

BASIN RESERVE TRUST

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

9/11/16

BASIN RESERVE TRUST
ANNUAL REPORT
For the year ended: 30 June 2016

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BASIN RESERVE TRUST
ENTITY INFORMATION
For the year ended: 30 June 2016

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

Physical Address:	Brierley Pavilion, Basin Reserve 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 2016

The Trust is pleased to note all of its operating targets, except one, were met in 2015/16, some by a considerable margin. In particular, the at-ground attendance was significantly higher than in previous seasons and this largely reflected several key events during the summer. This was achieved despite the challenge posed by an aging venue, namely the sometimes unreliable infrastructure, limited capacity and the ongoing question relating to the viability of the Museum Stand. The Trust is hopeful that all of these issues can be addressed and solved through the Basin Redevelopment Masterplan.

The Basin Reserve hosted two high profile international cricket matches, a Test Match against Australia and a One Day International against Pakistan. On four occasions during these matches, the "sold out" sign was put up. Additionally, the Robbie Williams Concert in late October saw an additional 10,500 spectators through the turnstile at a time of year that is usually quiet.

Given the increased demands placed upon the ground, it is with satisfaction that the Basin Reserve has been able to work within budget parameters. However it should also be noted that the peak attendances placed considerable strain upon the Basin Reserve's aging infrastructure. This highlighted several items for attention that will be addressed through the Basin Reserve's Masterplan work.

The playing surface continues to receive excellent reviews from New Zealand Cricket and the International Cricket Council. Overall the New Zealand Cricket Players Association continues to rank the Basin Reserve at the top of New Zealand's cricketing venues, joined by the recently developed Hagley Oval in Christchurch.

The ground and the facilities also received very favourable feedback from the promoter of the Robbie Williams concert.

The Basin Reserve continues to provide an invaluable service to the community and again St Marks School have accessed the ground as a football training and cross-country venue. The Phoenix Academy completed their temporary use of the ground in the 1st quarter, while other council venues were brought online for the Phoenix. Old Boys University Rugby Football Club have continued to use the Basin Reserve as its home venue for the top senior sides. While the Trust welcomes community use of the ground, it has been noted by independent experts that winter play over the cricket block is slowly diminishing the quality of play achievable for international and domestic cricket. Therefore the Trust is working with rugby to alleviate the stress upon the cricket block and ensure continued community use of the ground.

The Trust is also pleased to note that all the administrative targets were also met, but unfortunately not all of the financial targets were met. There was one financial target that was not met and that was that the Results were not within Budget due to the Trust recording a small deficit of \$12,000 as opposed to a targeted surplus of \$6,000.

The Trust's Statement of Intent for the year ended 30 June 2016 was adopted in May 2015 and the main objectives of the Trust are as follows:

1. To contribute to the WCC's vision of Creative Wellington - Innovative Capital - positioning Wellington as an affordable, international competitive city;

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BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
For the year ended: 30 June 2016

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 preserve and enhance the significant and recognised heritage value of the Basin Reserve;
5. 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 Council's contribution where appropriate.

PERFORMANCE MEASURES

1.0 Administrative

As outlined in the Statement of Intent, the Trust had three key administrative targets for the year ended 30 June 2016

- Achieve targets within allocated budgets
- Comply with financial, technical and regulatory standards
- Carry out an Asset Management Plan

The administrative measure of achieving targets within budgets is ensuring that budgets are set within the required timeframes and also that the Annual Report is finalised within a set timeframe. The regulatory standards that the Trust is set to comply with are the Charitable Trusts Act 1957 and the Local Government Act 2002.

Whilst these two targets are addressed as good business practice, the Trust has in particular focused on the Asset Management of the ground. Given the relative age of the infrastructure, its openness to the public and the sometimes harsh Wellington climate, constant attention to 'wear and tear' is necessary. The Trust has worked hard over the past 12 months to streamline and follow best practice processes. This now sees the Trust proactively managing the condition of the assets, while staying within its allocated budget. Over the next few years it is expected that the Masterplan work will supersede some of this work as upgraded facilities are handed back to the Trust with comprehensive management plans. By way of example, the RA Vance Stand refurbishment addresses deferred maintenance items, with the intention of bringing the facility back to a "as new" level.

