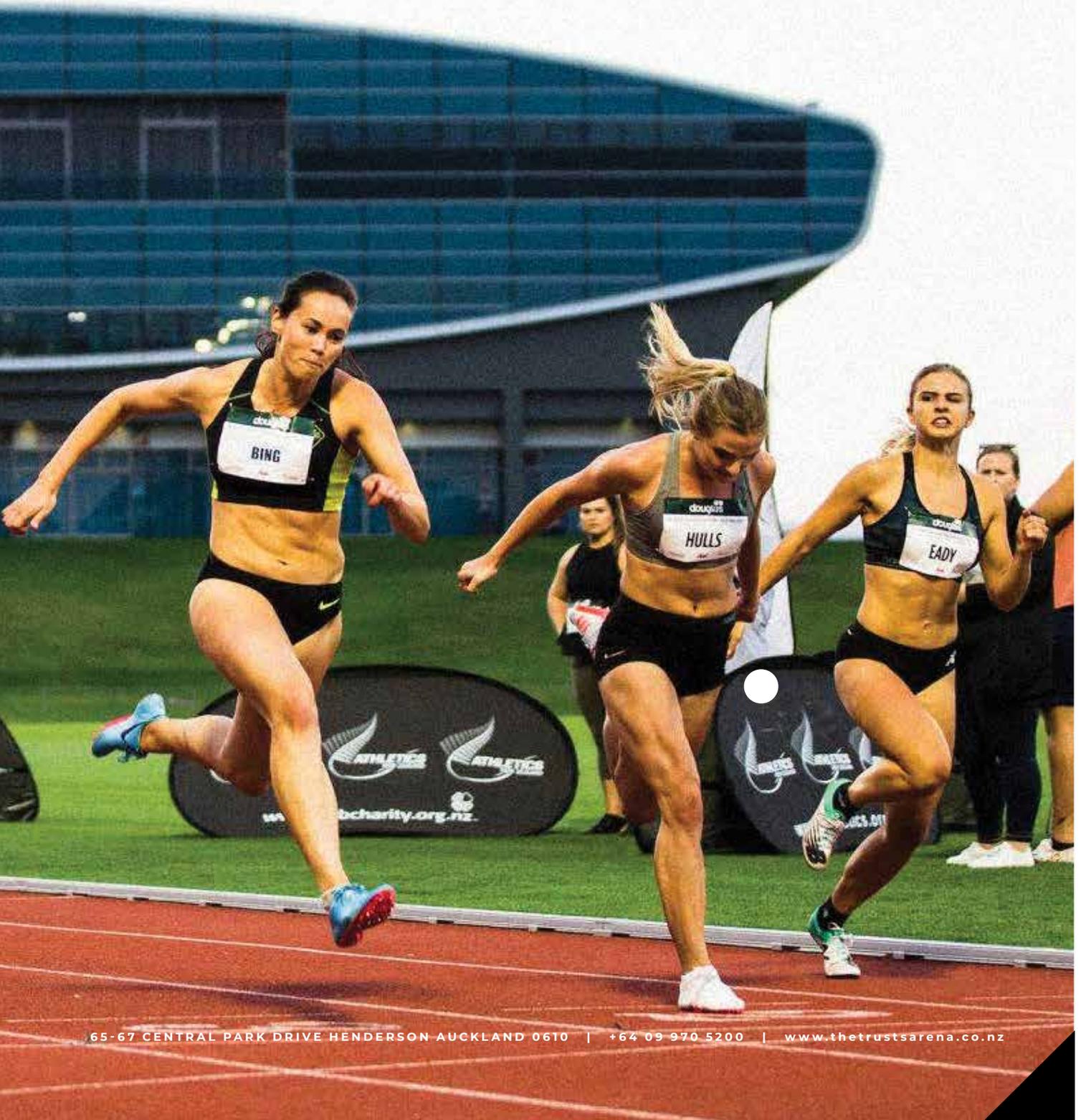




# ANNUAL REPORT 2019

AND FINANCIAL STATEMENTS



# CONTENTS

---

- |   |  |
|---|--|
| <b>2.</b> Nau Mai, Haere Mai<br>Welcome | <b>15.</b> Creating a sustainable<br>environment |
| <b>7.</b> 2019 at a glance              | <b>17.</b> Arena Fitness and<br>Boxing           |
| <b>9.</b> Our Community                 | <b>19.</b> Board of Trustees                     |
| <b>11.</b> Our Events                   | <b>23.</b> Auditors report                       |
| <b>13.</b> A new roof for<br>the Arena  | <b>25.</b> Financial Statements                  |



# NAU MAI, HAERE MAI WELCOME

The Trusts Arena is delighted to introduce the Annual Report and Financial Statements for the year ended 30 June 2019.



## WHO WE ARE

The Trusts Arena is a multi-purpose event and entertainment facility which hosts a broad range of events including conventions, trade shows, music concerts and local, national and international sporting events.

The Trusts Arena is owned / operated by The Waitakere City Stadium Trust, which is an independent charitable trust. The Waitakere City Stadium Trust elects independent Trustees who oversee the performance and strategic direction of the Trusts Arena.

This year we welcomed **530,121** visitors, an increase of over **30,000** on the previous period. We are proud of and appreciate how our community supports us and enjoys all of the facilities.

## OUR GUIDING PRINCIPLE IS:

"The principle objective of the Arena is to serve the wider West Auckland community as a key multi-purpose venue for the local community to host sporting, leisure, trade, cultural activities and events."

Our charter, as a not for profit, has our commercial activities acting as a support to the business and allows us to heavily subsidise or make free entirely, use of the facilities to the community. In addition to community events we have anchor users, basketball, two types of roller skating and Touch Rugby that all serve the community need for sport and recreation.

We are a facility that offers people the chance to take part in organised, community lead sport. Alternatively they can make use of the track and fields at most times of the day and night as they want. They can join clubs, watch professional sport, join the Fitness Centre, attend trade shows, see local and international concert artists, give blood, watch their schools athletics, learn road safety and generally participate in a very wide range of activities. Participating helps social cohesion, a facility such as ours adds to social equity by providing that opportunity locally. Cultural vibrancy is enhanced with events like Diwali and Lunar Festival.

## THE TRUSTS ARENA HAD A STRONG YEAR WITH GROSS REVENUES TOTALING \$5 MILLION (2018: \$5.2 MILLION)

### THE YEAR THAT WAS

The Trusts Arena had a strong year with gross revenues totalling \$5 million (2018: \$5.2 million). Total operating expenses before depreciation were \$4.7 million (2018: \$4.8 million). Operating profit before depreciation was \$283 thousand (2018: \$391 thousand).

