

## **HUTT CITY COMMUNITY FACILITIES TRUST**

### **ANNUAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2017**



B.G.K.

## FROM THE CHAIR

I am delighted to report on the activities of the Hutt City Community Facilities Trust for the financial year ending 30 June 2017.

As we reflect on another busy and exciting year for the CFT it is worth noting that we also celebrated our fifth birthday recently. The Trust has come a long way in a short time. We have taken the lead in four strategic infrastructure developments in our city with all projects either complete or at various stages of construction. We have made tremendous progress this year as the CFT embraces the challenge to be an integral part of the rejuvenation of Hutt City.

Moreover, we are now extremely well placed to take on additional facility projects, such as Petone and Wainuiomata Sportsvilles or the Naenae Community Hub. The CFT is developing a reputation that it is a safe pair of hands for Council, proving that we can deliver world class facilities that our communities love. We work collaboratively with our consulting and construction teams to deliver great buildings. We make no apology for being financially prudent and demanding value for money, because, after all, we are investing ratepayer and community raised funds. We value the partnerships we have with our funders, whether they are community trusts, corporate supporters, local businesses, sports clubs, families or individuals who share our vision of creating awesome places for people to play sport, learn, engage and celebrate. The CFT will continue to work hard to recognise your contributions and demonstrate to the wider community what a difference our partners make to the overall project.

In May, this year I was fortunate to attend the Hutt Valley Sports Awards at the Walter Nash Stadium. The "Nash" shone under the spotlight, providing a welcoming, modern aesthetic for the 920 guests who were accommodated in the Pelorus Trust Pavilion. To host this many people for a seated dinner and awards night (in the Hutt) has previously been unachievable. We simply didn't have the capacity. But the Nash performed remarkably and demonstrated how flexible sports and community hubs can be adapted to serve multiple purposes. The CFT is very proud of this facility and is delighted with its success. With over 70,000 visitors a month it certainly proves the maxim, "...if you build it they will come."

Let's turn to our other projects.

### **Walter Mildenhall Park Redevelopment**

The CFT is nearing completion of this project, which includes the construction of a world class indoor bowls arena, new clubrooms, renovated public tennis courts, a new community petanque piste, public parking, safety and lighting improvements, and general park rejuvenation and landscaping. By the end of the financial year all work has been completed except for the indoor arena which should be finished in early August 2017. The clubrooms have been leased to the Naenae Bowling Club which recently merged with the Park Avenue Bowling Club and the Naenae RSA. In addition, several other clubs and associations will be associated with the new facility encompassing the sports of indoor bowls, darts, petanque, badminton and others. The new facility has been constructed by Hawkins NI Ltd, in



association with Tennent and Brown, architects. The result is a stunning sports and community building at the heart of a rejuvenated facilities precinct. The Trust has utilised world leading New Zealand technology to provide a revolutionary solution to how these types of stadia can be constructed in a cost efficient and environmentally sensitive way. Through the use of a translucent, tension membrane fabric roof system, we have produced a strong, flexible and lightweight design which has reduced building mass and cost. Over the life of the facility this should create significant operational savings through reduced energy costs.

### **Fraser Park Development**

This year has seen real progress on what may be argued as the most significant sports hub development in the Wellington region. We have completed the design, tendering and procurement stages with the appointment of local contractor Armstrong Downes Ltd. In June 2017 ADL moved onto site and started building. Construction will take 12-14 months. As our largest undertaking, Fraser Park will be the primary focus for the Trust over the next year as the CFT team project manage the delivery of this new hub.

At the same time, we will be focusing on engaging with the local community, businesses, sports clubs and the corporate market. We have raised \$10.8m so far (including Council's capital contribution) but we still have \$2.2m to raise to enable us to complete every element of the project. So we will be working tirelessly to bridge this gap, by seeking sponsorships and contributions from local businesses. I'm positive we will be successful as we have a great story to tell and a tremendous venue to showcase our business partnerships. We predict 1,000,000 visitors per year will pass through the new hub, so who wouldn't want to be part of that opportunity?

Once complete we will have a magnificent multi-sport, multi-use community hub that will truly do justice to our largest sports ground. It will provide our city and region the opportunity to host regional, national and even international level events. Aside from the recreational, social and health benefits, if we do this right, the economic benefits for our city can be substantial. Our sports facility rejuvenation programme can provide us with a powerful narrative that Hutt City is *the* place to host tournament play. With our central location, established transport connections, abundance of accommodation and associated services, now linked with a modern suit of sports facilities we will be able to market ourselves like never before.

### **Stokes Valley Community Hub**

The CFT in partnership with Council are leading the development of a new \$6.5m community hub and library in Stokes Valley. A combined CFT/Council Project Control Group working in conjunction with officers project manage the new build on the corner of Bowers Street and Stokes Valley Road. The new multi-use facility will replace the old library and community hall which has been demolished. The new building will interact with Scott Court and the surrounding shopping area in a cohesive and integrated manner, driving greater activation of the whole precinct.

