

HUTT CITY COMMUNITY FACILITIES TRUST

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2015



(Some of the great team who helped bring the Taita Centre to completion)

FROM THE CHAIR

This year has been an incredibly busy and rewarding year for the Hutt City Community Facilities Trust (CFT or the Trust). It is hard to believe that 12 months has passed since I penned my last annual review of our operations, and yet here we are. The 2014/15 financial year was marked by tremendous progress by the Trust on a number of major facility projects that will serve our city and region for generations to come.

Walter Nash Centre

Under the working title of the Taita Sport and Community Centre we embarked on a \$12m project to construct a magnificent multi-purpose community hub and sporting complex. I am delighted to report that the building is now complete having been delivered by the CFT and project team on time and on budget. Despite unforeseen soft spots in the ground under the old Taita library and community hall, and asbestos in those two old buildings that were demolished to make room for the new facility, our fair share of inclement weather and a number of design changes mid-programme the team comprising CFT, BECA, Warren and Mahoney Architects and Hawkins Construction has delivered a facility that we can all be proud of. We now look forward to Hutt City Council (HCC), as our tenant completing the fit-out of the library, fitness suite and sports pavilion before throwing the doors open to the public. Fantastic!

In recognition of the name of the existing Walter Nash Stadium, a much loved building which has been seamlessly incorporated into the overall design of the complex, the Council has recently named the new facility the Walter Nash Centre. We are optimistic the new facility - the programmes and services it will deliver - will provide a tremendous boost for the local Taita community.

Fraser Park Sportsville Complex

In April 2015 we successfully completed the first phase of this project, with the opening of a state-of-the-art artificial football/rugby turf. The new playing surface looks magnificent under lights and complements the existing hockey turf located nearby at the southern end of Fraser Park. Also as part of the first stage three new softball diamonds were completed including new lights and an artificial in-field for the main diamond. Whilst the focus has been on the physical works going on around the park we have also been busy working on the design of stage 2, especially the new multi-purpose clubrooms. This is a complex building and it is important we take the time to get the design right for all of the clubs and user groups that will call this new facility, home. In the next 12 months our focus will be on finalising the design before entering the construction phase. Fundraising for this build will also be a primary task for the Trust.

Regional Bowls Centre Walter Mildenhall Park

The Council awarded the CFT \$250,000 as part of the 2014 Annual Plan which has enabled the Trust to substantially progress this development in the last year. We have nearly finalised design plans, obtained resource consent (without a single objection), secured initial funding pledges of more than \$500,000 and lodged a capital funding bid of \$4m with Council as part of the 2015 financial round. In June 2015 Council confirmed their support for the project and a wider make-over of Mildenhall Park and in doing so, endorsed our strategy of designing a facility that can work at three levels: a world class events centre for bowls; a regional hub for the sport and other recreational pursuits; and a flexible community centre that will be used for a variety of purposes. In the coming months we will focus on securing the remaining funding necessary before going to tender. Certainly the clubs that will base themselves at the new Centre are excited about the future and the opportunity to bowl indoors - a first for the region.

Aside from our project work we have made good progress as an organisation as we continue to evolve and mature. I am extremely grateful to the Board of Trustees who provide expert governance and stewardship over the Trust's affairs. This year we welcomed Sumati Govind and Max Flowers on board who join founding trustees Kirsten Patterson, Andy Leslie, David Butler and myself. I share your passion for wanting to make a positive difference in our city, appreciate the collective wisdom you bring to the table, and acknowledge the sacrifices you make as volunteer trustees.

I would like to further acknowledge the support given to us by the Mayor, Ray Wallace, Deputy Mayor David Bassett and all of the Councillors and Council team. You have shown a lot of faith in the Trust to deliver new strategic infrastructure assets for our city and we are keen to prove that faith is well founded. The delivery of the magnificent Walter Nash Centre is a fantastic example of our Trust's working partnership with Council and Council officers.

