



# ANNUAL REPORT 2020

AND FINANCIAL STATEMENTS





# CONTENTS

---

- 2. Nau Mai, Haere Mai Welcome**
- 7. 2020 at a glance**
- 9. Our Community**
- 11. Our Events**
- 13. A new roof for the Arena**
- 15. Creating a sustainable environment**
- 17. Arena Fitness and Boxing**
- 19. Remembering Ross Dallow**
- 21. Board of Trustees**
- 25. Auditors report**
- 27. 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 2020.



## THE YEAR THAT WAS

Our year was progressing well up until Mid-March of 2020 when Covid-19 hit New Zealand, the borders closed and we went into the first lockdown. Like most businesses in New Zealand the lockdown had a huge impact on the organisation and we were forced to make many changes to the way we operate in order to reduce our overheads. The lowering of the alert levels and a return to events with full capacities helped the business back on track albeit still at reduced levels of activity with our borders still closed. It has been widely recognised that the events sector has been very badly affected by the restrictions placed on activity and gathering numbers under the alert level system. We remain positive and committed to our charter and look forward to the rebuild and recovery in our industry.

The Trusts Arena gross revenue for the year was \$3.5 million (2019: \$5 million). Total operating expenses excluding depreciation were \$3.9 million (2019: \$4.7 million) therefore resulting in a net loss excluding depreciation from ordinary operations of \$400k (2019: \$300k profit).

Our Arena Functions and F&B departments have been negatively impacted by Covid-19. Total income from this department was \$2 million (2019: \$3.2 million).

Arena Fitness and Boxing saw revenues of \$648k (2019: \$688k) down 6% on the previous year due to the impacts from Covid-19.

## 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 403,808 visitors, this was down on the previous period because of the lockdowns. 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 and 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 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.

# 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.

## COVID-19 WAGE SUBSIDY

---

In March 2020 we received \$244,488 in the first phase of the Covid-19 wage subsidy. We have subsequently applied for all available wage subsidies, with the vision to keep as many of our employees working during this uncertain time.



## 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 are currently in the recovery phase post Covid-19 and are focusing on the future prosperity of The Trusts Arena. It is our focus to keep delivering a great combination of community and commercial events, albeit only local content while borders remain closed.



## AND FINALLY

Thank you to everyone who has supported The Trusts Arena in 2020 by visiting, by partnering with us or in whatever way you have helped us. It has been a challenging year for the The Trusts Arena and the support from the local community and funding partners is now more important than ever. Me tiaki, kia ora!

# 2020 AT A GLANCE

VISITORS



**+403,808**

VISITORS



**+100,766**

OF INDIVIDUAL ANCHOR USER VISITS

ARENA FITNESS & BOXING



**+57,080**

GYM MEMBER VISITS



**+11,800**

GYM MEMBER CLASS VISITS

TIER ONE TRADE SHOWS

**X1**

GYM MEMBERS

**915**







TIER ONE  
CONCERTS  
**X5**

TIER ONE  
SPORTING EVENT  
**X9**

TIER ONE  
CONFERENCES  
**X4**

COMMUNITY HOURS  
**1,969 HOURS**

EVENTS HELD  
DURING THE YEAR  
**241**

CATERED  
EVENTS  
**119**



# OUR COMMUNITY

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



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.



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.



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 Aotearoa and beyond Zealand.

In the year ended 30 June 2020 the Arena provided a total of 1,969 anchor user hours, which is a decrease of 40% on the previous year. This is a result of the Covid-19 lockdowns and restrictions on mass gatherings. During the year 100,766 anchor users participated in community sport at the Arena.

# OUR EVENTS

The onset of Covid-19 had an immediate and lasting effect on the events industry as a whole and The Trusts Arena was no exception. Between February 26th and March 13th we postponed, cancelled or refunded 176 bookings with a visitor number impact of over 85,000 people.

The Trusts Arena hosted a varied number of events throughout the year ended 30 June 2020, 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 \$2 million (2019 = \$3.2 million).

