

**BASIN RESERVE TRUST (INCORPORATED)**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2008**

**BASIN RESERVE TRUST (INCORPORATED)**

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**BASIN RESERVE TRUST (INCORPORATED)  
TRUST DIRECTORY AS AT 30 JUNE 2008**

<b>SETTLORS</b>	Wellington City Council ("WCC") Cricket Wellington Incorporated ("CW")
<b>TRUSTEES</b>	Douglas Catley (Chairman) Don Neely John Morrison Glenn McGovern
<b>MANAGER</b>	Cricket Wellington Incorporated
<b>DATE OF SETTLEMENT</b>	24 February 2005
<b>AUDITORS</b>	Audit New Zealand on behalf of the Auditor-General Wellington
<b>SOLICITOR</b>	Paul Westbury
<b>BANKERS</b>	Westpac Banking Corporation
<b>ADDRESS</b>	Brierley Pavilion, Basin Reserve Rugby Street Wellington
<b>POSTAL ADDRESS</b>	P O Box 578 Wellington

**BASIN RESERVE TRUST (INCORPORATED)**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2008**

	Note	Actual 2008 \$	Budget 2008 \$	Actual 2007 \$
<b>Income</b>				
Grant income - Wellington City Council	3	550,000	180,000	180,000
Grant income - other	3	300,000	-	7,925
Interest income		15,957	10,000	16,493
Revenue from operations	4	435,677	295,000	258,674
Donation	7	-	-	750,000
<b>Total Income</b>		<b>1,301,634</b>	<b>485,000</b>	<b>1,213,092</b>
<b>Expenditure</b>				
Operating expenses	5	464,831	403,750	356,949
Finance Costs		3,362	-	-
Depreciation	7	134,690	110,000	8,087
<b>Total Expenditure</b>		<b>602,883</b>	<b>513,750</b>	<b>365,036</b>
<b>Net Surplus for the Year</b>		<b>698,751</b>	<b>(28,750)</b>	<b>848,056</b>

**BASIN RESERVE TRUST (INCORPORATED)**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2008**

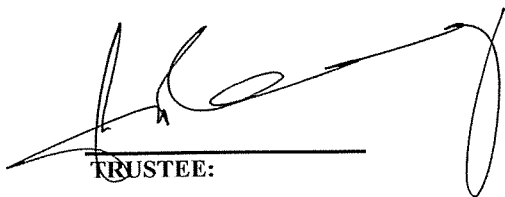
	Note	Actual 2008 \$	Budget 2008 \$	Actual 2007 \$
Net surplus for the year		698,751	(28,750)	848,056
<b>Total Recognised Income and Expense</b>		<b>698,751</b>	<b>(28,750)</b>	<b>848,056</b>
Equity at beginning of year		1,102,420	1,044,750	254,364
<b>Equity at End of Year</b>	6	<b>1,801,171</b>	<b>1,016,000</b>	<b>1,102,420</b>

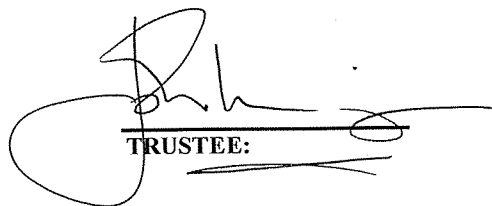
The accompanying notes form part of these financial statements.

**BASIN RESERVE TRUST (INCORPORATED)**  
**BALANCE SHEET**  
**AS AT 30 JUNE 2008**

	Note	Actual 2008 \$	Budget 2008 \$	Actual 2007 \$
<b>Current Liabilities</b>				
Trade payables		183,392	13,000	20,204
Customer deposits & income received in advance		2,030	-	7,264
GST payable		2,007	-	314
Current account - Cricket Wellington	9	33,395	-	12,367
		<u>220,824</u>	<u>13,000</u>	<u>40,149</u>
<b>Trust Funds</b>	6	<u>1,801,171</u>	<u>1,016,000</u>	<u>1,102,420</u>
<b>Total Trust Funds and Liabilities</b>		<u>2,021,995</u>	<u>1,029,000</u>	<u>1,142,569</u>
<b>Non Current Assets</b>				
Property Plant & Equipment	7	<u>1,805,374</u>	<u>895,000</u>	<u>757,188</u>
<b>Current Assets</b>				
Cash & cash equivalents		90,555	122,000	353,106
Trade receivables		124,041	10,600	30,875
Prepayments		2,025	1,400	1,400
		<u>216,621</u>	<u>134,000</u>	<u>385,381</u>
<b>Total Assets</b>		<u>2,021,995</u>	<u>1,029,000</u>	<u>1,142,569</u>

For and on behalf of the Basin Reserve Trust (Incorporated) on 18 August 2008:

  
 TRUSTEE:

  
 TRUSTEE:

The accompanying notes form part of these financial statements.

**BASIN RESERVE TRUST (INCORPORATED)**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2008**

	Note	Actual 2008 \$	Budget 2008 \$	Actual 2007 \$
<b>Cash flows from operating activities</b>				
Cash was provided from:				
Grants from related party - Wellington City Council		550,000	180,000	180,000
Grants other		300,000	-	7,925
Ground hireage - cricket		100,000	80,000	40,000
Other operations		273,609	227,775	217,469
Interest received		15,957	10,000	16,493
Sundry income		9,678	7,500	8,278
Donation		-	-	750,000
Income tax refund		-	-	265
GST		1,693	-	1,909
Cash was disbursed to:				
Payments to suppliers		(371,872)	(342,275)	(327,477)
Payments to related party - Cricket Wellington		(20,000)	(40,000)	(40,000)
<b>Net cash flows from operating activities</b>	10	<u>859,065</u>	<u>123,000</u>	<u>854,862</u>
<b>Cash flows from investing activities</b>				
Cash was disbursed to:				
Purchase of property plant & equipment		(1,142,644)	(60,000)	(590,971)
<b>Net cash flows from investing activities</b>		<u>(1,142,644)</u>	<u>(60,000)</u>	<u>(590,971)</u>
<b>Cash flows from financing activities</b>				
Cash was provided from:				
Increase in current account - Cricket Wellington		21,028	-	11,617
<b>Net cash flows from financing activities</b>		<u>21,028</u>	<u>-</u>	<u>11,617</u>
<b>Net increase (decrease) in cash held</b>		(262,551)	63,000	275,508
<b>Cash at the beginning of year</b>		353,106	59,000	77,598
<b>Cash at the end of year</b>		<u>90,555</u>	<u>122,000</u>	<u>353,106</u>
Comprising:				
Cash and cash equivalents		90,555	122,000	353,106
<b>Cash at the end of year</b>		<u>90,555</u>	<u>122,000</u>	<u>353,106</u>

All cash balances are available to the Trust without restriction

The accompanying notes form part of these financial statements.

**BASIN RESERVE TRUST (INCORPORATED)  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**Note 1: Summary of Significant Accounting Policies**

**Reporting Entity**

These financial statements are for the Basin Reserve Trust ("the Trust"), a charitable trust established by the Wellington City Council ("WCC") and Cricket Wellington ("CW") and registered under the Charitable Trusts Act 1957 and also registered with the Charities Commission. The trust has designated itself as a public benefit entity.

The Trust is a Council Controlled Organisation (CCO) as defined by Part 1, section 6 of the Local Government Act 2002.

The Trust operates under the Basin Reserve Trust Deed dated 24 February 2005. The parties to the Deed are WCC, CW and the Trustees.

The WCC holds the Basin Reserve as a reserve and upon trust to be used for the purposes of a cricket and recreation ground by the citizens of Wellington pursuant to a Deed of Trust dated 17 October 1884. The purpose of the Basin Reserve Trust is the management and operation of the Basin Reserve.

The Trust is reliant on the WCC for a significant portion of its income, being \$550,000 in this financial year and \$180,000 in the last financial year. The terms under which this funding is provided are contained in a Management Deed dated 16 March 2005. This Deed provides that normal funding from the WCC, to a maximum of \$180,000 p.a, will continue in future years subject to the approval by the WCC in its annual planning process. Following enquiry, the WCC have advised that funding for the Trust is provided for in the 2008/09 Annual Plan and in the Long Term Community Plan up to and including 2016, at the current funding level.

**Basis of Preparation**

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

The financial statements have also been prepared in accordance with the requirements of the Charitable Trusts Act 1957.

The information is presented in New Zealand dollars.

**Statement of Compliance with International Financial Reporting Standard**

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to IFRS (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities. Last years financial statements were the Trusts's first financial statements complying with NZ IFRS and NZ IFRS 1 was applied.

An explanation of how the transition to NZ IFRS effected the reported financial position, performance and cash flows of the Trust, for the previous financial period is provided on page 8 of this Annual Report.

**BASIN RESERVE TRUST (INCORPORATED)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**Note 1: Summary of Significant Accounting Policies (continued)**

**Specific Accounting Policies**

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied.

***Revenue recognition***

All revenue is measured at the fair value of consideration received.

***Grants Revenue***

Grants received from the WCC are a primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its obligations as specified in the trust deed. The Trust also receives other assistance for specific purposes, and these grants or donations, usually contain restrictions on their use.

Grants and Donations are recognised as revenue when they become receivable, unless there is an obligation to return the funds if the conditions of the grant are not met. If there is such an obligation the grant or donation, are initially recorded as income received in advance and are recognised as revenue when the conditions of the grant or donation are satisfied.

***Taxation***

The Trust is registered with the Charities Commission and is this exempt from income tax under the Income Tax Act 2007. The Trust is not exempt from the need to comply with indirect tax obligations such as Goods and Services, Fringe Benefit and Entertainment and accordingly complies with those obligations that are applicable.

***Goods and services tax (GST)***

All revenue and expense transactions are recorded exclusive of GST. Assets and liabilities are similarly stated exclusive of GST, with the exception of receivables and payables, which are stated with GST included.

***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.

***Trade and other receivables***

Trade 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.

A provision for impairment of receivables is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

**BASIN RESERVE TRUST (INCORPORATED)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**Note 1: Summary of Significant Accounting Policies (continued)**

***Property, plant, and equipment***

The Trust has the following broad categories of property, plant and equipment:

- Leasehold improvements
- Drainage works
- Furniture & fittings
- Plant
- Capital work in progress

All property, plant and equipment is initially recorded at cost. The assets are carried at cost less depreciation.

Depreciation is provided for on a straight line basis on all tangible property, plant and equipment other than capital work in progress, at depreciation rates calculated to allocate the assets' cost less estimated residual value, over their estimated useful lives.

Major depreciation periods are:

Leasehold improvements	2.20 - 66.70% SL
Drainage works	5.50 - 7.20% SL
Furniture & fittings	12.00 - 48.00% SL
Plant	16.20% SL

***Budget figures***

The budget figures are those approved by the Trustees and published in the annual plan. They have been prepared using the same accounting policies as are employed in preparing these financial statements.

***Impairment***

If the recoverable amount of an item of property, plant and equipment is less than its carrying amount, the item is written down to its recoverable amount. The write down of an item is recognised as an expense in the income statement.

The carrying amount of an item of property, plant and equipment that has previously been written down to recoverable amount is increased to its current recoverable amount if there has been a change in the estimates used to determine the amount of the write down.

The increased carrying amount of the item will not exceed the carrying amount that would have been determined if the write down to recoverable amount had not occurred. The reversal of a write down of an item is recognised in the income statement.

***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 or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**BASIN RESERVE TRUST (INCORPORATED)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**Note 1: Summary of Significant Accounting Policies (continued)**

*Property, plant and equipment useful lives and residual values*

At each balance date the Trust reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Trust to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Trust, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the income statement, and carrying amount of the asset in the balance sheet. The Trust minimises the risk of this estimation uncertainty by:

- physical inspection of assets; and
- asset replacement programs.

The Trust has not made significant changes to past assumptions concerning useful lives and residual values. The Carrying amounts of property, plant and equipment are disclosed in note 6.

*Critical judgements in applying the Trust's accounting policies*

The Trustees must exercise their judgement when recognising grant and donation income to determine if conditions of the grant or donation contract have been satisfied. This judgement will be based on the facts and circumstances that are evident for each grant or donation contract.

**Note 2: Explanation of Transition to NZ IFRS**

The Trust's financial statements for the year ended 30 June 2007 were the first financial statements that complied with NZ IFRS. The Trust applied NZ IFRS 1 in preparing those financial statements. The Trust's transition date was 1 July 2005 and the opening NZ IFRS balance sheet was prepared at that date. The Trust's NZ IFRS adoption date was 1 July 2006.