During the year the Council commissioned consulting firm KPMG to review the capital works currently undertaken by either the CFT or HCC. Whilst KPMG was complimentary of the way the CFT projects were progressing – both from a governance and project management sense – the report did highlight a need for the CFT to take on extra human resource to cater for the growing volume of work. Accordingly Council in the 2015/16 Annual Plan allocated additional operational funding to allow us to appoint more staff to help General Manager, Peter Healy and his team. The next 12 months will be extremely busy as we bed in the new facility in Taita, move into the construction phase of the Regional Bowls Centre, and begin a full scale fundraising campaign for the Fraser Park sports complex prior to construction at that park as well.

Finally it is worth mentioning an important document that we launched this year which summarises the projects we are embarking upon as well as encapsulating the philosophy that underpins our actions. *The CFT Strategic Plan 2014-17* maps out our pathway and clearly states our vision and mission statement which are worth repeating here, because it sums up what we are about:

- VISION STATEMENT "To develop and maintain world class community facilities that contribute to Hutt City being a great place to live, work and play"
- MISSION "Our venues will be irresistible, enriching and accessible; we will advance the social, cultural and recreational well-being of residents and visitors to our city and our region, and be the trusted stewards of community assets"

Our strategic plan can be obtained from the CFT office via HCC or viewed online at www.cft.org.nz. Thank you again to all CFT supporters, funders and sponsors who share our vision for Hutt City.

A handwritten signature in blue ink, appearing to read 'Alister Skene', is written over the printed name and title.

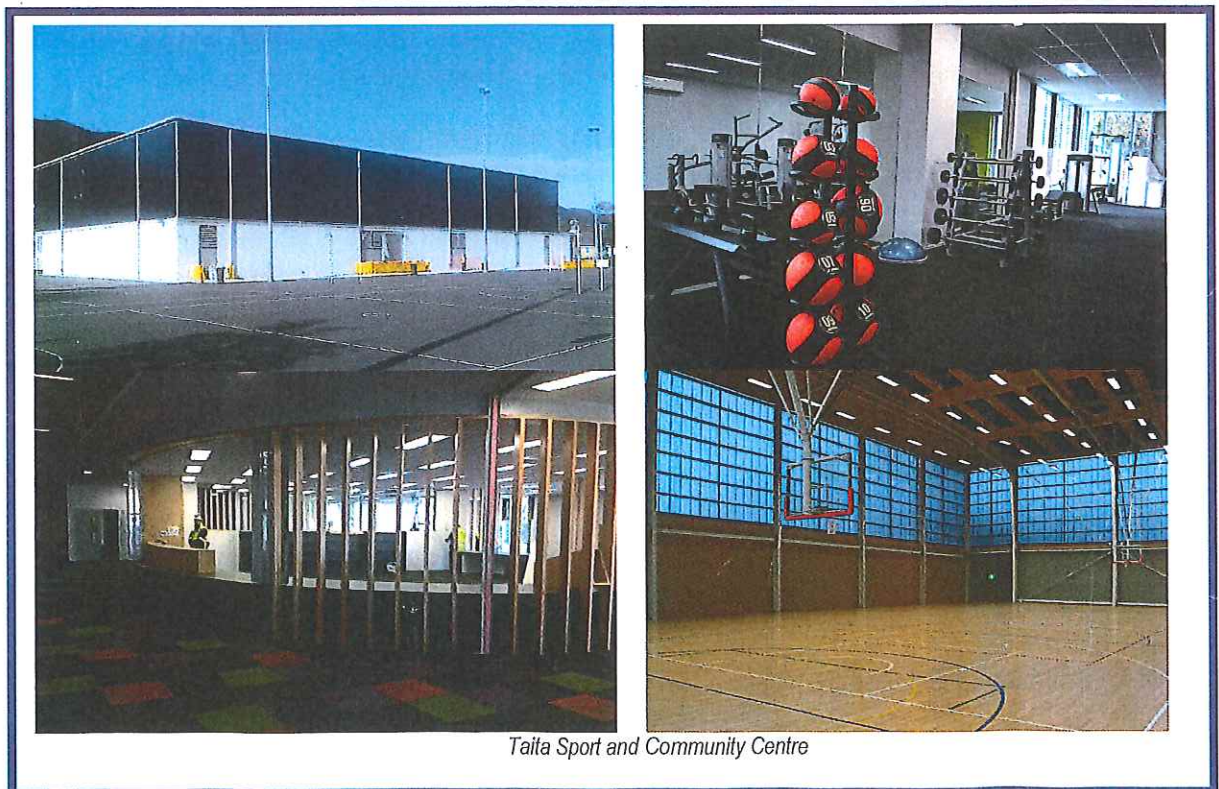
Alister Skene
Chairperson
Hutt City Community Facilities Trust