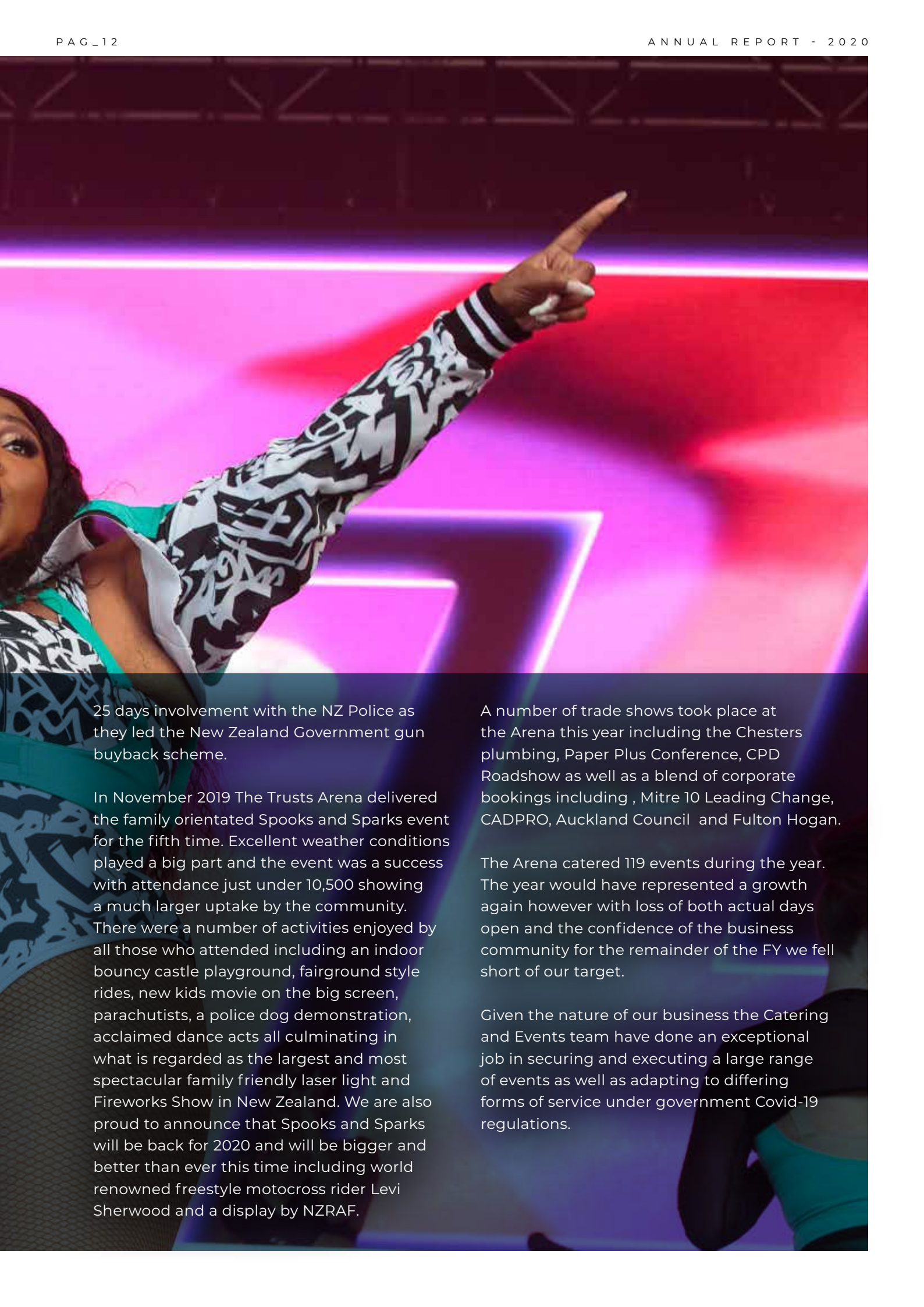
The Arena hosted five Tier 1 concerts including international acts such as Lizzo, Alice Cooper, and Yoga Lin. Unfortunately due to the Covid-19 pandemic we lost our international acts Deftones, Stormzy and Bon Iver.

The Arena hosted a number of leading sporting events including FIBA Olympic qualifying Basketball tournament, Northern Mystics netball games, Vodafone Warriors, NZ Touch Rugby Nationals and the 2019 New Zealand Gymnastics Championships.

