

# Statement of Intent 2013-14 Basin Reserve Trust

Presented to the CCO Performance Sub Committee  
pursuant to Schedule 8 of the Local Government Act (2002)

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## Introduction

The Basin Reserve Trust continues a busy programme of activity as regards the premier cricket ground in New Zealand, the Basin Reserve.

In the past twelve months, increased operational funding from Council has allowed the Trust to undertake increased repairs, maintenance and development of the venue, to help bring it up to a standard demanded by international sports events. The venue continues to attract at least one high-profile international test match per summer, as well as approximately 40-45 days of first-class cricket and community cricket throughout the season.

The Trust has been centrally involved in the Wellington City Council bid to host matches in the Cricket World Cup 2015, with venues due to be allocated by April 2013. Additionally, the Trust has signalled an intention to work with Council events and tourism staff, to leverage possible trade and tourism opportunities around the scheduled Indian cricket team tour in February-March 2014.

Other non-sporting impacts include the proposed Basin Reserve flyover, and the future of the Museum Stand, which requires significant earthquake strengthening work.

## Strategic Direction

### Core Purpose

The objectives of the trust are stated in the Trust Deed as agreed between the Wellington City Council and the Basin Reserve Trust and are highlighted below:

1. to contribute to the Wellington City Council's vision of Creative Wellington - Innovative Capital - positioning Wellington as an affordable, internationally competitive city.
2. to manage, administer, plan, develop, maintain, promote and operate the Basin Reserve for recreation and leisure 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 value 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 enter into management agreements and other contracts that are necessary or desirable to achieve the objects of the Trust;
5. to promote and co-ordinate the raising of funds to assist the management, administration, maintenance planning, promotion and further development of the Basin Reserve - in a manner consistent with the achievement of council objectives;
6. generally to do all acts, matters and things that the Trustees consider necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the public of Wellington;
7. to operate as a successful undertaking, managed on a not-for-profit basis;
8. to preserve and enhance the significant and recognised heritage value of the Basin Reserve;
9. to comply with all legislative and regulatory provisions relating to its operation and performance including statutory and general Council objectives for Council controlled organisations, and to acknowledge the Councils contribution where appropriate;

### Operating Environment Update

#### Increased Operational Funding

The Trust received increased operational funding in 2012-13, which has allowed for much-needed repair and cosmetic improvement work to be undertaken. The previously lower operating grant effectively just covered the occupancy costs associated with the ground, and so the increased grant

has allowed for much more responsive actions to be undertaken as regards vandalism, repairs, and the general look and feel of the public access park.

### **Basin Flyover**

The Trust continues to work closely with both NZTA and the Council as regards the proposed Basin flyover, and associated building mitigation works.

### **Museum Stand**

The Stand has been out of commission since February 2011, due to earthquake strengthening issues. The Trust continues to work closely with Council as regards the future use of this heritage asset.

#### ***a) Strategic Framework***

The Trust aims to increase usage of the Basin Reserve, as well as investigate possible 'value added' opportunities associated with test cricket in particular.

Given the delayed secondary drainage work on the outfield, the Basin will not be available for club rugby for the 2013 season. The Trust has been in discussions with both the WRFU and Old Boys' University RFC in recent times. However, it is forecasted that the drainage improvements will result in increased usage overall, particular in regards to winter use which has suffered in recent years from substandard drainage.

The potential leveraging of test cricket matches in particular is further referred to below.

## **Nature and Scope of Activities**

The Trust intends to work closely with Council, particularly Economic Development, Events, and Tourism personnel, to leverage the trade and tourism opportunities associated with cricket test matches. The recent England tour highlighted the potential for building promotional activities, particularly given the large broadcast market back into the UK and sub-continent.

The Trust will continue its work with several agencies, including NZTA, Heritage Places Trust, and the Council, to ensure that the Basin Reserve is maintained and promoted as has been legislated by the Deed of Trust, and in particular with reference to the proposed NZTA flyover and the future of the Museum Stand.

The venue itself has been improved in the past twelve months, with the main investment being associated with ground drainage, changing room upgrades, wireless technology, and security lighting. These improvements were necessary to keep pace with the increased demands of users, while also providing improved facilities for the increased future use of the ground's users.

## **Performance Measurements**

### **Non financial Performance Measures**

As attached.

### **Financial Performance Measures**

As attached.

# Board’s Approach to Governance

The Trustees are responsible for setting the strategic direction for the Trust, and approving the Statement of Intent and Annual Business Plan. The Trustees monitor the organisational performance and ensures that the ongoing viability of the organisation is maintained.

The Trust delegates the daily operation of the Trust to Cricket Wellington Incorporated, pursuant to a Management Agreement between the two parties.

## Trust Membership

- Mr Douglas Catley MNZM (Chair)
- Mr Don Neely MNZM MBE
- Mr John Morrison MNZM
- Sir John Anderson KBE

## Trust Operations

The Trust meets bi-monthly, and considers a Management Report submitted by Cricket Wellington as Manager. Additional meetings are called as required.

## Performance Management

The performance of the Trust is measured in part by achievement of agreed KPI’s, in regards to operational activities. The Chair of the Board will undertake an annual evaluation of Trustee performance. Further, the individual performance of Trustees is monitored by the Wellington City Council (in respect of the two Council- appointed Trustees), and Cricket Wellington (in regards to the two Cricket Wellington-appointed Trustees).

The Trust acknowledges the need for ongoing professional development opportunities for Trustees, and encourages the undertaking of specialist training for identified needs. The Board will on an annual basis implement a programme that supports the identified needs. This may include programmes such as that offered by the NZ Institute of Directors (or similar) or specialist knowledge building from appropriate agencies.

# 6. Organisational Health, Capability and Risk Assessment

The Trust undertakes the following measures to manage identified risks.

Financial and Legal Risks	<ul style="list-style-type: none"> <li>• External audit and review of financial accounts (undertaken by Audit NZ)</li> <li>• Interests Register documented at each Trust meeting</li> <li>• Fraud Policy adopted by the Trust (detailing the Trust’s policy for fraud prevention)</li> <li>• The Trust’s financial matters are managed by an external Accountant, whom also sits on Trust meetings and partakes in business discussions and decision-making (as a non-voting member of the Trust’s Executive)</li> </ul>
Health & Safety	<ul style="list-style-type: none"> <li>• Health &amp; Safety policy in place, reviewed bi-annually</li> <li>• Evacuation Procedures in place</li> <li>• Meet all building WOF requirements and act in the required manner on IQP reports</li> </ul>

Operating Risks	<ul style="list-style-type: none"> <li>• Routine Maintenance Plan in place to ensure facility meets a necessary standard</li> <li>• Comprehensive Asset Management Plan to be initiated in the 2013-14 period, as a matter of urgency</li> <li>• For cricket-specific events, the Trust meets or exceeds NZC and/or ICC set criteria</li> </ul>
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## 7. Additional Information

### Response to other specific Letter of Expectation matters (if applicable)

The Trust has documented an interest in partnering with the Economic Development team to engage with sporting organisations associated with international sports events, particularly cricket. This is currently underway as regards the Cricket World Cup 2015, and was implemented at an informal level in regards to the England cricket team tour in March 2013.

A proposed tour by India next summer presents a further opportunity to promote and leverage trade and tourism opportunities with the Indian market, and the Trust will engage with the Economic Development team as regards potential opportunities in the 2013-14 year.

The Trust has an objective to increase usage of the Basin Reserve, although this can be heavily dependent upon the scheduling of both first-class and international cricket matches. The recent drainage work will improve the access to and usability of the ground for other sports as well as cricket, and consequently there is expected to be a greater usage in the future. However, as noted above, there will be no rugby use in 2013 due to the secondary drainage being installed on the ground.

The use of the venue for practice and trainings is not currently recorded or measured, and it is proposed that this measure be included in the KPI's for 2013-14 and beyond.

The Trust will undertake a formal review of the Trust performance and report the same to the Chair of CCOPs by 30 September 2013. Additionally, the Trust will ensure that its 2013 AGM is open to the public.

### Ratio of shareholders funds to total assets

A statement of the ratio of shareholders' funds to assets is not considered appropriate at this time.

### Estimate of amount intended for distribution

There is no intention to pay out reserves to stakeholders.

### Acquisition procedures

There is no intention to make any acquisitions.

