

AORANGI STADIUM TRUST

Annual Report for the year ended 30 June 2021

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Entity information: Who we are

Aorangi Stadium Trust (“the Trust”) was incorporated on 14 August 2001 under the Charitable Trusts Act 1957. The Trust is controlled by Timaru District Council as a council controlled organisation as defined in section 6 of the Local Government Act 2002.

The registration number for the Trust on the Charities Register is CC22027.

Contact details

Physical address:	70 Morgans Road, Timaru 7910
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Email:	John.liddiard@timdc.govt.nz

The Trust has a Board of four Trustees who oversee governance of the Trust and Timaru District Council manage the facility and administer the Trust.

The Trustees during the year to 30 June 2021 were:

Peter Burt (Chairman)
Allan Booth
Sally Parker
Stu Piddington

The main source of resources for the Trust is grants and support from the Timaru District Council and currently the Trust is not an active fundraiser and does not rely on volunteers.

Statement of Service Performance: Trustees’ Report and what we do

The purpose of the Trust is to continue development, maintenance and operation of the Aorangi Stadium and adjoining areas on Aorangi Park in Timaru.

The Stadium is leased to Timaru District Council which is responsible for day to day maintenance with the Trust being responsible for the landlord elements of the property.



The Trust works with Timaru District Council to manage the Stadium in the interests of the people of Timaru and South Canterbury and the Council provides expertise to assist in this process.

There are also specifically agreed objectives for the Trust as a Council Controlled Organisation to ensure that it is being managed effectively:

Description and outcomes of agreed targets for the Trust:	Actual 2021	Budget 2021	Actual 2020
Ratio of equity to total assets remains above 90%	Not met 52.8%	90.00%	Met 99.4%
Regular liaison occurs with the tenant (Timaru District Council) on at least a six monthly basis.	Met		Met
Audited annual report completed within 3 months of financial year end.	Not met		Not met
Promote ongoing development and maintenance of Aorangi Stadium on Morgans Road Recreation Reserve.	Met		Met

As part of the need to ensure that the Stadium is properly maintained a Building Survey and Long Term Maintenance Plan report has been produced during the year with the Council to advise on long term maintenance requirements. The report extrapolates requirements for 10 years however a plan has been prepared to ensure that the maintenance requirements are met over the next 3 years with an investment in the future of the Stadium of around \$416,000. It is anticipated that during this period that there will be substantive reviews of additional work required on the stadium and of future funding and ownership of the stadium. Due to the provision in the accounts for this work the initial costs relating to this have been recognised immediately in 2021 however the projected income from all sources will not be accounted for until it is received. This results in the ratio of equity to total assets falling below the target and the budget for the year.

Due to the Covid-19 pandemic the initiation of the audit was delayed resulting in a delay also to the finalisation of the accounts for the year and consequently the target of completing audited accounts within 3 months of the financial year-end of 30 June 2021 was not met.



Statement of Financial Performance

for the year ended 30 June 2021

		Actual 2021 \$	Budget 2021 \$	Actual 2020 \$
<u>Revenue</u>				
<u>Donations, funding and similar revenue</u>				
General funding from Timaru District Council		52,000	52,000	52,000
Insurance reimbursements from Timaru District Council		39,190	40,000	38,117
<u>Interest, dividends and other investment income</u>				
Interest		773	4,000	2,292
Total Revenue		91,963	96,000	92,409
<u>Expenses</u>				
<u>Costs relating to providing goods and services</u>				
Administration and overhead costs	2	(5,855)	(5,000)	(5,535)
Insurance		(39,190)	(40,000)	(38,117)
Repairs and maintenance	3	(421,500)	(2,000)	(1,116)
<u>Other expenses</u>				
Depreciation		(172,396)	(174,000)	(172,839)
Total expenses		(638,941)	(221,000)	(217,607)
Net surplus/(deficit) for the year		(546,978)	(125,000)	(125,198)



Statement of Financial Position

as at 30 June 2021

	Notes	Actual 2021 \$	Budget 2021 \$	Actual 2020 \$
Assets				
Current Assets				
Bank current account and short-term deposits		312,373	339,544	307,275
Debtors and prepayments	4	91,190	27,765	53,074
Total Current Assets		403,563	367,309	360,349
Non-Current Assets				
Property, plant and equipment	5	494,385	533,851	666,783
Total Non-Current Assets		494,385	533,851	666,783
Total Assets		897,948	901,160	1,027,132
Liabilities				
Current Liabilities				
Creditors and accrued expenses	4	(8,054)	(5,000)	(5,972)
Provision for maintenance within 12 months	4	(256,962)	0	0
Total Current Liabilities		(265,016)	(5,000)	(5,972)
Non-Current Liabilities				
Provision for maintenance greater than 12 months	6	(158,750)	0	0
Total non-current liabilities		(158,750)		
Total Liabilities		(423,766)	(5,000)	(5,972)
Net Assets (Total Assets less Total Liabilities)		474,182	896,160	1,021,160