The Arena is the home of The Northern Mystics and should have seen 6 game days here during the year plus possible finals games. The season launching community open day was transformed this year into a Trans-Tasman clash with great crowds and huge excitement round what the upcoming season.

Unfortunately due to the Covid-19 lockdowns and restrictions on mass gatherings, the Arena was only able to host 1 home game for the Northern Mystics this year.

In keeping with the Arena's community focus we hosted a number of community events such as Diwali, Lunar Festival, Flanshaw Road School production, NZ Blood, as well as over



25 days involvement with the NZ Police as they led the New Zealand Government gun buyback scheme.

In November 2019 The Trusts Arena delivered the family orientated Spooks and Sparks event for the fifth time. Excellent weather conditions played a big part and the event was a success with attendance just under 10,500 showing a much larger uptake by the community. There were a number of activities enjoyed by all those who attended including an indoor bouncy castle playground, fairground style rides, new kids movie on the big screen, parachutists, a police dog demonstration, 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 2020 and will be bigger and better than ever this time including world renowned freestyle motocross rider Levi Sherwood and a display by NZRAF.

A number of trade shows took place at the Arena this year including the Chesters plumbing, Paper Plus Conference, CPD Roadshow as well as a blend of corporate bookings including , Mitre 10 Leading Change, CADPRO, Auckland Council and Fulton Hogan.

The Arena catered 119 events during the year. The year would have represented a growth again however with loss of both actual days open and the confidence of the business community for the remainder of the FY we fell short of our target.

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 as well as adapting to differing forms of service under government Covid-19 regulations.

# A NEW ROOF FOR **THE TRUSTS ARENA**

The roof renovation project commenced in August 2019. The West and South Elevations of the roof renovation are now complete, with work commencing on stage A of the East Elevation in July 2020. The first stage on the east will be completed by late November

2020 and further progress on the remaining sections is funding dependant. We would like to thank our funders Regional Facilities Auckland, The Trusts Community Foundation and Foundation North for their support in making this project happen.



**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

The year 2019/20 has been about bedding down our recent sustainability initiatives. We have been fine tuning our waste minimization procedures and policies, tailoring them to specific events and trying to make them as user friendly as possible for clients and public. Long term energy reduction plans are being worked on and investigations are ongoing.

## Energy Reduction

There have been incremental improvements of the lighting systems over the past 12 months. No major projects, but when possible, old lighting fixtures are replaced with LED versions for power saving and maintenance reasons.

## WASTE REDUCTION

2019/20 has been our first complete year of operating under our new Waste Policy. There has been consistent waste diversion from landfill through this period of over 52% which is a great improvement, but there is still plenty of work to go to hit our target of 75% waste diversion from landfill.

A special effort was made for the Spooks and Sparks event hosted in November. As this is one of our major community events, we felt that a greater effort was required to minimise the waste created. Through a process of having trained attendees at dedicated bin stations and all rubbish being sorted by hand post event, a landfill diversion rate of 90% was achieved. This was a great success and we will look at instigating more dedicated sorting systems for future events where possible.

## THE FUTURE

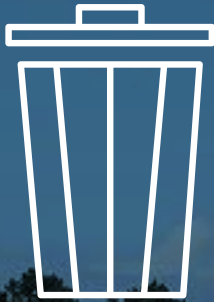
We will continue to investigate and monitor power consumption of the arena. Power monitoring is planned for 2020/21 with remote current sensors. This data will assist with highlighting priority areas for lighting upgrades to LED fixtures etc.

Planning and discussion has continued with Vector/Powersmart in relation to installing a very large solar panel farm on the Arena roof. This will ideally have the ability to provide approximately 40% of the power used by the main Arena and will be somewhere in the range of 318,000 kW's.