Our Arena Functions and F&B continued to perform well, hosting a large number of concerts, trade shows, dinners, and functions. Total income from this department was \$3.2 million, slightly down on the previous year mainly due to the mix of events hosted.

Arena Fitness and Boxing went from strength to strength with revenues of \$688k up 12% on the previous year. The increase in income is mainly attributable to a strong sales focus through the 2019 year, partnered with a high quality facility and trainers which keeps customer retention at optimal levels.

### ROOF RENOVATION PROJECT

2019 saw the finalisation of plans to start the roof renovation project. Management has worked with key funding partners Regional Facilities Auckland, The Trusts Community Fund and Foundation North to fund the cost of the roof renovation with the build phase commencing in July 2019. This project will take 12 months to complete and will help to ensure the longevity of the facility.

# FUNDING

## WE HAVE BEEN WELL SUPPORTED THIS YEAR BY OUR FUNDERS AND SUPPORTERS AND THIS IS GREATLY APPRECIATED.

As we strive to achieve our goals we must grow our funding base through sound business practice and funding support. As a charitable trust this is always our greatest challenge.

Key funding received from our funding partners this year included operating costs funding from Regional Facilities Auckland and The Trusts Community Foundation which is vitally important in ensuring that locals and the wider community are able to use our facilities and allows us to make access to our facilities affordable to the community.

New Zealand Community Trust funded two items during the year – a mobile lighting tower and removable carpet tiles for the arena floor. The mobile lighting tower has enabled the Trusts Arena to better

meet demands of our community users and commercial users alike by enabling us to light up areas of the site for training or events which might otherwise not be able to happen without this equipment.

The carpet tile grant from NZCT will help The Trusts Arena be more financially sustainable. The \$35,000 grant went towards buying a removable covering to protect the arena floor during certain events. Commercial events hosted throughout the year help subsidise the rates that the community pay to access the facility. Many of the commercial events hosted at The Trusts Arena require the need for the hardwood floor to be carpeted. With the facility only having enough removable carpet to cover two-thirds of the floor, carpet tiles need to be hired in for every event at great cost. The grant means that the Trusts Arena won't have to hire in carpet for a range of events, saving the facility at least \$20,000 per year. That's money that we can reinvest into the building and also helps us to keep the community rates low.

We would like to take the opportunity to thank our funding partners Regional Facilities Auckland, The Trusts Community Foundation, NZ Community Trust, and Foundation North.



## OUR LOCAL IWI

We are working with Te Kawerau a Maki to ensure that we better understand the place that we occupy in Henderson and growing our relationship with them for the future benefit of our staff and the business. In the future we would like to have some representative artwork in the building that helps to increase local awareness of the Iwi and their importance to the area.

## THE YEAR AHEAD

We have another exciting year ahead with a great combination of community events, sport and commercial events taking place inside the arena and out in the wider precinct. At the same time the roof renovation project will continue on with as little disruption as possible to the events schedule and public access to the facilities.

## AND FINALLY

Thank you to everyone who has supported The Trusts Arena in 2019 by visiting, by partnering with us or in whatever way you have helped us. We will be striving to ensure that next year is as good as 2019 has been. Me tiaki, kia ora!