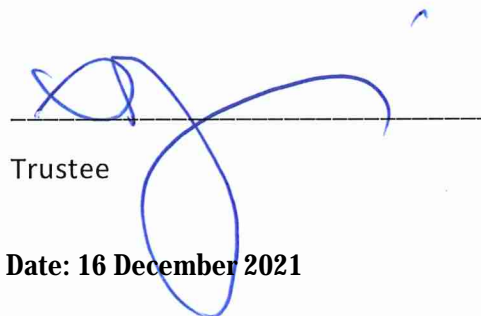
Accumulated Funds

Capital contributed by owners or members	7	3,050,631	3,050,631	3,050,631
Accumulated surpluses/(deficits)	7	(2,576,449)	(2,376,954)	(2,225,754)
Reserves	7	0	222,483	196,283
Total Accumulated Funds		474,182	896,160	1,021,160



Trustee

Date: 16 December 2021



Trustee

Date: 16 December 2021

Statement of Cash Flows

for the year ended 30 June 2021

	Actual 2021 \$	Budget 2021 \$	Actual 2020 \$
<u>Cash Flows (to)/from Operating Activities</u>			
<u>Cash was received from:</u>			
Donations, fundraising and other similar receipts	59,800	75,269	72,526
Interest, dividend and other investment receipts	849	4,000	2,282
Net GST	(1,032)	0	(7,870)
<u>Cash was applied to:</u>			
Payments to suppliers and employees	(54,519)	(47,000)	(43,641)
Net Cash Flows from Operating Activities	5,098	32,269	23,303
<u>Cash Flows (to)/from Investing and Financing Activities</u>			
<u>Cash was applied to:</u>			
Payments to acquire property, plant and equipment	0	0	0
Net Cash Flow from Investing and Financing Activities	0	0	0
Net increase/(decrease) in cash	5,098	32,269	23,303
Opening Cash	307,275	307,275	283,972
Closing Cash	312,373	339,544	307,275
<u>This is represented by:</u>			
Bank current account and short-term deposits	312,373	339,544	307,275



Notes to the Financial Statements

for the year ended 30 June 2021

1. Statement of Accounting Policies

Basis of preparation

The Aorangi Stadium Trust financial statements are prepared using the Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) or PBE SFR-A (PS) with effect from 1 July 2020 for the year ended 30 June 2021 as the Trust is deemed to be a public entity subject to public sector standards and has total annual expenses of equal to or less than \$2,000,000. Prior to this the financial statements were prepared using the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit), or PBE SFR-A (NFP). There have been no changes to the surplus or deficit, the valuation of assets or liabilities, or the equity of the Trust due to this change. All transactions are reported using the accrual basis of accounting. The Annual Report is prepared under the assumption that the Trust will continue to operate in the foreseeable future.

Grant income

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

Goods and Services Tax (GST)

All amounts are recorded exclusive of GST, except for debtors and creditors which are stated inclusive of GST.

Income Tax

Aorangi Stadium Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions as it is deemed a charitable trust for taxation purposes.

Bank accounts and cash

Bank accounts and cash in the Statement of Cash Flows comprise cash and bank balances (including short term deposits) with maturities of 90 days or less.

Provisions

Provisions are made for costs which are obligations from which future costs have arisen but for which there is uncertainty as to the actual costs. Provisions are reviewed annually to determine their appropriateness, including the value of the provision.



Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment if applicable. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Trust and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Financial Performance during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using a straight line basis so as to expense the cost of the assets over their useful lives. The depreciation rates are:

- Buildings 4% (25 years)

Changes in accounting policies

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

2. Administration and overhead costs

Administration and overhead costs include:

	2021 \$	2020 \$
Audit fees for financial statement audit	(3,850)	(4,450)
Administration and accounting charge from Timaru District Council	(2,000)	(1,000)
Other net administration and overhead costs	(5)	(85)
Total administration and overhead costs	(5,855)	(5,535)



3. Maintenance costs

Following the receipt of a report assessing maintenance requirements for the stadium, costs for which the Trust is responsible have been assessed and provided for.