30 September 2015

MILESTONES

Achievements through 2014/15 (as at 30 June 2015):

- The Fraser Park stage 1 rugby/football and softball turfs were completed and leased to Fraser Park Sportville. The turfs are now in frequent use and are rated highly by the users.
- Detailed design work on the Fraser Park stage 2 multipurpose club house is 30% completed and to budget.
- Construction work on the Taita Sport and Community Centre is to budget and on time. At the close of the financial year it was 70% complete. Actual completion of the building is expected to be achieved by early August 2015.
- Detailed design work on the Naenae Regional Bowls Centre was 60% complete at year end and is on time and on budget. It is expected that completed plans will be ready for tender by September / October 2015.
- The CFT continued to raise funds for its various projects. During the year over \$1m was pledged to CFT projects
- Staffing: There were no changes to CFT staff or principal contractors during the year.
- Finance: Operational expenditure was under budget.



CURRENT PROJECTS

TAITA SPORT AND COMMUNITY CENTRE: COMBINES SPORT, EVENTS, EDUCATION AND COMMUNITY

The Taita Sport and Community Centre will cater for over 300,000 visitors annually. It will be a multi-use, multi-purpose facility and long term strategic asset for the city and region. The building is completed and will be handed over to Council on time in August 2015.



FRASER PARK SPORTSVILLE: THE HEART OF HUTT VALLEY SPORT

Fraser Park Sportsville 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 by March 2015.

NAENAE REGIONAL BOWLS CENTRE: 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. Detailed design plans for this complex are now 60% complete.

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 Taita Sport and Community Centre and Fraser Park Sportsville are developments that will 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.

PERFORMANCE TARGETS

Performance Indicator	Measure	Target 2014-15	Achievement
Operational Management	<ul style="list-style-type: none"> Operational expenditure is within budget. All reporting requirements set by Council and the Board of CFT are met in accordance with the LGA 2002, this Statement of Intent (SOI) and the CFT Deed of Trust. 	<ul style="list-style-type: none"> 100% SOI by 1 March 2015. Half yearly report by 1 March 2015 Annual Report by 30 September 2015 	<ul style="list-style-type: none"> Achieved. Achieved. Delivered to Council 26 February 2015. Considered at 11 March Finance & Audit (F&A) Committee meeting. Achieved. Delivered to Council 26 February 2015. Considered at 11 March F&A Committee meeting Achieved. Prepared by 31 August 2015
Facilities Design and Development	Capital Expenditure: <ul style="list-style-type: none"> All capital expended on design and other consultants is within the approved project budgets. All capital expenditure on approved projects is at, or less than, the approved budget for each project. All projects are built and available for use by the user groups and individuals within three months of the agreed delivery date. 	<ul style="list-style-type: none"> 100% 100% Within 3 months of agreed delivery date 	<ul style="list-style-type: none"> Achieved. Achieved. Achieved.
Facilities Management:	<ul style="list-style-type: none"> All facilities owned by CFT are leased to appropriate user groups, or other parties User satisfaction of the facilities owned, directly managed, or leased by CFT to third parties 	<ul style="list-style-type: none"> Within two months of being completed or transferred to the ownership of CFT. Greater than 80%. 	<ul style="list-style-type: none"> Achieved. CFT leased Fraser Park Stage 1 Turfs to Fraser Park Sportsville in April 2015 The completed Walter Nash Stadium is on target to be handed to Council in early August 2015 Not applicable, no surveys undertaken during the year.