# 2019 AT A GLANCE

VISITORS



**+530,121**

VISITORS



**+183,183**

OF INDIVIDUAL  
ANCHOR USER VISITS

ARENA FITNESS & BOXING



**+57,456**

GYM MEMBER VISITS



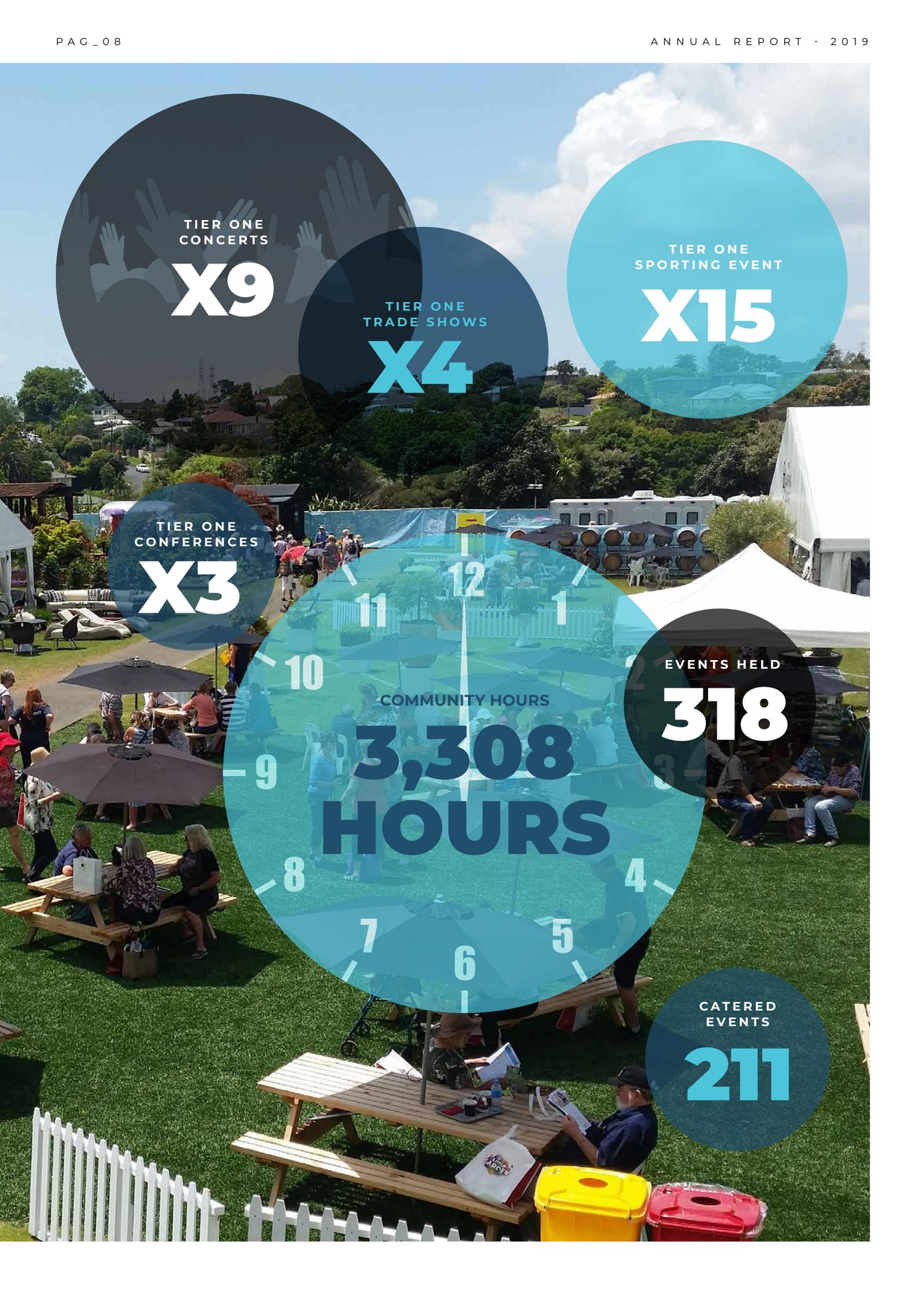
**+12,450**

GYM MEMBER CLASS VISITS

GYM MEMBERS

**873**





TIER ONE  
CONCERTS

**X9**

TIER ONE  
TRADE SHOWS

**X4**

TIER ONE  
SPORTING EVENT

**X15**

TIER ONE  
CONFERENCES

**X3**

COMMUNITY HOURS

**3,308  
HOURS**

EVENTS HELD

**318**

CATERED  
EVENTS

**211**

# OUR COMMUNITY

The Trusts Arena aims to provide a facility where by people in the West Auckland community have access to sport, entertainment and recreation.

Through sport and recreation our children and youth can attach to their community, form lifelong friendships and develop a sense of purpose within the community which aids them to develop as adults.

## There are currently 4 Anchor user groups who call The Arena home

Waitakere West Auckland Basketball Inc (WWABI), who runs basketball leagues for all ages, provides training and development opportunities for players, coaches and officials, selecting and training teams to successfully represent Waitakere City at regional and national tournaments for all ages and genders.



Auckland Waitakere Roller Sports Club (AWRSC), an artistic roller skating club providing classes and competition opportunities in the disciplines of Figures, Dance, Free skating and Precision.

Touch NZ is an incorporated society registered with the Charities Commission. Head office is located at the Trusts Arena however the sport is embedded across New Zealand and is overseen by our 19 Provincial Associations and 222 community Touch competitions.



Pirate City Rollers (PCR) is a roller derby league that comprises of three home teams who play one another regularly as a part of their home team season, in addition to two travel teams who compete with the best skaters other leagues have to offer across New Zealand and beyond.

In the year ended 30 June 2019 the Arena provided a total of 3,308 anchor user hours, which is an increase of 18% on the previous year. During the year 5,316 anchor users participated in community sport at the Arena.

# OUR EVENTS

The Trusts Arena hosts a varied number of events throughout the year ended 30 June 2019, ranging from concerts to trade shows. We are also able to provide clients with catering which broadens the scope of events held at The Arena.

The Events and Food & Beverage departments have had another successful year with gross revenues of \$3.2 million (2018 = \$3.5 million).

The Arena hosted nine Tier 1 concerts including international acts such as The Prodigy, Alice n Chains, Paw Patrol, and the WU-TANG clan as well as holding a number of leading sporting events including the NZ Darts Masters, Red bull Ignite 7's, International track challenge and the Harlem Globetrotters.

The Arena is the home of The Northern Mystics and saw 6 game days here during the year including a super Sunday event and the season launching community open day. As the home of The Northern Mystics the Arena provided support to the team in the form of gym memberships, and other hosting incentives including complimentary function rooms for marketing opportunities, strategy days and volunteer/team briefings. We also support the team through complimentary training courts throughout the year and delivered the team's end of season sponsors function and awards night to round the season out.



In keeping with the Arena's community focus we hosted a number of community events such as Diwali, Auckland Philharmonic Orchestra, NZ Ukulele Festival, NZ Blood quarterly collection and Lunar Fest.

In November 2018 The Trusts Arena delivered the family orientated Spooks and Sparks event for the fourth time. Despite average weather conditions the event was a success with attendance just under 6,000. There were a number of activities enjoyed by all those who attended including an indoor bouncy castle playground, fairground style rides, stunt bike display, police dog

demonstrations, acclaimed dance acts all culminating in what is regarded as the largest and most spectacular family friendly laser light and Fireworks Show in New Zealand. We are also proud to announce that Spooks and Sparks will be back for 2019 and will be bigger and better than ever.

A number of trade shows took place at the Arena this year including the NZ Flower and Garden show and the Waitakere home and Garden show as well as a blend of corporate bookings including Spark, Mico, Church Unlimited and the Sista's conference which draws 8,000 over 3 days.

The Arena has continued to grow its Food & Beverage capabilities hosting 211 catered events during the year. This represents a growth in catered events of over 12% from the previous year. A large part of this growth is due to our Day Delegate services that we offer.

Given the nature of our business the Catering and Events team have done an exceptional job in securing and executing a large range of events which helps to enable the Trusts Arena meet its community commitments.

In total the Events and Catering team delivered a staggering 318 individual bookings incorporating 25 ticketed events with 49,707 tickets sold.



# A NEW ROOF FOR THE TRUSTS ARENA

Work on The Trusts Arena roof will begin in late July and is expected to last for 12 months, but shouldn't cause any disruption to events or users of the Arena.

Routine maintenance work uncovered some issues with weather tightness and sparked a full-scale review of the roof and its cladding. The Trusts Arena CEO Mark Gosling says the investigation revealed a number of issues with the roof which will be addressed with the renovation work.

"We will be replacing the curved aluminium panels with a new design and also addressing issues around guttering and drainage."

The project was put out to tender and Canam Construction will lead the \$3.7 million project.

"We are working with Canam to ensure any disruption is kept to a minimum and aside from a small reduction in the number of carparks available to the public during the project, it should be business as usual."

"The Trusts Arena is grateful to the three principal funding partners – Regional Facilities Auckland, Foundation North and TTCF – for their support."







# CREATING A SUSTAINABLE ENVIRONMENT

There has been a lot of work put into our sustainability processes in the past year. All with the goal of minimising the carbon footprint of The Trusts Arena. 2018/19 is really the first year where significant resources, time and energy have been spent with us trying to make a difference to the environmental impact of operating The Trusts Arena and Douglas Track and Field facilities. There has been initial discussion with environmental consultants Ekos, on how we plan to off-set our carbon footprint in the future, gains made in energy reduction and a concerted effort to reduce our waste that was previously

ending up in landfill. Before pursuing the path of carbon offsetting, we have identified several areas of improvement and research to be completed first.

Top of the list to investigate is our current energy use. Talks have begun with EECA to pursue funding opportunities to help with an energy audit.

Initial talks have also been held with Vector Energy about the possibilities of installing a solar farm on the roof of the Arena. This option has the potential to produce up to 40% of our entire power usage.

