

# **AORANGI STADIUM TRUST**

## **Annual Report for the year ended 30 June 2023**

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## **Entity information: Who we are**

Aorangi Stadium Trust (“the Trust”) was incorporated on 14 August 2001 under the Charitable Trusts Act 1957. The Trust is controlled by Timaru District Council as a council controlled organisation as defined in section 6 of the Local Government Act 2002.

The registration number for the Trust on the Charities Register is CC22027.

### **Contact details**

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Email:	John.liddiard@timdc.govt.nz

The Trust has a Board of four Trustees who oversee governance of the Trust and Timaru District Council manage the facility and administer the Trust.

The Trustees during the year to 30 June 2023 were:

Peter Burt (Chairman)  
Allan Booth  
Sally Parker  
Stu Piddington

The main source of resources for the Trust is grants and support from the Timaru District Council. The Trust engaged in external fundraising in the previous financial year. It does not use volunteers.



## **Trustees' Report and what we do, with statement of service performance**

The purpose of the Trust is to continue development, maintenance and operation of the Timaru (or Aorangi) Stadium and adjoining areas on Aorangi Park in Timaru.

The Stadium is leased to Timaru District Council which is responsible for day to day maintenance with the Trust being responsible for the landlord elements of the property.

The Trust works with Timaru District Council to manage the Stadium in the interests of the people of Timaru and South Canterbury and the Council provides expertise to assist in this process.

### **Statement of service performance:**

There are specifically agreed objectives for the Trust as a Council Controlled Organisation to ensure that it is being managed effectively:

<b>Description and outcomes of agreed targets for the Trust:</b>	<b>Actual 2023</b>	<b>Actual 2022</b>
Ratio of equity to total assets remains above 90%	Not applicable	Not met -50.0%
Regular liaison occurs with the tenant (Timaru District Council) on at least a six-monthly basis.	Met	Met
Audited annual report completed within 3 months of financial year end.	Not met	Not met
Promote ongoing development and maintenance of Aorangi Stadium on Morgans Road Recreation Reserve.	Met	Met
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.	Partially met	Partially met

During the year the main focus of the Trust was considering the future development of the stadium and the funding of that, and this continues into 2024. The plans for the development of Aorangi Park, including the stadium, are being developed and considered by Council however work cannot be done on the stadium without the agreement of the Trust. While there may be potential funding possibilities outside of Timaru District Council it is likely that the majority of funding would come from Council and while the future is being considered no substantive work is being completed on the stadium.

The stadium has continued to be a valuable asset for the sporting community and the Trustees and Council are committed to ensuring that this continue to be the case.



The provisions for work have been continued this year, however the projected income from all sources will not be accounted for until it is received resulting in negative equity being reported. The cash available means, however, that essential work can continue to be done as necessary. As noted last year the previous target of maintaining the ratio of equity to total assets has been removed as a target for 2023.

The cost of potential earthquake strengthening to increase the stadium earthquake rating is now estimated at \$12m but this work is also being considered in the context of the overall Park development and potential options for the stadium.

The Trustees believe that the financial net value of the stadium is likely to be negative if the cost of the work required is considered, however the carrying value of the stadium continues to be positive in 2023. In 2024 a separate, independent, valuation will be undertaken.

The Board of Trustees did not comply with section 67 of the Local Government Act in that the Board did not report by 30 September 2023, three months after the financial year end, by which CCOs are required to have completed their annual report and delivered it as stipulated by the Act.



## Statement of Financial Performance

for the year ended 30 June 2023

	Notes	Actual 2023 \$	Budget 2023 \$	Actual 2022 \$
<b><u>Revenue</u></b>				
Subsidies and grants	2(i)	102,901	254,657	353,557
Gain on sale of assets	2(iii)	30,219	-	-
Finance revenue	2(ii)	22,592	3,500	4,636
<b>Total Revenue</b>		<b>155,712</b>	<b>258,157</b>	<b>358,193</b>
<b><u>Expenses</u></b>				
Maintenance expenses	3	(56,046)	-	(1,055,971)
Other expenses	4	(184,506)	(63,431)	(121,203)
Depreciation	9	(45,611)	(173,000)	(176,953)
<b>Total expenses</b>		<b>(286,163)</b>	<b>(236,431)</b>	<b>(1,354,127)</b>
<b>Net surplus/(deficit) for the year</b>		<b>(130,451)</b>	<b>21,726</b>	<b>(995,934)</b>