# WASTE BY NUMBERS:



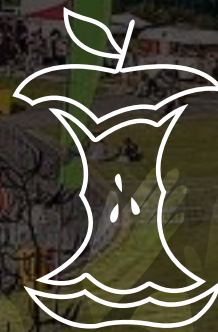
**TOTAL WASTE PRODUCED:  
38,937 KGS**



**TOTAL WASTE DIVERTED FROM LANDFILL:  
20,295 KGS**



**DIVERSION TOTAL INCLUDES RECYCLED MATERIALS:  
11,982 KGS**



**DIVERSION TOTAL COMPOSTED MATERIALS:  
8,313 KGS**

# ARENA FITNESS AND BOXING

Arena Fitness & Boxing has been operating as a full service gym for more than 15 years. Our focus has always been on member engagement and a personal approach, where gym members receive a tailor-made program and ongoing support and advice. The year 2020 has definitely brought its challenges with Covid-19. The gym was closed for 7.5 weeks during the last four months of the year. We feel that member engagement became even more important, together with creating a safe workout environment. The implementation of new health and safety processes and new ways of engaging with our members has resulted in member retention and confidence. We believe that the work we did as a team during the lockdown period had a real impact on the way the gym recovered after the lockdown, with the average visits per week and revenue back to what they were in February and sales back up to the expected level for that time of the year.

Arena Fitness & Boxing saw great results up until March 2020 with an increase in member numbers from 873 in the 2019 year to 948 on the 29th of February 2020. Compared to February 2019 we saw an increase in YTD revenue of 13%, and an increase in overall YTD profit of 22%. We finished the financial year however with a 6% decrease in revenue and a drop in profit of 19% compared to the 2019 year. The main reason a significant drop in revenue due to Covid-19 Alert Levels and

the gym being closed for 7.5 weeks, while the costs remained the same. We believe that without the interruption of Covid-19 we would have seen a positive result in terms of revenue and expenses being in line with the budget.

During the year we have introduced a number of new classes including kickboxing and classes tailored to our senior members, such as Combat Vita and Functional Balance.

We automated and streamlined the communication with our members, e.g. confirmation and reminder txt automatically sent to the member after making a booking. We also introduced a Group Fitness Booking App, which allowed us to cap class numbers and adhere to physical distancing during group fitness classes.

We have been applying the Health and Safety regulations described in the Exercise NZ Covid-19 Framework to guarantee a safe workout environment for our members. Wiping equipment before and after use with a hospital-grade spray and adhering to physical distancing on the gym floor and during group fitness classes are only a few examples of the extra safety measures we had in place.

One of the highlights this year was being nominated as one of the finalists in the NZ Exercise Industry Awards for the category Independent Facility of the Year, a true celebration of the quality of work we deliver.

## MEMBER ENGAGEMENT AND REFERRALS

**At Arena Fitness & Boxing 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
- Breast Cancer Awareness Week and Fundraiser
- Round the Bays fun run
- Member bingo
- Workouts and challenges of the week

While the gym was closed due to Covid-19, a weekly newsletter was emailed to the members. The newsletter would include all kind of activities, ranging from word searches and homebased workout ideas to baking recipes. It was all about keeping our members engaged. During the Covid-19 lockdown period we also organised online classes and 'coffee catch ups' over Zoom on top of our daily social media content.

## 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, such as the development of an online sign up process, with the goal to go paperless.

**BRANDING AND MARKETING:** being more competitive in the West-Auckland community by focussing even more on our uniqueness in the market and by exploring new ways to create a greater reach of our target market.

**CONTINUOUS IMPROVEMENT OF CUSTOMER SERVICE:** it is all about the members' experience at the gym and keeping up their confidence to use the facilities. 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 maximise positive interactions between the team and the members. Excellent hygiene and a safe workout environment will continue to be top priority.

# A TRIBUTE TO ROSS DALLOW

4 DECEMBER 1937  
– 20 JULY 2020

The Trusts Arena mourns the loss of our Founding Patron Ross Dallow MNZM, QPM, NZSSM (Erebus). It was his drive and leadership that was in great part responsible for the building of the venue in 2004. He then sat on the Board of Trustees all the way up until being named Founding Patron in 2017.

Ross was a former Auckland councillor and policeman, who helped youths in West Auckland stay away from crime by involving them in sports.

Ross started Waitakere's first athletics club and later spearheaded the build of The Trusts Arena Douglas track and field.

