

BASIN RESERVE TRUST

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

BASIN RESERVE TRUST
ANNUAL REPORT
For the year ended: 30 June 2015

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BASIN RESERVE TRUST
ENTITY INFORMATION
For the year ended: 30 June 2015

Legal name

Basin Reserve Trust ("the Trust").

Type of entity and legal basis

The Trust is incorporated in New Zealand under the Charitable Trusts Act 1957 and also registered with the Charities Commission, registration number CC29029. The Trust was established by the Wellington City Council ("WCC") and Cricket Wellington ("CW") and is a Council Controlled Organisation ("CCO") as defined by Part 1, section 6 of the Local Government Act 2002.

The Trust's purpose or mission

The primary objective of the Trust is 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.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of four Trustees who oversee the governance of the Trust. The Trustees delegated the daily operation of the Trust to CW pursuant to a Management Agreement dated 13 August 2013. The Trust's financial affairs are managed by an external Accountant, who also attends Trustee meetings and partakes in financial discussions.

Main sources of the Trust's cash and reserves

Operating grants received from the WCC are the primary sources of funding to the Trust. The terms under which this funding is provided are contained in a Management Deed dated 16 March 2005.

Contact details

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Rugby Street
Wellington

Postal Address: P O Box 578
Wellington

Phone (04) 384-3171

BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
For the year ended: 30 June 2015

- The Trust's Statement of Intent for the year ended 30 June 2015 was adopted in May 2014
- The main objectives of the Trust are as follows:
 1. To contribute to the WCC'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	30 June 2015	30 June 2014	
Administrative	<u>Target</u>	<u>Actual</u>	<u>Actual</u>
<i>Achieve targets within allocated budgets</i>	Achieved	Achieved	Not Achieved
<i>Comply with financial, technical and regulatory standards</i>	Achieved	Achieved	Achieved
<i>Asset management plan carried out</i>	Achieved	Achieved	Achieved
Operating - Number of Events			
<i>Cricket</i>	10	13	22
<i>Other Sports</i>	10	27	9
<i>Community</i>	2	18	2
Operating - Number of Event Days			
<i>Cricket</i>	26	28	41
<i>Other Sports</i>	10	21	6
<i>Community</i>	2	18	2
<i>Numbers attending events (total)</i>	29,800	22,506	30,664
<i>Practice facility usage</i>	70	71	93
<i>Hirer satisfaction with venue and events</i>	Achieved	Achieved	Achieved

BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
For the year ended: 30 June 2015

PERFORMANCE MEASURES	30 June 2015		30 June 2014
	<u>Target</u>	<u>Actual</u>	<u>Actual</u>
<i>Playing surface to be maintained to an international standard</i>	Achieved	Achieved	Achieved
Council subsidy per visitor	\$12.00	\$16.00	\$12.00
Financial			
<i>Results within Budget</i>	Achieved	Not Achieved	Not Achieved
<i>Capital expenditure - within Budget</i>	Achieved	Achieved	Not Achieved
<i>Council % of Revenue ratio</i>	65%	79%	56%
<i>Event Income</i>	\$121,500	\$127,250	\$164,500
<i>Non-Event Income as a % of Total Income</i>	78%	82%	74%
<i>Business Plan developed</i>	Achieved	Achieved	Achieved

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.

BASIN RESERVE TRUST
STATEMENT OF COMPLIANCE AND RESPONSIBILITY
For the year ended: 30 June 2015

SUMMARY OF ANNUAL PERFORMANCE

The targets for 2014-15 were set very much in the knowledge that the Cricket World Cup 2015 would mean fewer cricket uses of the ground (due to its being used exclusively as a practice venue by the ICC organisers. However the very good summer and autumn weather provided opportunity for the ground to be made available to non-forecasted users.

In particular the Wellington Phoenix were able to access the venue while their normal training ground at Newtown Park was renovated, and neighbouring St Marks school requested and was granted a much greater access to the ground than in previous years.