**Statement of Financial Position**

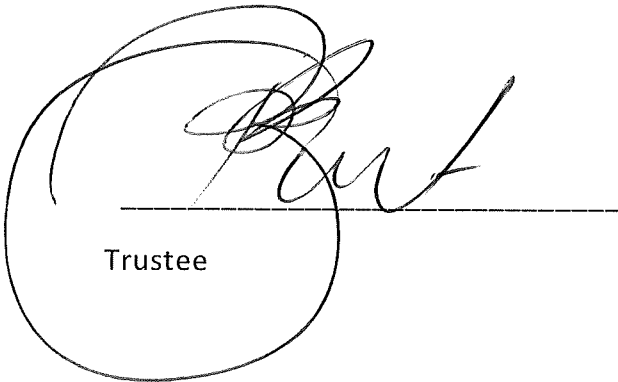
as at 30 June 2023

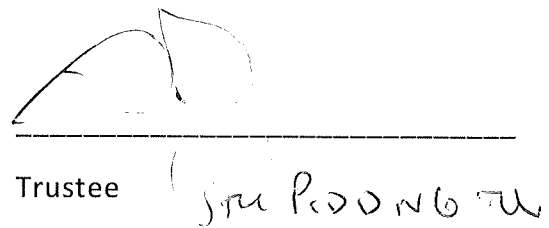
	Notes	Actual 2023 \$	Budget 2023 \$	Actual 2022 \$
<b><u>Assets</u></b>				
<b><u>Current Assets</u></b>				
Cash and cash equivalents	6	546,368	737,942	711,584
Receivables	8	240,233	10,000	10,809
Prepayments	8	4,242	-	3,547
<b>Total Current Assets</b>		<b>790,843</b>	<b>747,942</b>	<b>725,940</b>
<b><u>Non-Current Assets</u></b>				
Property, plant and equipment	9	179,079	150,385	317,432
<b>Total Non-Current Assets</b>		<b>179,079</b>	<b>150,385</b>	<b>317,432</b>
<b>Total Assets</b>		<b>969,922</b>	<b>898,327</b>	<b>1,043,372</b>
<b><u>Liabilities</u></b>				
<b><u>Current Liabilities</u></b>				
Payables and deferred revenue	10	(233,033)	(514,212)	(153,782)
Provisions	11	(334,443)	(595,754)	(265,204)
<b>Total Current Liabilities</b>		<b>(567,476)</b>	<b>(1,109,966)</b>	<b>(418,986)</b>
<b><u>Non-Current Liabilities</u></b>				
Provisions	11	(1,054,650)	(5,446,751)	(1,146,137)
<b>Total non-current liabilities</b>		<b>(1,054,650)</b>	<b>(5,446,751)</b>	<b>(1,146,137)</b>
<b>Total Liabilities</b>		<b>(1,622,126)</b>	<b>(6,556,717)</b>	<b>(1,565,123)</b>
<b>Net Assets (Total Assets less Total Liabilities)</b>		<b>(652,204)</b>	<b>(5,658,390)</b>	<b>(521,751)</b>



Aorangi Stadium Trust Annual Report for the year ended 30 June 2023

	Notes	Actual 2023 \$	Budget 2023 \$	Actual 2022 \$
<b><u>Accumulated Funds</u></b>				
Capital contributed by members	14	3,050,631	3,050,631	3,050,631
Accumulated surpluses/(deficits)	14	(3,702,835)	(8,709,021)	(3,572,382)
Reserves	14	-	-	-
<b>Total Accumulated Funds</b>		<b>(652,204)</b>	<b>(5,658,390)</b>	<b>(521,751)</b>