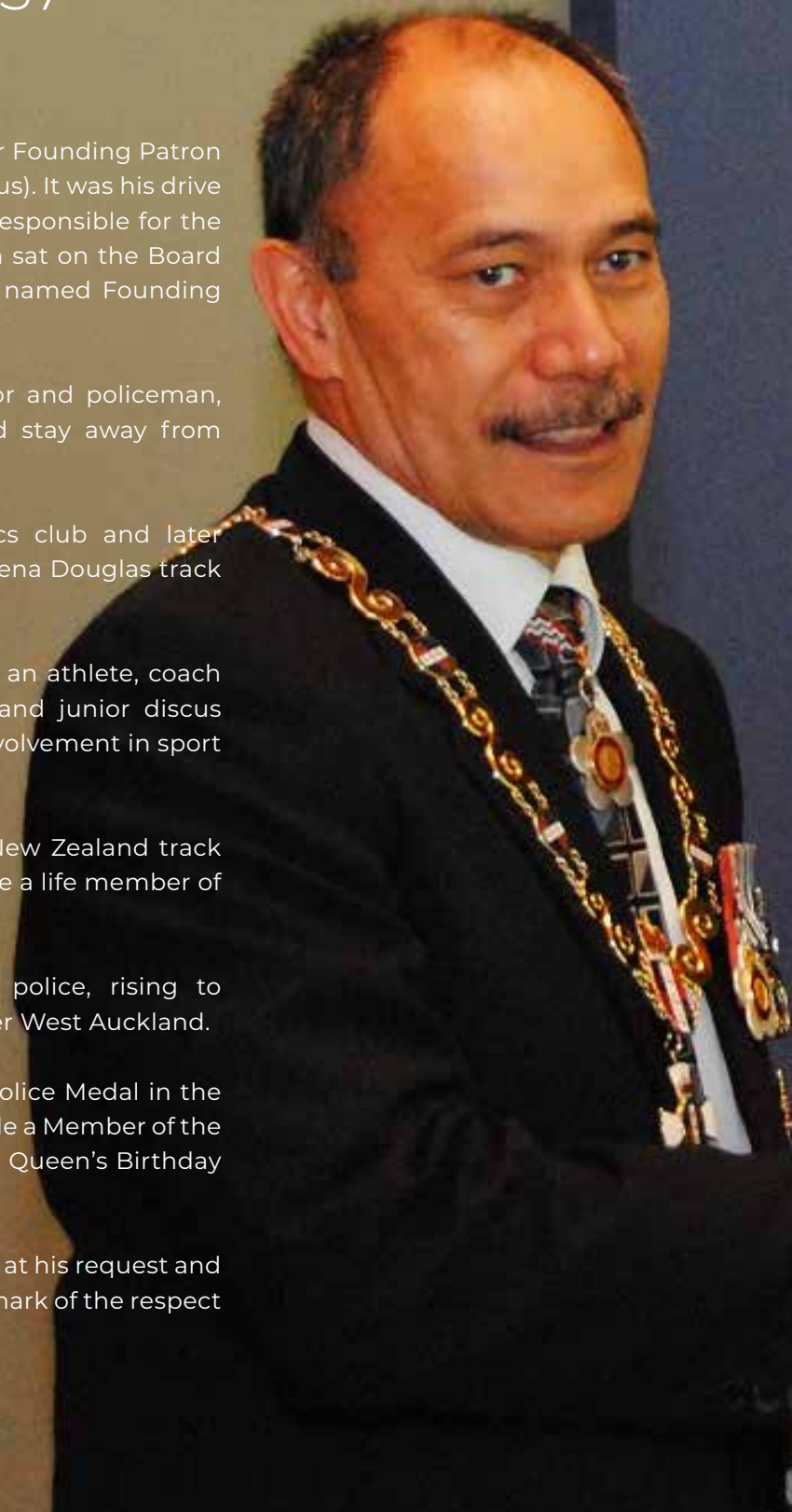
Ross was a prominent sports figure as an athlete, coach and manager. He won the New Zealand junior discus throw title in 1956 and continued his involvement in sport for many years after.

Dallow managed Auckland teams to New Zealand track and field championships, and was made a life member of the Waitākere City Athletic Club.

For 36 years, Dallow served in the police, rising to superintendent and district commander West Auckland.

In 1980, Dallow received the Queen's Police Medal in the Queen's Birthday Honours and was made a Member of the New Zealand Order of Merit in the 2013 Queen's Birthday Honours for services to the community.

His funeral was held at The Trusts Arena at his request and was attended by around 500 people, a mark of the respect from the community.