The last six months has seen the construction phase of this project in full swing. The Hawkins built, Design Group Stapleton Elliott designed, facility is nearing completion with the grand opening slated for Spring 2017.

### Exciting Times

It is evident, and somewhat of an understatement, to say that we have a lot on at the moment. These are exciting times for Hutt City. We have a vision to develop world class community facilities that contribute to Hutt City being a great place to live, work and play – and with continued hard work we are well on the way to achieving our goal.

As we reflect on the positive changes to our built environment it is worth noting some up-coming changes within the CFT too. This will be my last annual report as I will be retiring, along with fellow foundation trustee, Andy Leslie at the end of this financial year. Andy is a Petone, Hutt Valley and kiwi legend. His influence on, and contribution to, the Trust has been immense. He provides the Board with wise counsel which will be sorely missed. He has a mana and gravitas that few possess. In our place Council has recruited three excellent replacements. Jessica Andrew, Matt Claridge and Phil Gibbons have been welcomed to the Board. Under the leadership of new chairperson, Kirsten Patterson I'm sure the Trust will go from strength to strength.

It has been an absolute privilege and a pleasure to work with all the Board and staff which make up the CFT and the wider network of support we enjoy from the Hutt City Council. I admire your dedication and passion for our city, and I wish you all the best for the future.

Alister Skene  
*Chairperson*  
Hutt City Community Facilities Trust



## MILESTONES

### Achievements through 2016/17:

- The CFT Fraser Park stage 1 rugby/football and softball turfs leased to Fraser Park Sportville have been in continuous use throughout the year. FPS turf occupancy rates exceed 95% in peak time.
- Fraser Park stage 2 was tendered and a contract agreed with Armstrong Downes Ltd. Work commenced on site in June 2017. With Council support the Trust raised sufficient funds to let a contract although a \$2.2 m funding gap still exists. CFT has already secured \$1.6m in funding and sponsorship pledges and has launched a new fundraising campaign which will run for 2017/18 financial year.
- The project will be delivered later than originally planned because of a longer than anticipated design process. While this is regretted, the additional design time was necessary to meet tenant requirements.
- The Walter Nash Centre has performed above expectations and is often at capacity. 70,000 visitors per month is not uncommon. The number of books issued through the library has increased threefold, when compared to the previous building. The CFT maintain the asset and have worked with centre management to tweak the building operating systems to maximise the comfort and safety of staff and visitors.
- The Regional Bowls Centre and Mildenhall Park Redevelopment was largely completed during the year and the indoor arena component will be completed in August 2017. The facility will be a nationally significant bowls facility, a hub for a range of sports, and a valuable community asset that will be used by a variety of groups. The Naenae Bowling Club has relocated from Witako Street in Boulcott and will be the lead tenant. Land freed up by the relocation will enable further development of hospital services on the Boulcott precinct. The Bowls Centre has acted as a catalyst for a much-needed makeover of a tired and under utilised community park. The project is on budget but approximately eight months behind its original construction programme. The delay was caused by a construction fault.
- The Stokes Valley Community Hub is under construction and timetabled for a Spring 2017 completion. A design-build contract is overseen by a CFT led project control group. The project is running to budget. When complete the new hub will provide a range of community services including a new library to a community in need. The hub will be leased to HCC.
- The CFT currently employs two fulltime and one part time staff. Primarily our roles focus on project management, building management and provisioning, fundraising and stakeholder engagement.
- Operational expenditure was slightly under budget.



## CURRENT PROJECTS

### FRASER PARK SPORTS HUB: THE HEART OF HUTT VALLEY SPORT

Fraser Park will be a home for Hutt Valley rugby, football, hockey, squash, cricket and softball as well as a centre for significant regional, national and international events. A new indoor training facility, combined with gym space and squash courts, changing rooms, meeting and sports administration, fitness, leisure and social spaces will connect with new playing fields and surfaces. In short, a world class, integrated community sports complex. Stage 1 of this project, the building of the two artificial turfs was completed in March 2015. Stage 2, which is the multipurpose sports hub, began construction in June of 2017. The building will be completed in Spring 2018.



### WALTER MILDENHALL PARK REDEVELOPMENT: A CENTRE OF EXCELLENCE AND A CATALYST FOR CHANGE



A world class bowls facility that is made possible by a proactive sport combining and consolidating resources at one venue. With the added value of providing the necessary catalyst to make over a run-down community park and turn it into a cohesive sports and community hub, when linked with other neighbouring sports and leisure facilities. This project is now nearing completion, with tenant fit-out almost finished. The covered playing arena will revolutionise the sport in this region with the ability to play 365 days a year.

New tournaments and competitions will increase vibrancy and activity in Naenae and the wider city.

### STOKES VALLEY COMMUNITY HUB: A GREATER SENSE OF INVOLVEMENT

Work on this multipurpose library and community hub commenced during the year and will be completed by Spring 2017. The project is fully funded by HCC. Project governance is overseen by the CFT in conjunction with Council. The building will interact with Scott Court and provide a more visible Council presence in the suburb and enable a more interactive experience for visitors and locals.



