



# ANNUAL REPORT 2021

AND FINANCIAL STATEMENTS



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# NAU MAI, HAERE MAI WELCOME

The Trusts Arena is delighted to introduce the Annual Report and Financial Statements for the year ended 30 June 2021.



## THE YEAR THAT WAS

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This year saw the Arena weather the storm of COVID-19 with a mixture of alert levels that impacted our ability to host events. When able to, our team managed to deliver a fantastic range of highly successful events including national and international sporting events, national infrastructure conferences, international concerts, as well as continuing to provide access to the local community. Confidence within the events industry remained high even with the uncertainty generated by the pandemic. The border closures to international travellers have affected many planned events as well as contributing labour shortages especially with the casual hospitality workers.

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 \$3.7 million (2020: \$3.5 million). Total operating expenses excluding depreciation were \$3.5 million (2020: \$3.9 million) therefore resulting in a net profit from ordinary operations of \$200 thousand (2020: \$400 thousand loss).

Our Arena Functions and F&B departments have been negatively impacted by COVID-19. Total income from this department was \$2.1 million (2020: \$2 million).

Arena Fitness and Boxing saw revenues of \$645k (2020: \$648k).

## WHO WE ARE

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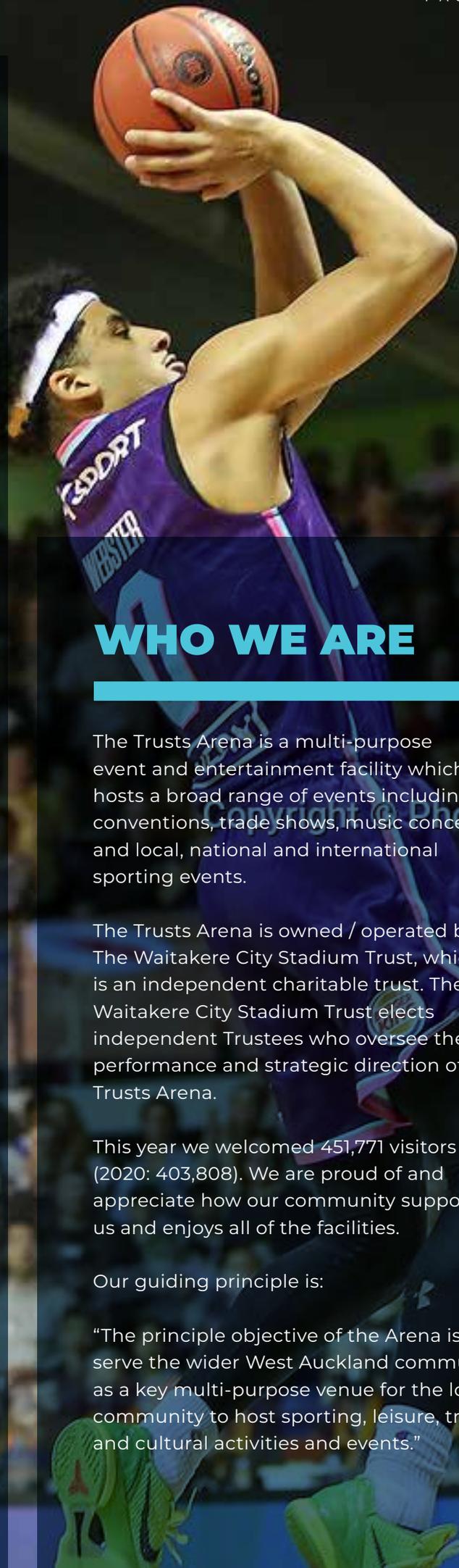
The Trusts Arena is a multi-purpose event and entertainment facility which hosts a broad range of events including conventions, trade shows, music concerts and local, national and international sporting events.

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 451,771 visitors (2020: 403,808). 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 subsidize 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.

## ROOF RENOVATION PROJECT

The roof renovation project was completed in May 2021. The project was complex and not without its challenges, especially with the advent of COVID-19 and site lockdowns but was ultimately finished on time and to a reasonable budget. The work on the roof will help to future proof the venue's operational ability for many years to come. We would like to thank our funders Regional Facilities Auckland, The Trusts Community Foundation, Foundation North and the Lotteries Commission for their support in making this project happen.

# FUNDING

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.