## BOARD OF TRUSTEES

---

In February 2020 Paul Thomson retired from the Board of Trustees. The Trusts Arena would like to thank Paul for his commitment to the success of the Trusts Arena.




---

## **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.




---

## **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 July 2016, and is on the Remuneration and Nominations Committee.**

Following on from her Global business experience in growing businesses and brand portfolios for market leading consumer packaged goods companies, Anne qualified in 2015 as a Chartered Director with the Australian Institute of Company Directors. Anne is a Non-Executive Director on the Board of Wool Equities Limited and a Vestry member for St Matthew in the City.

In 2016 Anne joined The Trusts Arena Auckland Board to utilise her experience with Strategic Planning, Hospitality, Event development, Digital and social reach for their changing consumer base.

2016-2020 Anne has been involved in Mentoring young Entrepreneurs with Velocity Innovation and the MBA programme with Auckland University, and previously Lightning LabXX and Venture Up Entrepreneur Programme with AUT and CreativeHQ.

Anne is an active member of ArcAngels, which invests in women entrepreneurs in New Zealand, Global Women and the Institute of Directors New Zealand.




---

## 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 2020, 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 2020 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 2 – 24 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

3 December 2020

# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
<i>Revenue from non-exchange transactions</i>			
Grant revenue		713,800	836,800
		<u>713,800</u>	<u>836,800</u>
<i>Revenue from exchange transactions</i>			
Arena Operations & Precinct income		150,978	174,982
Arena Functions & F&B income		1,990,058	3,229,571
Interest revenue		18,844	27,845
Arena Fitness & Arena Boxing income		647,882	688,993
		<u>2,807,762</u>	<u>4,121,391</u>
Total revenue		<u>3,521,562</u>	<u>4,958,191</u>
<i>Expenses</i>			
Administration cost	5	3,888,463	4,665,471
Loss/(Gain) on disposal of assets		6,425	10,091
Depreciation		1,054,584	1,038,714
		<u>4,949,472</u>	<u>5,714,276</u>
Total expenses		<u>4,949,472</u>	<u>5,714,276</u>
Total surplus/(deficit) from ordinary operations		<u>(1,427,910)</u>	<u>(756,085)</u>
<i>Other income from non ordinary operations</i>			
Grant revenue for Roof refurbishment	19	2,005,000	400,000
COVID 19 employee subsidy	16	244,488	-
Other comprehensive revenue and expenses		-	-
		<u>821,578</u>	<u>(356,085)</u>
Total comprehensive revenue and expense		<u>821,578</u>	<u>(356,085)</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 2020

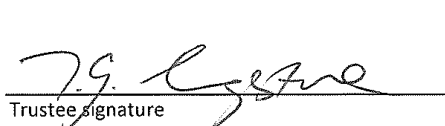
	Trust Equity	Retained Surplus/(Deficit)	Total Equity
Opening balance 1 July 2019	26,954,965	-	26,954,965
Surplus/(Deficit) for the year	-	821,578	821,578
Other comprehensive income	-	-	-
<b>Closing equity 30 June 2020</b>	<b>26,954,965</b>	<b>821,578</b>	<b>27,776,543</b>
Opening balance 1 July 2018	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>

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

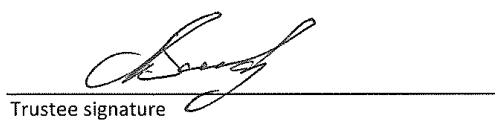
# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

		\$	\$
<b>Assets</b>			
<i>Current assets</i>			
Cash and cash equivalents	7	1,470,964	301,042
Term deposit	8	-	1,191,000
Trade and other receivables	9	47,369	127,981
Interest receivable	9	-	4,340
Inventories		25,135	49,528
		<u>1,543,468</u>	<u>1,673,891</u>
<i>Non-current assets</i>			
Property plant and equipment	19	24,502,048	25,399,008
Work in progress	18	2,791,555	400,426
		<u>27,293,603</u>	<u>25,799,434</u>
<b>Total Assets</b>		<u>28,837,071</u>	<u>27,473,325</u>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Trade and other creditors		368,909	167,497
Funds received in advance	12	430,482	226,538
Employee entitlements		160,400	124,325
Roof retention liability	17	100,737	-
		<u>1,060,528</u>	<u>518,360</u>
<b>Total Net Assets</b>		<u>27,776,543</u>	<u>26,954,965</u>
Trust equity		26,954,965	27,311,050
Retained surplus		821,578	(356,085)
<b>Total Equity</b>		<u>27,776,543</u>	<u>26,954,965</u>