### Activities for which the board seeks compensation from a local authority

None.

### **Estimate of commercial value of shareholders investment**

The net value of the Stakeholder's investment in the trust is estimated to be valued at \$355,000 as at 30 June 2013.

### **Other matters (if applicable) e.g. water supply services LGA requirements**

None.

### **Supplementary information the entity wishes to include**

None.

## **8. Appendix: Accounting Policies**

## **9. Appendix: Forecast Financial Statements**





## Appendix: Performance measures and targets

Measure	Frequency	Measurement	Target Q1	Q2	Q3	Q4	FY
<b>Administrative Measures</b>							
Achieve targets within allocated budgets	Annual	Budget forecasts are met					
Comply with financial, technical and regulatory standards	Quarterly	Council reports submitted within stated timeframes					
Asset Management Plan carried out	Quarterly	Planned maintenance activities effected within budget					
<b>Operating Measures</b>							
Number of events	Quarterly						
- cricket		Cricket matches		2	10		12
- other sports		Sports events				6	6
- community		Other events			1		1
Number of event days	Quarterly						
- cricket		Cricket days		8	24		32
- other sports		Sports days				6	6
- community		Other days			1		1
Numbers attending events	Quarterly	Attendance figures		1,600	19,900	800	22,300
Practice facility usage	Quarterly	Cricket use		30	40		
Hirer satisfaction with venue and events	Quarterly	Positive formal feedback received					
Playing surface to be maintained to an international standard	Annual	Based upon NZC and ICC feedback					
Council subsidy per visitor	Quarterly	Subsidy < \$6.00 per visitor					
<b>Financial measures</b>							
Results within budget	Annual						
Capital expenditure – within budget	Annual						
Council % of revenue ratio	Annual	Council revenue < 35% of total revenue					
Event income	Annual	\$100,000					
Non-event income as a % of total income	Annual	75% of total income					
Business Plan developed	Annual	Submission of Business Plan					

## APPENDIX II: FINANCIAL BUDGETS, MEASURES AND TARGETS

### BASIN RESERVE TRUST (INCORPORATED)

#### INCOME STATEMENT FOR THE YEARS ENDING

	<b>30 June 2014 \$000</b>	<b>30 June 2015 \$000</b>	<b>30 June 2016 \$000</b>
<b>Income</b>	672	636	631
<b>Expenditure</b>	750	596	611
<b>Fair value gains/(losses)</b>	-	-	-
Surplus from operations	<u>(78)</u>	<u>40</u>	<u>20</u>
Finance costs	-	-	-
<b>Surplus before income tax</b>	<u>(78)</u>	<u>40</u>	<u>20</u>
Income tax expense	-	-	-
<b>Net Surplus/(Deficit) for the Year</b>	<u><u>(78)</u></u>	<u><u>40</u></u>	<u><u>20</u></u>

**BASIN RESERVE TRUST (INCORPORATED)****STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDING**

	<b>30 June 2014 \$000</b>	<b>30 June 2015 \$000</b>	<b>30 June 2016 \$000</b>
Net surplus/(deficit) for the year	(78)	40	20
Movements in reserves	-	-	-
<b>Total recognised income and expense</b>	<u>(78)</u>	<u>40</u>	<u>20</u>
<b>Transactions with beneficiaries</b>	-	-	-
Equity at beginning of year	970	892	932
<b>Equity at end of year</b>	<u><u>892</u></u>	<u><u>932</u></u>	<u><u>951</u></u>

**BASIN RESERVE TRUST (INCORPORATED)****BALANCE SHEET AS AT**

	<b>30 June 2014 \$000</b>	<b>30 June 2015 \$000</b>	<b>30 June 2016 \$000</b>
<b>Current liabilities</b>	80	60	40
<b>Non-current liabilities</b>	-	-	-
<b>Trust funds</b>	892	932	951
<b>Total equity and liabilities</b>	<u>972</u>	<u>992</u>	<u>991</u>
<b>Non-current assets</b>	686	659	646
<b>Current assets</b>	286	333	345
<b>Total assets</b>	<u>972</u>	<u>992</u>	<u>991</u>