In preparing those financial statements in accordance with NZ IFRS 1, the Trust applied the mandatory exceptions and certain optional exemptions from full retrospective application of NZ IFRS.

There were no changes in the Trusts equity, surplus or statement of cash flows, resulting from the transition from previous NZ GAAP to NZ IFRS as at 1 July 2005 and 30 June 2006.

**Note 3: Grant Income**

Of the Grant income received from the WCC, \$180,000 (2007 \$180,000) was an operational grant that was used to pay occupancy costs and make repairs and maintain the Basin Reserve. The other \$370,000 (2007 \$0) received from the WCC was a special grant and was used to replace the irrigation system, and to construct new media facilities at the Basin Reserve.

The Grant income - other was a sponsorship payment to the Trust from the supplier of the electronic scoreboard screen.

**BASIN RESERVE TRUST (INCORPORATED)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

<b>Note 4: Revenue from Operations</b>	<b>Actual 2008 \$</b>	<b>Budget 2008 \$</b>	<b>Actual 2007 \$</b>
Ground hire - NZ Cricket	100,000	80,000	40,000
Ground hire - other	43,650	27,500	27,466
Function centre hireage	11,859	15,000	11,974
Concessions	63,823	10,000	14,289
Signage	156,667	155,000	156,667
Screen hireage	50,000	-	-
Sundry revenue	9,678	7,500	8,278
<b>Total Revenue from Operations</b>	<b>435,677</b>	<b>295,000</b>	<b>258,674</b>

<b>Note 5: Operating Expenses</b>	<b>Actual 2008 \$</b>	<b>Budget 2008 \$</b>	<b>Actual 2007 \$</b>
Audit fee	11,070	8,500	8,300
Auditor - other services	-	-	-
Building repairs & maintenance	14,922	37,500	20,541
Casual staff	23,203	30,000	32,242
Cleaning costs	13,236	20,500	20,555
Donation	2,000	-	-
Grounds repairs & maintenance	135,520	96,000	48,971
Insurance	9,675	13,000	2,784
Management fee - Cricket Wellington	40,000	40,000	40,000
Other building costs	78,804	39,000	39,168
Power & gas	23,603	21,200	23,182
Rates & water rates	35,293	36,500	31,180
Rubbish removal	11,798	8,000	7,495
Security	7,477	6,000	6,283
Other operating expenses	58,230	47,550	76,248
<b>Total Operating Expenses</b>	<b>464,831</b>	<b>403,750</b>	<b>356,949</b>

**BASIN RESERVE TRUST (INCORPORATED)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**Note 6: Trust Funds**

	<b>Actual 2008 \$</b>	<b>Actual 2007 \$</b>
<b>Settlement on Trust</b>		
Balance at start of year	100	100
<b>Balance at end of year</b>	<u>100</u>	<u>100</u>
<b>Accumulated Funds</b>		
Balance at start of Year	1,102,320	254,264
Surplus for the year	698,751	848,056
<b>Balance at end of Year</b>	<u>1,801,071</u>	<u>1,102,320</u>
	<u>1,801,171</u>	<u>1,102,420</u>

**Note 7: Property, Plant & Equipment**

Certain assets, totalling \$155,716 that related to the Basin Reserve, were transferred from the Wellington Regional Stadium Trust to the Trust. These assets were transferred for nil consideration, but were taken up in the accounts of the Trust at the book values in the accounts of the Wellington Regional Stadium Trust as at 1 July 2004. The value of the donated assets was recognised in the income statement for the for the year ending 30 June 2005.

In the previous financial year a donation totalling \$750,000 was received by the Trust. This donation was made specifically so that the Trust could acquire a new scoreboard screen. This scoreboard screen and the structure relating was not fully operational at the previous balance date and hence the instalment payments for it were treated as capital work in progress.

Ownership of the Basin Reserve buildings remains with the WCC.

Ownership of the assets required to maintain the Basin Reserve playing surfaces remains with the Wellington Regional Stadium Trust.