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BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
For the year ended: 30 June 2016

	30 June 2016	30 June 2015
Administrative	<u>Target</u>	<u>Actual</u>
<i>Achieve targets within allocated budgets</i>	Achieved	Achieved
<i>Comply with financial, technical and regulatory standards</i>	Achieved	Achieved
<i>Asset management plan carried out</i>	Achieved	Not Applicable

2.0 Operating

The Operating Measures for the Trust are by far the most visible, and generally speaking these are the ones upon which the Trust is evaluated in the public eye. Broadly speaking, these measures can be broken into three areas; events, customer satisfaction and Council investment.

- Events:
 - Number of events and event days - cricket
 - Number of events and event days - other sports
 - Number of events and event days - community
 - Numbers attending events (total)
 - Practice facility usage
- Customer Satisfaction:
 - Hirer satisfaction with venue and events
 - Playing surface to be maintained to an international standard
- Council Investment
 - Council Subsidy per visitor

In terms of the Event Measures, total attendance and number of events are the most easily understood. These measures simply summarise all events staged at the ground and the number of spectators attending these events. For high profile ticketed events such as Concerts, International and Domestic Cricket, accurate data is gained from the ticketing agents. These types of events represent approximately 90% of our total annual attendance. For smaller 'open to public' events such as club rugby, we make an estimate of attendance based on head counts.

The Trust's performance measures also recognise the number of event days, as distinct from simply the number of events. By and large, this reflects events such as Cricket Test Matches spanning multiple days, and more accurately represents the Basin reserve's usage rates. In addition to these standard measurements, the Trust also records usage of the venue's Cricket Practice Facilities. Following considerable investment in these practice facilities over the years, it is important to gauge their level of use. Of note, this figure also includes international cricket practices for matches at Westpac Stadium. With no Practice Facilities of its own, Westpac Stadium contracts the Basin Reserve Trust to provide these facilities on its behalf. This is perhaps a good example of the close and positive relationship between the two venues.

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BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
For the year ended: 30 June 2016

Working alongside the simple metrics of events and attendance, the Trust is focussed upon attaining a high level of customer satisfaction from its users. To assess customer satisfaction, the Trust relies upon a range of sources. For international and domestic cricket, online reporting tools provide an accurate and measurable review of the venue's performance both on and off the field. For other events, the Trust has relied upon feedback from two non-independent sources and feedback was not received on all events, which is a deficiency in the result.

In terms of on-field service, the Basin Reserve continues to be recognised as the premier cricket venue in the country. The outfield drainage received an upgrade several years ago and offers an excellent playing surface for both cricket and other sports. The Cricket block itself is world renowned for its pace and bounce, key aspects for delivering high quality cricket entertainment to the public. However, as noted earlier, the Trust needs to address the sometimes competing demands of summer and winter use, in order to preserve the Basin Reserve's status. Off-field, the aging facilities present a challenge, and one that will be addressed in the coming years through the Basin Reserve Masterplan.

	30 June 2016	30 June 2015
Operating - Number of Events	<u>Target</u>	<u>Actual</u>
<i>Cricket</i>	11	34
<i>Other Sports</i>	12	25
<i>Community</i>	4	18
Operating - Number of Event Days		
<i>Cricket</i>	27	49
<i>Other Sports</i>	12	25
<i>Community</i>	4	36
<i>Numbers attending events (total)</i>	27,300	49,778
<i>Practice facility usage</i>	71	101
<i>Hirer satisfaction with venue and events</i>	Achieved	Achieved
<i>Playing surface to be maintained to an international standard</i>	Achieved	Achieved
<i>Council subsidy per visitor</i>	<\$6.00	\$ 7.00

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BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
For the year ended: 30 June 2016

3.0 Financial

Financial measures for the Trust largely reflect its ability to work within a budget defined by the Council grants and event hire. These two areas represent the vast majority of the Trust's income and as such it works hard to ensure achievement of the below objectives:

- Results within Budget
- Capital expenditure within Budget
- Council % of Revenue Ratio
- Event Income
- Non Event Income as a % of Total Income
- Business Plan developed

In terms of the Trust working within budgets, it was disappointing that the Trust did not achieve this target as the Trust recorded a small Deficit of \$12,000 as opposed to a target of a Surplus of \$6,000. Of interest, the Trust notes that the proportion of income from Council Grants decreased this year, largely as a result of additional event hire income. The Robbie Williams Concert in October 2015 was a welcome addition to the Basin Reserve's calendar and this income enabled several venue improvements. Underpinning this, the Trust has spent considerable time developing its business plan and improving its planning processes. This has allowed the Trust to take a proactive approach to management of the ground and attraction of events.