## ENERGY REDUCTION

Several energy projects have been completed during the year including: Replacing 120 x 400w Arena lights with 150w LED units, with the intention of reducing power usage.

Replacing outdated air-conditioning across the Arena's office spaces has helped the Arena to improve efficiencies when it comes to power usage. We have also begun the process to replace our leased vehicles with highly efficient electric cars. In keeping with this initiative the Arena has installed an electric car charging station in the car park.

## WASTE REDUCTION

During 2018/19 a huge effort has been made to drastically reduce the amount of waste that The Trusts Arena sends to landfill. An external consultant was hired to assess our operations, deliver guidance on policy and procedures, advise on system improvements and assist with system installations. This has resulted in The Trusts Arena establishing a Waste Minimisation Policy for the very first time.

As a reference, historically we were diverting less than 9% of our waste from landfill. Through various initiatives, we have managed to divert more than 55% of waste from landfill by the end of this year. There are still some systems to put in place and our goal is to reach 75% diversion during 2019/2020.

Research was done on the benefits of compostable packaging and a decision was made to serve all food at events in compostable packaging whenever possible. This is now a requirement of all food vendors and suppliers when operating onsite.

One of the biggest enablers of our waste diversion is using reusable "Globelet" cups for more and more of our events. Since first using for the Darts event in August 2018, it is estimated that we have not purchased, and therefore not sent, over 120,000 plastic cups to landfill. Globelets are a critical part of our event waste minimization plans as this enables us to control the correct sorting of all drink containers back of house and is one less item for the public to think about when it comes time to put things into the right bin.

## THE FUTURE

In the coming year our goal is to make the most of the efficiency gains we have already made and to capitalise on continued gains. A prime focus of the coming year is investigate power usage in detail. Drill down into those areas and find practical ways to minimize electrical use as much as possible.

Once this is done we will continue talks with our electricity supplier with regards to installation of solar panels on the Arena roof. Once this is complete we will further investigate carbon offsetting.



# ARENA FITNESS AND BOXING

Arena Fitness and Boxing has been operating for 15 years. We believe that the implementation of new processes in the last two years and rebranding of the gym have created a fitness centre with a difference. The consistency with which the team has been working, the open-mindedness and true commitment has resulted in a great culture at the gym, which in turn has resulted in great results for the facilities: membership growth and improvement in retention rate.

Although membership growth is an important measure, we only consider the facilities as successful when the members actually have a great experience every single time they workout.

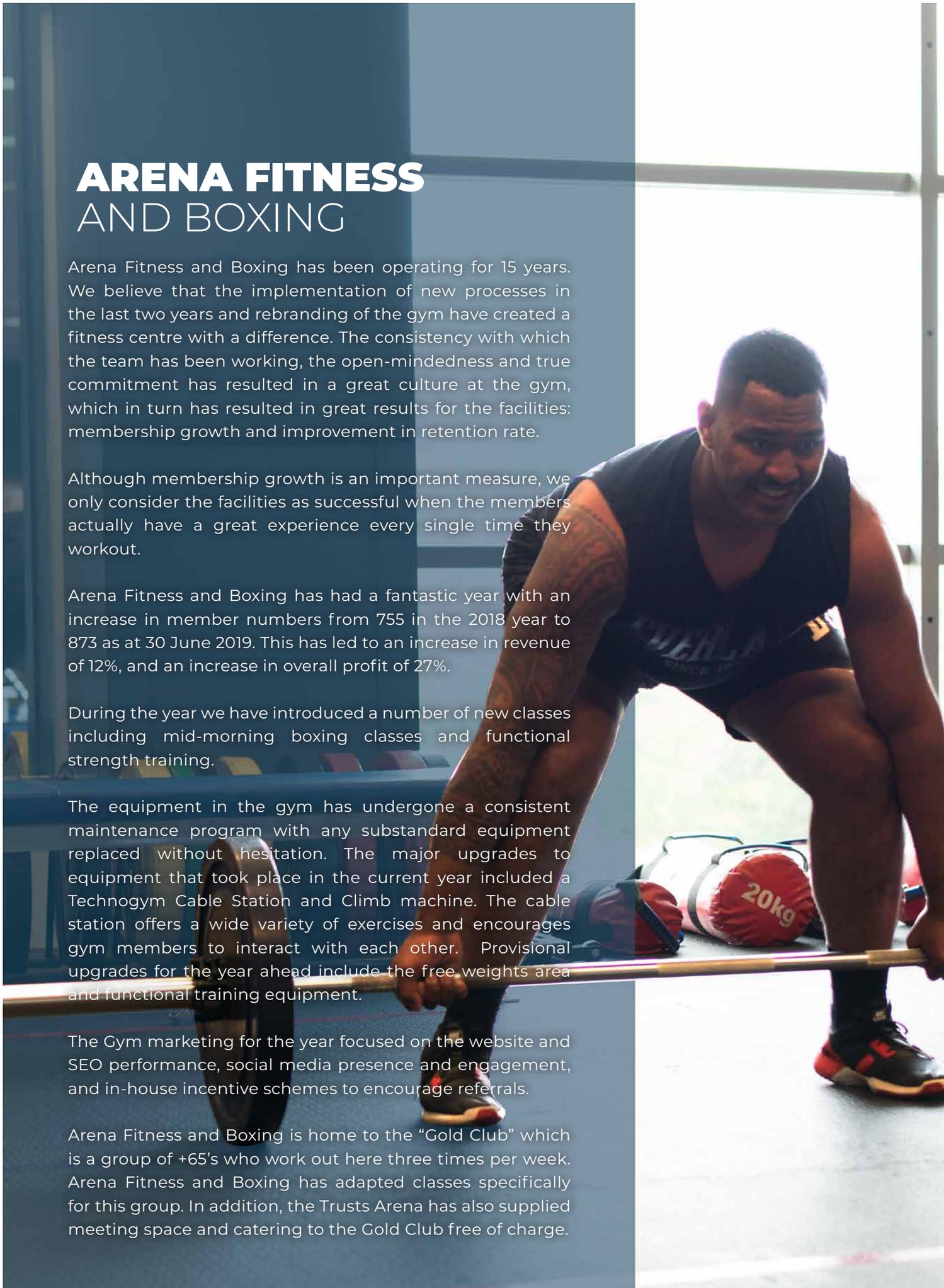
Arena Fitness and Boxing has had a fantastic year with an increase in member numbers from 755 in the 2018 year to 873 as at 30 June 2019. This has led to an increase in revenue of 12%, and an increase in overall profit of 27%.

