

**Aorangi Stadium Trust**

**Statement Of Intent**

**2022/23**



# Aorangi Stadium Trust

## Statement of Intent

### 2022/23

#### 1 Preamble

Aorangi Stadium Trust is a Council Controlled Organisation as defined by Section 6 of the Local Government Act 2002.

This Statement of Intent sets out the overall intentions and objectives for Aorangi Stadium Trust for the period 1 July 2021 to 30 June 2022 and the two succeeding financial years.

Aorangi Stadium Trust contracts its administration from the Timaru District Council and as such does not have staff employed. The Stadium is leased to Timaru District Council who operate the facility.

#### 2 Objectives Of The Trust

The purpose of the Trust is to continue development, maintenance and operation of the Aorangi Stadium and adjoining areas on Aorangi Park, Timaru for the use of the public.

##### General objectives are:

- a. To promote the development and ongoing maintenance of the Aorangi Sports Stadium on the Morgans Road Recreation Reserve and for that purpose to enter into satisfactory arrangements with the owner of the land, Timaru District Council.
- b. To support and promote facilities for indoor and outdoor sport or any other recreational pursuit.
- c. To acquire any real or personal property for the purpose of the Trust to extend the buildings and to develop land for the general purposes of the Trust.
- d. To promote and encourage community activities and to assist sports bodies, community organisations and organisations devoted to the welfare of youth in the region of South Canterbury.

### **3 Nature And Scope Of Activities To Be Undertaken**

Aorangi Stadium Trust owns the Stadium and Events centre located at Aorangi Park, Timaru. The facility, known as the Southern Trust Events Centre, is leased to the Timaru District Council, who manages and operates the facility. Many of the objectives of the Trust have now been delegated to Timaru District Council.

The Trust is responsible for the major maintenance and building renewals as landlord of the building.

### **4 Governance**

Aorangi Stadium Trust oversees the building maintenance to ensure the facility is well maintained. Day to day operation of the building is undertaken by Timaru District Council.

### **5 Financial management**

The Trust will seek agreement from Timaru District Council that the Council will underwrite agreed expenditure exceeding established funding streams.

### **5 Statement Of Accounting Policies**

Aorangi Stadium Trust is a registered charity (registration number: CC22027).

Details of the current accounting policies and their application are contained in Appendix A.

### **6 Performance Targets**

- a. Significant maintenance projects are completed on time and on budget.
- b. Regular liaison occurs with the tenant, Timaru District Council, on at least a bi-annual basis to ensure that the facility and the associated arrangements are operating to the satisfaction of both parties.
- c. Undertake, with Timaru District Council, a review of the future costs and funding of maintenance and depreciation; and the options for the ownership structure of the stadium.

## **7 Financial Forecasts**

The financial forecasts are based on estimated revenue flows and estimated capital structures.

## **8 Reporting To Shareholders**

The following information will be available to shareholders based on an annual balance date of 30 June.

### **a. Draft Statement of Intent**

By the March 1 annually, the Trustees shall (for so long as the Trust remains a Council Controlled Organisation), deliver to the Council a draft Statement of Intent for the following financial year which fulfils the requirements of Section 64 of the Local Government Act 2002.

### **b. Completed Statement of Intent**

By June 30 annually the Trustees shall deliver to the Council the final Statement of Intent for the following financial year which fulfils the requirements of Section 64 of the Local Government Act 2002.

### **c. Half Yearly Report**

Within two months following the first half of each financial year, the Trustees shall deliver to the shareholders an unaudited report containing the following information as a minimum in respect of the half year under review:

- i. A Statement of Financial Performance disclosing actual revenue and expenditure including a comparison of actual against budget, and comparative figures
- ii. A Statement of Financial Position
- iii. A commentary on the results for the first six months, together with a report on the outlook for the second six months.

### **d. Annual Report**

- i. Within three months after the end of each financial year, the Trustees shall deliver to the Council, and make available to the public, an annual report and audited financial statements of that financial year, containing the following information as a minimum: -
  - A Trustees' report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives;
  - A Statement of Financial Performance disclosing actual revenue and expenditure including a comparison of actual against budget, and comparative figures;

- A Statement of Financial Position;
- A Statement of Cashflows;
- An Auditor's report on the above statements and the measurement of performance in relation to objectives.

**9 Distribution Policy**

The Trust is a non-profit organisation and does not generate income or dividends for the Timaru District Council.

**10 Procedures For Acquisition Of Other Interests**

The Trust will only purchase an interest in another business or invest in the shares of another company or organisation with the prior approval of the Timaru District Council.

**11 Activities For Which Compensation Is Sought From Any Local Authority**

It is anticipated that the Trust will continue to seek compensation from Timaru District Council relating to funding long term maintenance items for the stadium and reimbursement of insurance costs in terms of the lease agreement.

**12 Estimate Of Commercial Value Of The Shareholders Investment**

The Trustees estimate that the balance of funds in the annual accounts will represent the value of Aorangi Stadium Trust. The Trustees will advise Timaru District Council if they believe the value to differ materially from this state.

# Aorangi Stadium Trust

## Aorangi Stadium Trust

Budget	2019/20	2020/21	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<i>(uninflated)</i>	Actual	Actual	Budget*	Forecast	Budget	Plan	Plan	Plan	Plan	Plan	Plan
<b>Income</b>											
Grants - Other: TDC	52,000	52,000	54,000	52,000	201,726	602,354	57,000	58,000	59,000	60,000	136,658
Grants - Insurance reimbursement: TDC	38,117	39,190	40,000	42,345	52,931	58,224	64,047	48,400	70,451	53,240	77,497
Interest	2,292	773	1,500	3,487	3,500	2,500	1,500	1,000	1,000	1,000	1,000
Other Income											
	92,409	91,963	95,500	97,832	258,157	663,078	122,547	107,400	130,451	114,240	215,155
<b>Expenditure</b>											
Insurance	38,117	39,190	40,000	42,561	52,931	58,224	64,047	48,400	70,451	53,240	77,497
Repairs & maintenance	1,116	5,788	194,450	-4,467	330,550	90,950	163,200	31,450	18,300	141,100	706,600
Deferred maintenance provision		415,712		1,060,438	-330,550	-90,950	-163,200	-31,450	-18,300	-141,100	-706,600
Earthquake strengthening provision				4,631,701							
Accounting & admin. fee: TDC	1,000	2,000	5,000	1,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Audit fees	5,000	3,850	5,000	5,900	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other	-465	5	1,500	85,261	500	500	500	500	500	500	500
	44,768	466,545	245,950	5,822,394	63,431	68,724	74,547	58,900	80,951	63,740	87,997
Depreciation	172,839	172,396	174,000	172,000	173,000	148,985	0	0	0	0	0
<b>Net Surplus/(Deficit)</b>	<b>-125,198</b>	<b>-546,978</b>	<b>-324,450</b>	<b>-5,896,562</b>	<b>21,726</b>	<b>445,369</b>	<b>48,000</b>	<b>48,500</b>	<b>49,500</b>	<b>50,500</b>	<b>127,158</b>
<b>Assets</b>											
Bank	9,210	8,311	7,171	31,843	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Investments	298,065	304,062	181,923	699,000	727,942	736,992	621,792	638,842	670,042	579,442	0
Other current assets	53,074	91,190	27,765	261	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	360,349	403,563	216,859	731,104	747,942	756,992	641,792	658,842	690,042	599,442	20,000
Land and Buildings	666,783	494,385	359,851	322,385	150,385	0	0	0	0	0	0
Work in Progress											
Total non-current assets	666,783	494,385	359,851	322,385	150,385	0	0	0	0	0	0
Total assets	1,027,132	897,948	576,710	1,053,489	898,327	756,992	641,792	658,842	690,042	599,442	20,000
<b>Liabilities</b>											
Creditors & accrued expenses	5,972	8,054	5,000	174,152	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Revenue in advance				259,212	509,212	609,212	609,212	609,212	609,212	609,212	609,212
Provision for maintenance <12 months		256,962		265,204	595,754	0	0	0	0	0	0
Total current liabilities	5,972	265,016	5,000	698,568	1,109,966	614,212	614,212	614,212	614,212	614,212	614,212
Provision for maintenance >12 months		158,750		5,777,301	5,446,751	5,355,801	5,192,601	5,161,151	5,142,851	5,001,751	4,295,151
Total non-current liabilities >12 months	0	158,750	0	5,777,301	5,446,751	5,355,801	5,192,601	5,161,151	5,142,851	5,001,751	4,295,151
Total liabilities	5,972	423,766	5,000	6,475,869	6,556,717	5,970,013	5,806,813	5,775,363	5,757,063	5,615,963	4,909,363
<b>Net assets</b>	<b>1,021,160</b>	<b>474,182</b>	<b>571,710</b>	<b>-5,422,380</b>	<b>-5,658,390</b>	<b>-5,213,021</b>	<b>-5,165,021</b>	<b>-5,116,521</b>	<b>-5,067,021</b>	<b>-5,016,521</b>	<b>-4,889,363</b>
<b>Equity</b>											
Capital	3,050,631	3,050,631	3,050,631	3,050,631	3,050,631	3,050,631	3,050,631	3,050,631	3,050,631	3,050,631	3,050,631
Accumulated surpluses/deficits b/fwd	-2,047,392	-2,225,754	-2,376,954	-2,576,449	-8,730,747	-8,709,021	-8,263,652	-8,215,652	-8,167,152	-8,117,652	-8,067,152
Current year surplus/deficit	-125,198	-546,978	-324,450	-5,896,562	21,726	445,369	48,000	48,500	49,500	50,500	127,158
Transfers to/from reserves	-53,164	196,283	140,450	0	0	0	0	0	0	0	0
Accumulated surpluses/deficits c/fwd	-2,225,754	-2,576,449	-2,560,954	-8,473,011	-8,709,021	-8,263,652	-8,215,652	-8,167,152	-8,117,652	-8,067,152	-7,939,994
Maintenance reserve b/fwd	143,119	196,283	222,483	0	0	0	0	0	0	0	0
Transfers to reserve	54,280	0	54,000	0	0	0	0	0	0	0	0
Transfers from reserve	-1,116	-196,283	-194,450	0	0	0	0	0	0	0	0
Maintenance reserve c/fwd	196,283	0	82,033	0	0	0	0	0	0	0	0
<b>Total equity</b>	<b>1,021,160</b>	<b>474,182</b>	<b>571,710</b>	<b>-5,422,380</b>	<b>-5,658,390</b>	<b>-5,213,021</b>	<b>-5,165,021</b>	<b>-5,116,521</b>	<b>-5,067,021</b>	<b>-5,016,521</b>	<b>-4,889,363</b>
Difference					0	0	0	0	0	0	0
Equity to Total Assets ratio (90% target)	99.4%	52.8%	99.1%		-629.9%	-688.6%	-804.8%	-776.6%	-734.3%	-836.9%	-2444.8%
<b>Aorangi Stadium Trust</b>											
<b>Capex</b>			<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	
<b>Likely landlord responsibility</b>			<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
External common areas (estimated landlord responsibility)			58,300	141,500	74,800	1,000	2,300	1,000	42,300	683,500	
Building Services			136,150	189,050	16,150	162,200	29,150	17,300	98,800	23,100	
<b>Previously included in budget</b>											
Specified in prior budget: Lighting/Misc											
Specified in prior budget: Floor coverings (not included in expenses budget; assumed to be capex)											
<b>Total</b>			<b>194,450</b>	<b>330,550</b>	<b>90,950</b>	<b>163,200</b>	<b>31,450</b>	<b>18,300</b>	<b>141,100</b>	<b>706,600</b>	

No assumptions have been included for earthquake strengthening work over the life of the plan as there is not yet a project in place for this.