**BASIN RESERVE TRUST (INCORPORATED)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**Note 7: Property, Plant & Equipment (continued)**

	Leasehold Improvements	Drainage Works	Furniture & Fittings	Plant	Capital Work in Progress	Total
<b>1 July 2006</b>						
Cost	177,219	4,742	7,222	-	-	189,183
Accumulated depreciation	(10,902)	(523)	(3,454)	-	-	(14,879)
Carrying Amount	166,317	4,219	3,768	-	-	174,304
<b>Year ended 30 June 2007</b>						
Carrying amount at 1 July 2006	166,317	4,219	3,768	-	-	174,304
Additions	4,863	-	3,208	-	582,900	590,971
Depreciation	(6,187)	(261)	(1,639)	-	-	(8,087)
Carrying amount at 30 June 2007	164,993	3,958	5,337	-	582,900	757,188
<b>30 June 2007</b>						
Cost	182,082	4,742	10,430	-	582,900	780,154
Accumulated depreciation	(17,089)	(784)	(5,093)	-	-	(22,966)
Carrying Amount	164,993	3,958	5,337	-	582,900	757,188
<b>Year ended 30 June 2008</b>						
Carrying amount at 1 July 2007	164,993	3,958	5,337	-	582,900	757,188
Additions	570,336	105,715	-	1,075,000	14,725	1,765,776
Depreciation	(25,184)	(5,970)	(1,948)	(101,588)	-	(134,690)
Transfers	-	-	-	-	(582,900)	(582,900)
Carrying amount at 30 June 2008	710,145	103,703	3,389	973,412	14,725	1,805,374
<b>30 June 2008</b>						
Cost	752,418	110,457	10,430	1,075,000	14,725	1,963,030
Accumulated depreciation	(42,273)	(6,754)	(7,041)	(101,588)	-	(157,656)
Carrying Amount	710,145	103,703	3,389	973,412	14,725	1,805,374

**BASIN RESERVE TRUST (INCORPORATED)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**Note 8: Trustee Disclosures**

The Trustees of the Trust are:

Douglas Catley (Chairman)	- appointed by CW
Don Neely	- appointed by CW
Glenn McGovern	- appointed by WCC
John Morrison	- appointed by WCC

In the year to 30 June 2008, the Trustees did not receive any remuneration in regard to their duties as trustees (30 June 2007 Nil).

**Note 9: Related Parties**

The settlors of the Trust are WCC and CW and therefore they are deemed to be related parties of the Trust. Because both the Trust and the Wellington Regional Stadium Trust ("the Stadium Trust") are members of the Wellington City Council Group, there is deemed to be common outside control or significant influence. Consequently, the Stadium Trust is also a related party of the Trust. During the year the following material transactions took place with these related parties.

- 1 WCC made a grant of \$550,000 (2007 \$180,000) to the Trust as a contribution towards the costs of operating the Trust.
- 2 WCC paid the Trust \$5,529 (2007 \$0) for the hireage of the ground and other facilities.
- 3 CW was paid \$40,000 (2007 \$40,000) by the Trust for the provision of management, accounting and administrative services.
- 3 CW was paid \$33,932 (2007 \$33,523) by the Trust for casual labour and event set up costs. These transactions were all completed on normal commercial terms.
- 4 CW paid the Trust \$9,715 (2007 \$0) to re-imbure it for various administrative expenditure incurred.
- 5 The Stadium Trust provided turf maintenance services to the Trust at a cost of \$7,632 (2007 \$1,604). This transaction was also completed on normal commercial terms.
- 6 CW was paid \$0 (2007 \$8,250) by the Trust for the provision of corporate entertainment during events. This expense of the Trust was pursuant to the terms and conditions of a sponsorship agreement that the Trust was a party to.
- 7 Pursuant to an arrangement between the Trust and CW, CW were due \$4,849 (2007 \$2,730), being their share of net revenue from function centre hireage, for administering and managing the function centre operation for the Trust.
- 8 Pursuant to an arrangement between the Trust and CW, CW were due \$6,397 (2007 \$2,677), being their share of net revenue from picket fence plaque sales, for administering, marketing and managing this process on behalf of the Trust.
- 9 Douglas Catley was re-imbursed \$1,464 (2007 \$1,020) for costs, whilst on Trust business.
- 10 Don Neely (a Trustee of the Trust) was paid \$50 (2007 \$200) for the sale of copies of his book, A History of the Basin Reserve, to the Trust. This transaction was completed on normal commercial terms.
- 11 The Stadium Trust received revenue of \$0 (2007 \$8,488) for the provision of temporary staff and for repair work undertaken at the Allied Prime Finance Basin Reserve. These transactions were also completed on normal commercial terms.

**BASIN RESERVE TRUST (INCORPORATED)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**Note 9: Related Parties (continued)**

12 An amount of \$33,395 (2007 \$12,367) was owed to CW by the Trust at balance date. This advance was interest free, repayable on demand and unsecured.

No related party debts have been written off or forgiven during the year (2007 Nil).

**Note 10: Reconciliation of Reported Surplus with Cash Flows from Operating Activities**

	Actual 2008 \$	Actual 2007 \$
Net surplus for the year	698,751	848,056
Adjustments:		
Add non-cash items:		
Depreciation	134,690	8,087
Movement in working capital:		
Decrease/(increase) in receivables & sundry debtors, prepayments, income tax refund due & GST receivable	(93,791)	4,439
(Decrease)/increase in accounts payable & accruals & customer deposits, income received in advance & GST payable	119,415	(5,720)
	<u>25,624</u>	<u>(1,281)</u>
Net Cash Flows from Operating Activities	<u>859,065</u>	<u>854,862</u>

**Note 11: Financial Instruments**

The Trust's financial instruments include financial assets (cash and cash equivalents, derivative financial instruments, loans and receivables, available-for-sale financial instruments, investments in subsidiaries and associates), and financial liabilities (payables that arise directly from operations and borrowings). The main purpose of the Trust's financial instruments is to raise finance for the Trust's operations.

As part of its normal operations, the Trust is exposed to credit risk, interest rate risk and liquidity risk. The Trust's exposure to these risks and the action that the Trust has taken to minimise the impact of these risks is outlined below:

**Fair Value**

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arms length transaction. The fair values and carrying amounts of all financial instruments are detailed below by class:

**BASIN RESERVE TRUST (INCORPORATED)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**Note 11: Financial Instruments (continued)**

	2008		2007	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
	\$	\$	\$	\$
<i>Financial Assets</i>				
Cash and cash equivalents	90,555	90,555	353,106	353,106
Trade receivables	124,041	124,041	30,875	30,875
<i>Financial Liabilities</i>				
Payables	183,392	183,392	20,204	20,204

**Credit Risk**

Credit risk is the risk that a third party will default on its obligations to the Trust, therefore causing a loss. The Trust is not exposed to any material concentrations of credit risk. Receivables balances are monitored on an ongoing basis with the result that the Trust's exposure to bad debts is not significant. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

The Trust's maximum exposure to credit risk at balance date is:

	2008	2007
	\$	\$
<i>Financial Assets</i>		
Cash and cash equivalents	90,555	353,106
Trade receivables	124,041	30,875
	214,596	383,981

The status of trade receivables at the reporting date is as follows:

	2008		2007	
	Gross Receivable	Impairment	Gross Receivable	Impairment
	\$	\$	\$	\$
<b>Trade receivables</b>				
Not past due	88,346	-	28,625	-
Past due 0-3 months	35,100	-	2,250	-
Past due 3-6 months	595	-	-	-
Past due more than 6 months	-	-	-	-
<b>Total trade receivables</b>	124,041	-	30,875	-

**BASIN RESERVE TRUST (INCORPORATED)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**Note 11: Financial Instruments (continued)**

**Liquidity Risk**

Liquidity risk is the risk arising from unmatched cash flows and maturities.

On a cash flow basis, the Trust maintains sufficient funds to cover all obligations as they fall due.

The following table sets out the contractual cash flows for all financial liabilities that are settled on a gross cash flow basis. Contractual cash flows for financial liabilities comprise the notional amount and interest payment.

	<b>Balance Sheet</b>	<b>Total Contractual Cashflows</b>	<b>2008 0-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Trade payables</b>	183,392	183,392	183,392	-	-
<b>Total financial liabilities settled on a gross basis</b>	<b>183,392</b>	<b>183,392</b>	<b>183,392</b>	<b>-</b>	<b>-</b>
	<b>Balance Sheet</b>	<b>Total Contractual Cashflows</b>	<b>2007 0-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Trade payables</b>	20,204	20,204	20,204	-	-
<b>Total financial liabilities settled on a gross basis</b>	<b>20,204</b>	<b>20,204</b>	<b>20,204</b>	<b>-</b>	<b>-</b>

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of the Trust's financial instruments will fluctuate due to changes in market interest rates. The Trust is exposed to interest rate risk from its interest-earning financial assets. The Trust is risk averse and seeks to minimise exposure arising from its treasury activities. It does not undertake unnecessary investment or borrowing activity, nor is it speculative in the activity it undertakes, with the overall intention being to avoid placing the capital value of individual investment and borrowing facilities at risk.

The effective interest rates and contractual re-pricing or maturity periods (whichever is earlier) of financial instruments are as follows:

**BASIN RESERVE TRUST (INCORPORATED)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**Note 11: Financial Instruments (continued)**

	<b>Balance Sheet</b>	<b>Total Contractual Cashflows</b>	<b>2008 0-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>
<b>Variable rate instruments</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	90,555	90,555	90,555	-	-
<b>Total variable rate instruments</b>	<b>90,555</b>	<b>90,555</b>	<b>90,555</b>	<b>-</b>	<b>-</b>
	<b>Balance Sheet</b>	<b>Total Contractual Cashflows</b>	<b>2007 0-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>
<b>Variable rate instruments</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	353,106	353,106	353,106	-	-
<b>Total variable rate instruments</b>	<b>353,106</b>	<b>353,106</b>	<b>353,106</b>	<b>-</b>	<b>-</b>

**Equity Management**

The Trust's equity includes accumulated funds and retained earnings, revaluation reserves and settlements made on the Trust.

The Local Government Act 2002 requires the Trust to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

**Note 12: Contingent Liabilities & Contingent Assets**

There were no Contingent Liabilities as at 30 June 2008 (2007 Nil).

The Trust did however have a contingent asset at 30 June 2007 (2008 Nil). Pursuant to a contract dated 20 October 2006 for the supply of an electronic scoreboard screen to the Trust, the suppliers of the screen were to make a sponsorship payment to the Trust of \$300,000 plus GST, upon the Trust making the final payment to the supplier that they were contractually obliged to make for the supply of the screen. This payment was made in this financial year ended 30 June 2008.

**BASIN RESERVE TRUST (INCORPORATED)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**Note 13: Capital Commitments**

	<b>2008</b>	<b>2007</b>
	\$	\$
Commitments for the acquisition of assets approved and contracted for at balance date:		
Within one year	-	644,000
Greater than one year	-	-
	<u>-</u>	<u>644,000</u>

**Note 14: Variance Against Budget**

The major variances are the grant received from the WCC relating to the capital expenditure on the new irrigation system and the upgraded media facilities totalling \$370,000, the grant received from Monstavision regarding the new scoreboard screen totalling \$300,000, the hireage of the screen for \$50,000, the increase in the hireage of the ground for other activities totalling \$16,150 and the concession income received from the England Test of \$46,880. Also there was unforeseen painting and upgrading of the Museum Stand seating totalling \$21,700 and also the increase in spending on ground structures including the old scoreboard and numerous repairs to fences totalling \$49,000.

In the balance sheet the Trust Funds are higher than budgeted, due to the unforeseen grants and other income received as detailed above. Similarly Property, Plant and Equipment is higher than budgeted for due to the capital expenditure on the irrigation system and the new media facilities. Accounts payable & accruals and Receivables & sundry debtors are also higher than budgeted for due to expenses relating to the English test not being paid at balance date and also the corresponding receivables relating to this expenditure not being collected at balance date.

**Note 15: Events After Balance Date**

There are no events after balance date that effect the financial statements or the notes to the financial statements (2007 Nil).

**BASIN RESERVE TRUST (INCORPORATED)  
STATEMENT OF SERVICE PERFORMANCE**

- The Trust's Statement of Intent for the year ended 30 June 2008 was adopted in May 2007
- The main objectives of the Trust are as follows:
  1. To contribute to the Wellington City Council's vision of Creative Wellington - Innovative Capital, by continuing to attract national and international sporting events to Wellington.
  2. To manage, administer, plan, develop, maintain, promote and operate the Basin Reserve for recreational activities and for the playing of cricket, for the benefit of the inhabitants of Wellington.
  3. To establish a long term policy for the further development of the Basin Reserve as a recreational facility and as a facility for the playing of cricket, other sports and as a venue for other community based activities.
  4. To preserve and enhance the significant and recognised heritage value of the Basin Reserve.
  5. To comply with all legislative and regulatory provisions relating to it's operation and performance, including statutory and general Council objectives for Council controlled organisations.

**PERFORMANCE MEASURES**

12 months to 30 June 2008

Number of Events	Target	Actual
Cricket	11	17
Other Sports	10	9
Other Cultural	2	0
Community	4	3
<b>Number of Event Days</b>		
Cricket	32	39
Other Sports	10	14
Other Cultural	2	0
Community	4	3
<b>Financial</b>		
Event Income	140,000	207,473
Non-Event Income	345,000	1,078,204

**BASIN RESERVE TRUST (INCORPORATED)  
STATEMENT OF COMPLIANCE AND RESPONSIBILITY  
FOR THE YEAR ENDED 30 JUNE 2008**

**VARIANCES TO TARGET**

The major variances are in the number of Cricket Events and Event Days, the number of Other Cultural Events and Event Days and the amounts of Event Income and Non-Event Income. The number of Cricket Events and Event Days is due to there being more State Shield Twenty Twenty games this season, than was anticipated. It was also budgetted to have 2 Other Cultural Events and Event Days. Unfortunately these did not occur. Event Income was higher than targetted for due to large concession sales during the English Test match and Non-Event Income was higher than targetted for due to income received from Screen Hireage, Grant Income from the Wellington City Council and also a one-off Grant received from the supplier of the new Screen Scoreboard.

**COMPLIANCE**

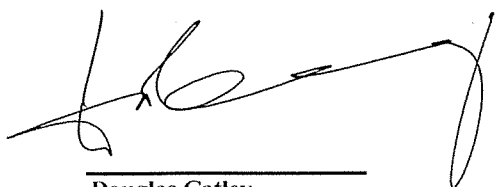
The Board and management of the Basin Reserve Trust ("the Trust") confirm that all statutory requirements of the Local Government Act 2002 regarding financial and operational management have been complied with.

**RESPONSIBILITY**

The Board and management of the Trust accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting and performance information of the Trust.

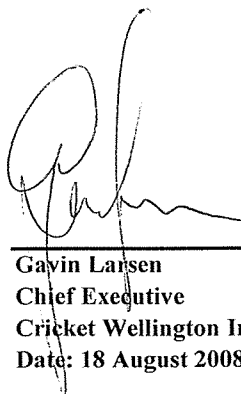
In the opinion of the Board and management, the annual Financial Statements for the year ended 30 June 2008 fairly reflect the financial position, results of operations and service performance achievements of the Trust.



**Douglas Catley**

**Chairman**

**Date: 18 August 2008**



**Gavin Larsen**

**Chief Executive**

**Cricket Wellington Inc.**

**Date: 18 August 2008**

**AUDIT REPORT****TO THE READERS OF  
THE BASIN RESERVE TRUST'S  
FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2008**

The Auditor-General is the auditor of the Basin Reserve Trust (the Trust). The Auditor-General has appointed me, A P 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 his behalf, for the year ended 30 June 2008.

**Unqualified Opinion**

In our opinion:

- The financial statements of the Trust on pages 2 to 17:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the Trust's financial position as at 30 June 2008; and
    - the results of its operations and cash flows for the year ended on that date.
- The performance information of the Trust on page 18 fairly reflects the achievements measured against the performance targets adopted for the year ended 30 June 2008.

The audit was completed on 18 August 2008, and 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 the Auditor, and explain our independence.

**Basis of Opinion**

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and performance information did not have material misstatements, whether caused by fraud or error.

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

The audit involved performing procedures to test the information presented in the financial statements and performance information. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the [Governing Body];
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information.

We evaluated the overall adequacy of the presentation of information in the financial statements and performance information. We obtained all the information and explanations we required to support our opinion above.

#### **Responsibilities of the Trustees and the Auditor**

The Trustees is responsible for preparing the financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Trust as at 30 June 2008 and the results of its operations and cash flows for the year ended on that date. The Trustees is also responsible for preparing performance information that fairly reflects service performance achievements for the year ended 30 June 2008. The Trustees responsibilities arise from the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

#### **Independence**

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

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

A handwritten signature in black ink, appearing to be 'A P Burns', with a stylized, cursive script.

A P Burns  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand