

Aorangi Stadium Trust

Statement of Intent

2020/21

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 2020 to 30 June 2021 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, the 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 district 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.

The Trust will ensure that appropriate insurance is in place in relation to the Trust assets.

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.

The Trustees will meet not less than 6 monthly.

The Trustees will govern the Trust in accordance with its Trust Deed, the law and good practice.

The Trustees will assist the Trust to meet its objectives and any other requirements in its Statement of Intent.

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 group.

5 Statement Of Accounting Policies

Aorangi Stadium Trust is a registered charity.

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 six monthly basis to ensure the facility is operating to the satisfaction of both parties.

- c. An asset management plan is in place and remains current (to be prepared in consultation with Timaru District Council as lessee, and responsible for certain maintenance).
- d. Ensuring that Timaru District Council complies with its obligations as Tenant under the Lease; and that the Trust complies with its obligations as Landlord.
- e. Comply with the Trust's obligations as owner of the Stadium and Event Centre under the Health and Safety at Work Act.

7 Financial Forecasts

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

	2020/21	2021/22	2022/23
Income	96,000	98,000	98,000
Operating Expenses	47,000	52,000	47,999
Depreciation	166,340	166,340	166,340
Operating Surplus/(Deficit)	<u>(117,340)</u>	<u>(120,340)</u>	<u>(116,339)</u>
Movement in Maintenance Reserve	(26,200)	(32,000)	42,000
Surplus/(Deficit)	<u>(143,540)</u>	<u>(152,340)</u>	<u>(74,339)</u>
Equity	<u>912,287</u>	<u>791,947</u>	<u>675,608</u>
Current Assets	383,436	414,436	371,437
Non-Current Assets	<u>533,851</u>	<u>382,511</u>	<u>309,171</u>
Total Assets	<u>917,287</u>	<u>796,947</u>	<u>680,608</u>
Current Liabilities	5,000	5,000	5,000
Non-Current Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Net Assets	<u>912,287</u>	<u>791,947</u>	<u>675,608</u>

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 1st of March each year, 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. This is subject to any extensions permitted by the Local Government Act 2002.

b. Completed Statement of Intent

By the 30th June each year 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. This is subject to any extensions permitted by the Local Government Act 2002.

c. Half Yearly Report

Within two months after the end of 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.
- e. **No surprises:** The Trustees will communicate with Timaru District Council on a no-surprises basis, in relation to any issue that might reasonably be expected to be of interest or concern to Timaru District Council, in relation to the Trust or Trust assets.

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 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 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.

The Trustees will consider and discuss with Timaru District Council fundraising initiatives to cover reductions in the maintenance reserve and to cover any future developments.

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.

13 Other

During 2020/21, the Trustees intend to carry out a review of the long term life, or whole of life cost, of the Trust assets, and how the depreciation costs of those assets should be funded. The Trustees will liaise with Timaru District Council in relation to this.

The impact of COVID-19 will be monitored. COVID-19 is considered to have most impact or potential impact on the use of the facility (although recognising the operation of the facility is managed by Timaru District Council), the ability to carry out maintenance and repairs if contractors are unavailable, staff and contractors employed within the facility by Timaru District Council, and tenants within the facility – particularly during periods of restricted movements and gatherings.

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 (last year – nil)