Performance Indicator	Measure	Target 2014-15	Achievement
Fundraising	• Taita (Walter Nash Centre)	• Fundraising Target of \$2.68 m to meet construction budget.	• \$2.01 m raised by 30 June 2015
	• Fraser Park Sportsville Complex	Fundraising Target for Stage1 of \$500,000 by 30 June 2015	• Achieved.
	• Regional Bowls Centre	Pledge Commitments of \$500,000 received by 30 June 2015	• Achieved.
Planning	• CFT completes its first strategic plan to guide its work over the next three years.	• By 30 November 2014	• Achieved. Strategic Plan commenced in July and completed/published in November 2014.
	• Current lease charges are based on the recovery of direct landlord costs including interest and repayment of loans. These charges do not currently recover depreciation. This policy will be reviewed as part of the Strategic Plan as mentioned above.	• 100%	• Achieved.
Governance	• All Council accountability requirements are met.	• 100%	• Targets for six monthly report and draft SOI achieved (see above – Operational Management). • Board members have attended a governance training session.
Project Delivery	• Taita Sports and Community Centre	• Complete by August 2015	• The Taita Sports and Community Centre is on target for delivery to Council in early August 2015.
	• Fraser Park Sportsville Complex	• Stage 1 – complete by April 2015 • Stage 2 – complete by late 2016	• Achieved. Fraser Park stage 1 turfs were leased to Fraser Park Sportsville in April 2015. • Detailed design plans for the stage 2 building are 30% completed.

Performance Indicator	Measure	Target 2014-15	Achievement
	<ul style="list-style-type: none"> Naenae Regional Bowls Centre 	<ul style="list-style-type: none"> Complete by late 2016 	<ul style="list-style-type: none"> On track. Detailed design plans at 30 June were 60% completed
	<ul style="list-style-type: none"> Stokes Valley Community Hub 	<ul style="list-style-type: none"> Complete by late 2016 	<ul style="list-style-type: none"> No work undertaken on this project during the reporting period. Awaiting brief to be supplied by HCC.

Independent Auditor's Report

**To the readers of
Hutt City Community Facilities Trust's
financial statements and performance information
for the year ended 30 June 2015**

The Auditor-General is the auditor of the Hutt City Community Facilities Trust (the Trust). The Auditor-General has appointed me, Andy Burns, 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 her behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the Trust on pages 14 to 29, that comprise the statement of financial position as at 30 June 2015, the statement of comprehensive revenue and expenses, 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 6 to 9.

In our opinion:

- the financial statements of the Trust:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2015; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity (PBE) standards.
- the performance information of the Trust presents fairly, in all material respects, the Trust's achievements measured against the performance targets adopted for the year ended 30 June 2015.

Our audit was completed on 30 September 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements and performance information 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

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

Responsibilities of the Trustees

The Trustees are responsible for the preparation and fair presentation of financial statements for the Trust that comply with generally accepted accounting practice in New Zealand and PBE standards. The Trustees are also responsible for preparation of the performance information for the Trust.

The Trustee's responsibilities arise from the Local Government Act 2002 and the Trust Deed.

The Trustees are responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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



Andy Burns
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 2015 fairly reflect the financial position and operations of the Trust.

A blue ink signature of Alister Skene, consisting of a stylized 'A' and 'S'.

Alister Skene
Chairperson

30 September 2015

Max Flowers
Trustee

A black ink signature of Max Flowers, written in a cursive style.

30 September 2015

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Actual 2015	Budget 2015	Actual 2014
REVENUE				
Grants	2	14,555,093	8,500,000	311,124
Interest revenue	3	21,293	-	14,461
Vested assets		-	-	-
Other revenue		-	-	-
Total revenue		14,576,386	8,500,000	325,585
EXPENSES				
Personnel expenses	4	151,921	115,000	66,486
Operating expenses	5	197,559	1,175,000	222,305
Finance expenses	3	5,166	-	26
Depreciation and amortisation expense	8	24,210	58,000	1,189
Total expenses		378,856	1,348,000	290,006
Surplus/(Deficit) before tax		14,197,529	7,152,000	35,579
Income tax expense		-	-	-
SURPLUS/(DEFICIT) AFTER TAX		14,197,529	7,152,000	35,579
OTHER COMPREHENSIVE REVENUE AND EXPENSES				
Gain on property revaluation		-	-	-
Tax on property revaluations		-	-	-
Financial assets at fair value through other comprehensive revenue and expenses		-	-	-
Total other comprehensive revenue and expenses		-	-	-
Total comprehensive revenue and expenses attributable to:				
Community Facilities Trust		14,197,529	7,152,000	35,579