Consequently the Phoenix use increased the "other sports" events and event days significantly above budget, while the St Marks use was captured as "community" use.

When the budget was agreed it was envisaged that the ground would be used in the ANZAC day celebrations, however the Arras Tunnel was used instead, meaning that the numbers attending events was lower than budgeted. Cricket matches and crowds make up nearly all of the crowd figures for this year, highlighting the importance of securing marquee matches each summer.

Given the significantly higher use of the ground than forecasted, the Trust is pleased to have been able to meet the demand within the agreed budget

The work programme associated with the Asset Management Plan was managed by an external provider, acting in coordination with both Council officers and the Trust's management. Trustees and Council staff are satisfied with the early progress of the overall plan, with priorities agreed and several works underway in the year under review.

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 2015 fairly reflect the financial position, results of operations and service performance achievements of the Trust.

Sir John Anderson
Chairman
Date: 21st August 2015

Peter Clinton
Chief Executive
Cricket Wellington
Date: 21st August 2015

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
For the year ended: 30 June 2015

	Notes	Actual 2015	Budget 2015	Actual 2014
		\$	\$	\$
Revenue				
Council funding	1	560,007	355,000	355,000
Sales of goods and services	2	146,214	189,600	272,943
Interest revenue		5,287	3,000	4,621
Total Revenue		711,508	547,600	632,564
Expenses				
Depreciation of property, plant and equipment	7	86,948	80,000	202,112
Costs related to providing goods and services	3	593,530	382,250	345,514
Other expenses	4	124,080	105,890	267,782
Total Expenses		804,558	568,140	815,408
Deficit for the Year		(93,050)	(20,540)	(182,844)

Explanations of major variances against budget are provided in note 15

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	Notes	Actual 2015	Budget 2015	Actual 2014
Assets		\$	\$	\$
Current Assets				
Bank accounts and cash	5	48,283	150,000	110,266
Debtors and prepayments	6	124,609	25,000	16,116
Total Current Assets		172,892	175,000	126,382
Non-Current Assets				
Property, plant and equipment	7	645,084	667,600	714,180
Total Non-Current Assets		645,084	667,600	714,180
Total Assets		817,976	842,600	840,562
Liabilities				
Current Liabilities				
Creditors and accrued expenses	8	145,989	55,140	75,525
Total Current Liabilities		145,989	55,140	75,525
Total Liabilities		145,989	55,140	75,525
Total Assets less Total Liabilities		671,987	787,460	765,037
Trust Equity				
Contributed capital	9	100	100	100
Accumulated surpluses	9	671,887	787,360	764,937
Total Trust Equity		671,987	787,460	765,037

Explanations of major variances against budget are provided in note 15

BASIN RESERVE TRUST
STATEMENT OF CASH FLOWS
For the year ended: 30 June 2015

	Note	Actual 2015	Budget 2015	Actual 2014
		\$	\$	\$
Cash Flows from Operating Activities				
Receipts of council funding		480,190	355,000	355,000
Receipts from sale of goods and services		125,164	173,600	338,447
Interest receipts		5,287	3,000	4,620
Payments to suppliers and employees		(657,146)	(404,600)	(638,243)
GST (net)		2,374	(7,000)	(6,369)
Net Cash Flows from Operating Activities		(44,131)	120,000	53,455
Cash Flows from Investing and Financing Activities				
Payments to acquire property, plant and equipment		(17,852)	(50,000)	(25,503)
Net Cash Flows from Investing and Financing Activities		(17,852)	(50,000)	(25,503)
Net Increase/(Decrease) in Cash for the Year		(61,983)	70,000	27,952
Add opening bank accounts and cash		110,266	80,000	82,314
Closing Bank Accounts and Cash	5	48,283	150,000	110,266

Explanations of major variances against budget are provided in note 15

BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
For the year ended: 30 June 2015

ACCOUNTING POLICIES APPLIED

BASIS OF PREPARATION

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

GOODS AND SERVICES TAX

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

INCOME TAX

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.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Grants

Council grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if the conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sale of goods

Revenue from the sale of goods is recognised when the goods are sold to the customer.