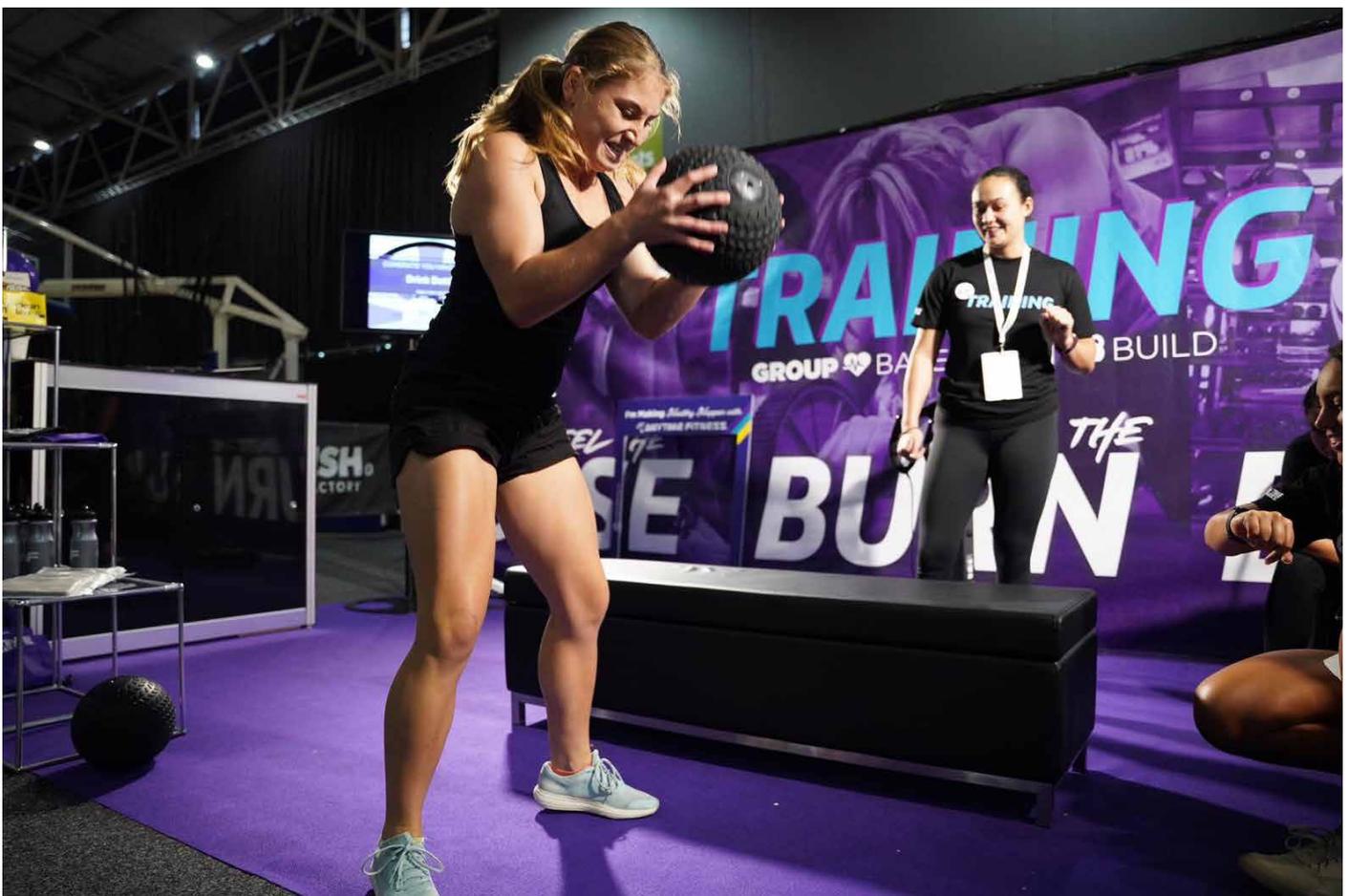
Key funding received from our funding partners this year included operating costs funding from Regional Facilities Auckland and The Trusts Community Foundation which is vitally important in ensuring that locals and the wider community are able to use our facilities and allows us to make access to our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

Other funding received this year included \$40,000 from the Ministry of Business Innovation and Employment which was part of the Domestic Events Fund which enabled The Trusts Arena again to host Spooks and Sparks. We also received \$25,000 from Active as part as the Community Resilience Fund.

Funding of \$25,000 was also received from New Zealand Community Trust, for the purpose of re-coating the timber floor of the Arena.

## COVID-19 WAGE SUBSIDY

During 2021 we received the COVID-19 wage subsidy totalling \$216,399 (2020: \$244,488). We have also received \$23,000 from the COVID-19 resurgence fund associated with the February 2021 lockdown.





## 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 Arena.

## 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 2021 by visiting, by partnering with us or in whatever way you have helped us. It has been a challenging year for The Trusts Arena and the support from the local community and funding partners is now more important than ever. Me tiaki, kia ora!

# 2021 AT A GLANCE

VISITORS



**+451,771**

VISITORS



**+139,817**

OF INDIVIDUAL ANCHOR USER VISITS

TIER ONE TRADE SHOWS

**X5**

ARENA FITNESS & BOXING



**+53,916**

GYM MEMBER VISITS



**+10,970**

GYM MEMBER CLASS VISITS

GYM MEMBERS

**802**



TIER ONE  
CONCERTS  
**X2**

TIER ONE  
SPORTING EVENT  
**X13**

COMMUNITY HOURS  
**1,981 HOURS**

EVENTS HELD  
DURING THE YEAR  
**135**

TIER ONE  
CONFERENCES  
**X3**

CATERED  
EVENTS  
**78**

# OUR COMMUNITY

A photograph of a community event. In the foreground, a young girl with curly hair is wearing a long, light blue sequined dress. To her right, a young boy is dressed as Batman, wearing a black mask with pointed ears, a blue and yellow costume with a large yellow bat symbol on the chest, and a yellow utility belt. They are walking on a paved area with other people in the background, including a man in a grey hoodie and a woman in a blue jacket. A large white circle is overlaid on the image, containing text.

