



# Taranaki Stadium Trust



Taranaki Stadium Trust  
2020/2021 ANNUAL REPORT

## **VISION FOR YARROW STADIUM**

*The best regional stadium in New Zealand that regularly hosts local, regional, national, and international sports and entertainment events.*

*A stadium for both major events and community events and the premier outdoor fields for team sports codes.*

*A stadium that is loved by sports fans and the local community.*

*A stadium that is a quality experience for event promoters, participants and spectators, which is achieved through superior hospitality and event facilities, efficient and effective management, accessibility, flexibility and innovation.*

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## Entity information for the Year Ended 30 June 2021

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### Legal name

Taranaki Stadium Trust

### Type of entity and legal basis

The Taranaki Stadium Trust (the Trust) is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 1957 and is domiciled in New Zealand. The Trust is controlled by the Taranaki Regional Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees.

### The Trust's purpose

The purpose of the Trust is to promote the effective and efficient maintenance, development, management, operation and promotion of Yarrow Stadium as a community asset used for recreation, sporting and cultural activities for the benefit of the people of Taranaki, working in particular with the Taranaki Regional Council and the New Plymouth District Council.

### Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of two Trustees who oversee the governance of the Trust. The Trustees are appointed by the Taranaki Regional Council. The Trust does not employ any staff. All the Trust's administrative and support services are undertaken by the Taranaki Regional Council. The operation of Yarrow Stadium is undertaken by the New Plymouth District Council pursuant to a Management Agreement.

### Main sources of the Trust's cash and resources

Operating grants received from the Taranaki Regional Council are the primary sources of funding to the Trust.

### Outputs

Refer to the statement of service performance.



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## Trustee's Report

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The Trustees are pleased to present the Taranaki Stadium Trust's 2020/2021 Annual Report.

The purpose of the Trust is to promote the effective and efficient maintenance, development, management, operation and promotion of Yarrow Stadium as a community asset used for recreation, sporting and cultural activities for the benefit of the people of Taranaki, working in particular with the Taranaki Regional Council and the New Plymouth District Council.

The Trust, the New Plymouth District Council and the Taranaki Regional Council have a partnership arrangement for the operation and the development, maintenance and enhancement of the Yarrow Stadium facilities. Under the Trust's Deed and the Management Agreement between the Trust and the New Plymouth District Council, the New Plymouth District Council operates and funds the operations of Yarrow Stadium. The Taranaki Regional Council funds, via the Trust, the long-term maintenance and development of Yarrow Stadium.

This partnership for funding and operating, maintaining and developing is designed to maintain Yarrow Stadium as a premier regional sports and events venue.

### Highlights

Yarrow Stadium operated in a limited capacity as both the stands were closed as they are earthquake prone buildings. There continued to be a small range of events and activities at the Stadium.

In opting to repair and refurbish Yarrow Stadium within a budget of up to \$50 million, the Taranaki Regional Council has reaffirmed its vision for the venue. The vision was reviewed and updated in 2020/2021. It is:

*The best regional stadium in New Zealand that regularly hosts local, regional, national, and international sports and entertainment events.*

- *A stadium for both major events and community events and the premier outdoor fields for team sports codes.*
- *A stadium that is loved by sports fans and the local community.*
- *A stadium that is a quality experience for event promoters, participants and spectators, which is achieved through superior hospitality and event facilities, efficient and effective management, accessibility, flexibility and innovation.*

The repair and refurbishment project will include:

- Repair to the earthquake-prone West Stand
- Demolition and replacement of the East Stand
- Replaced lighting with LED and replacement of the main field
- Important refurbishments including additional food and beverage outlets and toilets, technology upgrades, car park improvements, maintenance and grounds storage sheds, gate improvements and new South Terrace seating.

And the Council will ask the Yarrow Stadium operator, New Plymouth District Council, to seek ways to encourage increased use of the facility by a wider range of sporting and non-sporting organisations.

The implementation of the repair and refurbishment project commenced with the establishment of a Project Steering Group and detailed design and analysis work.

The project was put on hold during the Covid-19 pandemic as there was a significant adverse impact on national and international events arising from Covid-19. The project was put on hold to allow a review of options to be completed. Through this review, the Council successfully applied for "shovel-ready" funding (\$20m) from Crown Infrastructure Partners.