Pleasingly, the Trust has secured international cricket fixtures for the next two upcoming summers, which provides an improved level of certainty for future planning.

	30 June 2016		30 June 2015
Financial	<u>Target</u>	<u>Actual</u>	<u>Actual</u>
<i>Results within Budget</i>	Achieved	Not Achieved	Not Achieved
<i>Capital expenditure - within Budget</i>	Achieved	Achieved	Achieved
<i>Council % of Revenue ratio</i>	69%	70%	79%
<i>Event Income</i>	\$100,000	\$196,500	\$127,250
<i>Non-Event Income as a % of Total Income</i>	75%	77%	82%
<i>Business Plan developed</i>	Achieved	Achieved	Achieved

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BASIN RESERVE TRUST
STATEMENT OF COMPLIANCE AND RESPONSIBILITY
For the year ended: 30 June 2016

SUMMARY OF ANNUAL PERFORMANCE

The Trust is pleased to note all of its operating targets, except one, were met in 2015/16, some by a considerable margin. In particular, the at-ground attendance was significantly higher than in previous seasons and this largely reflected several key events during the summer.

The Basin Reserve hosted two high profile international cricket matches, a Test Match against Australia and a One Day International against Pakistan. On four occasions during these matches, the "sold out" sign was put up. Additionally, the Robbie Williams Concert in late October saw an additional 10,500 spectators through the turnstile at a time of year that is usually quiet.

Given the increased demands placed upon the ground, it is with satisfaction that the Basin Reserve has been able to work within budget parameters. However it should also be noted that the peak attendances placed considerable strain upon the Basin Reserve's infrastructure. This highlighted several items for attention that will be addressed through the Basin Reserve's Masterplan work.

The playing surface continues to receive excellent reviews from New Zealand Cricket and the International Cricket Council.

The Basin Reserve continues to provide an invaluable service to the community and again St Marks School have accessed the ground as a football training and cross-country venue. The Phoenix Academy completed their use of the ground in the 1st quarter, which has resulted in the Basin Reserve easily meeting its targets. It should be noted however, that the Phoenix Academy's use of the ground will diminish following completion of their training facilities at Martin Luckie Park.

The Trust is also pleased to note that all the administrative targets were also met, but unfortunately not all of the financial targets were met. There was one financial target that was not met and that was that the Results were not within Budget due to the Trust recording a small deficit of \$12,000 as opposed to a targeted surplus of \$6,000.

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.

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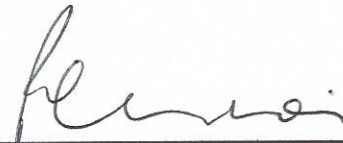
BASIN RESERVE TRUST
STATEMENT OF COMPLIANCE AND RESPONSIBILITY
For the year ended: 30 June 2016

The Board accepts 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 2016 fairly reflect the financial position, results of operations and service performance achievements of the Trust.



Sir John Anderson
Chairman
Date: 16th September 2016



Peter Clinton
Chief Executive
Cricket Wellington
Date: 16th September 2016

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
For the year ended: 30 June 2016

	Notes	Actual 2016	Budget 2016	Actual 2015
		\$	\$	\$
Revenue				
Council funding	1	592,707	605,000	557,078
Grants other		8,292	-	-
Sales of goods and services	2	255,132	277,100	146,214
Interest revenue		3,191	3,500	5,287
Total Revenue		859,322	885,600	708,579
Expenses				
Depreciation of property, plant and equipment	7	92,213	81,100	86,948
Costs related to providing goods and services	3	663,567	682,750	590,601
Other expenses	4	115,421	115,690	124,080
Total Expenses		871,201	879,540	801,629
Surplus/(Deficit) for the Year		(11,879)	6,060	(93,050)