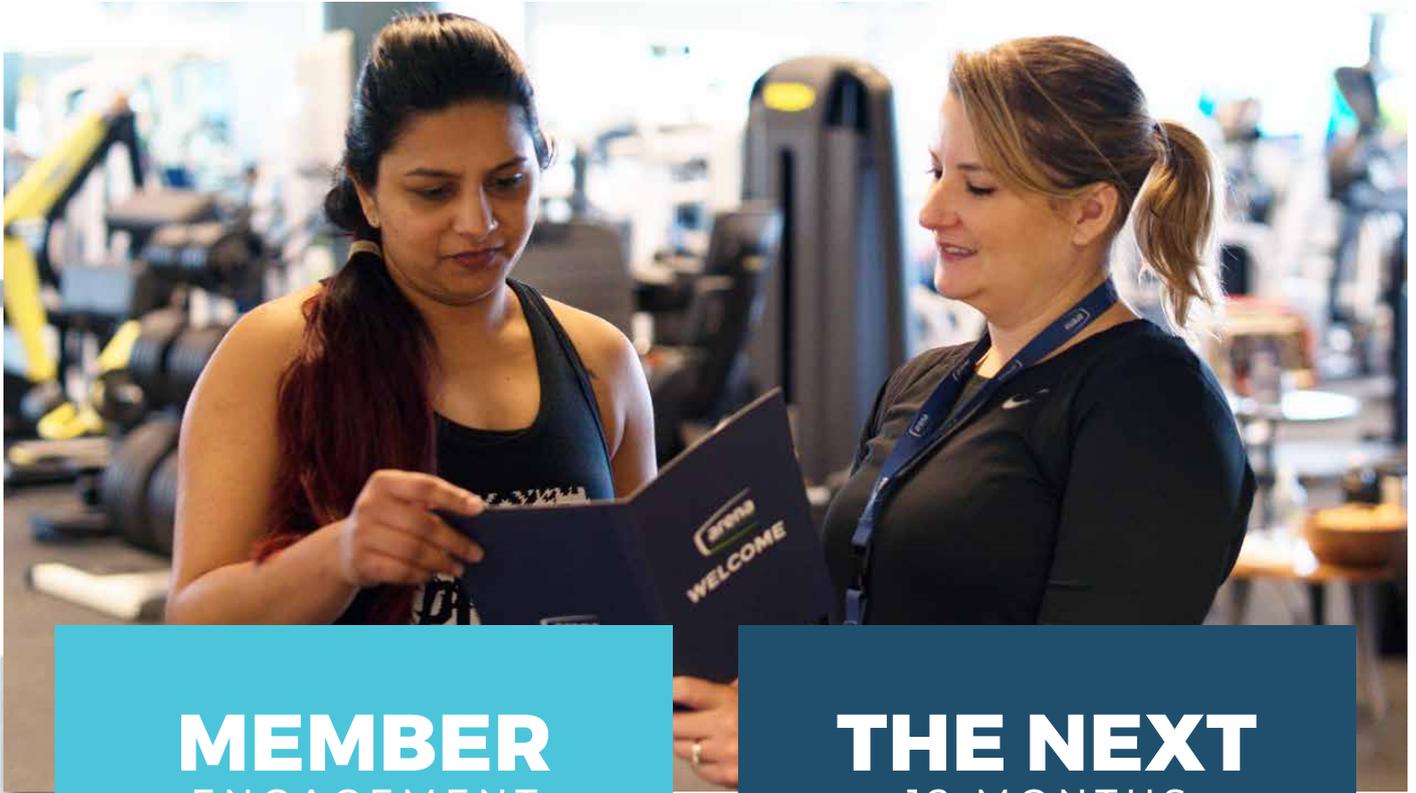
During the year we have introduced a number of new classes including mid-morning boxing classes and functional strength training.

The equipment in the gym has undergone a consistent maintenance program with any substandard equipment replaced without hesitation. The major upgrades to equipment that took place in the current year included a Technogym Cable Station and Climb machine. The cable station offers a wide variety of exercises and encourages gym members to interact with each other. Provisional upgrades for the year ahead include the free weights area and functional training equipment.

The Gym marketing for the year focused on the website and SEO performance, social media presence and engagement, and in-house incentive schemes to encourage referrals.

Arena Fitness and Boxing is home to the "Gold Club" which is a group of +65's who work out here three times per week. Arena Fitness and Boxing has adapted classes specifically for this group. In addition, the Trusts Arena has also supplied meeting space and catering to the Gold Club free of charge.





## MEMBER ENGAGEMENT AND REFERRALS

Being part of The Trusts Arena, where the customer service is all about 'experience it live', we want our members to feel part of a fun community and have an excellent experience every time when they visit the gym.

On top of everyday face-to-face interaction, we provide regular activities to engage and interact with members, such as

- Member parties and wine tasting
- Round the Bays fun run
- Member bingo
- Workouts and challenges of the week

## THE NEXT 12 MONTHS

In the next 12 months we are aiming to work on the following

**Sustainability:** although we have started some of the processes (recycling, energy saving, printing), we will continue to explore ways to reduce our carbon footprint and go paperless.

**Branding:** we are looking into creative ways to get our identity even more out in the West-Auckland community, through building a community at the gym and focussing on the experience and journey (fun, joyful, supportive, and authentic) rather than only the results for clients.

**Continuous improvement of customer service:** it is all about the members' experience at the gym. We will continue to show the members that we truly care about them and their journey and we will continue to improve the processes in place to exceed our members' expectations and maximize positive interactions between the team and the members.

## BOARD OF TRUSTEES

---



---

### **TIM LIVINGSTONE** **CHAIRMAN**

Tim has been The Trusts Arena's Chair since 2016 and a member of the board since 2004. Tim was a Partner at UHY Haines Norton for 30 years, and still works for UHY as a consultant. Tim was awarded the New Zealand Order of Merit in 2016 for services to business and the community. Tim is President of the West Auckland Business Club, an initiative he was instrumental in developing more than 20 years ago. He is a member and Fellow of the New Zealand Institute of Chartered Accountants (now Chartered Accountants Australia and New Zealand), having served as Councillor and as Chair of the National Public Practice Committee. He is on various commercial Boards and Community Trusts, and chairs the Audit and Risk and Remuneration Committees for some of those entities.




---

## **PAUL THOMSON**

### **DEPUTY CHAIRMAN**

Paul has been a member of the board since 2004. He began his career in the Transport & Logistics over 35 years ago in Auckland and since then has built a vast array of experience in the Global Logistics industry. He is currently the Managing Director of DSV Air & Sea, Australia & New Zealand, having relocated to Australia 5 years ago.

