

Aorangi Stadium Trust

Statement Of Intent

2021/22

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1 Preamble

Aorangi Stadium Trust is a Council Controlled Organisation as defined by Section 6 of the Local Government Act 2002.

This Statement of Intent sets out the overall intentions and objectives for Aorangi Stadium Trust for the period 1 July 2021 to 30 June 2022 and the two succeeding financial years.

Aorangi Stadium Trust contracts its administration from the Timaru District Council and as such does not have staff employed. The Stadium is leased to Timaru District Council who operate the facility.

2 Objectives Of The Trust

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

General objectives are:

- a. To promote the development and ongoing maintenance of the Aorangi Sports Stadium on the Morgans Road Recreation Reserve and for that purpose to enter into satisfactory arrangements with the owner of the land, Timaru District Council.
- b. To support and promote facilities for indoor and outdoor sport or any other recreational pursuit.
- c. To acquire any real or personal property for the purpose of the Trust to extend the buildings and to develop land for the general purposes of the Trust.
- d. To promote and encourage community activities and to assist sports bodies, community organisations and organisations devoted to the welfare of youth in the region of South Canterbury.

3 Nature And Scope Of Activities To Be Undertaken

Aorangi Stadium Trust owns the Stadium and Events centre located at Aorangi Park, Timaru. The facility, known as the Southern Trust Events Centre, is leased to the Timaru District Council, who manages and operates the facility. Many of the objectives of the Trust have now been delegated to Timaru District Council.

The Trust is responsible for the major maintenance and building renewals as landlord of the building.

4 Governance

Aorangi Stadium Trust oversees the building maintenance to ensure the facility is well maintained. Day to day operation of the building is undertaken by Timaru District Council.

5 Ratio of Consolidated Shareholders' Funds To Total Assets

- a. This ratio shows the proportion of total assets financed by equity.
- b. The Trust will ensure that the ratio of Equity to Total Assets remains above 90.00%.
- c. For the purposes of this ratio Equity is as per the financial statements for the Trust
- d. Total assets are defined as the sum of all current and fixed assets of the Trust.

5 Statement Of Accounting Policies

Aorangi Stadium Trust is a registered charity (registration number: CC22027).

Details of the current accounting policies and their application are contained in Appendix A.

6 Performance Targets

- a. Significant maintenance projects are completed on time and on budget.
- b. Regular liaison occurs with the tenant, Timaru District Council, on at least a bi-annual basis to ensure that the facility and the associated arrangements are operating to the satisfaction of both parties.
- c. Undertake, with Timaru District Council, a review of the future costs and funding of maintenance and depreciation; and the options for the ownership structure of the stadium.

7 Financial Forecasts

The financial forecasts are based on estimated revenue flows and estimated capital structures.

See Appendix B.

8 Reporting To Shareholders

The following information will be available to shareholders based on an annual balance date of 30 June.

a. Draft Statement of Intent

By the March 1 annually, the Trustees shall (for so long as the Trust remains a Council Controlled Organisation), deliver to the Council a draft Statement of Intent for the following financial year which fulfils the requirements of Section 64 of the Local Government Act 2002.

b. Completed Statement of Intent

By June 30 annually the Trustees shall deliver to the Council the final Statement of Intent for the following financial year which fulfils the requirements of Section 64 of the Local Government Act 2002.

c. Half Yearly Report

Within two months following the first half of each financial year, the Trustees shall deliver to the shareholders an unaudited report containing the following information as a minimum in respect of the half year under review:

- i. A Statement of Financial Performance disclosing actual revenue and expenditure including a comparison of actual against budget, and comparative figures
- ii. A Statement of Financial Position
- iii. A commentary on the results for the first six months, together with a report on the outlook for the second six months.

d. Annual Report

- i. Within three months after the end of each financial year, the Trustees shall deliver to the Council, and make available to the public, an annual report and audited financial statements of that financial year, containing the following information as a minimum: -
 - A Trustees' report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives;

- A Statement of Financial Performance disclosing actual revenue and expenditure including a comparison of actual against budget, and comparative figures;
- A Statement of Financial Position;
- A Statement of Cashflows;
- An Auditor's report on the above statements and the measurement of performance in relation to objectives.

9 Distribution Policy

The Trust is a non-profit organisation and does not generate income or dividends for the Timaru District Council.

10 Procedures For Acquisition Of Other Interests

The Trust will only purchase an interest in another business or invest in the shares of another company or organisation with the prior approval of the Timaru District Council.

11 Activities For Which Compensation Is Sought From Any Local Authority

It is anticipated that the Trust will continue to seek compensation from Timaru District Council relating to funding long term maintenance items for the stadium and reimbursement of insurance costs in terms of the lease agreement.

12 Estimate Of Commercial Value Of The Shareholders Investment

The Trustees estimate that the balance of funds in the annual accounts will represent the value of Aorangi Stadium Trust. The Trustees will advise Timaru District Council if they believe the value to differ materially from this state.

Appendix A

Statement Of Accounting Policies

Basis of Preparation

Aorangi Stadium Trust has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that it does not have public accountability and has total annual expenses of equal or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Good 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 has charitable status therefore no income tax is payable.

Bank Accounts and Cash

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

Changes In Accounting Policies

There have been no changes in accounting policies during the financial year (prior year: Nil).

Appendix B

Financial Forecasts

Aorangi Stadium Trust

Budget (uninflated)	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Budget*	Budget	Budget	Budget
Income					
Grants - Other: TDC	52,000	52,000	54,000	54,000	54,000
Grants - Insurance reimbursement: TDC	38,117	40,000	40,000	40,000	40,000
Interest	2,292	4,000	1,500	1,500	1,500
Other Income					
	92,409	96,000	95,500	95,500	95,500
Expenditure					
Insurance	38,117	40,000	40,000	40,000	40,000
Repairs & maintenance	1,116	2,000	194,450	67,800	90,950
Accounting fee: TDC	1,000	1,000	5,000	5,000	5,000
Audit fees	5,000	2,500	5,000	5,000	5,000
Other	-465	1,500	1,500	1,500	1,500
	44,768	47,000	245,950	119,300	142,450
Depreciation	172,839	174,000	174,000	174,000	174,000
Net Surplus/(Deficit)	-125,198	-125,000	-324,450	-197,800	-220,950
Assets					
Bank	9,210	89,544	7,171	10,936	7,937
Investments	298,065	250,000	181,923	157,123	113,173
Other current assets	53,074	27,765	27,765	25,000	25,000
	360,349	367,309	216,859	193,059	146,110
Land and Buildings	666,783	533,851	359,851	185,851	11,851
Total assets	1,027,132	901,160	576,710	378,910	157,961
Liabilities					
Creditors	5,972	5,000	5,000	5,000	5,001
Total Liabilities	5,972	5,000	5,000	5,000	5,001
Net assets	1,021,160	896,160	571,710	373,910	152,960
Equity					