## INTEREST REGISTER

<b>Alister Skene</b>	Managing Director, Cascade Consulting Ltd Pelorus Trust, Contractor (Property Manager) Prime Community Trust, Trust Manager Next Stage Theatre Charitable Trust -Trustee
<b>David Butler</b>	Partner, Gillespie Young Watson (and in addition Trustee for numerous client trusts for which no personal benefit is received) Trentham Community Trust - Trustee
<b>Kirsten Patterson</b>	NZ Country Head, Institute of Chartered Accountants Australia and NZ (until May 2017) Chief Executive, NZ Institute of Directors (from May 2017) Trustee, NZ Rugby Foundation Trustee and Chair, Wellington Women's Homeless Trust
<b>Andy Leslie</b>	NZ Rugby Foundation - Trustee Halberg Trust – Life Trustee Pelorus Trust - Trustee Scott & Leslie Ltd - Owner Leslie Drain Cleaning Ltd - Director Williment Sports Travel – Advisor
<b>Sumati Govind (until 10/10/16)</b>	Investment Advisor, Gareth Morgan Investments Individual Retirement Plan - Trustee NZ Red Cross Foundation - Trustee
<b>Max Flowers</b>	Jamaica Properties - Director Jamaica Investments - Director
<b>Cr Margaret Cousins</b>	Council appointed representative on CFT Snisouc Holdings Ltd - Shareholder SHE Trust (Suffrage Hutt Education) - Trustee



## STATEMENT OF SERVICE PERFORMANCE

The Hutt City Community Facilities Trust was established by Hutt City Council (HCC) in August 2012 as a Council Controlled Organisation to promote, develop, own, operate, and maintain recreational, leisure, and community facilities in Hutt City.

Over the next 20 years, a number of facilities in Hutt City will have to be upgraded or replaced. Changing preferences in the community for the way recreation, leisure, and community services are delivered led HCC to adopt an integrated facilities approach to new developments, which will allow for a range of services to be accessed in one place. The Walter Nash Centre and Fraser Park Sports Hub are developments that follow the integrated facilities model.

### PERFORMANCE AGAINST OBJECTIVES AND PERFORMANCE TARGETS

#### Primary Objective

The Trust was established by HCC in August 2012 as a Council Controlled Organisation to promote, develop, own, operate, and maintain recreational, leisure, and community facilities in Hutt City.

#### Specific Charitable Purposes

The Trust Deed has a range of charitable objectives designed to promote the health and wellbeing of Hutt City's communities. These objectives are to:

- Promote, operate, develop, and maintain community facilities in Hutt City through the management of the interests and rights relating to these facilities.
- Assist with attracting fundraising from the community and philanthropic organisations for the development of high quality community facilities.
- Provide strategic planning in partnership with HCC, in relation to the ongoing development and administration of community facilities in Hutt City.
- Provide high quality amenities which attract and engage, promoting the health and well-being of residents of and visitors to Hutt City.
- Practice prudent commercial administration of high quality community, recreation, and leisure facilities, with a view that they will be financially sustainable.



## KEY PERFORMANCE INDICATORS

Indicator and measure	Target 2016/17	Performance to 30 June 2017	Performance to 30 June 2016
<b>Operational Management:</b>			
Operational expenditure is within budget.	100%	Achieved	Achieved
All reporting requirements set by Council and the Board of CFT are met in accordance with the Local Government Act 2002, the CFT Statement of Intent and the CFT Deed of Trust.	Statement of Intent by 1 March	Achieved	Achieved
	Half yearly report by 1 March	Achieved	Achieved
	Annual Report by 30 September	Achieved	Achieved
<b>Facilities Design and Development:</b>			
All capital expended on design and other consultants is within approved progress project budgets at financial year end.	100%	Achieved	Achieved: Design work on Fraser Park stage 2 and project monitoring on the Bowls Centre is to budget.
All capital expenditure on approved projects is at or less than approved budget for each project at financial year end.	100%	Achieved	Achieved: The Walter Nash Centre was completed within budget.
<b>Project Delivery</b>			
Walter Mildenhall Park development	Facility reaches practical completion 1/12/2016.	Not achieved. As a result of a major construction error by the main contractor the project has been delayed by eight months.	The Walter Mildenhall Park redevelopment is on schedule for completion by 1/12/2016.
Fraser Park Sportsville – Stage 2	Facility construction contract confirmed by 30/9/2016 (practical completion 1/12/2017).	Not achieved. The contract was let in May 2017 and the building is now under construction.	Contract negotiations with three lead contractors are well underway and are on schedule to be completed by 30/9/2016.
Stokes Valley Community Hub <sup>1</sup>	Deliver the facility for tenant fit-out by 30/9/2017.	On track	<b>Complete by late 2017:</b> Tenders have been let and the building will be completed by the 2017 target date.