**BASIN RESERVE TRUST (INCORPORATED)****CASH FLOW STATEMENT FOR THE YEARS ENDING**

	<b>30 June 2014 \$000</b>	<b>30 June 2015 \$000</b>	<b>30 June 2016 \$000</b>
<b>Cash flows from operating activities</b>	80	77	53
<b>Cash flows from investing activities</b>	-	-	-
<b>Cash flows from financing activities</b>	-	(50)	(60)
Net increase (decrease) in cash held	<u>80</u>	<u>27</u>	<u>(7)</u>
Cash at the beginning of year	60	140	167
<b>Cash at the end of year</b>	<u><u>140</u></u>	<u><u>167</u></u>	<u><u>159</u></u>

**BASIN RESERVE TRUST (INCORPORATED)****RECONCILIATION OF REPORTED SURPLUS AFTER TAXATION WITH CASH FLOWS FROM  
OPERATING ACTIVITIES FOR THE YEARS ENDING**

	<b>30 June 2014 \$000</b>	<b>30 June 2015 \$000</b>	<b>30 June 2016 \$000</b>
Net profit (loss) for the year	(78)	40	20
<b>Add (less) non-cash items:</b>			
Depreciation	198	77	73
<b>Movement in working capital:</b>			
Increase (decrease) in payables	(20)	(20)	(20)
(Increase) decrease in receivables	(20)	(20)	(20)
<b>Net cash flows from operating activities</b>	<u>80</u>	<u>77</u>	<u>53</u>

**BASIN RESERVE TRUST (INCORPORATED)****DETAILS OF FIXED ASSETS AS AT**

	<u>30 June 2014 \$000</u>	<u>30 June 2015 \$000</u>	<u>30 June 2016 \$000</u>
Leasehold improvements at cost	995	995	995
Leasehold improvements accumulated depreciation	(391)	(453)	(514)
Carrying amount	<u>604</u>	<u>542</u>	<u>481</u>
Drainage works at cost	125	125	125
Drainage works accumulated depreciation	(55)	(64)	(73)
Carrying amount	<u>70</u>	<u>61</u>	<u>52</u>
Furniture fittings & plant at cost	1,211	1,261	1,321
Furniture & fittings accumulated depreciation	(1,199)	(1,205)	(1,208)
Carrying amount	<u>12</u>	<u>56</u>	<u>113</u>
Total at cost	2,331	2,381	2,441
Total accumulated depreciation	(1,645)	(1,722)	(1,795)
Total carrying amount	<u><u>686</u></u>	<u><u>659</u></u>	<u><u>646</u></u>

**BASIN RESERVE TRUST (INCORPORATED)****DETAILED INCOME STATEMENT FOR THE YEARS ENDING**

	<b>30 June 2014 \$</b>	<b>30 June 2015 \$</b>	<b>30 June 2016 \$</b>
<b>Grant Income</b>			
Grant Wellington City Council	355,000	355,000	355,000
Grant Other	-	-	-
	<u>355,000</u>	<u>355,000</u>	<u>355,000</u>
<b>Ground Hire Income</b>			
Ground Hire International	95,000	55,000	55,000
Ground Hire Domestic Cricket	55,000	60,000	55,000
Ground Hire Winter Sports	-	4,000	4,000
Ground Hire Other Events	2,500	7,500	7,500
	<u>152,500</u>	<u>126,500</u>	<u>121,500</u>
<b>Other Income</b>			
Concession Income	30,000	20,000	20,000
Signage	96,000	96,000	96,000
Screen Hireage	35,000	35,000	35,000
Donations	-	-	-
Picket Fence Income	100	100	100
Miscellaneous Income	-	-	-
	<u>161,100</u>	<u>151,100</u>	<u>151,100</u>
<b>Interest Income</b>			
Interest Income	3,000	3,000	3,000
	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
<b>Total Income</b>	<u>671,600</u>	<u>635,600</u>	<u>630,600</u>

These financial budgets have been prepared using accounting policies that comply with NZIFRS