Explanations of major variance against budget are detailed in note 21
The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Actual 2015	Budget 2015	Actual 2014
Balance at 1 July	95,616	5,336,000	60,037
Accumulated funds	14,197,529	7,152,000	35,579
Balance at 30 June	14,293,146	12,488,000	95,616
<i>Total comprehensive revenue and expenses attributable to:</i>			
Community Facilities Trust	14,197,529	7,152,000	35,579
	14,197,529	7,152,000	35,579

Explanations of major variance against budget are detailed in note 21

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Notes	Actual 2015	Budget 2015	Actual 2014
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	6	1,847,469	8,500,000	929,493
Prepayments		15,448	-	-
Debtors and other receivables	7	588,265	2,063,000	58,331
Total current assets		2,451,182	10,563,000	987,824
NON-CURRENT ASSETS				
Property, plant and equipment	8	3,221,050	1,643,000	28,367
Intangible assets		-	-	-
Assets under construction		12,866,420	400,000	372,588
Total non-current assets		16,087,470	2,043,000	400,954
TOTAL ASSETS		18,538,652	12,606,000	1,388,778
CURRENT LIABILITIES				
Borrowings		-	-	-
Trade and other payables	9	1,196,693	117,000	1,200,758
Employee entitlements	10	4,647	1,000	1,587
Other liabilities	11	44,166	-	90,817
Total current liabilities		1,245,506	118,000	1,293,162
NON-CURRENT LIABILITIES				
Borrowings - non current	13	3,000,000	-	-
Total non-current liabilities		3,000,000	-	-
TOTAL LIABILITIES		4,245,506	118,000	1,293,162
NET ASSETS	12	14,293,147	12,488,000	95,616
EQUITY				
Accumulated funds	12	14,293,146	12,488,000	95,616
Share capital		-	-	-
TOTAL EQUITY		14,293,146	12,488,000	95,616

Explanations of major variance against budget are detailed in note 21

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE 12 MONTHS ENDED 30 JUNE 2015

	Notes	Actual 2015	Budget 2015	Actual 2014
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Cash was provided from:</i>				
Receipts from grants		14,298,997	6,225,000	1,361,882
Receipts from user charges and other income		882,206	3,002,000	-
Interest received		21,293		14,381
Goods and Services Tax received		258,174		-
		15,460,670	9,227,000	1,376,263
<i>Cash was applied to:</i>				
Payments to employees		(148,862)	(115,000)	(64,899)
Payments to suppliers		(947,628)	(1,117,000)	(144,633)
Interest paid		(5,166)		(26)
Goods and Services Tax paid		-		(58,251)
		(1,101,656)	(1,232,000)	(267,809)
Net cash flows from operating activities	13	14,359,014	7,995,000	1,108,454
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Cash was provided from:</i>				
Sale of assets held for sale		-	-	-
<i>Cash was applied to:</i>				
Purchase of property, plant and equipment		(3,216,893)		(0)
Purchase of intangible assets		-		-
Purchase assets under construction		(13,251,270)	(2,112,000)	(298,909)
		(16,468,163)	(2,112,000)	(298,909)
Net cash flows from investing activities		(16,468,163)	(2,112,000)	(298,909)
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Cash was provided from:</i>				
Proceeds from borrowings - Hutt City Council		3,000,000		
Contribution from Hutt City Council		27,126		
		3,027,126	-	-
<i>Cash was applied to:</i>				
Repayment of borrowings - Hutt City Council		-	-	(74,859)
		-	-	(74,859)
Net cash flows from financing activities		3,027,126	-	(74,859)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		917,977	5,883,000	734,686
Cash, cash equivalents and bank overdrafts at the beginning of the year		929,492	2,617,000	194,807
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR		1,847,469	8,500,000	929,493
<i>Cash balance at end of the year comprises:</i>				
Cash and on call deposits		1,847,469	8,500,000	929,493
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR		1,847,469	8,500,000	929,493

Explanations of major variance against budget are detailed in note 21

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 Charitable Trust Act 1957 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 the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of the Trust are for the year ended 30 June 2015. The financial statements were authorised for issue by the Board of Directors on 30 September 2015.