  
Trustee signature

3/12/20  
Date

  
Trustee signature

3/12/20  
Date

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

# CASHFLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
<u>Receipts</u>			
Receipts from non-exchange transactions		3,167,232	1,272,457
Receipts from exchange transactions		2,874,851	4,304,022
		6,042,083	5,576,479
<u>Payments</u>			
Payments to suppliers		(1,768,810)	(2,953,705)
Payment to employees		(1,762,356)	(1,656,667)
		(3,531,166)	(4,610,372)
<b>Net cash flows from operating activities</b>		2,510,917	966,107
<b>Cash flows from financing activities</b>			
<u>Receipts</u>			
Interest received		23,184	31,310
<b>Net cash flows from financing activities</b>		23,184	31,310
<b>Cash flows from investing activities</b>			
<u>Receipts</u>			
Net inflow/(outflow) of short term investments		1,191,000	(391,000)
		1,191,000	(391,000)
<u>Payments</u>			
Purchase of property, plant and equipment		(2,555,179)	(807,222)
		(2,555,179)	(807,222)
<b>Net cash flows from investing activities</b>		(1,364,179)	(1,198,222)
Net increase/(decrease) in cash and cash equivalents		1,169,922	(200,805)
Cash and cash equivalents at 1 July		301,042	501,847
<b>Cash and cash equivalents at 30 June</b>	7	1,470,964	301,042

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 2020

---

### 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 2020.

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 3rd December 2020.

### 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 2020 are the fifth 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. Administration costs**

	<b>2020</b>	<b>2019</b>
Employee cost	1,798,431	1,667,453
Cost of inventory sold	216,031	496,952
Interest expense	3,540	3,445
Leasing and rental costs	78,611	78,163
Other	1,791,850	2,419,458
	<u>3,888,463</u>	<u>4,665,471</u>

### **6. Auditors remuneration**

Total amount recognised as an audit expense is \$10,120 (2019: \$11,000). No non-audit services are provided by William Buck (NZ) Limited.

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

	<b>2020</b>	<b>2019</b>
Cash at bank	1,470,964	301,042
Total cash and cash equivalents	<u>1,470,964</u>	<u>301,042</u>

**8. Term deposits**

	<b>2020</b>	<b>2019</b>
Short term investments	-	1,191,000
Total term deposits	<u>-</u>	<u>1,191,000</u>

In 2020 all term deposits have been ceased due to uncertainty resulting from the Covid-19 crisis and the uncertainty of funding to complete the roof project.

**9. Receivables from exchange transactions**

	<b>2020</b>	<b>2019</b>
Interest receivable	-	4,340
Trade and other receivables	47,369	127,981
	<u>47,369</u>	<u>127,981</u>

**10. Related party transactions**

Jeff Douglas is a board member of Waitakere City Stadium Trust (WCST). Jeff is also the Managing Director of Douglas Pharmaceuticals who 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 2020 (2019: Nil).

The Trustees remove themselves from meetings whenever relevant related party transactions are discussed. Also note that Trustees abstain from voting if there is a conflict of interest.

As at 30 June 2020 total related party balances were \$3,570.58 owing to West Auckland Trust Services (2019: Nil).

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

**Transactions**

	<b>Nature of transaction</b>	<b>2020</b>	<b>2019</b>
Jeff Douglas	Payments made by Douglas Pharmaceuticals for venue hire and catering	10,332	37,938
Rex Davy	Payments received from Waitakere City Rugby and Athletics Trust for services recharges	11,798	14,657
Tim Livingstone	Sponsorship from West Auckland Trust Services Limited	63,250	75,328
Tim Livingstone	Venue hire and catering from West Auckland Trust Services Limited	8,248	75,328

**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>2020</b>	<b>2019</b>
Total remuneration	187,687	182,380
Number of persons	1	1