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 run 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. Touch Rugby 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 Aotearoa and beyond.

In the year ended 30 June 2021 the Arena provided a total of 1,981 anchor user hours, which is in-line with the previous year. During the year 139,817 anchor users participated in community sport at the Arena.

# OUR EVENTS

A DJ wearing a white t-shirt and a black cap is seen from behind, performing at a large event. The DJ is positioned in front of a DJ booth with various equipment. The background is filled with a large crowd of people, many of whom have their hands raised in the air. The scene is illuminated with vibrant red and blue stage lights, creating a high-energy atmosphere. The overall image is a full-page background for the 'OUR EVENTS' section.

COVID-19 continued to impact the way we operated in 2021. During the year ended 30 June 2021 we spent a number of weeks at Level 3 and Level 2 lockdown which included restrictions on the number of people who could attend events. When alert levels allowed we worked hard to deliver a wide variety of events both community focused and commercially focused.

The Arena functions and F&B departments have had another successful year with gross revenues of \$2.1 million (2020 = \$2 million).

The Arena hosted international dance music act Wilkinson for a double header in May which was our first international act in over a year. The show attracted huge crowds with the 2 shows attracting over 11,000 fans.

This year we also hosted the Infrastructure NZ "Rebuilding Nations" conference. As well as attracting over 1,000 of the country's most influential leaders, the event included a welcome by Jacinda Ardern and a seated dinner for 1,000 guests in the Arena. Other major events included the Church Unlimited conference, Kings College music competition, and E-World.

The Arena hosted a number of leading sporting events including the National Basketball League competition which played out the entire season at the Arena over a 7-week tenancy. We also hosted Northern Mystics games, and The Breakers who played their first games at the Arena in over 10 years.



The Arena is the home of The Northern Mystics and this FY we saw 6 home games with a fantastic turn out of support for the team. The season timings were altered which meant that it crossed into the current FY however the team managed to make the playoffs and went on to win their first championship in many years.

In keeping with the Arena's community focus we hosted a number of community events such as Diwali, Ukulele Festival, Whanau Ora, NZ Blood as well as over 20 school sports days, NZ Wheelchair Rugby and the inaugural First Nations Basketball tournament.

In November 2020 we delivered the annual family orientated Spooks and Sparks event. We had excellent weather conditions and the event was a huge success with attendance just under 10,500 which is more than in previous

years. There were a number of activities enjoyed by all those who attended including an indoor bouncy castle playground, fairground style rides, kids movie on the big screen, parachutists including Santa dropping in, 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.

A number of trade shows took place at the Arena this year including E-World, Live Fit, Interface and MICO.

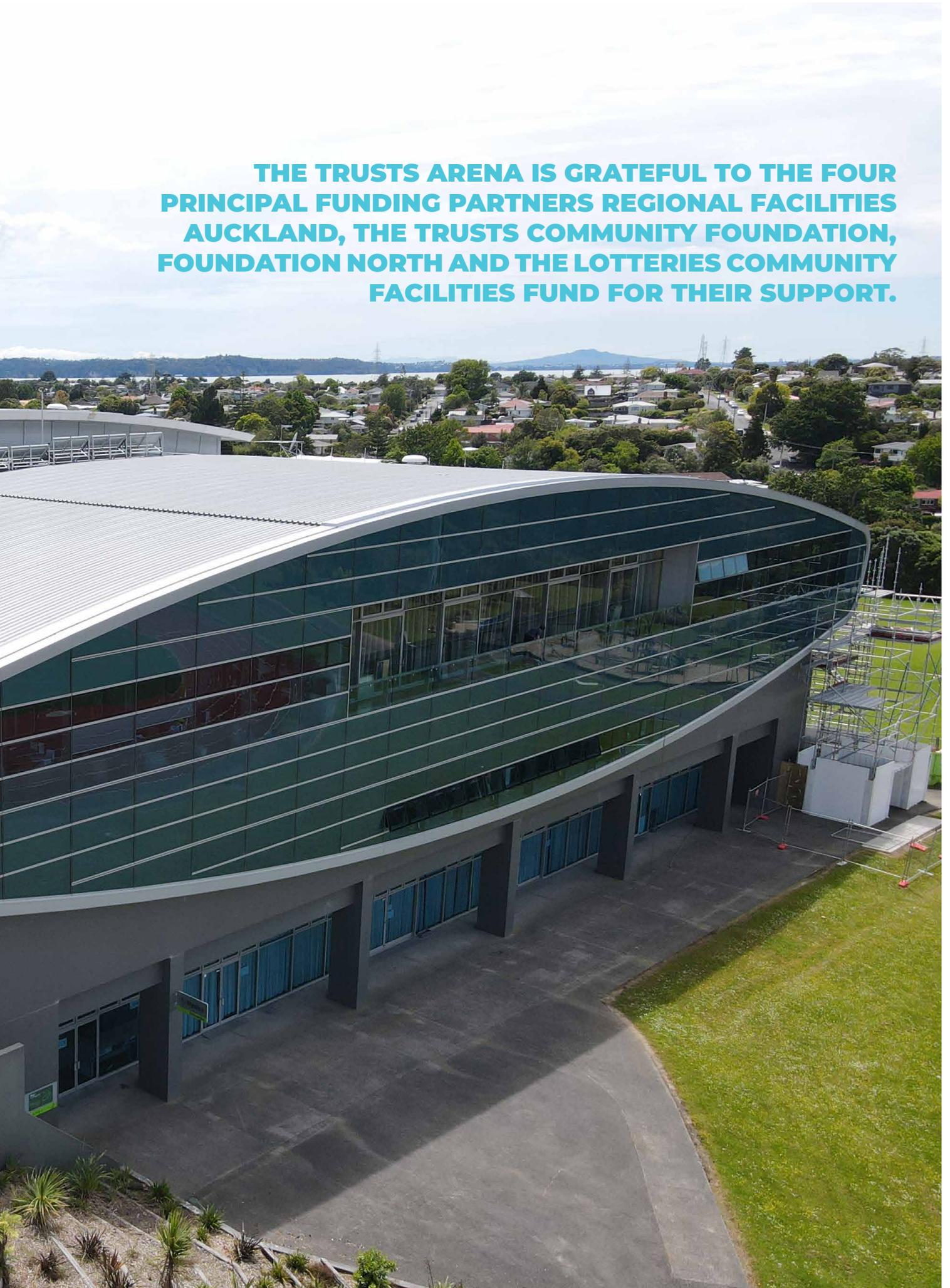
The Arena catered 78 events during the year. The year would have represented a growth again however with multiple lockdowns which resulted in lower confidence of the business community we were unable to achieve the growth that we had hoped for.