Sale of services

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

Donated Assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
For the year ended: 30 June 2015

Interest revenue

Interest revenue is recorded as it is earned during the year.

Administration and overhead costs

These are expensed when the related service has been received.

Bank accounts and cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Property, plant and equipment

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amounts.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Leasehold Improvements	1.5 to 45.5 years	(2.20% to 66.70%)
Drainage works	14 to 18 years	(5.50% - 7.20%)
Furniture & fittings	2.5 to 8.5 years	(12.00% - 48.00%)
Plant	3 to 6.5 years	(16.20% - 33.00%)

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

Budget figures

The budget figures are derived from the statement of intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
For the year ended: 30 June 2015

Tier 2 PBE Accounting Standards applied

The Trust has not applied any Tier 2 Accounting Standards in preparing its financial statements.

CHANGES IN ACCOUNTING POLICIES AND TRANSITION TO THE NEW PBE SFR-A (PS) STANDARD

This is the first set of financial statements prepared using the new PBE SFR-A (PS) standard, and comparative information for the year ended 30 June 2014 has been restated to comply with the new standard. The significant adjustments arising on transition to the new standard are provided in note 16.

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2015

1 Council funding	2015	2014
	\$	\$
Operational grant - WCC	355,000	355,000
Turf Management grant - WCC	205,007	-
Total council funding	560,007	355,000

2 Sales of goods and services	2015	2014
	\$	\$
Ground hire income	127,250	164,500
Concession income	18,408	22,278
Signage	-	80,000
Gold membership subscriptions	-	5,217
Picket fence income	478	948
Miscellaneous income	78	-
Total sales of goods and services	146,214	272,943

3 Costs related to providing goods and services	2015	2014
	\$	\$
Building expenses	44,659	49,580
Ground expenses	353,957	108,172
Occupancy expenses	119,004	113,651
Event running expenses	75,830	73,601
Picket fence expenses	80	510
Total costs related to providing goods and services	593,530	345,514

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2015

4 Other expenses

	2015	2014
	\$	\$
Audit fee for the financial statement audit	12,780	12,340
Bad debt expense	-	31,763
Management fee	56,000	56,000
Marketing	13,295	10,184
Other administrative expenses	42,005	157,495
Total other expenses	124,080	267,782

5 Bank accounts and cash

	2015	2014
	\$	\$
Cash on hand	165	165
Cheque account	5,039	9,642
Savings accounts	43,079	100,459
Total bank accounts and cash	48,283	110,266

6 Debtors and prepayments

	2015	2014
	\$	\$
Gross debtors	119,699	11,206
Provision for impairment	-	-
Net debtors	119,699	11,206
Prepayments	4,910	4,910
Total debtors and prepayments	124,609	16,116

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2015

7 Property, plant, and equipment

	Plant	Furniture & Fittings	Drainage Works	Leasehold Improvements	Total
	\$	\$	\$	\$	\$
Carrying amount at 1 July 2013	127,163	13,503	78,630	673,309	892,605
Additions	7,150	16,537	-	-	23,687
Disposal (net of accumulated depreciation)	-	-	-	-	-
Depreciation expense	(124,588)	(4,768)	(8,696)	(64,060)	(202,112)
Carrying amount at 30 June 2014	9,725	25,272	69,934	609,249	714,180
Carrying amount at 1 July 2014	9,725	25,272	69,934	609,249	714,180
Additions	11,372	-	-	6,480	17,852
Disposal (net of accumulated depreciation)	-	-	-	-	-
Depreciation expense	(8,729)	(5,868)	(8,696)	(63,655)	(86,948)
Carrying amount at 30 June 2015	12,368	19,404	61,238	552,074	645,084

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.

8 Creditors and accrued expenses

	2015	2014
	\$	\$
Creditors	96,325	22,563
Accrued expenses	39,664	52,962
Income received in advance	10,000	-
Total bank accounts and cash	145,989	75,525

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2015

9 Equity	2015	2014
	\$	\$
Contributed capital		
Balance at 1 July	100	100
Balance at 30 June	100	100
Accumulated surpluses		
Balance at 1 July	764,937	947,781
Surplus/(deficit) for the year	(93,050)	(182,844)
Balance at 30 June	671,887	764,937
Total equity	671,987	765,037

10 Commitments

There were no operating or capital Commitments as at 30 June 2015 (2014 Nil).

11 Contingent liabilities

There were no Contingent Liabilities or Assets as at 30 June 2015 (2014 Nil).

12 Related-party transactions

Related-party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

Related-party transactions significant to the Trust requiring disclosure

1. WCC made a grant of \$355,000 (2014 \$355,000) to the Trust as a contribution towards the costs of operating the Trust.
2. WCC made a grant of \$205,007 (2014 \$0) to the Trust as a contribution towards the costs of Turf Management.
3. The Trust paid WCC the sum of \$10,000 (2014 \$10,000) as a contribution for the Karori Park operation.

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2015

13 Trustee fees

In the year to 30 June 2015, the Trustees did not receive any remuneration in regard to their duties as trustees (30 June 2014 Nil).

14 Events after the balance date

At its meeting on 18 August Trustees discussed the potential sale of the LED screen, and approved negotiations continuing with a view to a sale of the screen to Oceania LED, in return for hireage of the screen at various events at the Basin Reserve. Title to the screen to remain with the BRT until such time as the agreed sale price has been paid.

15 Explanations of major variances against budget

Explanations for major variances from the Trust's budgeted figures in the 30 June 2015 statement of intent are as follows:

Statement of financial performance

1. When the Budget was agreed it was envisaged that the Turf Management Costs would be paid directly by WCC to the Wellington Regional Stadium Trust ("the Stadium Trust") on behalf of the Trust. However what actually happened was that the Trust received a grant from WCC of \$205,007 which resulted in Council funding being greater than the budget by this amount.
2. When the Budget was agreed it was also envisaged that a Naming Rights Sponsor would be found by January 2015 and that this would result in \$48,000 of Sales of services revenue, but this did not eventuate.
3. Costs relating to providing goods and services were higher than budgeted for by \$205,007 due to the payment of Turf Management Costs to the Stadium Trust of this amount as detailed in 1 above.

Statement of financial position

1. As explained in the Statement of financial performance variances, the billing of WCC for the Turf Management Grant and in turn the Stadium Trust invoicing the Trust for Turf Management has meant that both Debtors and prepayments and Creditors and accruals are higher at balance date than envisaged, due to there being both a receivable and a corresponding liability included in these numbers relating to this.

Statement of cash flows

1. For the same reason as outlined in 1 and 3 of the Statement of financial performance variances above, the Receipts of council funding and the Payments to suppliers and employees, are higher than budgeted for.
2. For the same reason as outlined in 2 of the Statement of financial performance variances above, the Receipts of from sale of goods and services, are lower than budgeted for.

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2015

16 Significant adjustments arising on transition to the new PBE SFR-A standard

The main adjustments to the 30 June 2014 comparative statement of financial performance and statement of financial position arising on the transition to the new PBE SFR-A standard are explained below:

Statement of financial position

1. Debtors and prepayments - GST receivable of \$9,136 has been reclassified and aggregated with debtors.
2. Debtors and prepayments - Prepayments of \$4,910 have been reclassified and aggregated with debtors.
3. Creditors and accrued expenses - Current account - Cricket Wellington of \$5,921 have been reclassified and aggregated with creditors.

Statement of financial performance

There were no adjustments to the Statement of financial performance.