Explanations of major variances against budget are provided in note 15

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BASIN RESERVE TRUST
STATEMENT OF FINANCIAL POSITION
As at 30 June 2016

	Notes	Actual 2016	Budget 2016	Actual 2015
Assets		\$	\$	\$
Current Assets				
Bank accounts and cash	5	109,445	172,500	48,283
Debtors and prepayments	6	181,406	86,000	111,680
Total Current Assets		290,851	258,500	159,963
Non-Current Assets				
Debtors and prepayments	6	12,075	-	-
Property, plant and equipment	7	598,209	608,000	645,084
Total Non-Current Assets		610,284	608,000	645,084
Total Assets		901,135	866,500	805,047
Liabilities				
Current Liabilities				
Creditors and accrued expenses	8	162,319	145,500	133,060
Income received in advance		10,000	-	-
Unearned income		68,708		
Total Current Liabilities		241,027	145,500	133,060
Total Liabilities		241,027	145,500	133,060
Total Assets less Total Liabilities		660,108	721,000	671,987
Trust Equity				
Contributed capital	9	100	100	100
Accumulated surpluses	9	660,008	720,900	671,887
Total Trust Equity		660,108	721,000	671,987

Explanations of major variances against budget are provided in note 15

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BASIN RESERVE TRUST
STATEMENT OF CASH FLOWS
For the year ended: 30 June 2016

	Note	Actual 2016	Budget 2016	Actual 2015
		\$	\$	\$
Cash Flows from Operating Activities				
Receipts of council funding		585,303	522,700	480,190
Receipts of grants other		8,292	-	-
Receipts from sale of goods and services		259,283	272,100	125,164
Interest receipts		3,191	3,500	5,287
Payments to suppliers and employees		(761,364)	(640,800)	(657,146)
GST (net)		1,130	(35,000)	2,374
Net Cash Flows from Operating Activities		95,835	122,500	(44,131)
 Cash Flows from Investing and Financing Activities				
Payments to acquire property, plant and equipment		(34,673)	(50,000)	(17,852)
Net Cash Flows from Investing and Financing Activities		(34,673)	(50,000)	(17,852)
 Net Increase/(Decrease) in Cash for the Year		61,162	72,500	(61,983)
Add opening bank accounts and cash		48,283	100,000	110,266
Closing Bank Accounts and Cash	5	109,445	172,500	48,283

Explanations of major variances against budget are provided in note 15

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BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
For the year ended: 30 June 2016

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.

The accounts 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.

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 and other 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.

BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
For the year ended: 30 June 2016

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.

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.

BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
For the year ended: 30 June 2016

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.

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

There have been no changes in accounting policies from those used in the previous financial year.

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BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2016

1 Council funding

	2016	2015
	\$	\$
Operational grant - WCC	367,500	355,000
Turf Management grant - WCC	225,207	202,078
Total council funding	592,707	557,078

2 Sales of goods and services

	2016	2015
	\$	\$
Ground hire income	196,500	127,250
Concession income	30,384	18,408
Signage	1,000	-
Picket fence income	70	478
Miscellaneous income	27,178	78
Total sales of goods and services	255,132	146,214

3 Costs related to providing goods and services

	2016	2015
	\$	\$
Building expenses	58,710	44,659
Ground expenses	367,536	351,028
Occupancy expenses	135,995	119,004
Event running expenses	101,286	75,830
Picket fence expenses	40	80
Total costs related to providing goods and services	663,567	590,601

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BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2016

4 Other expenses

	2016	2015
	\$	\$
Audit fee for the financial statement audit	13,090	12,710
Management fee	68,000	56,000
Marketing	20,588	13,295
Other administrative expenses	13,743	42,075
Total other expenses	115,421	124,080

5 Bank accounts and cash

	2016	2015
	\$	\$
Cash on hand	165	165
Cheque account	39,792	5,039
Savings accounts	69,488	43,079
Total bank accounts and cash	109,445	48,283

6 Debtors and prepayments

	2016	2015
	\$	\$
Gross debtors	187,946	106,770
Provision for impairment	-	-
Net debtors	187,946	106,770
Prepayments	5,535	4,910
Total debtors and prepayments	193,481	111,680

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BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2016