# A NEW ROOF FOR **The Trusts Arena**

The roof renovation project was completed in May 2021. This project has been several years in the making and has been completed at a cost of \$4.2 million. We would like to thank our funders Regional Facilities Auckland, The Trusts Community Foundation, Foundation North and the Lotteries Community Facilities Fund for their support in making this project happen.



**THE TRUSTS ARENA IS GRATEFUL TO THE FOUR PRINCIPAL FUNDING PARTNERS REGIONAL FACILITIES AUCKLAND, THE TRUSTS COMMUNITY FOUNDATION, FOUNDATION NORTH AND THE LOTTERIES COMMUNITY FACILITIES FUND FOR THEIR SUPPORT.**



# CREATING A SUSTAINABLE ENVIRONMENT

2020/21 has seen some great progress with the future sustainability of The Trusts Arena precinct. We have improved our waste diversion rates and continued to work on the development of a significant solar project. There have been some challenges and issues to deal with related to COVID-19, but that has never been seen as an excuse to not continue to strive for gains and improvements in our sustainability processes, all with the aim of doing our part, to help minimise harm to our planet.

## WASTE REDUCTION

The Trusts Arena's long-term goal for diversion from landfill is 75% of all waste produced onsite. Waste diversion efforts have been impacted by the types of events, COVID-19 requirements, and lockdown restrictions. Our best month achieved a diversion rate of 71.62%. For the year we diverted 63.43% of all waste away from landfill. This was a 21.7% improvement on the previous year's results and a great sign that we are heading in the right direction with our procedures and policies.

## ENERGY REDUCTION

We have been gradually upgrading the light fittings to LED throughout the facility. There have been no major upgrades due to financial constraints, but minor improvements have been done when possible. Water conservation has been a focus as well, with the simple replacement of older leaking toilets and taps with new, efficient models, when possible.

## RENEWABLE ENERGY

We have been working towards installing commercial scale Solar Panels on the roof of the Arena. Negotiations are underway to install the system that will consist of approximately 540 solar panels distributed over a large area of the roof. Design and engineering are being developed for the system that will provide approximately 40% of the Arena's electricity requirements for the next 30 years. This is a very exciting project for The Trusts Arena with the potential to make a real difference to our carbon footprint.

## THE FUTURE

Going forward our focus will be to work with major community events on how to improve our landfill diversion rates. There has been a lot of learning for our suppliers and external vendors. The changes asked of them to not use single use plastics have been challenging. Due to COVID-19 there have been disruptions that have caused momentum to be lost with these new requirements. We will keep working with our suppliers and vendors to provide solutions.

Installation of the Solar Panel project is planned for 2021/22.

# WASTE BY NUMBERS:

PERIOD JULY 1, 2020, TO JUNE 30, 2021



**TOTAL WASTE PRODUCED:**  
**41,162 KGS**



**TOTAL WASTE DIVERTED FROM LANDFILL:**  
**26,107 KGS**

**PERCENTAGE OF WASTE DIVERTED FROM LANDFILL:**  
**63.43 %**



**RECYCLED MATERIALS DIVERTED FROM LANDFILL:**  
**15,023 KGS**



**COMPOSTABLE MATERIALS DIVERTED FROM LANDFILL:**  
**11,084 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, ongoing support and advice, a sense of community & frequent opportunities to challenge themselves. The year 2021 has brought its challenges with COVID-19 forcing us to close our doors multiple times. As member engagement became the key focus during these times we had to think outside the box, create online content & ensure a safe workout environment to return to in line with ever changing guidelines. 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, our average visits continue to remain steady, as do our average class attendance figures.