Paul and his wife, Rhonda own an equestrian property outside of Melbourne and spend any spare time competing in show-jumping, dressage and eventing with also a small interest in Thoroughbred's. Their 3 adult children still live in Auckland so Paul is back to New Zealand on a very regular basis.

Paul's passion to be involved in the Trusts Arena over 15 years ago was driven by the number of small Auckland sports clubs struggling financially under the burden of owning their own bricks and mortar. The stadium is a catalyst to show that multisport facilities are the future for Auckland sports clubs and they must be prepared to consolidate with both same code and/or cross code disciplines to enable facilities to stay current and financially stable.




---

## **REX DAVY**

Rex has been a member of the Board since 2004. Rex is former President of the Waitakere Rugby Football Club and he chaired the Club's Steering Committee to develop The Trusts Arena. Rex sat on the Waitakere Stadium Development Board. Rex is heavily involved in Auckland Rugby, he was a Coach and Selector for several Auckland and Te Atatu teams, managed development squads to Argentina, England, and Scotland, as well as several Auckland teams and the New Zealand Barbarians. Rex was also the Auckland Blues Manager a winner of the original Super 12.

Rex has been a member and President of the Te Atatu Rotary Club and was District Chairperson of the Rotary Student Exchange Programme. Rex was a prominent real estate agent in West Auckland before he retired. Rex received the NZ Order of Merit Award in 2019 for services to Rugby and the Community.



---

## **JEFF DOUGLAS**

Jeff has been a member of the board since 2004. Jeff is the Managing Director of Douglas Pharmaceuticals. Douglas Pharmaceuticals was founded in West Auckland by Sir Graeme Douglas in 1967. Douglas Pharmaceuticals has been a long-time supporter of The Trusts Arena.

Jeff is the Patron of West Auckland Hospice, the president of the Bay Of Islands Swordfish Club and was until recently a volunteer firefighter.



---

## **SETAREH STIENSTRA**

Setareh joined the Waitakere City Stadium Trust Board in 2014. Setareh is a barrister based at Southern Cross Building with a practice in public law, property and general civil litigation. Having commenced practice in 1999, Setareh was a senior practitioner at two leading national law firms Kensington Swan and Simpson Grierson prior to being called to the Independent Bar in 2014. Setareh was elected to the NZ Bar Associated Council in 2019 and is involved in a voluntary capacity with the NZ Law Society and the Auckland District Law Society Incorporated. Setareh holds directorships on two private companies. Setareh is actively involved in the community.



---

## **ANNE WALSH**

Anne has been a member of the Board since 2017. Anne currently holds the position of Brand Building Director at Unilever. Anne has proven international experience in growing businesses for market leading consumer packaged goods brand portfolios. She is currently a Non- Executive Director / Acting Chairman for Wool Equities Limited, and has recently graduated as a Chartered Company Director with the Australian Institute of Company Directors.



---

## **JAMES BUNDY**

James has been a member of the Board since April 2017. Following on from achievements across the Surveying industry, including establishing the first RICS Regulated Chartered Surveying practice in New Zealand, James is now contributing to several boards as an Independent Company Director, the Royal Institution of Chartered Surveyors global professional assessments team, and providing technical advisory support for the Joint Accreditation Scheme of Australia and New Zealand. James holds specialist technical knowledge in landlord and tenant law, leasing, leasehold reinstatement practice, defect analysis, technical due diligence, insurance claims, project management, property portfolio management and New Zealand Building Codes and Standards.

# AUDITORS REPORT

## OPINION

We have audited the financial statements of Waitakere City Stadium Trust (the Trust), which comprise the statement of financial position as at 30 June 2019, and the statement of comprehensive revenue and expenses, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion accompanying financial statements give a true and fair view of the financial position of Waitakere City Stadium Trust as at 30 June 2019 and of its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime (IPSAS RDR).

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the entity.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Committee is responsible for the other information. The other information comprises the information included in pages 1 – 22 of the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE TRUSTEES

The Trustees are responsible on behalf of the entity for the preparation of the financial statements that give a true and fair view in accordance with Public Benefit Entity International Public Sector Accounting Standards, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of the entity for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements are as a whole 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 conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>

This description forms part of our independent auditor's report.

The engagement director on the audit resulting in this independent auditor's report is Alison Anderson.

## RESTRICTION ON DISTRIBUTION AND USE

This report is made solely to the entity's members, as a body. Our audit work has been undertaken so that we might state to the entity's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the entity and the entity's members, as a body, for our audit work, for this report or for the opinions we have formed.



William Buck Audit (NZ) Limited

# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019	2018
<i>Revenue from non-exchange transactions</i>			
Grant revenue		836,800	809,303
		<u>836,800</u>	<u>809,303</u>
<i>Revenue from exchange transactions</i>			
Arena Operations & Precinct income		174,982	193,914
Arena Functions & F&B income		3,229,571	3,535,673
Interest revenue		27,845	35,138
Arena Fitness & Arena Boxing income		688,993	616,354
		<u>4,121,391</u>	<u>4,381,079</u>
Total revenue		<u>4,958,191</u>	<u>5,190,382</u>
<i>Expenses</i>			
Administration cost	5	4,664,206	4,800,546
Bank fees		1,266	1,112
Loss/(Gain) on disposal of assets	5	10,091	(2,200)
Depreciation	5	1,038,714	1,029,148
		<u>5,714,276</u>	<u>5,828,607</u>
Total expenses		<u>5,714,276</u>	<u>5,828,607</u>
Total surplus/(deficit) from ordinary operations		<u>(756,085)</u>	<u>(638,224)</u>
<i>Other income from non ordinary operations</i>			
Grant revenue for Roof refurbishment	16	400,000	260,000
<i>Other comprehensive revenue and expenses</i>			
		-	-
Total comprehensive revenue and expense		<u>(356,085)</u>	<u>(378,224)</u>

THESE FINANCIAL STATEMENTS SHOULD BE READ IN CONJUNCTION  
WITH THE NOTES TO THE FINANCIAL STATEMENTS

# STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2019

	Trust Equity	Retained Surplus/(Deficit)	Total equity
Opening balance 1 July 2018	27,311,050	-	27,311,050
Surplus/(Deficit) for the year	-	(356,085)	(356,085)
Other comprehensive income	-	-	-
<b>Closing equity 30 June 2019</b>	<b>27,311,050</b>	<b>(356,085)</b>	<b>26,954,965</b>
Opening balance 1 July 2017	27,689,274	-	27,689,274
Surplus/(Deficit) for the year	-	(378,224)	(378,224)
Other comprehensive income	-	-	-
<b>Closing equity 30 June 2018</b>	<b>27,689,274</b>	<b>(378,224)</b>	<b>27,311,050</b>