<sup>1</sup> Measure not in 2016-17 SOI – inadvertently missed

Indicator and measure	Target 2016/17	Performance to 30 June 2017	Performance to 30 June 2016
<b>Facilities Management</b>			
All facilities maintain legal compliance, WOFs and/or certification	100%. Building Safety upheld.	Achieved	Not applicable – new measure in 2016/17.
All facilities are leased within three months of completion.	100%. Legal partnerships are secured with users.	No facilities completed in the 2016/17 financial year so no result can be reported	<b><u>All facilities owned by CFT are leased to appropriate user groups, or other parties within three months of being completed or transferred to the ownership of CFT:</u></b> Both the turfs and Walter Nash Centre were occupied and fully utilised by FPS and Community Services of HCC within three months of Practical Completion. Rental payments were agreed and received during the year but finer details of leases still being negotiated.
All facilities have detailed maintenance plans in place within 12 months of completion.	100%. Maintenance programmes instituted to ensure facilities' amenities values retained and are safe for users.	Achieved. The CFT has in place detailed annual and 20 year maintenance plans for all of its buildings and sporting infrastructure.	Not applicable – new measure in 2016/17
<b>Fundraising:</b>			
Fraser Park Sportsville	At least \$1.85m pledged before 30/9/2016.	Not achieved A total of \$1,662,000 was pledged by 30 June 2017.	<b><u>At least \$2m pledged by 30 June 2016:</u></b> The fundraising target for FPS stage 2 building has not yet been achieved, due to timing delays.
Walter Mildenhall Park Development	At least \$150,000 pledged by 30/11/2016.	Not achieved. While \$1,850,000 was pledged by 30 June, the last \$150,000 remains to be raised to meet the agreed fundraising target.	<b><u>At least \$1.051m pledged by 30 June 2016:</u></b> The fundraising target for the Walter Mildenhall Park redevelopment is on target with \$1.6m pledged by 30 June 2016.
CFT achieves 80% or better of the agreed fundraising targets set by Council for each of the agreed projects, within the financial year	Refer Prospective Statement of Financial Performance on Page 8 of SOI (CFT Capital Funding)	Achieved. \$1,912,000 was pledged as against the target for the year of \$1,410,000.	As above.



## **Independent Auditor's Report**

### **To the readers of the Hutt City Community Facilities Trust's financial statements and performance information for the year ended 30 June 2017**

The Auditor-General is the auditor of the Hutt City Community Facilities Trust (the Trust). The Auditor-General has appointed me, Andrew Clark, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

## **Opinion**

We have audited:

- the financial statements of the Trust on pages 15 to 29, that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 8 to 10.

In our opinion:

- the financial statements of the Trust on pages 15 to 29:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2017; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Standards Reduced Disclosure Regime; and
- the performance information of the Trust on pages 8 to 10 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2017.

Our audit was completed on 18 September 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

## **Basis for opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Responsibilities of the Trustees for the financial statements and the performance information**

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustees are also responsible for preparing the performance information for the Trust.

The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

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

The Trustees responsibilities arise from the Local Government Act 2002 and the Trust Deed.

## **Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Trust's statement of intent.



We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### **Other Information**

The Trustees are responsible for the other information. The other information comprises the information included on pages 2 to 7, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information 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 and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, 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.

## **Independence**

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1(Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.

A handwritten signature in black ink that reads "Andrew Clark". The signature is written in a cursive, flowing style.

Andrew Clark  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand



## FINANCIAL STATEMENTS

### Statement of Compliance and Responsibility

The Board of the Hutt City Community Facilities Trust confirms that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

#### Responsibility

The Trustees and management of the Trust accept responsibility for the preparation of the annual Financial Statements and the Statement of Service Performance and the judgements used in them.

The Trustees have authority to sign these financial statements.

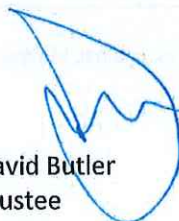
The Trustees and management of the Trust accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Trustees and management of the Trust, the annual Financial Statements and the Statement of Service Performance for the year ended 30 June 2017 fairly reflect the financial position and operations of the Trust.



Kirsten Patterson  
Chairperson

18 September 2017



David Butler  
Trustee

18 September 2017

**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2017**

	Note	Actual 2017	Budget 2017	Actual 2016
<b>Revenue</b>				
Grants	2	5,506,571	15,096,500	5,523,480
Interest revenue	3	18,617	7,000	19,694
Other revenue		404,197	540,000	422,327
<b>Total revenue</b>		<b>5,929,385</b>	<b>15,643,500</b>	<b>5,965,501</b>
<b>Expenses</b>				
Personnel expenses	4	256,529	241,745	229,647
Operating expenses	5	293,166	348,472	284,980
Asset Write Offs		552	-	-
Finance expenses	3	125,700	307,500	126,044
Depreciation and amortisation	8	362,892	395,487	290,808
<b>Total expenses</b>		<b>1,038,839</b>	<b>1,293,204</b>	<b>931,479</b>
<b>Surplus/(Deficit) before tax</b>		<b>4,890,546</b>	<b>14,350,296</b>	<b>5,034,022</b>
Income tax expense		-	-	-
<b>Surplus/(Deficit) after tax</b>		<b>4,890,546</b>	<b>14,350,296</b>	<b>5,034,022</b>
<b>Surplus/(Deficit) attributable to:</b>				
Community Facilities Trust		<b>4,890,546</b>	<b>14,350,296</b>	<b>5,034,022</b>
<b>Total comprehensive revenue and expense</b>		<b>4,890,546</b>	<b>14,350,296</b>	<b>5,034,022</b>

Explanations of major variances against budget are detailed in note 19. The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017**

		Actual 2017	Budget 2017	Actual 2016
<b>Balance at 1 July</b>		<b>19,327,169</b>	<b>19,329,669</b>	<b>14,293,147</b>
Total comprehensive revenue and expense for the year	12	4,890,546	14,350,296	5,034,022
<b>Balance at 30 June</b>		<b>24,217,715</b>	<b>33,679,965</b>	<b>19,327,169</b>

Explanations of major variances against budget are detailed in note 19. The accompanying notes form part of these financial statements.



**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017**

	Note	Actual 2017	Budget 2017	Actual 2016
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	6	736,542	292,645	1,648,157
Debtors and other receivables	7	353,646	1,028,559	799,585
Prepayments		10,755	-	3,332
<b>Total current assets</b>		<b>1,100,943</b>	<b>1,321,204</b>	<b>2,451,074</b>
<b>NON CURRENT ASSETS</b>				
Property, plant and equipment	8	17,033,615	16,936,062	17,357,466
Assets under construction		10,409,236	18,709,000	3,452,533
<b>Total current assets</b>		<b>27,442,851</b>	<b>35,645,062</b>	<b>20,809,999</b>
<b>Total assets</b>		<b>28,543,794</b>	<b>36,966,266</b>	<b>23,261,073</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Creditors and other payables	9	1,312,386	277,909	893,831
Employee entitlements	10	3,092	8,392	8,392
Borrowings	13	3,000,000	-	-
Advances from related parties	11	10,601	-	31,681
<b>Total current liabilities</b>		<b>4,326,079</b>	<b>286,301</b>	<b>933,904</b>
<b>NON CURRENT LIABILITIES</b>				
Borrowings	13	-	3,000,000	3,000,000
<b>Total non current liabilities</b>		<b>-</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Total liabilities</b>		<b>4,326,079</b>	<b>3,286,301</b>	<b>3,933,904</b>
<b>Net assets (assets minus liabilities)</b>	12	<b>24,217,715</b>	<b>33,679,965</b>	<b>19,327,169</b>
<b>EQUITY</b>				
Accumulated funds	12	24,217,715	33,679,965	19,327,169
<b>Total equity attributable to the Community Facilities Trust</b>		<b>24,217,715</b>	<b>33,679,965</b>	<b>19,327,169</b>

Explanations of major variances against budget are detailed in note 19. The accompanying notes form part of these financial statements.

# STATEMENT OF CASH FLOWS FOR THE 12 MONTHS ENDED 30 JUNE 2017

Note	Actual 2017	Budget 2017	Actual 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash was provided from:			
Receipts from grants	350,000	350,000	350,000
Receipts from user charges and other income	404,197	543,001	412,501
Interest received	18,617	7,000	19,694
Goods and services tax received	-	88,340	514,476
	<b>772,814</b>	<b>988,341</b>	<b>1,296,671</b>
Cash was applied to:			
Payments to employees	(261,825)	(239,245)	(225,902)
Payments to suppliers	(300,589)	(345,140)	(272,993)
Interest paid	(125,700)	(307,500)	(126,044)
Goods and services tax paid	(37,403)	-	-
	<b>(725,517)</b>	<b>(891,885)</b>	<b>(624,939)</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>47,297</b>	<b>96,456</b>	<b>671,732</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash was provided from:			
Other investment receipts	5,839,914	14,426,186	4,457,510
Sale of assets held for sale	-	-	-
	<b>5,839,914</b>	<b>14,426,186</b>	<b>4,457,510</b>
Cash was applied to:			
Purchase of property, plant and equipment	(39,593)	-	-
Purchase of intangible assets	-	-	-
Purchase of assets under construction	(6,738,152)	(15,846,472)	(5,316,069)
	<b>(6,777,745)</b>	<b>(15,846,472)</b>	<b>(5,316,069)</b>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(937,831)</b>	<b>(1,420,286)</b>	<b>(858,559)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash was provided from:			
Proceeds from borrowings - Hutt City Council	-	-	-
Contribution from Hutt City Council	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>
Cash was applied to:			
Repayment of borrowings - Hutt City Council	-	-	-
Contribution to Hutt City Council	(21,081)	(31,682)	(12,485)
	<b>(21,081)</b>	<b>(31,682)</b>	<b>(12,485)</b>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(21,081)</b>	<b>(31,682)</b>	<b>(12,485)</b>
<b>NET INCREASE/(DECREASE) IN CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS</b>	<b>(911,615)</b>	<b>(1,355,512)</b>	<b>(199,312)</b>
<b>CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT BEGINNING OF YEAR</b>	<b>1,648,157</b>	<b>1,648,157</b>	<b>1,847,469</b>
<b>CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT END OF YEAR</b>	<b>736,542</b>	<b>292,645</b>	<b>1,648,157</b>

Explanations of major variances against budget are detailed in note 19. The accompanying notes form part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

## 1. Statement of Accounting Policies

### REPORTING ENTITY

Hutt City Community Facilities Trust (the Trust) is a Council controlled organisation (CCO), 100 percent owned by the Hutt City Council. It is a CCO as defined in section 6 of the Local Government Act 2002.