Arena Fitness & Boxing has seen a slow decline in member numbers from 915 in July 2020 to 802 in June 2021. It is evident that our biggest losses were around each COVID-19 closure with hopeful increases in November, January, and March. We finished the financial year however with a 9% decrease in profit compared to the budgeted target. The main

reason for a significant drop in revenue was again due to COVID-19 Alert Levels, with many people choosing to work out at home and movement in terms of members leaving the area.

Throughout the year we did see several staff changes mainly due to Covid influenced reasons. We have been able to recruit some excellent new staff members and contractors which puts us in a great position heading into a new year.

We introduced some new equipment to stay current in the industry and provide some variety to the members, this consisted of a Ski Erg, Assault Bike and additions of smaller items to assist functional training.

In August 2020 we started to truly utilise our Gym Master member portal and app which allowed for a more thorough class booking process.

This has also allowed us to be more mindful with regards to sustainability as we print less paper timetables.

We have continued to apply the Health and Safety regulations described in the Exercise NZ COVID-19 Framework to guarantee a safe working and workout environment for our teams and members. This has been ever changing with updated research but something our members appreciate.



## MEMBER ENGAGEMENT AND REFERRALS

**At Arena Fitness & Boxing we want our members to be a part of our fun community and experience customer excellence every visit.**

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

- Member referral perks
- Member bingo
- Blackboard Workouts
- Challenges of the week/Month

During COVID-19 gym closure periods we have increased our social media engagement and website content. Including daily workouts, Fun facts from the team, Workout & Nutrition tips, Blog posts, challenges & Vitalise workout emails for the Gold Club.

## THE NEXT 12 MONTHS

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

**SUSTAINABILITY:** We consistently explore ways to reduce our carbon footprint, such as the development of an online sign-up process, with the goal to go paperless, including online hold and cancellation management. In addition, we aim to source more sustainable equipment where possible.

**BRANDING AND MARKETING:** Thriving to stand out in the West Auckland community, utilising our online reach, staying up to date with market trends and consistently evaluating the effectiveness of our offering.

**CONTINUOUS IMPROVEMENT OF CUSTOMER SERVICE:** Excellent hygiene and a safe workout environment continue to be top priority in this climate. The whole members experience from joining to leaving us is something we aim to make seamless, creating continuous word of mouth promotion & integrity. We will continue to enhance each interaction between member and the team to ensure our retention levels are maintained. Utilising our team skills to grow our group fitness following is going to be a huge project and focus for us.

# BOARD OF TRUSTEES

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## **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.




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## **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.



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## 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.



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## SETAREH STIENSTRA

**Setareh has been a member of the Board since 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.



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## **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.



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## **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 2021, 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 2021 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 – 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

Auckland

3 December 2021

# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
<i>Revenue from non-exchange transactions</i>			
Grant revenue		771,500	713,800
		<u>771,500</u>	<u>713,800</u>
<i>Revenue from exchange transactions</i>			
Arena Operations & Precinct income		147,029	150,978
Arena Functions & F&B income		2,152,553	1,990,058
Interest revenue		622	18,844
Arena Fitness & Arena Boxing income		645,199	647,882
		<u>2,945,403</u>	<u>2,807,762</u>
Total revenue		<u>3,716,903</u>	<u>3,521,562</u>
<i>Expenses</i>			
Administration cost	5	3,520,200	3,888,463
Loss/(Gain) on disposal of assets		-	6,425
Depreciation		995,937	1,054,584
		<u>4,516,137</u>	<u>4,949,472</u>
Total expenses		<u>4,516,137</u>	<u>4,949,472</u>
Total surplus/(deficit) from ordinary operations		<u>(799,234)</u>	<u>(1,427,910)</u>
<i>Other income from non ordinary operations</i>			
Grant revenue for Roof refurbishment	19	1,385,000	2,005,000
COVID-19 employee subsidy	16	281,399	244,488
Other comprehensive revenue and expenses		-	-
		<u>867,165</u>	<u>821,578</u>
Total comprehensive revenue and expense		<u>867,165</u>	<u>821,578</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 2021

	Trust Equity	Retained Surplus/(Deficit)	Total Equity
Opening balance 1 July 2020	27,776,543		27,776,543
Surplus/(Deficit) for the year		867,165	867,165
Other comprehensive income			-
<b>Closing equity 30 June 2021</b>	<b>27,776,543</b>	<b>867,165</b>	<b>28,643,708</b>
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>

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

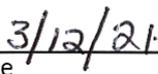
# STATEMENT OF FINANCIAL POSITION

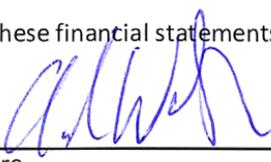
AS AT 30 JUNE 2021

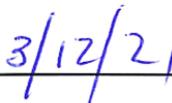
	Notes	2021 \$	2020 \$
<b>Assets</b>			
<i>Current assets</i>			
Cash and cash equivalents	7	1,230,188	1,470,964
Term deposit	8	-	-
Trade and other receivables	9	140,276	47,369
Inventories		42,376	25,135
		<u>1,412,840</u>	<u>1,543,468</u>
<i>Non-current assets</i>			
Property plant and equipment	19	23,612,267	24,502,048
Work in progress	18	4,348,198	2,791,555
		<u>27,960,464</u>	<u>27,293,603</u>
<b>Total Assets</b>		<u>29,373,305</u>	<u>28,837,071</u>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Trade and other creditors		275,638	368,909
Funds received in advance	12	232,032	430,482
Employee entitlements		136,004	160,400
Roof retention liability	17	85,923	100,737
		<u>729,597</u>	<u>1,060,528</u>
<b>Total Net Assets</b>		<u>28,643,708</u>	<u>27,776,543</u>
Trust equity		27,776,543	26,954,965
Retained surplus		867,165	821,578
<b>Total Equity</b>		<u>28,643,708</u>	<u>27,776,543</u>