**BASIN RESERVE TRUST (INCORPORATED)****DETAILED INCOME STATEMENT FOR THE YEARS ENDING**

	<b>30 June 2014 \$</b>	<b>30 June 2015 \$</b>	<b>30 June 2016 \$</b>
<b>Expenditure</b>			
<b>Building Expenses</b>			
Repairs & Maintenance	20,000	22,000	24,000
Cleaning	3,000	3,500	4,000
Electrical Services	10,000	11,000	12,000
Fire System	8,000	8,500	9,000
Painting	5,000	6,000	7,000
Pest Control	10,000	10,500	11,000
Plumbing	6,000	6,500	7,000
Other	800	800	800
	<u>62,800</u>	<u>68,800</u>	<u>74,800</u>
<b>Ground Expenses</b>			
Electrical Services	1,000	1,100	1,200
Equipment Hire	3,000	3,200	3,400
Cleaning	27,000	28,500	30,000
Irrigation	2,000	2,500	3,000
Painting	10,000	11,000	12,000
Plumbing	12,000	13,000	14,000
Rubbish Removal	8,000	7,000	7,500
Ground Structures	20,000	22,000	24,000
Turf	70,000	75,000	80,000
Karori Park Operation Contribution	10,000	10,000	10,000
	<u>163,000</u>	<u>173,300</u>	<u>185,100</u>
<b>Occupancy Expenses</b>			
Gas	8,500	8,750	9,000
Electricity	18,000	18,500	19,000
Rates	27,000	28,000	29,000
Security	12,000	12,500	13,000
Telephones	8,000	8,500	9,000
Water Rates	30,000	30,500	31,000
Television	3,200	3,400	3,600
Insurance	9,000	9,500	10,000
Consumables Laundry & Toilet	12,000	12,500	13,000
	<u>127,700</u>	<u>132,150</u>	<u>136,600</u>

These financial budgets have been prepared using accounting policies that comply with NZIFRS

**BASIN RESERVE TRUST (INCORPORATED)****DETAILED INCOME STATEMENT FOR THE YEARS ENDING**

	<b>30 June 2014 \$</b>	<b>30 June 2015 \$</b>	<b>30 June 2016 \$</b>
<b>Expenditure</b>			
<b>Event Running Expenses</b>			
Event Running	45,000	30,000	35,000
Casual Staff	10,000	8,500	10,000
	<u>55,000</u>	<u>38,500</u>	<u>45,000</u>
<b>Administration Expenses</b>			
Audit	11,500	12,000	12,500
Accounting	9,600	9,600	9,600
Bank Fees	90	90	90
Consultants	50,000	20,000	10,000
Management Fee	56,000	56,000	56,000
	<u>127,190</u>	<u>97,690</u>	<u>88,190</u>
<b>Other Expenses</b>			
Interest Expense	-	-	-
Marketing	16,000	8,000	8,000
Miscellaneous	200	200	200
Picket Fence Expenses	50	50	50
	<u>16,250</u>	<u>8,250</u>	<u>8,250</u>
<b>Depreciation Expense</b>			
Depreciation Expense	198,000	77,000	73,000
	<u>198,000</u>	<u>77,000</u>	<u>73,000</u>
<b>Total Expenditure</b>	749,940	595,690	610,940
<b>Net Surplus (Deficit) for the Year</b>	(78,340)	39,910	19,660

These financial budgets have been prepared using accounting policies that comply with NZIFRS

**BASIN RESERVE TRUST (INCORPORATED)****DETAILS OF FIXED ASSETS BEING DEPRECIATED AS AT**

	<u>30 June 2014 \$000</u>	<u>30 June 2015 \$000</u>	<u>30 June 2016 \$000</u>
Leasehold improvements			
Electronic Screen Structure - 3.6% S.L.	9	9	9
New Media Facilities - 8.4% S.L.	26	26	26
Long Room Upgrade - 8.4% S.L.	12	12	12
Players Changing Room Upgrade - 8.4% SL	4	4	4
Sundry Other	12	12	10
New Capital Expenditure (Estimate)	-	-	-
	<u>63</u>	<u>63</u>	<u>61</u>
Drainage works			
New Irrigation System 7.2% S.L.	9	9	9
Furniture fittings & plant at cost			
Domino LED Screen 16.2% S.L.	103	-	-
Site Screen Modifications	17	3	-
New Practice Wicket Covers	4	1	-
Other Sundry	2	1	3
	<u>126</u>	<u>5</u>	<u>3</u>
	<u><u>198</u></u>	<u><u>77</u></u>	<u><u>73</u></u>