The financial statements are prepared in accordance with the Charities Act 2005 and the Local Government Act 2002. The Trust is a Charitable Trust incorporated under the Charities Act 2005 on 1 August 2012, registration 2563442. The primary objective of the Trust is to promote the effective and efficient provision, development and operation of community facilities throughout Hutt City and in particular develop and operate facilities, provide high quality amenities, and prudent commercial administration.

The Trust is designated as a public benefit entity for financial reporting purposes.

The financial statements of the Trust are for the year ended 30 June 2017. The financial statements were authorised for issue by the Board of Trustees on 18 September 2017.

### BASIS OF PREPARATION

#### Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). They comply with IPSAS and other applicable Financial Reporting Standards, as appropriate for public benefit entities (PBE) that apply Tier 2 PBE accounting standards. As the Trust's total expenses are under \$30,000,000, it has elected to apply Tier 2 PBE accounting standards.

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

#### Measurement base

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in New Zealand dollars. The functional currency of the Trust is New Zealand dollars. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Statement of Comprehensive Revenue and Expense.

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

#### Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

#### Revenue

Revenue is measured at the fair value of consideration received.

Grants are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure are fulfilled. Judgement is exercised when recognising grant revenue to determine if conditions of the grant contract have been satisfied. This judgement is based on the facts and circumstances that are evident for each grant contract.

Interest income is recognised using the effective interest method.

#### Taxation

As a Charitable Trust, the Trust meets requirements for exemption from income tax and accordingly no provision for income tax is recorded in the financial statements.

#### Funding Commitments

Funding commitments are recognised as a liability and asset until such time that the community facility development is undertaken. At this time it will be recognised as revenue.

#### Property, plant and equipment

Property, plant and equipment consist of the following asset classes: buildings, leasehold improvements, and furniture and office equipment.

All asset classes are measured at cost less accumulated depreciation and impairment losses.

#### Additions

Expenditure of a capital nature of \$500 or more has been capitalised. Expenditure of less than \$500 has been charged to operating expenditure. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

Work and progress is recognised at cost less impairment and is not depreciated.

#### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are recognised in the Statement of Comprehensive Revenue and Expenses.

#### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

#### Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Trust obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.



The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long lived assets that must be used for a specific use (eg land must be used as a recreation reserve), the Trust immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Trust expects that it will need to return or pass the asset to another party.

#### *Depreciation*

Depreciation is provided on a straight line basis on all property, plant and equipment at rates that will write off the cost (valuation) of the assets to their estimated residual values over their useful lives. The straight line depreciation rates are as follows:

Estimated economic lives	Years	Rate
Plant and equipment	3 - 10	33% - 10%
Site improvements	10 - 75	10% - 1.3%
Buildings	65 - 80	1.5% - 1.25%

The residual value and useful life of an asset is reviewed and adjusted if applicable at each financial year end.

#### *Impairment of non-financial assets*

Assets with a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The total impairment loss is recognised in the Statement of Comprehensive Revenue and Expenses.

#### *Goods and services tax*

All items in the financial statements are stated exclusive of GST, except for receivables and payables. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from, the Inland Revenue Department, including GST relating to investing and financing activities is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

#### *Employee entitlements*

##### *Short-term employee entitlements*

Employee benefits that the Trust expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

The Trust recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

#### *Long-term employee entitlements*

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and,
- the present value of the estimated future cash flows

#### *Presentation of employee entitlements*

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

#### *Borrowings*

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

#### *Borrowing costs*

Borrowing costs are recognised as an expense in the period in which they are incurred.

#### *Creditors and other payables*

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

#### *Leased assets*

##### *Operating Leases*

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Statement of Comprehensive Revenue and Expenses on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expenses as an integral part of the total lease payment.

##### *Finance Leases*

The Trust has not entered into any material finance leases.



#### Financial instruments

The Trust is party to financial instrument arrangements as part of its normal operation. Revenue and expenses in relation to all financial instruments are recognised in the Statement of Comprehensive Revenue and Expenses.

All financial instruments are recognised in the Statement of Financial Position on the basis of the Trust's accounting policies. All financial instruments disclosed in the Statement of Financial Position are recorded at fair value other than those specifically identified in the Notes to the Financial Statements.

#### Budget figures

The budget figures are those approved by the Board at the beginning of the year. The budget figures have been prepared in accordance with NZ Generally Accepted Accounting Practice (GAAP), using accounting policies that are consistent with those adopted by the Board for the preparation of the financial statements.