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

  
Trustee signature

  
Date

  
Trustee signature

  
Date

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

# CASHFLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
<u>Receipts</u>			
Receipts from non-exchange transactions		2,239,449	3,167,232
Receipts from exchange transactions		2,844,786	2,874,851
		<u>5,084,235</u>	<u>6,042,083</u>
<u>Payments</u>			
Payments to suppliers		(2,137,472)	(1,768,810)
Payment to employees		(1,525,362)	(1,762,356)
		<u>(3,662,834)</u>	<u>(3,531,166)</u>
<b>Net cash flows from operating activities</b>		<u>1,421,401</u>	<u>2,510,917</u>
<b>Cash flows from financing activities</b>			
<u>Receipts</u>			
Interest received		622	23,184
<b>Net cash flows from financing activities</b>		<u>622</u>	<u>23,184</u>
<b>Cash flows from investing activities</b>			
<u>Receipts</u>			
Net inflow/(outflow) of short term investments		0	1,191,000
		<u>0</u>	<u>1,191,000</u>
<u>Payments</u>			
Purchase of property, plant and equipment		(1,662,799)	(2,555,179)
		<u>(1,662,799)</u>	<u>(2,555,179)</u>
<b>Net cash flows from investing activities</b>		<u>(1,662,799)</u>	<u>(1,364,179)</u>
Net increase/(decrease) in cash and cash equivalents		(240,776)	1,169,922
Cash and cash equivalents at 1 July		1,470,964	301,042
<b>Cash and cash equivalents at 30 June</b>	7	<u>1,230,188</u>	<u>1,470,964</u>

These financial statements should be read in conjunction with the notes to the financial statements.

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 2021

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### 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 2021.

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 2021.

### 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 2021 are the sixth 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>2021</b>	<b>2020</b>
Employee cost	1,500,966	1,798,431
Cost of inventory sold	257,811	216,031
Interest expense	3,821	3,540
Leasing and rental costs	38,427	78,611
Other	1,719,176	1,791,850
	<u>3,520,200</u>	<u>3,888,463</u>

### **6. Auditors remuneration**

Total amount recognised as an audit expense is \$8,943 (2020: \$10,120). No non-audit services are provided by William Buck (NZ) Limited.

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

	<b>2021</b>	<b>2020</b>
Cash at bank	1,230,188	1,470,964
Total cash and cash equivalents	<u>1,230,188</u>	<u>1,470,964</u>

**8. Term deposits**

	<b>2021</b>	<b>2020</b>
Short term investments	-	-
	<hr/>	<hr/>
Total term deposits	-	-
	<hr/>	<hr/>

In 2021 all term deposits are on hold due to the low level interest rates resulting from COVID-19.

**9. Receivables from exchange transactions**

	<b>2021</b>	<b>2020</b>
Interest receivable	140,276	47,369
Trade and other receivables	<hr/>	<hr/>
	140,276	47,369
	<hr/>	<hr/>

**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 2021 (2020: 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 2021 total related party balances were \$949 owing from Waitakere City Rugby and Athletics (2020: \$3,571).

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

**Transactions**

	<b>Nature of transaction</b>	<b>2021</b>	<b>2020</b>
Jeff Douglas	Payments made by Douglas Pharmaceuticals for venue hire and catering	8,436	10,332
Rex Davy	Payments received from Waitakere City Rugby and Athletics Trust for services recharges	10,220	11,798
Tim Livingstone	Sponsorship from West Auckland Trust Services Limited	57,600	63,250
Tim Livingstone	Venue hire and catering from West Auckland Trust Services Limited	1,350	8,248

**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>2021</b>	<b>2020</b>
Total remuneration	170,625	187,687
Number of persons	1	1

**11. Leases**

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

	<b>2021</b>	<b>2020</b>
No later than one year	36,944	44,200
Later than one year and no later than five years	30,152	54,810
	67,096	99,010

**12. Funds received in advance**

	<b>2021</b>	<b>2020</b>
Other funds received in advance	162,660	215,903
Other income in advance	3,211	214,579
	<u>165,871</u>	<u>430,482</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 2021 there was no COVID-19 subsidy included in other income in advance (30 June 2020: \$149,906).

**13. Capital commitments**

Capital commitments as at 30 June 2021 are \$115,348 for the roof renovation project referred to in note 19 below (2020: \$2,016,947). This is the cost to completion based on the latest estimate as at 6th October 2021.

**14. Contingent assets and liabilities**

There are no contingent assets or liabilities at the reporting date. (2020: \$Nil).