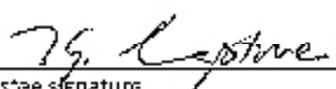
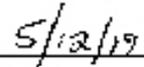
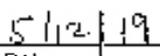
THESE FINANCIAL STATEMENTS SHOULD BE READ IN CONJUNCTION  
WITH THE NOTES TO THE FINANCIAL STATEMENTS

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Notes	2019	2018
<b>Assets</b>			
<i>Current assets</i>			
Cash and cash equivalents	7	301,042	501,847
Term deposit	8	1,191,000	800,000
Trade and other receivables	9	127,981	345,030
Interest receivable	9	4,340	7,804
Inventories		49,528	41,053
		<u>1,673,891</u>	<u>1,695,735</u>
<i>Non-current assets</i>			
Property plant and equipment	16	25,399,008	25,973,991
Work in progress		400,426	67,025
		<u>25,799,434</u>	<u>26,041,016</u>
<b>Total Assets</b>		<u>27,473,325</u>	<u>27,736,750</u>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Trade and other creditors		167,497	118,646
Funds received in advance	12	226,538	190,881
Employee entitlements		124,325	116,172
		<u>518,360</u>	<u>425,701</u>
<b>Total Net Assets</b>		<u>26,954,965</u>	<u>27,311,050</u>
Trust equity		27,311,050	27,689,274
Retained surplus		(356,085)	(378,224)
<b>Total Equity</b>		<u>26,954,965</u>	<u>27,311,050</u>

Signed for and on behalf of the Board of Trustees who authorised these financial statements for issue on:

	
Trustee signature	Trustee signature
	
Date	Date

THESE FINANCIAL STATEMENTS SHOULD BE READ IN CONJUNCTION  
WITH THE NOTES TO THE FINANCIAL STATEMENTS

# CASHFLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019	2018
<b>Cash flows from operating activities</b>			
<u>Receipts</u>			
Receipts from non-exchange transactions		1,272,457	981,007
Receipts from exchange transactions		4,304,022	4,153,975
		<u>5,576,479</u>	<u>5,134,982</u>
<u>Payments</u>			
Payments to suppliers		(2,953,705)	(3,125,059)
Payment to employees		(1,656,667)	(1,674,016)
		<u>(4,610,372)</u>	<u>(4,799,075)</u>
<b>Net cash flows from operating activities</b>		<u>966,107</u>	<u>335,907</u>
<b>Cash flows from financing activities</b>			
<u>Receipts</u>			
Interest received		31,310	30,403
<b>Net cash flows from financing activities</b>		<u>31,310</u>	<u>30,403</u>
<b>Cash flows from investing activities</b>			
<u>Receipts</u>			
Net inflow/(outflow) of short term investments		(391,000)	200,000
		<u>(391,000)</u>	<u>200,000</u>
<u>Payments</u>			
Purchase of property, plant and equipment		(807,222)	(479,659)
		<u>(807,222)</u>	<u>(479,659)</u>
<b>Net cash flows from investing activities</b>		<u>(1,198,222)</u>	<u>(279,659)</u>
Net increase/(decrease) in cash and cash equivalents		(200,805)	86,651
Cash and cash equivalents at 1 July		501,847	415,197
<b>Cash and cash equivalents at 30 June</b>	7	<u>301,042</u>	<u>501,847</u>

THESE FINANCIAL STATEMENTS SHOULD BE READ IN CONJUNCTION  
WITH THE NOTES TO THE FINANCIAL STATEMENTS

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2019

---

### 1. Reporting Entity

The reporting entity is Waitakere City Stadium Trust (the "Trust"). The Trust is domiciled in New Zealand and is a charitable organisation registered under the Charities Act 2005.

The financial statements of the Trust are presented for the year ended 30 June 2019.

These financial statements and the accompanying notes summarise the financial results of activities carried out by the Trust. The Trust provides ownership and operations of the Trusts Arena.

These financial statements have been approved and were authorized for issue by the Board of Trustees on 5th December 2019.

### 2. Statement of Compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Trust is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board of Trustees has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions. This decision results in the Trust not preparing a Statement of Service Performance for both reporting periods.

### **3. Changes in Accounting Policy**

The financial statements for the year ended 30 June 2019 are the fourth annual financial statements prepared in accordance with PBE IPSAS. There has been no changes to the accounting standards from the prior year.

### **4. Summary of Accounting Policies**

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

#### **4.1 Basis of measurement**

These financial statements have been prepared on the basis of historical cost.

#### **4.2 Functional and presentational currency**

The financial statements are presented in New Zealand dollars (\$), which is the Trust's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest one dollar.

#### **4.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

##### **Revenue from non-exchange transactions**

###### ***Grant revenue***

Grant revenue includes grants given by other charitable organisations and businesses. Grant revenue is recognised when the conditions attached to the grant has been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as a liability (funds received in advance) and released to revenue as the conditions are fulfilled.

##### **Revenue from exchange transactions**

###### ***Arena revenue***

Arena revenue includes "Arena Operations and Precinct income", "Arena Functions and F&B income" and "Arena Fitness & Arena Boxing income". Revenue from these sources are considered earned and recognised when

the related services have been provided, and goods in relation to F&B income are sold, and the amount can be reliably measured. Revenue that is received in advance of the service being provided is recognised in the statement of financial position as a liability called “funds received in advance” and recognised as revenue in the period that the services are provided.

#### ***Interest Revenue***

Interest revenue is recognised as it accrues, using the effective interest method. Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received.

#### **4.4 Financial Instruments**

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument.

The Trust derecognises a financial asset or, where applicable, a part of a financial asset or part of a Trust of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the Trust has transferred substantially all the risks and rewards of the asset; or
- the Trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### ***Financial Asset***

Recognition and Measurement are classified as financial assets, loans and receivables.

The Trust’s financial assets include: cash and cash equivalents, short-term deposits, receivables from non-exchange transactions, receivables from exchange transactions.

All financial assets are subject to review for impairment at least at each reporting date.

#### ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Trust’s cash and

cash equivalents, interest receivable, term deposits and trade and other receivables fall into this category of financial instruments.

### ***Financial Liabilities***

The Trust's financial liabilities include trade and other creditors, and employee entitlements. All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

#### **4.5 Cash and cash equivalents**

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **4.6 Short term investments**

Short term investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

#### **4.7 Inventories**

Inventories held for consumption in the provision of services that are not sold on a commercial basis are measured at the lower of cost and net realisable value.

For inventory held for distribution or consumption in providing goods and services to be distributed at no charge or for nominal charge, these are measured at cost adjusted for any loss of service potential.