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 NZIFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities (PBE) that apply for differential reporting concessions in accordance with Tier 2 PBE accounting standards. As the Trust's total expense are under \$30m, it falls outside of the definition for public accountability as defined by the IASB.

These financial statements are the first financial statements presented in accordance with the new 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 POLICES

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.

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 expense.

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	4 - 10	10% - 25%
Leasehold improvements	10...75	1.33% - 10%

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 for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave

entitlement that can be carried forward at balance date, to the extent that the Trust anticipates it will be used by staff to cover those future absences.

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 on 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.

NOTES TO THE FINANCIAL STATEMENTS

2. SUBSIDIES AND GRANTS	2015	2014
Grants	14,555,093	311,124
Total subsidies and grants	14,555,093	311,124
During the year grants have been received from:		
Hutt City Council	12,472,129	250,000
Other grants	2,082,964	61,124
Total grants	14,555,093	311,124
3. INTEREST REVENUE AND FINANCE COSTS	2015	2014
Interest revenue		
Interest revenue		
- call and term deposits	21,293	14,461
- related party deposits	-	-
Total interest revenue	21,293	14,461
Finance costs		
Interest expense		
- call and term loans	5,166	26
- related party loans	-	-
Total finance cost	5,166	26
Net finance revenue/(costs)	16,127	14,435
4. PERSONNEL COSTS	2015	2014
Salaries and wages	147,450	62,471
Other employee expenses	1,411	2,428
Increase/(decrease) in employee entitlements/liabilities	3,060	1,587
Total personnel costs	151,921	66,486
5. OPERATING EXPENSES	2015	2014
Auditors' fees for the audit of the financial statements	15,836	6,840
Directors' fees	14,960	10,730
Legal services	6,626	1,590
Other specialist services	139,596	168,310
Other expenses	20,541	34,834
Total operating expenses	197,559	222,305
6. CASH AND CASH EQUIVALENTS	2015	2014
Cash at bank and on hand	47,469	29,493
Term deposits with maturities less than three months at acquisition	1,800,000	900,000
Cash	1,847,469	929,493
Cash, cash equivalent and bank overdrafts include the following for the purposes of the statement of cash flows.		
	2015	2014
Cash at bank and on hand	47,469	29,493
Term deposits with maturities less than three months at acquisition	1,800,000	900,000
Bank overdrafts	-	-
Total	1,847,469	929,493

NOTES TO THE FINANCIAL STATEMENTS

7. DEBTORS AND OTHER RECEIVABLES

	2015	2014
GST receivable	544,234	58,251
Other receivables:		
- Other receivables	44,031	80
Gross debtors and other receivables	588,265	58,331
Less provision for impairment	-	-
TOTAL DEBTORS AND OTHER RECEIVABLES	588,265	58,331

NOTES TO THE FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT

Movements for each class of property, plant and equipment are as follows:

2015	Opening			Movements during the year		Closing	
	Cost/ valuation	Accumulated depreciation	Carrying amount	Additions	Depreciation	Cost/ valuation	Accumulated depreciation
Operational assets							
Buildings	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-
Site Improvements	-	-	-	3,216,196	(23,009)	3,216,196	(23,009)
Plant and equipment	29,732	(1,365)	28,367	698	(1,201)	30,430	(2,566)
Total operational assets	29,732	(1,365)	28,367	3,216,894	(24,210)	3,246,626	(2,566)
							3,221,050

2014	Opening			Movements during the year		Closing	
	Cost/ valuation	Accumulated depreciation	Carrying amount	Additions	Depreciation	Cost/ valuation	Accumulated depreciation
Operational assets							
Buildings	-	-	-	-	-	-	-
Plant and equipment	29,732	(176)	29,556	-	(1,189)	29,732	(1,365)
Total operational assets	29,732	(176)	29,556	-	(1,189)	29,732	(1,365)
							28,367

VALUATION

Assets held by the Trust are recorded at actual cost.