**15. Events after the reporting date**

On the 17th August 2021 all of New Zealand moved to Alert Level 4 due to the re-emergence of COVID-19 in the community. The Trusts Arena was then hired by the Auckland District Health Board to be a Drive through vaccination centre for 2 weeks. The vaccination centre then moved inside The Trusts Arena for the entire month of September. Many of The Trusts Arena staff were involved in delivering this event which was a major success in vaccinating many people in our community. Auckland moved to Alert Level 3 on 21st September 2021. The Trusts Arena remained closed to the public under this alert level. At the time of writing this report Auckland is still at Alert Level 3. The Trusts Arena has worked hard to minimise costs where possible and continues to apply for government assistance to sustain the building and the workforce during this time. We have continued to take bookings and have been working closely with our events to get back to business as soon as the alert levels allow.

## 16. COVID-19 Employee subsidy and other related funding received

The Trust applied for and received the following COVID-19 related subsidies and funding during the 12 months ended 30 June 2021.

	<b>2021</b>	<b>2020</b>
COVID-19 wage subsidy (Ministry of Social development)	216,399	244,488
COVID-19 resurgence payment (IRD)	23,000	-
Community Event fund	40,000	-
Aktive community sport fund	25,000	-
	<u>304,399</u>	<u>244,488</u>

## 17. Roof retention liability

As at 30 June 2021 there is a retention liability on the balance sheet of \$85,923 (2020: \$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

	Roof project	Project X	Accessibility Upgrade	North East Balustrade	Total
<b>Opening balance 30 June 2020</b>	2,748,074	34,814	-	-	2,791,555
Additions	1,563,833	1,477	630	8,037	1,565,310
Impairment	-	-	-	-	-
Trans to Fixed assets	-	-	-630	-8,037	8,667
<b>Closing balance 30 June 2021</b>	<u>4,311,907</u>	<u>36,291</u>	<u>0</u>	<u>0</u>	<u>4,348,198</u>

## 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 Trusts Arena 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.

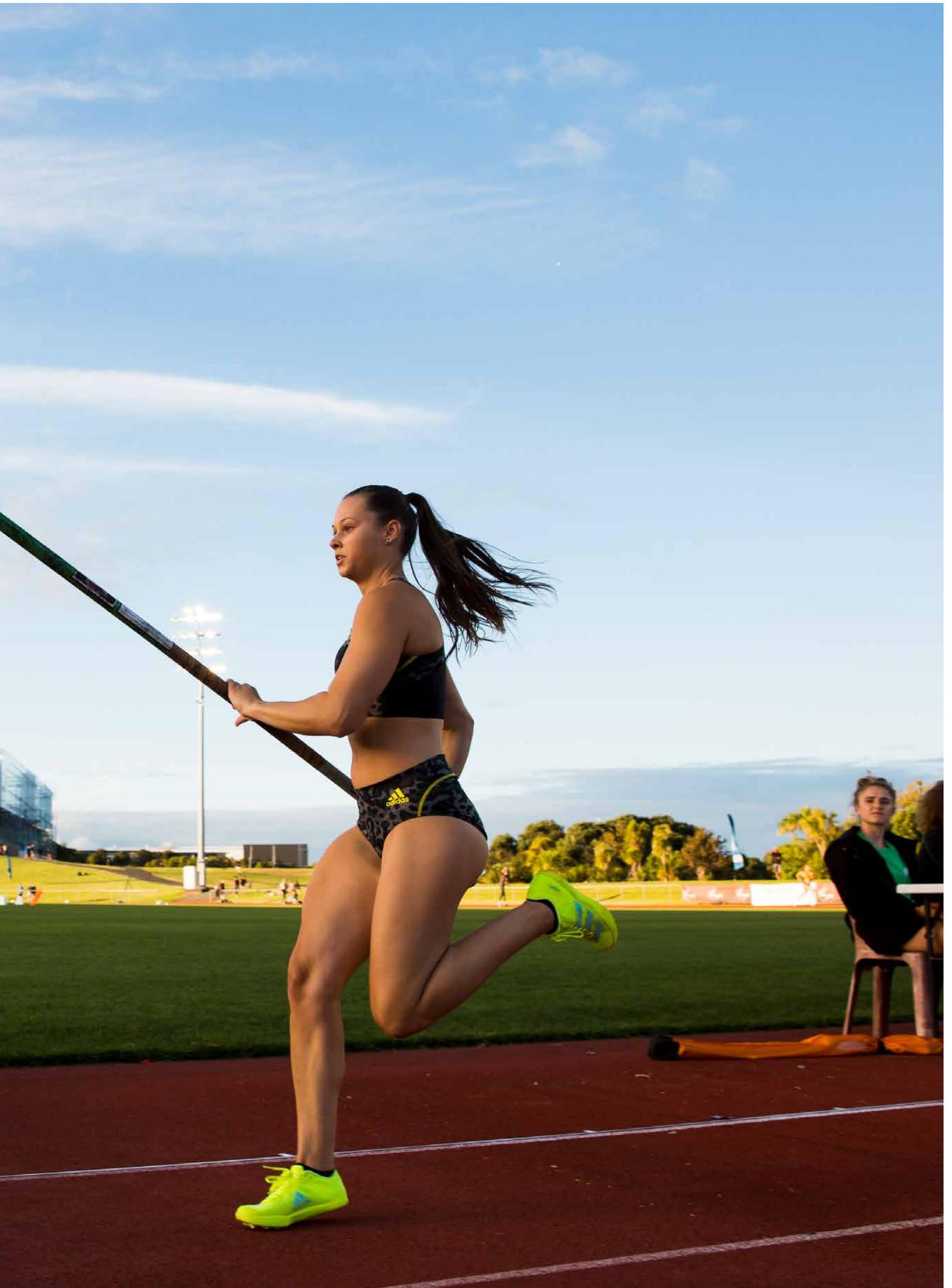
Note that the cost to complete the project increased to \$4.2 million due to unforeseen remediation work required to fix a defect that was discovered early on in the project. No adjustment has been made to the carrying amount of the stadium for impairment as the replacement cost after taking into account the cost of repairs is higher than the current \$26m carrying value.