**11. Leases**

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

	<b>2020</b>	<b>2019</b>
No later than one year	44,200	67,424
Later than one year and no later than five years	54,810	52,569
	<u>99,010</u>	<u>119,993</u>

**12. Funds received in advance**

	<b>2020</b>	<b>2019</b>
Other funds received in advance	215,903	222,969
Other income in advance	214,579	3,569
	<u>430,482</u>	<u>226,538</u>

Deposits 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. Other income in advance includes conditional grants for which the terms to recognise these as income have not been satisfied at balance date, and there is a return condition. In the year ended 30 June 2020 we received the Covid-19 wage subsidy which has been included in other income in advance.

**13. Capital commitments**

Capital commitments as at 30 June 2020 are \$2,016,947 for the roof renovation project referred to in note 19 below (2019: \$3.6m). This is the cost to completion based on the latest estimate as at 6th October 2020.

**14. Contingent assets and liabilities**

There are no contingent assets or liabilities at the reporting date. (2019: \$Nil).

**15. Events after the reporting date**

The Covid-19 pandemic caused a series of restrictions including the level 4 lockdown which was effective from 25th March 2020, and was eased to Level 3 on the 27th of April 2020, level 2 on the 13th May, and subsequently to level 1 on 8th June 2020. On 11 August 2020, the government announced that cases of Covid-19 re-emerged in Auckland. At noon on 12th August, the Auckland Region moved up to alert level 3, while the rest of the country was moved to level 2. On 30 August at 11:59 pm, Auckland moved back a level to "Alert Level 2.5", a modified version of Alert Level 2 but with limitation on public gatherings, funerals, and weddings. The Trust lost a substantial amount of revenue during the lockdowns due to the cancellations and postponement of many events and due to the building being closed to the public. The Trust applied for the first, second and third tranche of the government Covid-19 employee subsidy (see note 16). The Trust undertook a review on staffing levels and made the decision to make 2 positions redundant. Staff have also taken voluntary pay cuts where necessary. The Trust also implemented cost cutting measures across the entire business including heavily reducing the marketing, repairs and maintenance, and staff costs where practical. We approached all suppliers and worked with them to get rent holidays, or negotiated discounts where we were able.



### 16. Covid-19 Employee subsidy

The Trust applied for and received the 1st Covid-19 wage subsidy totalling \$244,488. Subsequent wage subsidies were also received but these do not relate to the year ended 30 June 2020. The full amount of the Covid-19 wage subsidy was used to pay staff salary and wages

### 17. Roof retention liability

As at 30 June 2020 there is a retention liability on the balance sheet of \$100,737 which is owed to CANAM construction for the roof remediation project. This is 5% of the total construction costs thus far. The retention liability will only be paid to CANAM once the building engineer has issued a practical completion certification.

### 18. Work in Progress

	Stadium	Roof project	Project X	Accessibility Upgrade	North East Balustrade	Total
<b>Opening balance 30 June 2019</b>	23,378	358,091	18,956	-	-	400,426
Additions	-	2,389,983	15,858	630	8,037	2,414,508
Impairment	-	-	-	-	-	-
Trans to Fixed assets	-23,378	-	-	-	-	-23,378
<b>Closing balance 30 June 2020</b>	<b>-</b>	<b>2,748,074</b>	<b>34,814</b>	<b>630</b>	<b>8,037</b>	<b>2,791,555</b>

### 19. 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 original estimated cost of the repairs was \$3.6 million. In June 2020 The Trust entered into a re-set agreement with CANAM the main contractor for the completion of the project. The purpose of the re-set agreement was to break down the remainder of the project into separable parts so that the Trust had the ability to halt the project if required to match funding for the project. Covid-19 impacted the timelines of the project and had an impact on the funding timeline for the project. Note that the cost to complete the project increased to \$4.4 million due to unforeseen remediation work required to fix a defect that was discovered early on in the project. 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 2020 the Trust received funding from The Trusts Community Foundation, Regional Facilities Auckland and Foundation North totalling \$2 million. Therefore total funding received over the entire life of the project has been \$2,665,000. Total project costs incurred so far are \$2,279,682. The movement and breakdown of Property plant and equipment are shown in the table below.



Phone : +64 09 970 5200

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