NOTES TO THE FINANCIAL STATEMENTS

9. PAYABLES AND DEFERRED REVENUE

	2015	2014
<i>Deferred revenue under non-exchange transactions</i>		
Grants received subject to substantive conditions not yet met	-	1,200,758
<i>Payables under exchange transactions</i>		
Accrued expenses	1,152,899	5,000
Creditors	43,794	-
	1,196,693	1,205,758

10. EMPLOYEE ENTITLEMENTS

	2015	2014
CURRENT PORTION		
Annual leave	4,647	1,587
Total employee entitlements - current portion	4,647	1,587
TOTAL EMPLOYEE ENTITLEMENTS	4,647	1,587

11. OTHER LIABILITIES

	2015	2014
CURRENT PORTION		
Related parties accrued expenses		73,776
Due to related parties (refer to note 18)	44,166	17,041
Total other liabilities - current portion	44,166	90,817
TOTAL OTHER LIABILITIES	44,166	90,817

12. EQUITY

	2015	2014
TRUST FUNDS		
Balance at beginning of the year	95,616	60,037
New Trust fund contributions	-	-
Net surplus/(deficit) after tax	14,197,529	35,579
BALANCE AT END OF THE YEAR	14,293,147	95,616
TOTAL EQUITY		
Balance at beginning of the year	95,616	60,037
Movements during the year	14,197,529	35,579
BALANCE AT END OF THE YEAR	14,293,147	95,616

13. BORROWINGS

	2015	2014
CURRENT PORTION		
Secured loans	-	-
TOTAL CURRENT PORTION	-	-
NON-CURRENT PORTION		
Secured loans	3,000,000	-
TOTAL NON-CURRENT PORTION	3,000,000	-
TOTAL BORROWINGS	3,000,000	-

NOTES TO THE FINANCIAL STATEMENTS

14. FINANCIAL INSTRUMENTS

14 A. CATEGORIES OF FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

	2015	2014
Loans and receivables		
Cash and cash equivalents	47,469	29,493
Debtors and other receivables	588,265	58,331
Other financial assets:		
- loans to related parties	-	-
Total financial assets	635,734	87,824

FINANCIAL LIABILITIES

Financial liabilities at amortised cost

Trade and other payables	1,196,693	1,205,758
Total financial liabilities at amortised cost	1,196,693	1,205,758

15. REMUNERATION

	2015				2014			
	Salary	Short term benefits	Post employment benefits	Total Remuneration	Salary	Short term benefits	Post employment benefits	Total Remuneration
General Manager	99,625	2,989	-	102,614	58,347	1,660	-	60,007

Key management personnel compensation

Key management personnel consist of the Trustees.

	2015	2014
Salaries	99,625	58,347
Short term benefits	2,989	1,660
Post employment benefits	-	-
Total Remuneration	102,614	60,007

Remuneration of Trustees Members

	2015	2014
Alister Skene	14,960	10,730
Total	14,960	10,730
Number of Board members ***	7.00	6.00

Employee Remuneration

Total remuneration paid or payable	2015	2014
< \$60,000		
\$60,000 - \$79,999		0.46
\$80,000 - \$99,000	-	-
\$100,000- \$199,999	0.80	-
Total Employees	0.80	0.46

Total remuneration includes any non-financial benefits provided to employees.

At balance date, the Trust employed 0.8 full time employees (2014: 0.46)

A full time employee is determined on the basis of a 40 hour working week.

*** 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.

Severance Payments

No severance payments were made by the Trust during the year, (2014, \$nil).