	2021 \$	2020 \$
Maintenance costs incurred	(5,788)	(1,116)
Increase in provision for maintenance costs	(415,712)	0
Total maintenance costs	(421,500)	(1,116)

4. Analysis of Current Assets and Current Liabilities

	2021 \$	2020 \$
<u>Current Assets</u>		
<u>Bank and Cash</u>		
Current account	8,311	9,210
Short term investments	304,062	298,065
Total bank and cash	312,373	307,275
<u>Debtors and prepayments</u>		
GST receivable	0	70
Other receivables	91,190	52,004
Prepayments	0	1,000
Total debtors and prepayments	91,190	53,074
<u>Current Liabilities</u>		
<u>Creditors and accrued expenses</u>		
Accrued expenses	(8,314)	(5,437)
Provision for maintenance likely to occur within 12 months	(256,962)	0
GST Payable	0	0
Trade and other payables	260	(535)
Total creditors and accrued expenses	(265,016)	(5,972)



5. Property, Plant and Equipment

Asset Class	Opening Carrying Value \$	Purchases \$	Disposals \$	Depreciation/ Impairment \$	Closing Carrying Value \$
2021					
Buildings	666,783	0	0	(172,398)	494,385
Total	666,783	0	0	(172,396)	494,385
2020					
Buildings	839,622	0	0	(172,839)	666,783
Total	839,622	0	0	(172,839)	666,783

6. Non-Current Liabilities

Following the receipt of a report assessing maintenance requirements for the stadium, costs for which the Trust is responsible have been assessed and provided for (Note 3). The provision has been assessed to identify those elements which are current (likely to occur within 12 months) (Note 4) and non-current (likely to occur after 12 months).

	2021 \$	2020 \$
Provision for maintenance likely to occur after 12 months	(158,750)	0
Total non-current liabilities	(158,750)	0



7. Accumulated Funds

2021

Description	Capital contributed by owners or members	Accumulated surpluses/ (deficits)	Capital contributions reserves	Total accumulated funds
Opening balance	3,050,631	(2,225,754)	196,283	1,021,160
Surplus/(deficit)		(546,978)		(546,978)
Transfer to reserves		0	0	0
Transfer from reserves		196,283	(196,283)	0
Closing balance	3,050,631	(2,576,449)	0	474,182

2020

Description	Capital contributed by owners or members	Accumulated surpluses/ (deficits)	Capital contributions reserves	Total accumulated funds
Opening balance	3,050,631	(2,047,392)	143,119	1,146,358
Surplus/(deficit)		(125,198)		(125,198)
Transfer to reserves		(54,280)	54,280	0
Transfer from reserves		1,116	(1,116)	0
Closing balance	3,050,631	(2,225,754)	196,283	1,021,160

8. Commitments

There are no capital commitments or financial guarantees at balance date (2020: Nil).

9. Contingencies

During the year a report was received regarding maintenance requirements for the stadium. The projected costs until 2024 have been provided for (Notes 4 and 6) however potential additional costs, currently estimated to be \$1,054,650, may be required beyond the current provision but which are subject to ongoing review of requirements and the funding and ownership of the stadium (2020: Nil).

There are no contingent assets at balance date (2020: Nil)



10. Related Party Transactions

Description of related party relationship	Transaction description (cash or in-kind)	Value of transactions		Amount outstanding	
		2021 \$	2020 \$	2021 \$	2020 \$
Services received from Timaru District Council	Cash	2,000	1,000	0	0
Capital contribution grant received from Timaru District Council	Cash	52,000	52,000	52,000	52,000
Grant for the reimbursement of insurance expenses by Timaru District Council	Cash	39,190	38,117	39,190	0
Site lease fee	Cash	-87	87		87

11. Events after Balance Date

A report has been received after balance date indicating that it may be necessary to complete significant earthquake strengthening of the stadium, however what work may be required and the cost of that is being assessed.

Following increasing cases of Covid-19 in the community a nationwide Level 4 lockdown was imposed on 17 August 2021 which resulted in the stadium being closed for that period however there was no financial impact as a result of that on the Trust.

12. COVID-19

The World Health Organisation declared a global pandemic on 11 March 2020 due to the outbreak and subsequent spread of COVID-19. During the year ended 30 June 2021 there has been no significant impact on the operations of the stadium except for recommended precautions and there has been no financial impact on the Trust during the year.

13. Going concern

The Trust is considered to be a going concern as it has sufficient resources to support current planned expenditure and liabilities and Trustees believe that anticipated future income flows will be adequate for future requirements based on the information available as at the time of the preparation of this report.



INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF AORANGI STADIUM TRUST'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2021**

The Auditor-General is the auditor of Aorangi Stadium Trust (the Trust). The Auditor-General has appointed me, Nathan Breckell, using the staff and resources of Nexia Audit Christchurch, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

Opinion

We have audited:

- The financial statements of the Trust on pages 3 to 14, that comprise the statement of financial position as at 30 June 2021, the statement of financial performance, 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 page 3.

In our opinion:

- The financial statements of the Trust on pages 3 to 14:
 - Present fairly, in all material respects:
 - its financial position as at 30 June 2021; 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) framework; and
- the performance information of the Trust on page 3 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 2021.

Our audit was completed on 16 December 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Trustees for the financial statements and the performance information

The Board of Trustees is responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is also responsible for preparing the performance information for the Trust.

The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Trustees is responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Trustees intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Board of Trustees's responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Trust's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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



Nathan Breckell

Nexia Audit Christchurch
On behalf of the Auditor-General
Christchurch, New Zealand