#### Critical accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## 2. Subsidies and Grants

	2017	2016
<i>During the year grants were received from:</i>		
Hutt City Council	4,810,000	3,445,000
Others	696,571	2,078,480
<b>Total grants</b>	<b>5,506,571</b>	<b>5,523,480</b>

## 3. Interest Revenue and Finance Expenses

	2017	2016
Interest revenue		
- call and term deposits	18,617	19,694
- related party deposits	-	-
<b>Total interest revenue</b>	<b>18,617</b>	<b>19,694</b>
Finance expenses		
Interest expense		
- call and term loans	-	-
- related party loans	125,700	126,044
<b>Total finance expense</b>	<b>125,700</b>	<b>126,044</b>
<b>Net finance expenses</b>	<b>(107,083)</b>	<b>(106,350)</b>

## 4. Personnel Costs

	2017	2016
Salaries and wages	256,654	206,005
Other employee expenses	5,175	18,606
Increase/(decrease) in employee entitlements/liabilities	(5,300)	5,036
<b>Total personnel expenses</b>	<b>256,529</b>	<b>229,647</b>

## 5. Operating Expenses

	2017	2016
Audit services	18,987	14,528
Directors' fees	30,000	29,500
Legal expenses	10,816	13,923
Specialist services	20,587	54,365
Other expenses	212,776	172,664
<b>Total operating expenses</b>	<b>293,166</b>	<b>284,980</b>

## 6. Cash and Cash Equivalents

	2017	2016
Cash at bank and on hand	736,542	1,648,157
Term deposits with maturities less than three months at acquisition	-	-
<b>Total cash and cash equivalents</b>	<b>736,542</b>	<b>1,648,157</b>



## 7. Debtors and Other Receivables

	2017	2016
GST receivable	67,161	29,758
<i>Other receivables:</i>		
Other receivable	286,485	769,827
<b>Gross debtors and other receivables</b>	<b>353,646</b>	<b>799,585</b>
Less provision for impairment	-	-
<b>Total debtors and other receivables</b>	<b>353,646</b>	<b>799,585</b>

## 8. Property, Plant and Equipment

2017	Opening			Movements during the year				Closing		
	Cost or valuation	Accumulated depreciation	Carrying amount	Additions	Disposals	Impairment	Depreciation	Cost or valuation	Accumulated depreciation	Carrying amount
Operational assets										
Buildings	14,409,997	(179,515)	14,230,482	-	-	-	(253,612)	14,409,997	(433,127)	13,976,870
Site improvements	3,216,196	(131,848)	3,084,348	-	-	-	(105,529)	3,216,196	(237,377)	2,978,819
Plant and equipment	47,656	(5,020)	42,636	39,595	(698)	-	(3,751)	86,553	(8,627)	77,926
<b>Total operational assets</b>	<b>17,673,849</b>	<b>(316,383)</b>	<b>17,357,466</b>	<b>39,595</b>	<b>(698)</b>	<b>-</b>	<b>(362,892)</b>	<b>17,712,746</b>	<b>(679,131)</b>	<b>17,033,615</b>

2016	Opening			Movements during the year				Closing		
	Cost or valuation	Accumulated depreciation	Carrying amount	Additions	Disposals	Impairment	Depreciation	Cost or valuation	Accumulated depreciation	Carrying amount
Operational assets										
Buildings	-	-	-	14,409,997	-	-	(179,515)	14,409,997	(179,515)	14,230,482
Site improvements	3,216,196	(23,009)	3,193,187	-	-	-	(108,839)	3,216,196	(131,848)	3,084,348
Plant and equipment	30,430	(2,566)	27,864	17,226	-	-	(2,454)	47,656	(5,020)	42,636
<b>Total operational assets</b>	<b>3,246,626</b>	<b>(25,575)</b>	<b>3,221,051</b>	<b>14,427,223</b>	<b>-</b>	<b>-</b>	<b>(290,808)</b>	<b>17,673,849</b>	<b>(316,383)</b>	<b>17,357,466</b>



## 9. Payables and Deferred Revenue

	2017	2016
Deferred revenue under non-exchange transactions		
Grants received subject to substantive conditions not yet met	200,000	-
Payables under exchange transactions		
Accrued expenses	884,456	669,479
Creditors	227,930	224,352
<b>Total payables and deferred revenue</b>	<b>1,312,386</b>	<b>893,831</b>

## 10. Employee Entitlements

	2017	2016
CURRENT PORTION		
Annual leave	3,092	8,392
<b>Total employee entitlements - current portion</b>	<b>3,092</b>	<b>8,392</b>
<b>Total employee entitlements</b>	<b>3,092</b>	<b>8,392</b>

## 11. Other Liabilities

	2017	2016
CURRENT PORTION		
Due related parties	10,601	31,681
<b>Total other liabilities - current portion</b>	<b>10,601</b>	<b>31,681</b>
<b>Total other liabilities</b>	<b>10,601</b>	<b>31,681</b>