  
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 Trustee

  
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 Trustee





**Statement of Cash Flows**

for the year ended 30 June 2023

	Actual 2023 \$	Budget 2023 \$	Actual 2022 \$
<b><u>Cash Flows (to)/from Operating Activities</u></b>			
<b><u>Cash was received from:</u></b>			
Donations, fundraising and other similar receipts	-	254,657	444,747
Interest, dividend and other investment receipts	22,592	3,500	4,698
Net GST	12,208	-	611
<b><u>Cash was applied to:</u></b>			
Payments to suppliers	(200,015)	(63,431)	(50,845)
<b>Net Cash inflow/(outflow) from operating activities</b>	<b>(165,215)</b>	<b>194,726</b>	<b>399,211</b>
<b><u>Cash Flows (to)/from Investing Activities</u></b>			
Receipts from sale of property, plant and equipment	-	-	-
Purchase of property, plant & equipment	-	-	-
<b>Net cash inflow/(outflow) from investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash</b>	<b>(165,215)</b>	<b>194,726</b>	<b>399,211</b>
Opening Cash	711,584	189,094	312,373
Closing Cash	546,369	383,820	711,584
<b><u>This is represented by:</u></b>			
Bank current account	6	546,369	711,584



## Notes to the Financial Statements

for the year ended 30 June 2023

### 1 Statement of Accounting Policies

#### REPORTING ENTITY

Aorangi Stadium Trust (the Trust) is a charitable trust incorporated on 14 August 2001 under the Charitable Trusts Act 1957 (CTA).

The Trust is controlled by Timaru District Council (the Council) as a Council Controlled Organisation (CCO) as defined in section 6 of the Local Government Act 2002 (LGA), with all Trustees being appointed by the Council.

It is fully domiciled and operated in New Zealand.

The purpose of the Trust is to continue the development, maintenance and operation of the Aorangi/Timaru Stadium and adjoining areas on Aorangi Park in Timaru. As a charity the Trust does not operate to make a financial return.

The reporting date of the Trust is 30 June.

The Trust has been designated as a Public Benefit Entity (PBE) for the purpose of complying with Generally Accepted Accounting Practice (GAAP).

The financial statements of the Trust are for the year ended 30 June 2023.

The financial statements were authorised for issue by the Trustees on 7 November 2023.

#### BASIS OF PREPARATION

The financial statements are prepared in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) or PBE SFR-A (PS), as the Trust is deemed to be a public entity subject to public sector standards and has total annual expenses of equal to or less than \$2,000,000. All transactions are reported using the accrual basis of accounting. The Annual Report is prepared under the assumption that the Trust will continue to operate in the foreseeable future.

#### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

#### Changes in accounting policies and disclosures

There have been no changes in accounting policies during the year however some disclosures have been modified to agree with Group presentation practices and



principles. There have been no changes in the reported outcomes as a result of any presentational changes.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting policies which do not relate to a specific note are outlined below.

### **Goods and Services Tax**

Items in the financial statements are stated exclusive of goods and services tax (GST) except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax it is recognised as part of the related asset or expense.

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

Commitments and contingencies are disclosed exclusive of GST.

### **Income Tax**

The Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions as it is deemed a charitable trust for taxation purposes.

### **Budget figures**

The budget figures presented in this report are those approved by the Trustees for 2022/23 unless stated otherwise. The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the Trust in preparing these financial statements.

### **Critical accounting estimates and assumptions**

In preparing these financial statements, estimates and assumptions have been made 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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are:

- Estimating the provisions for deferred maintenance (Note 11)

### **Critical judgments in applying accounting policies**

Management has exercised the following critical judgments in applying accounting policies:



- Valuation methodology for property, plant and equipment (Note 9)

**Note 2: Revenue**

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

*Grants received*

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

*Interest*

Interest revenue is recognised using the effective interest method.

**Note 3: Maintenance Expenses**

Maintenance expenses are expensed as they are incurred except that, where related to a provision, an offsetting release from that provision is made.

**Note 6: Cash and cash equivalents**

Cash and cash equivalents include 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. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

**Note 7: Reconciliation of net surplus/(deficit) after tax to net cashflow from operating activities**

*Cashflow statement*

Operating activities include cash received from all revenue sources of the Trust, and expenditure payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of current and non-current securities, and any non-current assets.

Financing activities are those activities relating to the changes in equity, and debt structure of the Trust.

**Note 9: Property, plant and equipment**

Property, plant and equipment consists of operational assets including buildings and buildings improvements and furniture and equipment, which are utilised by the Trust to deliver services.

Buildings and building improvements and furniture and equipment are measured at cost less accumulate depreciation and impairment losses.



Unless specifically stated, acquisitions are initially valued at cost.

#### *Additions*

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably and is greater than \$3,000, subject to individual asset assessment.

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

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

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 Council and group and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in surplus or deficit as they are incurred.

#### *Disposals*

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

#### *Depreciation*

Depreciation is provided on a straight-line basis on all property, plant, and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings and building improvements	1% - 30% Straight line
-------------------------------------	------------------------

#### *Impairment of property, plant, and equipment*

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.



If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount and the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in surplus or deficit.

#### **Note 10: Payables and deferred revenue**

Short-term creditors and other payables are measured at the amount payable.

Payables are generally non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of payables approximates their fair value.

Deferred revenue represents receipts the conditions of which have not yet been fulfilled but which are expected to be recognised as revenue within 12 months.

#### **Note 11: Provisions**

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed annually to determine their appropriateness, including the value of the provision.

#### **Note 14: Equity/Accumulated Funds**

Equity is the community's interest in the Trust and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

Contributed capital: this represents the funds initially contributed by the members of the Trust particularly from public fundraising;

Accumulated surpluses/(deficits): this represents the accumulation of all financial results since the inception of the Trust;

Reserves: this represents funds set aside relating to specific purposes or relating to funding from hypothecated sources.

#### **Note 17: Events after balance date**

Events which are deemed to actually or potentially have a material impact on the Trust, but which occur after balance date, will be disclosed including a statement regarding why they have been assessed as being of significant materiality.



## 2 Revenue

### i. Subsidies and grants

	Actual 2023 \$	Actual 2022 \$
Grants from Timaru District Council: General funding	52,000	52,000
Grants from Timaru District Council: Insurance reimbursement	50,901	42,345
Grants from Trust Aoraki	-	259,212
<b>Total</b>	<b>102,901</b>	<b>353,557</b>

There are no unfulfilled conditions and other contingencies attached to recognised grants.

### ii. Finance revenue

	Actual 2023 \$	Actual 2022 \$
Interest revenue:		
- term deposits	22,592	4,636
<b>Total</b>	<b>22,592</b>	<b>4,636</b>

### iii. Other gains/(losses)

	Actual 2023 \$	Actual 2022 \$
Gain on sale of assets	30,219	-
<b>Total</b>	<b>30,219</b>	<b>-</b>



**3 Maintenance expense**

	Actual 2023 \$	Actual 2022 \$
Maintenance costs incurred	(77,757)	(60,879)
Maintenance provision release	21,711	65,346
Increase in provision for maintenance costs	-	(1,060,438)
Total maintenance costs	(56,046)	(1,055,971)

**4 Other expenses**

	Actual 2023 \$	Actual 2022 \$
Audit fees for financial statement audit: current year	(6,690)	(3,900)
Audit fees: other	(689)	(2,000)
Earthquake strengthening report	-	(71,061)
Insurance	(50,206)	(39,014)
Professional services – consultants fees	(126,152)	-
Other expenses	(769)	(5,228)
Total	(184,506)	(121,203)





## 5 Tax

Aorangi Stadium Trust is a charitable organisation and not subject to income tax.

	Actual 2023 \$	Actual 2022 \$
Surplus/(deficit) before tax	(130,451)	(995,934)
Tax credit/(expense) at 28% (2022: 28%)	36,526	278,862
Non-taxable income @ 28%	43,599	100,294
Non-deductible expenditure @28%	(80,125)	(379,156)
Tax expense/(benefit)	-	-

## 6 Cash and cash equivalents

	Actual 2023 \$	Actual 2022 \$
Cash at bank	546,369	12,584
Short term deposits maturing 3 months or less from date of acquisition	-	699,000
Total	546,369	711,584



**7 Reconciliation of net surplus/(deficit) to net cash flow from operating activities**

	Actual 2023 \$	Actual 2022 \$
Surplus/(deficit)	(130,451)	(995,934)
<b>Add/(less) non-cash items:</b>		
Depreciation charges	45,611	176,953
Movement in impairment provision	(537)	-
Movement in provisions	(21,711)	995,629
Other movements	-	(3,550)
<b>Add/(less) items classified as investing activities:</b>		
(Gains)/losses on disposal of property, plant and equipment	(30,219)	-
<b>Add/(less) movements in working capital items:</b>		
Accounts receivable	229,424	80,381
Accounts payable	(257,332)	145,730
Net cash inflow/(outflow) from operating activities	(165,215)	399,211

**8 Receivables**

	Actual 2023 \$	Actual 2022 \$
Other receivables	5,402	10,809
Related party receivables	234,831	-
	240,233	10,809
Prepayments	4,242	3,546
Total	244,475	14,356

No receivables are past due as at 30 June 2023 and no impairment provisions have been made relating to them.



## 9 Property, plant and equipment

Asset Class	Opening Carrying Value \$	Purchases \$	Disposals \$	Depreciation \$	Closing Carrying Value \$
<b>2023</b>					
Buildings	317,432	4,436	(97,178)	(45,611)	179,079
<b>Total</b>	<b>317,432</b>	<b>4,436</b>	<b>(97,178)</b>	<b>(45,611)</b>	<b>179,079</b>
<b>2022</b>					
Buildings	494,385	-	-	(176,953)	317,432
<b>Total</b>	<b>494,385</b>	<b>-</b>	<b>-</b>	<b>(176,953)</b>	<b>317,432</b>

During 2023 a comprehensive review of Trust assets was undertaken. Previously some assets were depreciated on a diminishing value or on a straight line (current) basis and these have either been disposed of or moved to a straight line basis however the majority of the value of disposals relates to assets held by the Trust relating to the internal operation of the stadium, which has been contracted to Timaru District Council, and these assets have now been sold to Council at net written down book value. Assets held by Council which related to the Trust's stadium obligations have been acquired at net written down book value.

### Insurance on assets

	Actual 2023 \$	Actual 2022 \$
The maximum amount to which insured assets are insured	25,310,000	20,505,000
The total value of all Trust assets covered by insurance contracts*	25,310,000	20,505,000
The total value of all Trust assets covered by financial risk-sharing arrangements	-	-
Maximum amount available to the Trust under financial risk-sharing arrangements	-	-
Total value of assets that are self-insured	-	-
Value of funds maintained for self-insurance	-	-

\*The carrying value of assets is calculated on deemed cost, separate insurance valuations are obtained for significant assets.



## 10 Payables and deferred revenue

	Actual 2023 \$	Actual 2022 \$
Trade payables and accrued expenses	190,865	72,062
Amounts due to related parties	42,169	81,720
<b>Total</b>	<b>233,034</b>	<b>153,782</b>

All payable and deferred revenues are exchange transactions.

## 11 Provisions

### i. Provision for deferred maintenance

	Actual 2023 \$	Actual 2022 \$
<b>Current provision</b>		
Opening balance	265,204	256,962
Additional provisions made during the year	-	-
Transfer from non-current provision	90,950	73,588
Amounts used during the year	(21,711)	(65,346)
<b>Closing balance</b>	<b>334,443</b>	<b>265,204</b>

	Actual 2023 \$	Actual 2022 \$
<b>Non-current provision</b>		
Opening balance	1,145,600	158,750
Additional provisions made during the year	-	1,060,438
Transfer to current provision	(90,950)	(73,588)
<b>Closing balance</b>	<b>1,054,650</b>	<b>1,145,600</b>



	<b>Actual 2023 \$</b>	<b>Actual 2022 \$</b>
<b>Total provision</b>		
Opening balance	1,410,804	415,712
Additional provisions made during the year	-	1,060,438
Amounts used during the year	(21,711)	(65,346)
Closing balance	1,389,093	1,410,804

During 2021 a report was received regarding maintenance requirements for the stadium and partially provided for. In 2022 projected costs until 2024 were fully provided for. No additional provisions have been made in 2023.

ii. Provision for asset impairment

	<b>Actual 2023 \$</b>	<b>Actual 2022 \$</b>
<b>Non-current provision</b>		
Additional provisions made during the year	-	537
Closing balance	-	537

A provision was made in 2022 for adjusting the depreciation of assets from a diminishing value basis to a straight line basis. A comprehensive review of assets was completed in 2023 and all remaining assets are now depreciated on a straight line basis.

## 12 Contingencies

### Earthquake strengthening

During the year an updated report was received regarding earthquake strengthening requirements for the stadium. The estimate cost relating to this is now \$12m (2021: \$3.85m to 6.05m range; \$4.63m average).

No contingent assets have been identified.

## 13 Commitments

There are no capital commitments or financial guarantees at balance date (2022: Nil).



**14 Accumulated funds**

2023

Description	Capital contributed by owners or members	Accumulated surpluses/ (deficits)	Capital contributions reserves	Total accumulated funds
Opening balance	3,050,631	(3,572,382)	-	(521,751)
Surplus/(deficit)		(130,451)	-	(130,451)
Other movements		(2)	-	(2)
<b>Closing balance</b>	<b>3,050,631</b>	<b>(3,702,835)</b>	<b>-</b>	<b>(652,204)</b>

2022

Description	Capital contributed by owners or members	Accumulated surpluses/ (deficits)	Capital contributions reserves	Total accumulated funds
Opening balance	3,050,631	(2,576,449)	-	474,182
Surplus/(deficit)	-	(995,934)	-	(995,934)
Transfer to reserves	-	1	-	1
Transfer from reserves	-	-	-	-
<b>Closing balance</b>	<b>3,050,631</b>	<b>(3,572,382)</b>	<b>-</b>	<b>(521,751)</b>



**15 Related party transactions**

During the year to 30 June 2023, the Trust entered into various transactions with its parent, Timaru District Council. Related party disclosures have not been made for transactions with Council that are within normal supplier or client/recipient relationships and on terms and conditions no more or less favourable than those that it is reasonable to expect the Trust would have adopted in dealing with the Council at arm’s length in the same circumstances.

Description of related party relationship	Transaction description (cash or in-kind)	Value of transactions		Amount outstanding	
		2023 \$	2022 \$	2023 \$	2022 \$
General grant received from Timaru District Council	Cash	52,000	52,000	-	-
Insurance grant received from Timaru District Council	Cash	50,901	42,345	-	-
Sale of Assets	Cash	131,930	-	-	-
Accounting Services	Cash	-1000	-1000	-	-
Site lease fee	Cash	-105	-100	-	-

**16 Explanation of major variances against budget**

Revenue and expenditure	2023 \$
Planned surplus	21,726
<b>Increases/(reductions)</b>	
Grants	(151,756)
Gains/(losses) on disposal of assets	30,219
Finance revenue	19,092
Maintenance	(56,046)
Depreciation	127,389
Other expenses	(121,075)
	<u>(152,177)</u>
Annual Report surplus/(deficit)	<u>(130,451)</u>

The major reasons for the variance between the actual and budgeted net surplus/(deficit) are:



- Grants expected to be received of approximately \$145k to cover maintenance costs were not required as the planned work was not done.
- Trust assets reported at nil value were sold for \$30k to Timaru District Council at their assessed value.
- Higher levels of cash retained due to the delayed maintenance work and higher interest rates resulted in the finance revenue variance of \$19k.
- Maintenance costs not covered by the provision totalled \$56k, however it was assumed in the budget that all maintenance costs would be covered.
- During the year the basis of depreciation was adjusted to straight line (cost) from diminishing value and straight line (current) and this combined with the net impact of the comprehensive review and rationalisation of assets whereby some assets were acquired from Council and others sold to Council resulted in the lower than budgeted depreciation.

#### **17 Events after balance date**

No material events have occurred after balance date.

#### **18 Going concern**

The Trust is considered to be a going concern due to the support that it has received from Timaru District Council. The Council guarantees the liabilities of the Trust for twelve months from the date of the approval of the audited financial statements. Trustees are confident therefore that the Trust has sufficient resources to support current planned expenditure and liabilities.

#### **19 Statutory Disclosure**

The Board of Trustees did not comply with section 67 of the Local Government Act in that the Board did not report by 30 September 2023, three months after the financial year end, by which CCOs are required to have completed their annual report and delivered it as stipulated by the Act.





## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE READERS OF AORANGI STADIUM TRUST'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2023**

The Auditor-General is the auditor of Aorangi Stadium Trust (the Trust). The Auditor-General has appointed me, Sam Naylor, using the staff and resources of Nexia Audit Christchurch, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

#### **Opinion**

We have audited:

- the financial statements of the Trust on pages 6 to 24, that comprise the statement of financial position as at 30 June 2023, the statement of financial performance and the 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 3 to 5.

In our opinion:

- the financial statements of the Trust:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2023; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector); and
- the performance information of the Trust presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2023.

Our audit was completed on 7 November 2023. This is the date at which our opinion is expressed.

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

#### **Basis for our opinion**

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

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

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

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

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

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

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

The Board of Trustees' responsibilities arise from the Local Government Act 2002.

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

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

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

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

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

### **Independence**

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

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



### **Sam Naylor**

Nexia Audit Christchurch  
On behalf of the Auditor-General  
Christchurch, New Zealand