#### **4.8 Property Plant and Equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a straight line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Stadium Building	2%-10% SL
Grandstand Building	2% SL
Building Fitout	2%-30% SL
Grandstand Fitout	7.8%-16% SL

Plant	5.5%-18% SL
Grandstand Plant	18% SL
Land improvements	2.8%-5% SL
Grandstand Land Improvement	2%-8.5% SL
All-weather track	2.5%-20% SL
Stadium furniture & equipment	5%-67% SL
Computer hardware & software	20%-48% SL
Signage	20% SL
Grandstand Signage	20% SL
Grandstand Floodlight	20% SL

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

#### **4.9 Leases**

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

#### **4.10 Accounts Receivable**

Accounts receivable are valued at estimated realisable value.

#### **4.11 Capital work in progress**

Capital work in progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

#### **4.12 Significant judgements and estimates**

In preparing the financial statements, the Board of Trustees is required to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The uncertainty from these assumptions and estimates could result in outcomes that may result in a material adjustment to the carrying amount of the asset or liability.

The Trust has based its assumptions and estimates on parameters available when the financial statements are prepared. However, existing circumstances and assumptions about future developments may change

due to market changes or circumstances arising beyond the control of the Trust. Such changes are reflected in the assumptions when they occur. The key significant judgements and estimates used in the preparation of these financial statements are as follows:

#### **Useful life**

The estimate of the useful lives of assets has been based on historical experience and turnover policies (for motor vehicles). In addition, the retention of the assets is regularly assessed against the remaining useful life, cost of on-going maintenance and replacement. Adjustments to useful lives are made when considered necessary.

#### **4.13 Income tax**

The Trust is a registered charity (registration number CC41250) and is therefore exempt from income tax.

#### **4.14 Goods and Service Tax**

The financial statements have been prepared on a Goods and Services Tax exclusive basis except for accounts payable and accounts receivable.

### **5. Components of net surplus**

	<b>2019</b>	<b>2018</b>
Depreciation	1,038,714	1,029,148
Leasing and rental costs	78,163	54,722
Employee cost	1,667,453	1,683,188
Loss/(gain) on disposal of assets	10,091	(2,200)
Cost of inventory sold	408,607	526,546

### **6. Auditors remuneration**

Total amount recognised as an audit expense is \$11,000 (2018: \$11,000). No non-audit services are provided by William Buck (NZ) Limited.

### **7. Cash and cash equivalents**

	<b>2018</b>	<b>2019</b>
Cash at bank	301,042	501,847
Total cash and cash equivalents	<u>301,042</u>	<u>501,847</u>

**8. Term deposits**

	<b>2018</b>	<b>2019</b>
Short term investments	1,191,000	800,000
Total term deposits	<u>1,191,000</u>	<u>800,000</u>

In 2019 \$791,000 has been designated for use on the ongoing roofing project if there are over-runs beyond the budgeted cost.

**9. Receivables from exchange transactions**

	<b>2018</b>	<b>2019</b>
Interest receivable	4,340	7,804
Trade and other receivables	127,981	345,030
	<u>132,321</u>	<u>352,834</u>

**10. Related party transactions**

Jeff Douglas is a board member and also Douglas Pharmaceuticals is a customer of WCST.

Rex Davy is an advisor to the board of the Waitakere City Rugby and Athletics Club which is a tenant at the stadium. Rex was previously on the board of the Waitakere City Rugby and Athletics Club.

Tim Livingstone is a board member of West Auckland Trust Services Limited, who pays for the naming rights of the Trusts Arena. Tim is a consultant at UHY Haines which has in previous years provided some accounting services to WCST. No accounting services have been provided by UHY Haines during the year ended 30 June 2019.

The Trustees remove themselves from meetings whenever relevant related party transactions are discussed.

Transactions with related parties during the reporting period are as follows:

**Transactions**

	<b>Nature of transaction</b>	<b>2018</b>	<b>2019</b>
Jeff Douglas	Payments made by Douglas Pharmaceuticals for Events held at WCST	37,938	20,688
Rex Davy	Payments received from Waitakere City Rugby and Athletics Trust	14,657	13,187
Tim Livingstone	Grant from West Auckland Trust Services Limited	75,328	48,399
Tim Livingstone	Services from UHY Haines Norton	-	1,802

**Key management personnel**

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Board of Trustees and senior management staff, which constitutes the governing body of the Trust. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	<b>2018</b>	<b>2019</b>
Total remuneration	183,818	163,200
Number of persons	1	1

**11. Leases**

As at the reporting date, the Trust has entered into the following operating lease commitments:

	<b>2018</b>	<b>2019</b>
No later than one year	67,424	73,938
Later than one year and no later than five years	52,569	86,806
	<u>119,993</u>	<u>160,744</u>

**12. Funds received in advance**

	<b>2018</b>	<b>2019</b>
Other funds received in advance	226,538	190,881
	<u>226,538</u>	<u>190,881</u>

Other funds received in advance include deposits held for events and functions paid by clients taken when bookings are confirmed. Deposits held are then transferred to the relevant income account and recognised as income in the month in which the event or function occurs. Also included are conditional grants for which the terms to recognise these as income have not been satisfied at balance date, and there is a return condition.

**13. Capital commitments**

Capital commitments as at 30 June 2019 are \$3.6m for the roof renovation project referred to in note 16 below (2018: \$78k).

**14. Contingent assets and liabilities**

There are no contingent assets or liabilities at the reporting date. (2018: \$Nil).

**15. Events after the reporting date**

The Board of Trustees and management is not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in the financial statements that have significantly or may significantly affect the operations of the Trust. (2018: \$Nil).

**16. Property plant and equipment**

In the year ended 30 June 2016 the Trust became aware that a portion of the stadium building will need to be renovated. The estimated cost of the repairs is \$3.6m. No adjustment has been made to the carrying amount of the stadium for impairment as the replacement cost after taking into account the cost of repairs is higher than the current \$26m carrying value.

During the year ended 30 June 2019 the Trust received funding from The Trusts Community Foundation towards the renovation (\$400,000). Preliminary costs incurred as at 30 June 2019, included in Work in Progress are \$358,091. Construction will start in July 2019.

The movement and breakdown of Property plant and equipment are shown in the table on the following page.



Phone : +64 09 970 5200

Fax : +64 09 912 2993

Email : [reception@thetrustsarena.co.nz](mailto:reception@thetrustsarena.co.nz)

Web : [www.thetrustsarena.co.nz](http://www.thetrustsarena.co.nz)

Address:

65-67 Central Park Drive

Henderson Auckland 0610