## 12. Equity

	2017	2016
ACCUMULATED FUNDS		
Balance at beginning of the year	19,327,169	14,293,147
Net surplus/(deficit) after tax	4,890,546	5,034,022
<b>Balance at end of the year</b>	<b>24,217,715</b>	<b>19,327,169</b>
TOTAL EQUITY		
Balance at beginning of the year	19,327,169	14,293,147
Movements during the year	4,890,546	5,034,022
<b>Balance at end of the year</b>	<b>24,217,715</b>	<b>19,327,169</b>

## 13. Borrowings

	2017	2016
CURRENT PORTION		
Secured loans	3,000,000	-
<b>Total current portion</b>	<b>3,000,000</b>	<b>-</b>
NON-CURRENT PORTION		
Secured loans	-	3,000,000
<b>Total non-current portion</b>	<b>-</b>	<b>3,000,000</b>
<b>Total borrowing</b>	<b>3,000,000</b>	<b>3,000,000</b>

The Trustees consider CFT is a going concern as the shareholder has indicated the \$3 million loan will be renewed at maturity.

## 14. Financial Instruments

	2017	2016
<b>FINANCIAL ASSETS</b>		
Loans and receivables		
Cash and cash equivalents	736,542	1,648,157
Debtors and other receivables	286,485	769,827
Other financial assets:		
- loans to related parties	-	-
<b>Total financial assets</b>	<b>1,023,027</b>	<b>2,417,984</b>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities at amortised cost		
Other liabilities	10,601	31,681
Borrowings	3,000,000	3,000,000
Trade and other payables	1,312,386	893,831
<b>Total financial liabilities at amortised cost</b>	<b>4,322,987</b>	<b>3,925,512</b>

## 15. Remuneration

Key management personnel consist of the Trustees and the General Manager.

	2017	2016
<b>Senior management</b>		
Total remuneration	133,311	123,492
<b>Full-time equivalent members</b>	<b>1.00</b>	<b>1.00</b>
<b>Remuneration of trustee</b>		
Chairperson	20,000	17,500
Annual honorarium	10,000	12,000
Total remuneration	30,000	29,500
Number of Trustees, including Chair	7.00	7.00

Due to the difficulty in determining the full-time equivalent for Board members, the full-time equivalent figure is taken as the number of Board members. The Board comprises the Chair and six trustees. During the year one trustee resigned and was not replaced (no honorarium was paid).

### Severance Payments

No severance payments were made by CFT during the year (2016: Nil).

## 16. Related Parties Disclosures

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client / recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Trust would have adopted in dealing with the party at arms length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.



## 17. Capital Commitments and Operating Leases

### Capital Commitments

The Trust has \$11.010 million in commitments for capital expenditure as at 30 June 2017, relating to the Stokes Valley Community Hub development (\$0.516 million), Fraser Park Sportsville Stage 2 (\$10.288 million), and Walter Mildenhall Bowls Centre (\$0.206 million). (2016: Total commitments were \$3.935 million relating to the Walter Mildenhall Bowls Centre).

### Operating Leases – as lessor

	2017	2016
Not later than one year	8,195	8,195
Later than one year and not later than five years	32,780	32,780
Later than five years	24,630	32,825
<b>Total non-cancellable operating leases</b>	<b>65,605</b>	<b>73,800</b>

### Operating Leases – as lessee

	2017	2016
Not later than one year	3,352	3,352
Later than one year and not later than five years	13,408	13,408
Later than five years	10,074	13,426
<b>Total non-cancellable operating leases</b>	<b>26,834</b>	<b>30,186</b>

## 18. Contingent Assets and Liabilities

### Contingent Assets

As at 30 June 2017 the Trust had no contingent assets (2016: \$nil).

### Contingent Liabilities

As at 30 June 2017 the Trust had no contingent liabilities (2016: \$nil).

## 19. Variance Explanations

### Statement of Comprehensive Revenue and Expenses

The surplus for the year was \$4.891m for the year ended 30 June 2017, below budget by \$9.460m.

#### Operating Revenue

Revenue was lower than planned by \$9.714m largely due to construction delays with the Stokes Valley Hub and Walter Mildenhall developments, which were planned to be completed in 2016/17. The completion of these developments is expected in early 2017/18. Construction of the second stage of the Fraser Park development planned to commence in 2016/17 was also delayed with construction only beginning at the end of 2016/17. As a consequence, the drawdown of funding was lower than originally planned.

#### Operating Expenses

Total expenses were below budget by \$254k. All account categories, with the exception of personnel expenses, were below budget for the year. Personnel expenses were higher due to the temporary appointment of a Fundraising Manager.

### Statement of Financial Position

Total assets were lower than planned as a result of capital projects being slower to get underway. Total liabilities are higher than planned due to the level of construction activity at year-end.

### Statement of Cashflows

Cash from operating activities whilst lower than planned reflects the construction delays during the year. Cash from investing activities reflects the capital spend on assets under construction being Stokes Valley Community Hub, Naenae Bowls Centre & Walter Mildenhall Park development, and Fraser Park Sportsville Hub. Cash from financing activities is in line with budget.

## 20. Events After the Balance Date

There have been no significant events after balance date.