With the shovel-ready funding secured and the review of options complete the project has recommenced. As well as bringing a cut of 45% in the Yarrow Stadium targeted rates from 1 July 2021, the funding injection has made it easier to ensure this iconic venue can continue to meet the region's needs amid all the changing circumstances.

## Trustee's Report



Excellent progress has been made on the project. The West Stand repair is due to be complete by the end of December 2021. Contracts have been let for the replacement of the main field and the main field lighting (with LED lights). The East Stand has been demolished and a design team has been appointed for the new East Stand. The Stadium is planned to be open in 2022 with a repaired West Stand and the new East Stand under construction.

### Financial Highlights

The Trust's 2020/2021 funding was focussed on the delivery of the repair and refurbishment project. To date the project spend is \$7.1m.

The delivery of the repair and recovery programme will require the Trust to borrow up to \$30m from the Taranaki Regional Council (in addition to the existing \$5m loan facility). The servicing of this debt will come from rates sourced Taranaki Regional Council funding.

### Looking Ahead

Yarrow Stadium and the Trust faces some challenging times ahead as the goal of returning the Stadium to full operational use is implemented.

**Elvina Van Der Leden**  
Trustee  
21 September 2021

**Michael Nield**  
Trustee  
21 September 2021

## Statement of Service Performance

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### Performance Targets

The performance of Taranaki Stadium Trust has been judged against the following measures:

*The presence of a Management Agreement with the New Plymouth District Council for the operation of the Stadium*

An agreement for the management and operation of Yarrow Stadium, between the Trust and the New Plymouth District Council, is in place. The original agreement for the Council to manage and operate the stadium was signed in 2004 and the latest renewal came into effect from 27 June 2013. New Plymouth District Council operated Yarrow Stadium in accordance with the Management Agreement during 2020/2021.

*The provision of funding for a programme of agreed maintenance and long-term development of the Stadium. The programme of maintenance and long-term development is to be agreed upon by the Taranaki Regional Council and the New Plymouth District Council.*

The Taranaki Regional Council has approved a \$50m repair and refurbishment project for Yarrow Stadium. The New Plymouth District Council and the Taranaki Regional Council have agreed upon a long-term maintenance and development programme for the ten years from 2016/2017 to 30 June 2025. The Taranaki Regional Council provided funding of \$3,942,720 to the Taranaki Stadium Trust.

Asset management planning for Yarrow Stadium is on hold while the repair and refurbishment project is delivered. Funding has been used to deliver the repair and refurbishment project. The focus has been on getting the Stadium operational again.



## Statement of Financial Performance for the Year Ended 30 June 2021

	Notes	Actual \$ 2020/2021	Actual \$ 2019/2020
<b>Revenue</b>			
Council funding	1	3,942,720	3,942,719
Interest revenue		1,780	69
Donated plant and equipment		-	41,262
Sundry income		26,100	-
<b>Total revenue</b>		<b>3,970,600</b>	<b>3,984,050</b>
<b>Expenses</b>			
Depreciation	6	912,492	978,477
Finance expenses	2	26,025	149,183
Other expenses	3	711,833	606,172
Impairment of turf	6	161,738	-
Losses on revaluation of buildings	6	-	1,890,148
<b>Total expenses</b>		<b>1,812,088</b>	<b>3,623,980</b>
<b>Surplus/(deficit)</b>		<b>2,158,512</b>	<b>360,070</b>
<b>Other comprehensive revenue</b>			
Gains on revaluation of land	6	-	380,000
<b>Total other comprehensive income</b>		<b>-</b>	<b>380,000</b>
<b>Total comprehensive income/(deficit)</b>		<b>2,158,512</b>	<b>740,070</b>
Total comprehensive income/(deficit) attributable to:			
Taranaki Regional Council		2,158,512	740,070
<b>Total comprehensive income/(deficit)</b>		<b>2,158,512</b>	<b>740,070</b>

## Statement of Changes in Equity for the Year Ended 30 June 2021

	Notes	Actual \$ 2020/2021	Actual \$ 2019/2020
Balance at 1 July		12,849,804	12,109,734
Surplus/(deficit) for the year		2,158,512	360,070
Other comprehensive income		-	380,000
<b>Total comprehensive income/(deficit)</b>		<b>2,158,512</b>	<b>740,070</b>
<b>Balance at 30 June</b>	<b>4</b>	<b>15,008,316</b>	<b>12,849,804</b>

The accompanying notes form part of these financial statements.