NOTES TO THE FINANCIAL STATEMENTS

16. INTEREST REGISTER

Alister Skene (Chairman)	Managing Director, Cascade Consulting Limited Contractor (Property Manager), Pelorus Trust Trust Manager, Prime Community Trust
David Butler	Partner, Gillespie Young Watson Trustee, Trentham Community Trust Trustee, Pike River Memorial Scholarship Trust Vice President, Wellington Racing Club Board Member, RACE Incorporated
Max Shierlaw	Trustee, Vibe (Hutt Valley Youth Health Services) Hutt City Councillor
Andrew Leslie	Life Trustee, Halberg Trust Trustee, NZ Rugby Foundation Trustee, Pelorus Trust Owner, Scott & Leslie Ltd Director, Leslie Drain Cleaning Advisor, Willment Sports Travel
Kirsten Patterson	NZ Country Head, Institute of Chartered Accountants Australia and NZ Board Member, Wellington / Wairarapa Plunket Area Board Board Member, Lower Hutt Plunket
Max Flowers	Director, Jamaica Properties Director, Jamaica Investments Chairman, Boulcotts Farm Heritage Golf Club Board Trustee, Te Awakairangi Golf Charitable Trust
Sumati Govind	Trustee, Individual Retirement Plan

NOTES TO THE FINANCIAL STATEMENTS

17. 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 Council and group would have adopted in dealing with the party at arm's 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.

18. CAPITAL COMMITMENTS AND OPERATING LEASES

CAPITAL COMMITMENTS

The Trust had \$1.69 million commitments for capital expenditure as at 30 June 2015 relating to the Taita Centre (2014: \$nil).

19. CONTINGENT LIABILITIES AND ASSETS

Contingent Assets

As at 30 June 2015 the Trust had no contingent assets (2014: \$nil).

Contingent liabilities

As at 30 June 2015 the Trust had no contingent liabilities (2014: \$nil).

20. CHANGES IN BUSINESS OF TRUST

During the year ended 30 June 2015 there were no changes in the nature of business of the Trust.

NOTES TO THE FINANCIAL STATEMENTS

21. EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variations from the Trust's budgeted figures are as follows:

Statement of Comprehensive Revenue and Expenses

The surplus after tax was \$14.197m for the year ended 30 June 2015 (2014: \$35,579).

New development activity increased significantly over the past year with the near completion of the Taita Centre and the completion of new turfs at Fraser Park.

Revenue: Actual revenue exceeded budget revenue for the year by \$6.08 m. The increase is due to:

- the development of the new Taita Community Centre and Fraser Park Stage 1 (turfs), moving at a faster rate than budgeted; and,
- the old Walter Nash stadium was transferred to the Trust on 1 July 2014. Hutt City Council contributed \$2.7m (unbudgeted), being the book value of the asset transferred.

Expenses: Expenses are under budget by almost \$1m. This is due to a budgeted line item (\$1m) reflecting a writedown of the Walter Nash stadium, which was not required.

Operating expenses: Under budget by \$941k, due to the budgeted writedown associated with the Walter Nash stadium, \$1m, offset by an overspend against specialist services.

Finance expenses: Variance relates to \$3m loan, unbudgeted, as loan was planned for 2015/16 but due to the pace of the Taita development, the \$3m loan was required to be taken out in June.

Depreciation Charge: Under budget as the Walter Nash stadium was not depreciated during the year due to the stadium largely being closed during the year.

Statement of Financial Position

Total assets are higher largely due to the pace of development during 2014/15 of the new Taita Centre and the Fraser Park developments.

Total liabilities are higher largely due to the \$3m loan.

Net Assets are higher than budget due to a larger surplus than otherwise planned for the year.

Statement of Cash Flows

Cash from operating activities was positive for the year due to higher than planned inflows.

Cash from investing activities reflects entirely the spend on assets under construction, principally the Taita Centre Development and to a lesser extent Fraser Park Sportville.

Cash from financing activities reflects mainly the bringing forward of the \$3m loan for the Taita Centre development, and to a lesser extent intra-company borrowings.

22. EVENTS AFTER THE BALANCE SHEET DATE

There were no events after balance sheet date.