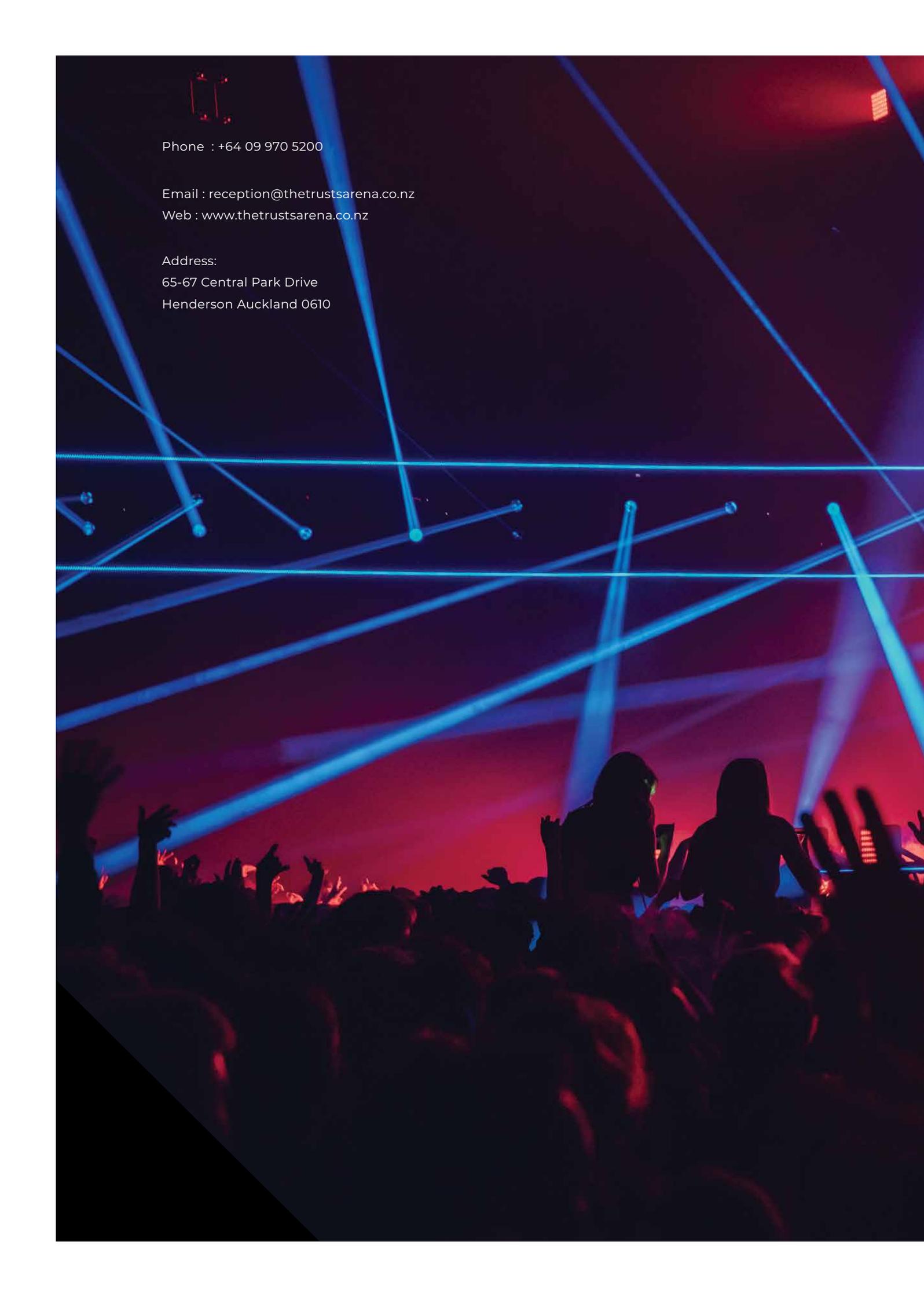
During the year ended 30 June 2021 the Trust received funding from The Trusts Community Foundation, Regional Facilities Auckland and Foundation North totalling \$1.4 million. Therefore total funding received over the entire life of the project has been \$4,050,000. Total project costs incurred so far are \$4,077,836. There is approximately \$125,000 of costs yet to be paid for the remaining council consents and the retention payments to the main contractor.

The movement and breakdown of Property plant and equipment are shown in the table below.









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