## Statement of Financial Position as at 30 June 2021

	Notes	Actual \$ 2020/2021	Actual \$ 2019/2020
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	495,498	11,558
Debtors and other receivables	7	155,697	4
<b>Total current assets</b>		<b>651,195</b>	<b>11,562</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	20,753,249	17,337,870
<b>Total non-current assets</b>		<b>20,753,249</b>	<b>17,337,870</b>
<b>Total assets</b>		<b>21,404,444</b>	<b>17,349,432</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Creditors and other payables	8	1,395,796	344,315
Borrowings	9	5,000,332	4,155,313
<b>Total current liabilities</b>		<b>6,396,128</b>	<b>4,499,628</b>
<b>Total liabilities</b>		<b>6,396,128</b>	<b>4,499,628</b>
<b>Net assets</b>		<b>15,008,316</b>	<b>12,849,804</b>
<b>Equity</b>			
Accumulated funds	4	13,658,316	11,499,804
Asset Revaluation Reserve	4	1,350,000	1,350,000
<b>Total equity attributable to the Trust</b>	<b>4</b>	<b>15,008,316</b>	<b>12,849,804</b>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows for the Year Ended 30 June 2021

	Notes	Actual \$ 2020/2021	Actual \$ 2019/2020
<b>Cash flows from (used in) operating activities</b>			
Taranaki Regional Council		3,942,720	3,942,719
Interest received		1,778	66
Payments to suppliers		(345,635)	(349,020)
Interest paid		(26,038)	(149,170)
Goods and services tax (net)		(260,746)	105,663
<b>Net cash from (used in) operating activities</b>	<b>10</b>	<b>3,312,079</b>	<b>3,550,258</b>
<b>Cash flows from (used in) investing activities</b>			
Purchase of property, plant and equipment		(3,673,158)	(3,788,124)
<b>Net cash from (used in) investing activities</b>		<b>(3,673,158)</b>	<b>(3,788,124)</b>
<b>Cash flows from (used in) financing activities</b>			
Applied to borrowings		(154,981)	(3,759,977)
Provided from borrowings		1,000,000	4,000,000
<b>Net cash from (used in) financing activities</b>		<b>845,019</b>	<b>240,023</b>
Net (decrease)/increase in cash and cash equivalents		483,940	2,157
Opening cash and cash equivalents		11,558	9,401
<b>Closing cash and cash equivalents</b>	<b>5</b>	<b>495,498</b>	<b>11,558</b>

The goods and services tax (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

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### Statement of accounting policies

#### Reporting entity

The Taranaki Stadium Trust (the Trust) is a charitable trust incorporated in New Zealand under the *Charitable Trusts Act 1957* and is domiciled in New Zealand. The Trust is controlled by the Taranaki Regional Council and is a Council Controlled Organisation as defined under section 6 of the *Local Government Act 2002*, by virtue of the Council's right to appoint the Board of Trustees.

Rather than making a financial return, the primary objective of the Trust is to promote the effective and efficient maintenance, development, management, operation and promotion of Yarrow Stadium as a community asset used for recreation, sporting and cultural activities for the benefit of the people of Taranaki, working in particular with the Taranaki Regional Council and the New Plymouth District Council. The Trust has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

The financial statements of the Trust are for the year ended 30 June 2021. The financial statements were authorised for issue by the Board of Trustees on 21 September 2021.

#### Basis of preparation

##### *Measurement base*

The financial statements have been prepared on a historical costs basis, modified by the revaluation of certain fixed assets.

##### *Functional and presentation currency*

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars.

##### *New and amended accounting standards adopted*

There have been no new or amended accounting standards adopted for the year ended 30 June 2021.

##### *Changes in accounting policies*

There have been no changes in accounting policies for the year ended 30 June 2021.

#### Significant accounting policies

The following is a summary of the significant accounting policies, adopted by the Trust, in the preparation of these financial statements.

##### *Goods and services tax*

The Trust is registered for Goods and Services Tax (GST). The financial statements have been prepared exclusive of GST, with the exception of receivables and payables, which are stated inclusive of GST. The net amount of GST, recoverable from or payable to the Inland Revenue Department (IRD), is included as part of receivables or payables, in the statement of financial position. The net amount of GST, paid to or received from the IRD, is classified as an operating cash flow, in the statement of cash flows.

## Notes to the Financial Statements

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### **Revenue**

Council grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Interest revenue is recorded as it is earned during the year.

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings, as a current liability, in the statement of financial position.

### **Investments**

Investments comprise investments in terms deposits with banks. Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

### **Debtors and other receivables**

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

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

Property, plant, and equipment is recorded at cost, less accumulated depreciation and impairment losses with the exception of land and buildings which is recorded at valuation. Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised. For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount. For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Work in progress is recorded at cost. Cost includes expenditure which is directly attributable to the acquisition of an asset. Capital work in progress is not depreciated.

### **Accounting for revaluations**

The Trust elects to apply PBE IPSAS 17 *Property, Plant and Equipment* for the purposes of accounting for revaluations.

When an item of property, plant and equipment is revalued, any accumulated depreciation, at the date of the revaluation, is eliminated against the gross carrying amount of the asset. Then, the net amount is restated, to reflect the revaluation.

If the carrying amount of an item of property, plant and equipment increases, as the result of a revaluation, the increase shall be recognised in the asset revaluation reserve, within other comprehensive income. However, the increase shall be recognised in the surplus or deficit, to the extent that it reverses a revaluation decrease, of the same class of assets, previously recognised in the surplus or deficit.

If the carrying amount of an item of property, plant and equipment decreases, as the result of a revaluation, the decrease shall be recognised in the surplus or deficit. However, the decrease shall be recognised in the asset revaluation reserve, within other comprehensive income, to the extent of any credit balance in the revaluation reserve, in relation to that asset class.

## Notes to the Financial Statements

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Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

In accordance with the Trust's Statement of Intent for the year to 30 June 2020, property, plant and equipment is revalued on a three yearly cycle, with the latest occurring as at 30 June 2020.

### **Additions**

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. In most instances, an item of property, plant and equipment will be recognised at cost. Where an asset is acquired at no cost, or for a nominal cost, it will be recognised at fair value as at the acquisition date.

### **Disposals**

Gains and losses on disposal are determined by comparing proceeds received, with the carrying amount of the asset. Gains and losses on disposal are included in the surplus or deficit. When revalued assets are sold, amounts included in the asset revaluation reserve, in relation to those assets, will be transferred to accumulated funds.

### **Subsequent costs**

Costs incurred subsequent to initial acquisition are capitalised 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.

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

The carrying values of property, plant and equipment are reviewed annually for impairment, with reference to internal and external factors which may indicate the carrying value exceeds depreciated replacement cost. The Trust elects to apply *Impairment of Revalued Assets including Amendments to PBE IPSASs 21 and 26* for the purposes of the impairment recognised in note 6. Any significant impairment is recognised by writing the assets down to their depreciated replacement cost and charging the impairment to the relevant revaluation reserve or to the surplus or deficit, where there is no revaluation reserve. If an asset's carrying value exceeds its recoverable amount, the asset is impaired, and the carrying amount is written down to the recoverable amount. In relation to revalued assets, the impairment loss is recognised against the revaluation reserve, for that asset class. Where that results in a debit balance, in the revaluation reserve, the balance is recognised in the surplus or deficit. In relation to assets that are not revalued, the total impairment is recognised in the surplus or deficit.

### **Depreciation and amortisation expense**

Depreciation is provided on a straight-line basis, at rates that will write-off the cost or valuation of assets, to their estimated residual values, over their useful lives. The rates of depreciation are as follows:

Buildings	1.25% to 6.67% per annum
Furniture, fittings and equipment	6.67% to 25.00% per annum
Office Equipment	15.00% to 30.00% per annum

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

### **Creditors and other payables**

Creditors and accrued expenses are measured at the amount owed.

### **Income tax**

The Trust has been granted Charitable Status by the IRD and therefore, is exempt from income tax.

### **Loans**

Loans are recognised at the amount borrowed from the lender. Loan balances include any interest accrued at year-end that has not yet been paid.

## Notes to the Financial Statements

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### ***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 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 value of assets and liabilities, within the next financial year, are discussed below:

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. To assess whether the useful lives and residual values are appropriate, the Trust considers a number of factors, such as, the physical condition of the asset, the expected period of use of the asset, and the expected disposal proceeds, from future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset and will therefore, impact depreciation expense in the statement of comprehensive income, and the carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this uncertainty through physical inspection of assets. The Trust has made an impairment assessment with regard to the turf in the current financial year – refer note 6.

### ***Going concern***

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future. As at 30 June 2021, the Trust's current liabilities exceeded its current assets by \$5,744,933 (2019/2020: \$4,488,066). This is mainly the result of \$332 of borrowings from a revolving facility, the \$5,000,000 of borrowings from Taranaki Regional Council and \$1,133,397 of payables relating to the repair and refurbishment project. The Trust is funded by Taranaki Regional Council to maintain Yarrow Stadium as a community asset.

Taranaki Regional Council has provided a letter of support to ensure that the Trust will continue to be provided financial support to enable it to pay its debts as they fall due. Taranaki Regional Council have also secured the funding that is required to repair the assets and the stadium as outlined in the Taranaki Regional Council 2021/2031 Long Term Plan.

On 11 March 2020, the World Health Organisation declared a global pandemic as a result of the outbreak and spread of COVID-19. In response, New Zealand has since moved through different alert levels with differing levels of restrictions on domestic activity.

The Trust has considered the impact of COVID-19 in respect of its status as a going concern. COVID-19 delayed the implementation of the repair and refurbishment project, thus providing the opportunity for the Taranaki Regional Council to apply for Government "shovel-ready" funding. This application was successful to the tune of \$20m which will reduce the debt cost to the Trust in future years. The Trust was able to continue operating throughout the different pandemic alert levels and COVID-19 has resulted in no impact on liquidity and working capital. There has been no impact on access to capital. The repair and refurbishment project faces increased costs and supply delays resulting from the impacts of COVID-19 on building and construction materials. The Trust has taken the necessary steps to mitigate and minimise these impacts. The Trust is well positioned to maintain its financial position and to continue operating through this time of business uncertainty.

## Notes to the Financial Statements

### 1. Income

	Actual \$ 2020/2021	Actual \$ 2019/2020
Annual grant from the Taranaki Regional Council	3,942,720	3,942,719
Donated plant and equipment	-	41,262

Donated goods or services not recognised:

During the year, the Trust received professional accounting and secretarial services from the Taranaki Regional Council at no charge.

### 2. Finance Expenses

	Actual \$ 2020/2021	Actual \$ 2019/2020
Interest – TSB	4,907	108,784
Interest – Taranaki Regional Council	21,118	40,399
Total finance expenses	26,025	149,183

### 3. Other Expenses

	Actual \$ 2020/2021	Actual \$ 2019/2020
Ancillary services	18,276	-
Audit fees for financial statement audit	12,640	16,300
Bank charges	142	190
Charities commission	44	44
Demolition expense	539,367	-
Insurance	127,615	68,911
Loss on disposal of buildings	-	284,280
General expenses	-	188,067
Stadium repairs and maintenance	4,389	48,380
Valuation Fees	9,360	-
Total other expenses	711,833	606,172

### 4. Equity

	Actual \$ 2020/2021	Actual \$ 2019/2020
Accumulated funds		
Balance at 1 July	11,499,804	11,139,734
Surplus/(deficit) for the year	2,158,512	360,070
Other comprehensive income/(deficit)	-	380,000
Transfers to asset revaluation reserve	-	(380,000)
Balance at 30 June	13,658,316	11,499,804
Asset revaluation reserve		
Balance at 1 July	1,350,000	970,000
Movement in the asset revaluation reserve	-	380,000
Balance at 30 June	1,350,000	1,350,000
Total equity	15,008,316	12,849,804

## Notes to the Financial Statements

### 5. Cash and cash equivalents

	Actual \$ 2020/2021	Actual \$ 2019/2020
TSB Bank current account	13,262	8,243
TSB Bank on call account	482,236	3,315
<b>Total cash and cash equivalents</b>	<b>495,498</b>	<b>11,558</b>

The carrying value of cash and cash equivalents approximates their fair value.

### 6. Property, plant and equipment

	Actual \$ 2020/2021	Actual \$ 2019/2020
<u>Land at valuation</u>		
Carrying amount at 1 July	3,500,000	3,120,000
Additions	-	-
Revaluation	-	380,000
<b>Carrying amount at 30 June</b>	<b>3,500,000</b>	<b>3,500,000</b>
<u>Furniture, fittings and equipment</u>		
Cost at 30 June previous year	3,340,193	3,016,940
Accumulated depreciation	1,611,960	(960,741)
<b>Net book value previous year</b>	<b>1,728,233</b>	<b>2,056,199</b>
Carrying amount at 1 July	1,728,233	2,056,199
Additions	-	41,262
Transfers	-	294,989
Depreciation	(664,217)	(664,217)
<b>Carrying amount at 30 June</b>	<b>1,064,016</b>	<b>1,728,233</b>
<u>Buildings at valuation</u>		
Cost at 30 June previous year	11,528,265	13,540,179
Accumulated depreciation	(2,036,085)	(1,895,588)
<b>Net book value previous year</b>	<b>9,492,180</b>	<b>11,644,591</b>
Carrying amount at 1 July	9,492,180	11,644,591
Additions	-	-
Transfers	-	51,997
Impairment of turf	(161,738)	-
Depreciation	(248,275)	(314,260)
Revaluation	-	(1,890,148)
<b>Carrying amount at 30 June</b>	<b>9,082,167</b>	<b>9,492,180</b>
<u>Office equipment</u>		
Cost at 30 June previous year	16,430	16,430
Accumulated depreciation	(16,430)	(16,430)
<b>Net book value previous year</b>	<b>-</b>	<b>-</b>



## Notes to the Financial Statements

	Actual \$ 2020/2021	Actual \$ 2019/2020		
Carrying amount at 1 July	-	-		
Additions	-	-		
Disposals	-	-		
Depreciation	-	-		
<b>Carrying amount at 30 June</b>	<b>-</b>	<b>-</b>		
<b>Work in progress</b>				
Cost at 30 June previous year	2,617,457	1,942,881		
Accumulated depreciation	-	-		
<b>Net book value previous year</b>	<b>2,617,457</b>	<b>1,942,881</b>		
Carrying amount at 1 July	2,617,457	1,942,881		
Additions	4,489,608	1,305,842		
Transfers	-	(346,986)		
Disposals	-	(284,280)		
Depreciation	-	-		
Revaluation	-	-		
<b>Carrying amount at 30 June</b>	<b>7,107,065</b>	<b>2,617,457</b>		
<b>Total property, plant and equipment</b>	<b>20,753,249</b>	<b>17,337,870</b>		
As at 30 June 2021	Cost or Valuation	Impairment	Accumulated Depreciation	Carrying Amount
Land at valuation	3,500,000	-	-	3,500,000
Furniture, fittings and equipment at cost	3,340,193	-	2,276,176	1,064,017
Buildings at valuation	11,528,265	161,738	2,284,360	9,082,167
Office equipment at cost	16,430	-	16,430	-
Work in progress at cost	7,107,065	-	-	7,107,065
<b>Total property, plant and equipment</b>	<b>25,491,953</b>	<b>161,738</b>	<b>4,576,966</b>	<b>20,753,249</b>

### Valuation

TSB Bank holds a restriction over the title of the Trust's property by way of a registered first mortgage over the property at 6 Maratahu Street, New Plymouth. No plant and equipment is pledged as security for liabilities. The land and buildings were valued, as at 30 June 2020, by Mike Drew, registered valuer, TelferYoung (Taranaki) Limited. Land and buildings were adjusted in the financial statements, for the year ending 30 June 2020, to reflect this revaluation. The valuation was performed by TelferYoung (Taranaki) Limited. TelferYoung (Taranaki) Limited are a registered experienced valuer with extensive market knowledge in the types of land and buildings owned by the Taranaki Stadium Trust. The land is valued using market based sales evidence. The land's fair value at 30 June 2020 was \$3,200,000 and gain on revaluation of \$380,000 was recognised in the asset revaluation reserve.

Buildings are valued based on the depreciated replacement cost approach using assumptions the valuer believed to be fair and reasonable at the date of valuation. Due to both the East and West stands being compromised in terms of earthquake strength the valuers have considered the impairment of the stadium assets. Due to the East Stand not being able to be used at all and the cost to earthquake strengthen the building being similar to the unimpaired fair value, there is no value allocated to these improvements. As parts of the West Stand are still useable the majority of its components have been valued at 20% of its unimpaired fair value. The total fair value of the buildings at 30 June 2020 was \$9,492,180. Loss on revaluation of the buildings of \$1,890,148 was recognised in the surplus or deficit. There remains some uncertainty regarding the extent to which the components of the stadium can be reused and the cost of restoration.

Trust management has done an assessment of the 30 June 2020 valuation and is satisfied that this latest valuation is still materially accurate. There is no evidence to suggest that the value of the existing structure has significantly changed from 30 June 2020. It is the Trust's intention to revalue the West Stand upon completion of the repair and reinstatement project. This is scheduled for late 2021 so its next revaluation should be effective for 30 June 2022.

### Impairment

As part of the repair and refurbishment of Yarrow Stadium the Field 1 turf is being replaced and this work is expected to be completed by March 2022. Consequently the current turf is now at the end of its useful life and its impairment loss is assessed at 100%.

The total value of the impairment loss of the Field 1 turf for the year ended 30 June 2021 was \$161,738 which has been recognised in the surplus or deficit.

## Notes to the Financial Statements

### Background

During the 2017/2018 year, detailed seismic assessments were completed on the East and West Stands of Yarrow Stadium. The assessments indicated that the East Stand was 10% of new building standard and the West Stand was 20% of new building standard. As such both stands were earthquake prone buildings and were closed from use.

The Trust is committed to the repair of the stands and the investigations on the repair options has been completed. The Taranaki Regional Council has approved the repair and refurbishment of Yarrow Stadium. The project will include repairs to the earthquake-prone grandstands and consequential changes. Other important refurbishments include additional food and beverage outlets, toilets, technology upgrades, LED pitch lighting, improvements to the car park and gates, new South Terrace seating and the reinstatement of Field 1.

This work essentially restores what existed, with essential updates. The estimated total cost is \$50 million which will be funded by a \$20m "shovel-ready" grant from the Government and a 25 year loan through Taranaki Regional Council.

The repair of the West Stand is tracking well and is expected to be fully repaired by December 2021. The reinstatement of Field 1 and upgraded lights is expected to be completed by March 2022. The East Stand demolition is nearly complete with work underway on the design concepts and plans for the replacement East Stand.

The Trust anticipates that Yarrow Stadium will be operational again using the West Stand by quarter two of 2022.

### 7. Debtors and other receivables

	Actual \$ 2020/2021	Actual \$ 2019/2020
TSB Bank interest accrual	6	4
Trade debtors	30,015	-
GST refund	125,676	-
<b>Total debtors and other receivables</b>	<b>155,697</b>	<b>4</b>

### 8. Creditors and other payables

	Actual \$ 2020/2021	Actual \$ 2019/2020
Audit fee accrual	12,640	12,300
GST payable	-	135,070
Trade payables and accruals	1,383,156	196,945
<b>Total creditors and other payables</b>	<b>1,395,796</b>	<b>344,315</b>

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore the carrying values approximate their fair value.

### 9. Borrowings

	Actual \$ 2020/2021	Actual \$ 2019/2020
TSB Bank Liberty Revolving credit facility	332	155,313
Taranaki Regional Council loan	5,000,000	4,000,000
<b>Total current liability borrowings</b>	<b>5,000,332</b>	<b>4,155,313</b>

The TSB Bank Liberty Revolving credit facility has a draw down limit of \$5,000,000 and is secured by way of a registered first mortgage over the property at 6 Maratahu Street, New Plymouth. Interest is incurred at a 3.02% variable rate as at 30 June 2021 (2019/2020: 3.02%).

The Taranaki Regional Council loan has a draw down limit of \$35,000,000 and is unsecured. Interest is incurred at a 0.52% variable rate as at 30 June 2021 (2019/2020: 1.52%).

## Notes to the Financial Statements

### 10. Reconciliation of net surplus/(deficit) to net cash from operating activities

	Actual \$	Actual \$
	2020/2021	2019/2020
Surplus/(deficit)	2,158,512	360,070
<i>Add/(less) non-cash items:</i>		
Depreciation and amortisation expense	912,492	978,477
Impairment of turf (through surplus/deficit)	161,738	-
Loss on disposal of buildings	-	284,280
Losses on revaluation of buildings	-	1,890,148
Donated plant and equipment	-	(41,262)
<i>Add/(less) movements in working capital items</i>		
Creditors and other payables	235,030	78,548
Debtors and other receivables	(155,693)	(3)
Net cash from operating activities	3,312,079	3,550,258

### 11. Related parties

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

The Taranaki Regional Council is deemed to be a related party of Taranaki Stadium Trust. The Trust received \$3,942,720 of annual grant revenue from the Council for the year ending 30 June 2021 (2019/2020: \$3,942,719) The Trust has a \$5,000,000 loan from the Council as at 30 June 2021. (2019/2020: \$4,000,000).

The Trust owns Yarrow Stadium, but, the New Plymouth District Council manages and operates the Stadium, in accordance with a Management Agreement, between the two parties. In relation to the year ending 30 June 2021, no debts between the parties were written off or forgiven, and no transactions took place between the parties at nil or nominal value. The Trust does not have any employees. No Trustee fees were paid during the year.

### 12. Capital commitments

There are capital commitments of \$5,279,374 as at 30 June 2021 (2019/2020: nil).

### 13. Contingent liabilities

There are no contingent liabilities as at 30 June 2021 (2019/2020: nil).

### 14. Contingent assets

There are no contingent assets as at 30 June 2021 (2019/2020: nil).

### 15. Events after the balance sheet date

The Trust has no material events subsequent to balance date. (2019/2020 – Nil).

## Trust Directory

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### Taranaki Stadium Trust

Nature of business:	Charitable Trust
Trustees:	Elvisa Van Der Leden Michael Nield
Trust Settlement Date:	23 December 1999
Address:	C/- Taranaki Regional Council Private Bag 713 Stratford 47 Cloten Road Stratford
Bankers:	TSB Bank New Plymouth
Solicitors	Till Henderson Stratford
Auditors:	Matt Laing Deloitte Limited on behalf of the Auditor-General



## Independent Auditor's Report

### To The Readers of Taranaki Stadium Trust's Financial Statements and Statement of Service Performance for the Year Ended 30 June 2021

The Auditor-General is the auditor of Taranaki Stadium Trust (the 'Trust'). The Auditor-General has appointed me, Matt Laing, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements and statement of service performance of the Trust on his behalf.

#### Opinion

We have audited:

- the financial statements of the Trust on pages 5 to 16, that comprise the statement of financial position as at 30 June 2021, the statement of financial performance, 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 statement of service performance of the Trust on page 4.

#### Qualified opinion

##### ***Qualified opinion on the financial statements – Limited procedures over the carrying value of Yarrow Stadium***

In our opinion, except for the matter described in the Basis for our qualified opinion section of our report, the financial statements of the Trust on pages 5 to 16:

- present fairly, in all material respects:
  - its financial position as at 30 June 2021; 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).

#### Unmodified opinion on the statement of service performance

In our opinion, the statement of service performance of the Trust on page 4 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 2021.

Our audit of the financial statements and statement of service performance was completed on 21 September 2021. This is the date at which our opinion is expressed.

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

#### Basis for our Qualified Opinion

##### ***Carrying value of building assets for Yarrow Stadium***

In 2017/18 an impairment of \$15.5 million resulting from a detailed seismic assessment was recognised relating to the Eastern and Western Stands of Yarrow Stadium. In 2019/20, a valuation was obtained which identified further impairment, amounting to \$1.9m based on circumstances known to date. The valuation considered the unimpaired depreciated replacement cost but concluded that the value was significantly impaired due to known restoration requirements. However there was limited information of the extent to which the current components can be reused and the cost of restoration and thus the accuracy of the carrying value of the Eastern and Western Stands of Yarrow Stadium. In the current year, the restoration project has progressed, but uncertainty remains around the extent of use of the components and the cost of restoration. For this reason, there are limited audit procedures that we can adopt to independently confirm the reasonableness of the asset value as at 30 June 2021.

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 qualified opinion.

### **Responsibilities of the Trustees for the financial statements and the statement of service performance**

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, 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 statement of service performance.

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

### **Other Information**

The Trustees are responsible for the other information. The other information comprises the information included on pages 1 to 3, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

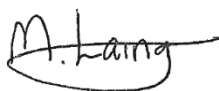
Our opinion on the financial statements and the statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Independence**

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

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



Matt Laing  
Deloitte Limited  
On behalf of the Auditor-General  
Hamilton, New Zealand