7 Property, plant, and equipment

	Plant	Furniture & Fittings	Drainage Works	Leasehold Improvements	Total
	\$	\$	\$	\$	\$
Carrying amount at 1 July 2014	9,723	25,272	69,934	609,251	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	12,366	19,404	61,238	552,076	645,084
Carrying amount at 1 July 2015	12,366	19,404	61,238	552,076	645,084
Additions	26,220	1,614	-	17,504	45,338
Disposal (net of accumulated depreciation)	-	-	-	-	-
Depreciation expense	(13,979)	(6,021)	(8,696)	(63,517)	(92,213)
Carrying amount at 30 June 2016	24,607	14,997	52,542	506,063	598,209

The land and buildings that the ground is situated on are owned by the WCC and are occupied under a lease agreement with them.

8 Creditors and accrued expenses

	2016	2015
	\$	\$
Creditors	116,564	96,325
Accrued expenses	45,755	36,735
Total creditors and accrued expenses	162,319	133,060

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BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2016

9 Equity

	2016	2015
	\$	\$
Contributed capital		
Balance at 1 July	100	100
Balance at 30 June	100	100
Accumulated surpluses		
Balance at 1 July	671,887	764,937
Surplus/(deficit) for the year	(11,879)	(93,050)
Balance at 30 June	660,008	671,887
Total equity	660,108	671,987

10 Commitments

There were no operating or capital commitments as at 30 June 2016 (2015 Nil).

11 Contingencies


There were no contingent liabilities or assets as at 30 June 2016 (2015 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 \$367,500 (2015 \$355,000) to the Trust as a contribution towards the costs of operating the Trust.
2. WCC made a grant of \$225,207 (2015 \$202,078) to the Trust as a contribution towards the costs of Turf Management.
3. The Trust paid WCC the sum of \$10,000 (2015 \$10,000) as a contribution for the Karori Park operation.

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BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2016

13 Trustee fees

In the year to 30 June 2016, the Trustees did not receive any remuneration in regard to their duties as trustees (30 June 2015 Nil).

14 Events after the balance date

There were no significant events after the balance date.

15 Explanations of major variances against budget

Explanations for major variances from the Trust's budgeted figures in the 30 June 2016 statement of intent are as follows:

Statement of financial performance

1. When the budget was agreed it was envisaged that the Trust would host two international test matches, whereas the Trust actually hosted only one test and one one day international and hireage rates were greatly lower than those envisaged
2. However the reduction in international ground hire income was more than offset by more domestic cricket and other event hire income than budgetted for.
3. Also when the budget was agreed it was envisaged that a naming rights sponsor would be found by September 2015 and that this would result in \$50,000 of sales of services revenue, but this did not eventuate.
4. The reduced income from naming rights was partially offset however by the profit generated from the sale of LED screen of \$26,500 in this financial year.
5. More was spent in this financial year on building repairs and maintenance than was envisaged when the budget was agreed.

Statement of financial position

1. Debtors are higher than budgetted for due to the amount invoiced for the sale of the LED screen only becoming receivable as services are provided to the Trust.
2. Bank and cash balances are lower than budgetted for due to an underestimation of the opening cash balance.

Statement of cash flows

1. As disclosed above the opening cash balance was underestimated when the budget was set.

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Independent Auditor's Report

To the readers of Basin Reserve Trust's financial statements and performance information for the year ended 30 June 2016

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

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the Trust on pages 9 to 19, that comprise the statement of financial position as at 30 June 2016, the statement of financial performance 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 performance information of the Trust on pages 2 to 6.

In our opinion:

- the financial statements of the Trust:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2016; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standard.
- the performance information of the Trust presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2016.

Our audit was completed on 16 September 2016. 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 Board and our responsibilities, and 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 the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. 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 in the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, 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 performance information 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 Board;
- the appropriateness of the reported performance information within the Trust's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

The Board are responsible for the preparation and fair presentation of financial statements for the Trust that comply with generally accepted accounting practice in New Zealand. The Board are also responsible for preparation of the performance information for the Trust.

The Board's responsibilities arise from the Local Government Act 2002 and the Basin Reserve Trust Deed.

The Board are responsible for such internal control as it determines is necessary to enable the preparation of financial statements and the performance information that are free from material misstatement, whether due to fraud or error. The Board are also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Trust.



Mari-Anne Williamson
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand