was disbursed to:				
Purchase of property plant & equipment		(70,552)	(60,000)	(12,263)
Net cash flows from investing activities		<u>(70,552)</u>	<u>(60,000)</u>	<u>(12,263)</u>
Cash flows from financing activities				
Cash was provided from:				
Increase in current account - Cricket Wellington		-	-	430
Cash was disbursed to:				
Decrease in current account - Cricket Wellington		(1,563)	-	-
Unsecured Loan Repayments		(4,340)	-	(4,337)
Net cash flows from financing activities		<u>(5,903)</u>	<u>-</u>	<u>(3,907)</u>
Net increase (decrease) in cash held		(46,317)	52,000	(36,340)
Cash at the beginning of year		88,133	100,000	124,473
Cash at the end of year		<u>41,816</u>	<u>152,000</u>	<u>88,133</u>
Comprising:				
Cash and cash equivalents		41,816	152,000	88,133
Cash at the end of year		<u>41,816</u>	<u>152,000</u>	<u>88,133</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 2012

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 2012

Note 1: Summary of Significant Accounting Policies

Reporting Entity

These financial statements are for the Basin Reserve Trust ("the Trust"), a charitable trust established by the Wellington City Council ("WCC") and Cricket Wellington ("CW") and registered under the Charitable Trusts Act 1957 and also registered with the Charities Commission. The trust has designated itself as a public benefit entity.

The Trust is a Council Controlled Organisation (CCO) as defined by Part 1, section 6 of the Local Government Act 2002.

The Trust operates under the Basin Reserve Trust Deed dated 24 February 2005. The parties to the Deed are WCC, CW and the Trustees.

The WCC holds the Basin Reserve as a reserve and upon trust to be used for the purposes of a cricket and recreation ground by the citizens of Wellington pursuant to a Deed of Trust dated 17 October 1884. The purpose of the Basin Reserve Trust is the management and operation of the Basin Reserve.

Basis of Preparation

The financial statements have been prepared on a historical cost basis.

The financial statements have also been prepared in accordance with the requirements of the Charitable Trusts Act 1957.

The information is presented in New Zealand dollars.

The Trust is reliant on the WCC for a significant portion of its income, being \$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 2012/13 Annual Plan and in the Long Term Community Plan up to and including 2016, at an increased funding level of \$355,000.

The Trust has positive working capital at 30 June 2012. The Trusts working capital should improve in future financial years as the WCC has increased its grant to the Trust from \$180,000 to \$355,000 from the 2012/2013 financial year under the WCC Long Term Community Plan.

Statement of Compliance with International Financial Reporting Standard

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to IFRS (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 1: Summary of Significant Accounting Policies (continued)

Changes in Accounting Policies

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

The following amendments and revision to standards have been early adopted:

NZIFRS 7 Financial Instruments: Disclosures - The effect of early adopting these amendments is the following information is no longer disclosed:

- the carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated; and
- the maximum exposure to credit risk by class of financial instrument if the maximum credit risk exposure is best represented by their carrying amount.

NZIAS 24 Related Party Disclosures (Revised 2009) - The early adoption of NZIAS 24 has had no effect on related party disclosures.

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: Phases 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.



BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 1: Summary of Significant Accounting Policies (continued)

Grants and Donations are recognised as revenue when they become receivable, unless there is an obligation to return the funds if the conditions of the grant are not met. If there is such an obligation the grant or donation, are initially recorded as income received in advance and are recognised as revenue when the conditions of the grant or donation are satisfied.

Taxation

The Trust is registered with the Charities Commission and is thus exempt from income tax under the Income Tax Act 2007. The Trust is not exempt from the need to comply with indirect tax obligations such as Goods and Services, Fringe Benefit and Entertainment and accordingly complies with those obligations that are applicable.

Goods and services tax (GST)

All revenue and expense transactions are recorded exclusive of GST. Assets and liabilities are similarly stated exclusive of GST, with the exception of receivables and payables, which are stated with GST included.

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

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.

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 1: Summary of Significant Accounting Policies (continued)

Depreciation is provided for on a straight line basis on all tangible property, plant and equipment other than capital work in progress, at depreciation rates calculated to allocate the assets' cost less estimated residual value, over their estimated useful lives.

Major depreciation periods are:

Leasehold improvements	2.20 - 66.70% SL
Drainage works	5.50 - 7.20% SL
Furniture & fittings	12.00 - 48.00% SL
Plant	16.20 - 21.00% SL

Budget figures

The budget figures are those approved by the Trustees and published in the annual plan. They have been prepared using the same accounting policies as are employed in preparing these financial statements.

Impairment

If the recoverable amount of an item of property, plant and equipment is less than its carrying amount, the item is written down to its recoverable amount. The write down of an item is recognised as an expense in the statement of comprehensive income.

The carrying amount of an item of property, plant and equipment that has previously been written down to recoverable amount is increased to its current recoverable amount if there has been a change in the estimates used to determine the amount of the write down.

The increased carrying amount of the item will not exceed the carrying amount that would have been determined if the write down to recoverable amount had not occurred. The reversal of a write down of an item is recognised in the statement of comprehensive income.

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.



BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 1: Summary of Significant Accounting Policies (continued)

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the statement of comprehensive income, and carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by:

- physical inspection of assets; and
- asset replacement programs.

The Trust has not made significant changes to past assumptions concerning useful lives and residual values. The Carrying amounts of property, plant and equipment are disclosed in note 6.

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.

Comparatives

Additional financial information has been disclosed in this financial year, particularly in Note 4. Hence some of the comparatives for the previous financial year have changed from those disclosed in the 2011 Annual Report.

Note 2: Grant Income

Of the Grant income received from the WCC, \$180,000 (2011 \$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 \$50,000 as a contribution towards the costs of upgrading the players changing room facilities in the R. A. Vance Stand.

The Grant income - other, in the previous financial year represented a grant payment to the Trust from New Zealand Cricket Inc. of \$1,500 as a contribution towards the costs of an independent drainage report on the ground.

Note 3: Revenue from Operations

Note

**Actual
2012
\$**

**Budget
2012
\$**

**Actual
2011
\$**

Total ground hire income	157,800	150,500	81,650
Total other income	209,649	184,500	113,253

Total Revenue from Operations

367,449	335,000	194,903
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BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 4: Operating Expenses

	Actual 2012 \$	Budget 2012 \$	Actual 2011 \$
Building Expenses			
Repairs & Maintenance	8,319	28,000	8,009
Cleaning	2,316	5,000	541
Electrical Services	4,524	8,000	5,300
Fire System	8,531	6,000	5,433
Painting	1,472	5,000	1,095
Pest Control	6,697	6,000	5,518
Plumbing	3,270	2,000	2,306
Other	1,495	2,000	215
	36,624	62,000	28,417
Ground Expenses			
Electrical Services	331	2,000	613
Equipment Hire	1,052	2,000	1,176
Cleaning	20,416	20,000	21,472
Irrigation	4,019	1,000	508
Painting	4,334	3,500	4,691
Plumbing	1,646	3,500	6,032
Rubbish Removal	11,566	9,000	10,905
Structures	30,031	18,000	12,452
Turf	50,000	30,000	50,321
Karori Park Operation Contribution	10,000	-	-
	133,395	89,000	108,170
Occupancy Expenses			
Gas	7,918	8,000	7,894
Electricity	19,447	16,000	8,438
Rates	25,186	30,000	24,390
Security	11,312	6,000	5,739
Telephones	7,431	9,000	7,642
Water Rates	19,151	17,000	29,513
Television	2,546	3,000	2,265
Insurance	8,400	5,000	8,400
Consumables Laundry & Toilet	11,092	12,000	11,658
	112,483	106,000	105,939
Event Running Expenses			
Event Running	59,326	30,000	24,939
Casual Staff	8,878	20,000	5,252
	68,204	50,000	30,191

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 4: Operating Expenses (continued)

	Actual 2012 \$	Budget 2012 \$	Actual 2011 \$
Administration Expenses			
Audit Fee	11,385	13,000	11,260
Accounting	11,850	9,600	13,600
Bank Fees	90	50	99
Consultants	4,199	14,400	4,651
Management Fee	56,640	42,500	36,640
	<u>84,164</u>	<u>79,550</u>	<u>66,250</u>
Other Expenses			
Bad Debts	-	-	20,000
Marketing	8,826	18,000	28,087
Miscellaneous Expense	442	1,000	398
Picket Fence Expenses	100	100	92
	<u>9,368</u>	<u>19,100</u>	<u>48,577</u>
Total Operating Expenses	<u><u>444,238</u></u>	<u><u>405,650</u></u>	<u><u>387,544</u></u>

Note 5: Trust Funds

	Actual 2012 \$	Actual 2011 \$
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	1,259,407	1,553,626
Total comprehensive income (deficit) for the year	(110,882)	(294,219)
Balance at end of Year	<u>1,148,525</u>	<u>1,259,407</u>
	<u><u>1,148,625</u></u>	<u><u>1,259,507</u></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 2012

Note 6: Property, Plant & Equipment (continued)

	Leasehold Improvements	Drainage Works	Furniture & Fittings	Plant	Capital Work in Progress	Total
1 July 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>
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	-	-	18,626	-	21,576
Depreciation	(56,776)	(7,872)	(3,134)	(194,496)	-	(262,278)
Transfers	-	-	-	-	-	-
Carrying amount at 30 June 2011	<u>707,623</u>	<u>80,087</u>	<u>13,931</u>	<u>519,275</u>	<u>-</u>	<u>1,320,916</u>
30 June 2011						
Cost	914,453	110,457	30,181	1,173,436	-	2,228,527
Accumulated depreciation	(206,830)	(30,370)	(16,250)	(654,161)	-	(907,611)
Carrying Amount	<u>707,623</u>	<u>80,087</u>	<u>13,931</u>	<u>519,275</u>	<u>-</u>	<u>1,320,916</u>
Year ended 30 June 2012						
Carrying amount at 1 July 2011	707,623	80,087	13,931	519,275	-	1,320,916
Additions	79,198	-	2,124	3,760	1,100	86,182
Depreciation	(59,130)	(7,872)	(2,742)	(197,574)	-	(267,318)
Carrying amount at 30 June 2012	<u>727,691</u>	<u>72,215</u>	<u>13,313</u>	<u>325,461</u>	<u>1,100</u>	<u>1,139,780</u>
30 June 2012						
Cost	993,651	110,457	32,305	1,177,196	1,100	2,314,709
Accumulated depreciation	(265,960)	(38,242)	(18,992)	(851,735)	-	(1,174,929)
Carrying Amount	<u>727,691</u>	<u>72,215</u>	<u>13,313</u>	<u>325,461</u>	<u>1,100</u>	<u>1,139,780</u>

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 7: Capital Contributions

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

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 was the only ground in Wellington with first class cricket status and the WCC decided to up-grade Karori Park so as to be able to obtain first class status for that ground. The Trust therefore 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. A contribution was made to the WCC for the up-grade of Karori Park of \$0 (2011 \$25,000) in the current financial year. The amount not paid at balance date is \$0 (2011 \$37,500).

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	
Sir John Anderson	- appointed by WCC	Appointed effective from 1 January 2012
Glenn McGovern	- appointed by WCC	Resigned effective from 1 January 2012
John Morrison	- appointed by WCC	

In the year to 30 June 2012, the Trustees did not receive any remuneration in regard to their duties as trustees (30 June 2011 Nil).

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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 (2011 \$180,000) to the Trust as a contribution towards the costs of operating the Trust.
- 2 WCC paid the Trust \$7,000 (2011 \$0), for the use of the Basin Reserve for training during Rugby World Cup 2011.
- 3 The Trust received \$0 (2011 \$16,197) 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 The Trust paid WCC the sum of \$19,151 (2011 \$29,513) for water rates at the Basin Reserve.
- 5 The Trust paid WCC the sum of \$25,186 (2011 \$24,390) for rates at the Basin Reserve.
- 6 The Trust paid WCC the sum of \$130 (2011 \$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 \$0 (2011 \$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 \$25,000 (2011 \$12,500) towards this financial commitment.
- 8 The Trust paid WCC the sum of \$10,000 (2011 \$0) as a contribution for the Karori Park operation.
- 9 An amount of \$14,293 (2011 \$43,553) was owed to WCC by the Trust at balance date. This amount is included as a trade payable at balance date.
- 10 CW paid the Basin Reserve Trust \$70,000 (2011 \$0) as a hireage fee for the domestic cricket season.
- 11 CW was repaid the sum of \$1,563 (2011 \$0), being the amount that it was owed as at 30 June 2011.
- 12 The Trust incurred expenditure of \$56,640 (2011 \$36,640) charged by CW for the provision of management and secretarial services.
- 13 An amount of \$48,006 (2011 \$26,086) was owed to CW by the Trust at balance date. This amount is represented by the CW current account. Included in this total is an amount of \$0 (2011 \$390) being their share of net revenue from picket fence plaque sales, for administering, marketing and managing this process on behalf of the Trust.
- 14 An amount of \$28,750 (2011 \$0) was owed to the Trust by CW by at balance date. This amount has been deducted from the CW current account.
- 15 The Stadium Trust provided turf maintenance services to the Trust at a cost of \$50,000 (2011 \$50,321). This transaction was also completed on normal commercial terms.
- 16 The Trust paid the Stadium Trust \$9,313 (2011 \$9,313) to re-imburse them for 50% of the costs associated with the acquisition of new covers and sandbags for the new practice wicket facility.
- 17 The Trust paid the Stadium Trust \$1,975 (2011 \$0) for extra drainage preparation during the Rugby World Cup 2011. This transaction was also completed on normal commercial terms.
- 18 An amount of \$12,500 (2011 \$57,869) was owed to the Stadium Trust at balance date. This amount is included as a trade payable at balance date.
- 19 An amount of \$0 (2011 \$174) 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.



BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 10: Related Parties (continued)

- 20 An amount of \$130 (2011 \$0) was paid to Don Neely to re-imburse him for travel costs for attending Trustee meetings.
- 21 Catley Investments Limited, of which Doug Catley is a Director and Shareholder paid \$6,000 (2011 \$0) to become a Gold Member of the Basin Reserve.
- 22 Catley Investments Limited, of which Doug Catley is a Director and Shareholder was paid \$304 (2011 \$0) for expenses incurred for being a Gold Member of the Basin Reserve.
- 23 An amount of \$0 (2011 \$1,249) 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 (2011 Nil).

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

	Actual 2012 \$	Actual 2011 \$
Net surplus (deficit) for the year	(110,882)	(294,219)
Adjustments:		
Add non-cash items:		
Depreciation	267,318	262,278
Movement in working capital:		
Decrease/(increase) in receivables & sundry debtors, prepayments, income tax refund due & GST receivable	(16,168)	(1,782)
(Decrease)/increase in accounts payable & accruals & customer deposits, income received in advance & GST payable	(110,130)	13,553
	<u>(126,298)</u>	<u>11,771</u>
Net Cash Flows from Operating Activities	<u>30,138</u>	<u>(20,170)</u>

Note 12: Financial Instruments

The Trust's financial instruments include financial assets (cash and cash equivalents, trade receivables, and financial liabilities (payables that arise directly from operations and borrowings). The main purpose of the Trust's financial instruments is to raise finance for the Trust's operations.

As part of its normal operations, the Trust is exposed to credit risk, interest rate risk and liquidity risk. The Trust's exposure to these risks and the action that the Trust has taken to minimise the impact of these risks is outlined below:

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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:

	2012		2011	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
	\$	\$	\$	\$
<i>Financial Assets</i>				
Cash and cash equivalents	41,816	41,816	88,133	88,133
Trade receivables	53,931	53,931	31,117	31,117
<i>Financial Liabilities</i>				
Payables	83,111	83,111	142,885	142,885
Unsecured loan	4,339	4,339	8,678	8,678
Current account - Cricket Wellington	14,796	14,796	26,086	26,086

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:

	2012	2011
	\$	\$
<i>Financial Assets</i>		
Cash and cash equivalents	41,816	88,133
Trade receivables	53,931	31,117
	95,747	119,250

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 12: Financial Instruments (continued)

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

	2012		2011	
	Gross Receivable \$	Impairment \$	Gross Receivable \$	Impairment \$
Trade receivables				
Not past due	13,926	-	17,871	-
Past due 0-3 months	26,105	-	13,246	-
Past due 3-6 months	11,500	-	-	-
Past due more than 6 months	2,400	-	-	-
Total trade receivables	53,931	-	31,117	-

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 2012

Note 12: Financial Instruments (continued)

	Balance Sheet	Total Contractual Cashflows	2012		
			0-12 months	1-2 years	2-5 years
			\$	\$	\$
Trade payables	83,111	83,111	83,111	-	-
Unsecured loan	4,339	4,339	4,339	-	-
Current account - Cricket Wellington	14,796	14,796	14,796	-	-
Total financial liabilities settled on a gross basis	102,246	102,246	102,246	-	-

	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	-	-
Current account - Cricket Wellington	26,086	26,086	26,086	-	-
Total financial liabilities settled on a gross basis	177,649	177,649	177,649	-	-

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 2012

Note 12: Financial Instruments (continued)

	Balance Sheet	Total Contractual Cashflows	2012 0-12 months	1-2 years	2-5 years
Variable rate instruments	\$	\$	\$	\$	\$
Cash and cash equivalents	41,816	41,816	41,816	-	-
Total variable rate instruments	41,816	41,816	41,816	-	-

	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	-	-

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 2012 (2011 Nil).

BASIN RESERVE TRUST (INCORPORATED)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 14: Commitments

	2012	2011
	\$	\$
Commitments for the acquisition of assets approved and contracted for at balance date:		
Within one year	-	-
Greater than one year	-	-
	-	-
	-	-
Operating commitments approved and contracted for at balance date:		
Within one year	-	-
Greater than one year	-	-
	-	-
	-	-

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.

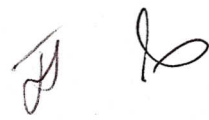
Note 16: Variance Against Budget

The major variances in revenue was that the budget didn't foresee the receipt of of the \$50,000 grant for the player changing room upgrade. Screen hireage was also greater than budgeted for due to increased hireage during Rugby World Cup 2011 and an increase in hireage for other codes. The budget also did not anticipate any revenue from the Gold Membership scheme introduced this year. Expenditure was over budget mainly due to higher than anticipated turf maintenance costs and repairs needed to be made to ground structures and also because the budget didn't recognise the payment of an amount as a contribution to the operation of Karori Park.

Trade payables were higher than budgeted for due to an increase in the amount of activity at the ground in the last few months before the end of balance date.

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 (2011 Nil).



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

- The Trust's Statement of Intent for the year ended 30 June 2012 was adopted in May 2011
- 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 2012

	<u>Target</u>	<u>Actual</u>
Administrative		
Achieve targets within allocated budgets	Annual	Achieved
Comply with financial, technical and regulatory standards	Quarterly	Achieved
Asset management plan carried out	Quarterly	Not Achieved
Operating - Number of Events		
Cricket	16	16
Other Sports	4	11
Community	2	1
Operating - Number of Event Days		
Cricket	32	29
Other Sports	4	11
Community	2	1
Numbers attending events	36,000	24,507
Hirer satisfaction with venue and events	Quarterly	Not Achieved
Playing surface to be maintained to an international standard	Annual	Achieved
Council subsidy per visitor	Less than \$6.00	\$7.34
Contribute to council shared services review	Quarterly	Achieved

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

PERFORMANCE MEASURES

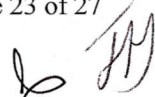
12 months to 30 June 2012

<u>Financial</u>	<u>Target</u>	<u>Actual</u>
Results within Budget	Annual	Achieved
Capital expenditure - within Budget	Annual	Not Achieved
Council % of Revenue ratio	Less than 35%	30%
Event Income	100,000	157,800
Non-Event Income as a % of Total Income	75% of total income	70% of total income
Business Plan developed	Annual	Achieved

In terms of the Asset Maintenance Plan, the Trust has not had the expertise available to it, or indeed the funding to commission it and has been in discussions with Council officers since 2008 about using the Council's Property Division to prepare the plan. While this has not occurred to date, more recently it has been agreed that the Council's Project Management Office would take on the project, as referred to in the Trust's Statement of Intent for 2012/13.

In terms of Hirer satisfaction with the venue and events, the achievement of this measure is based on the satisfaction of New Zealand Cricket and Cricket Wellington, as they are the Trust's most significant hirers, and is not based on a survey conducted on all hirers of the Basin Reserve.

The Trust has received very favourable feedback from Cricket Wellington relating to their satisfaction with the venue. However New Zealand Cricket, whilst satisfied from a spectator point of view, were not satisfied with all aspects of the venue from an operational perspective, hence the Not Achieved recorded against this Performance Measure. The Trust has already upgraded some of the facilities that they were unhappy with since New Zealand Cricket visited the ground and is continuing to make further improvements as funding constraints are overcome.



**BASIN RESERVE TRUST (INCORPORATED)
STATEMENT OF COMPLIANCE AND RESPONSIBILITY
FOR THE YEAR ENDED 30 JUNE 2012**

VARIANCES TO TARGET

The number of other sports events and event days exceeded budget due to the ground being used during Rugby World Club 2011 as a training ground and also the number of club fixtures played at the ground were greater than anticipated.

The number of cricket event days was less than budgeted for due to adverse weather conditions.

COMPLIANCE

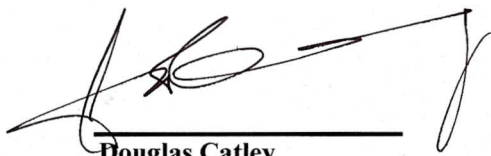
The Board and management of the Basin Reserve Trust ("the Trust") confirm that all statutory requirements of the Local Government Act 2002 regarding financial and operational management have been complied with.

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 2012 fairly reflect the financial position, results of operations and service performance achievements of the Trust.



Douglas Catley
Chairman
Date: 17th August 2012



Peter Clinton
Chief Executive
Cricket Wellington Inc.
Date: 17th August 2012

Independent Auditor's Report**To the readers of
Basin Reserve Trust's
financial statements and statement of service performance
for the year ended 30 June 2012**

The Auditor-General is the auditor of Basin Reserve Trust (the Trust). The Auditor-General has appointed me, JR Smaill, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Trust on her behalf.

We have audited:

- the financial statements of the Trust on pages 3 to 21 that comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Trust on pages 22 to 23.

Opinion

In our opinion:

- the financial statements of the Trust on pages 3 to 21:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Trust's:
 - financial position as at 30 June 2012; and
 - financial performance and cash flows for the year ended on that date; and
- the statement of service performance of the Trust on pages 22 to 23:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Trust's service performance achievements measured against the performance targets adopted for the year ended 30 June 2012.

Our audit was completed on 17 August 2012. This 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 our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Trustees

The Trustees are responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Trust's financial position, financial performance and cash flows; and
- fairly reflect its service performance achievements.

The Trustees are also responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

The Trustees' responsibilities arise from the Local Government Act 2002 and Clause 1.31 of the Trust Deed of the Trust.

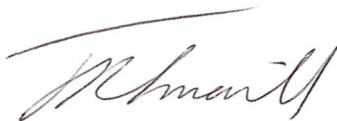
Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our 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 cursive script, appearing to read 'JR Smail', written in dark ink.

JR Smail
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand