



Taranaki Stadium Trust



Taranaki Stadium Trust
Half Year Report – Unaudited
Six Months Ended 31 December 2020

VISION FOR YARROW STADIUM

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

A stadium for both major events and community events and the premier outdoor field 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 event facilities, presentation and management and through the early adoption and smart use of technology.



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Entity information for the Six Months Ended 31 December 2020

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.



Trustee's Report

The Trustees are pleased to present the Taranaki Stadium Trust's *2020/2021 Half-Year Financial 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 the best regional stadium in New Zealand that regularly hosts national and international sports and entertainment events.

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.

The Trust and the Taranaki Regional Council, through their 2019/2020 Annual Plan process, agreed on a \$50m repair and refurbishment project to return Yarrow Stadium to its previous status as the nation's top regional venue.

Yarrow Stadium is well regarded nationally and internationally and, as such, the Taranaki Stadium Trust is committed to getting Yarrow Stadium fully operational as soon as is practicable. The Trust shares the Taranaki Regional Council's vision for Yarrow Stadium, being:

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

A stadium for both major events and community events and the premier outdoor field 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 event facilities, presentation and management and through the early adoption and smart use of technology.

The Covid-19 pandemic had significant impact on professional sports and events in general and on New Zealand Rugby and the Taranaki Rugby Football Union in particular. This resulted in the Taranaki Regional Council undertaking a review of the scope of the project.

Concurrently, the Council was successful in securing \$20m of "shovel-ready" funding from the Government's Crown Infrastructure Partners.

Further, the complexity and associated risks/costs of the repair of the West Stand continued to grow.

Taking account of these factors, the scope of the repair and reinstatement project was amended and the implementation commenced. The key changes to the project were:

- Demolition of the current East Stand and a new build replacement
- Incorporation of the training facilities building within the new East Stand build.

With the scope review complete, the project implementation has fully commenced. The contract for the repair of the West Stand was awarded to local contractors Cleland Construction. Work commenced prior to Christmas 2020.

Trustee's Report



Establishing contracts and contractors for the demolition of the East Stand, design of the new East Stand, replacement of the lighting and the new drainage/irrigation/replacement of the Field 1 turf.

The Council's repair and refurbishment project will include:

- Repairs to the West Stand
- Demolition of the East Stand and construction of a replacement
- Important refurbishments including additional food and beverage outlets and toilets, technology upgrades, LED pitch lighting, car park improvements, maintenance and grounds storage sheds, gate improvements, new South Terrace seating and reinstatement of Field 1.

The Trust and the Council will also 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.

Financial Highlights

The Trust's 2020/2021 funding is focussed around the delivery of the redevelopment project. Work on the project has commenced and will accelerate over the next twelve months. To date the project spend is \$3.4m. Funding is in place for the work to be completed.

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.

Elvsa Van Der Leden
Trustee
26 February 2021

Michael Nield
Trustee
26 February 2021

Statement of Service Performance

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 \$3,942,708 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 Six Months Ended 31 December 2020

	Notes	31 December 2020 \$	31 December 2019 \$
Revenue			
Council funding	1	1,971,360	1,971,360
Interest revenue		193	41
Donated plant and equipment		-	-
Total revenue		1,971,553	1,971,401
Expenses			
Depreciation	6	456,246	441,249
Finance expenses	2	13,311	83,725
Other expenses	3	152,498	261,113
Losses on revaluation of buildings	6	-	-
Total expenses		622,055	786,087
Surplus/(deficit)		1,349,498	1,185,314
Other comprehensive revenue			
Gains/(losses) on revaluation of Stadium	6	-	-
Total other comprehensive income		-	-
Total comprehensive income/(deficit)		1,349,498	1,185,314
Total comprehensive income/(deficit) attributable to:			
Taranaki Regional Council		1,349,498	1,185,314
Total comprehensive income/(deficit)		1,349,498	1,185,314

Statement of Changes in Equity for the Six Months Ended 31 December 2020

	Notes	31 December 2020 \$	31 December 2019 \$
Balance at 1 July		12,849,804	12,109,734
Surplus/(deficit) for the year		1,349,498	1,185,314
Other comprehensive income		-	-
Total comprehensive income/(deficit)		1,349,498	1,185,314
Balance at 31 December	4	14,199,302	13,295,048

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 31 December 2020

	Notes	31 December 2020 \$	31 December 2019 \$
Assets			
Current assets			
Cash and cash equivalents	5	807,101	233,918
Debtors and other receivables	7	-	1,133,532
Total current assets		807,101	1,367,450
Non-current assets			
Property, plant and equipment	6	17,689,595	19,346,155
Total non-current assets		17,689,595	19,346,155
Total assets		18,496,696	20,713,605
Liabilities			
Current liabilities			
Creditors and other payables	8	297,066	2,453,257
Borrowings	9	4,000,328	4,965,300
Total current liabilities		4,297,394	7,418,557
Total liabilities		4,297,394	7,418,557
Net assets		14,199,302	13,295,048
Equity			
Accumulated funds	4	12,849,302	12,325,048
Asset Revaluation Reserve	4	1,350,000	970,000
Total equity attributable to the Trust	4	14,199,302	13,295,048

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Six Months Ended 31 December 2020

	Notes	31 December 2020 \$	31 December 2019 \$
Cash flows from (used in) operating activities			
Taranaki Regional Council		1,971,360	985,680
Interest received		198	42
Payments to suppliers		(158,608)	(169,345)
Interest paid		(13,324)	(83,725)
Goods and services tax (net)		(61,317)	113,624
Net cash from (used in) operating activities	10	1,738,309	846,276
Cash flows from (used in) investing activities			
Purchase of property, plant and equipment		(787,781)	(1,671,769)
Net cash from (used in) investing activities		(787,781)	(1,671,769)
Cash flows from (used in) financing activities			
Applied to borrowings		(154,985)	-
Provided from borrowings		-	1,050,010
Net cash from (used in) financing activities		(154,985)	1,050,010
Net (decrease)/increase in cash and cash equivalents		795,543	224,517
Opening cash and cash equivalents		11,558	9,401
Closing cash and cash equivalents	5	807,101	233,918

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

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 six months ended 31 December 2020. The financial statements were authorised for issue by the Board of Trustees on 26 February 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 six months ended 31 December 2020.

Changes in accounting policies

There have been no changes in accounting policies for the six months ended 31 December 2020.

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

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

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

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.

Going concern

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future. As at 31 December 2020, the Trust's current liabilities exceeded its current assets by \$3,490,293. This is mainly the result of the \$4,000,000 of borrowings from Taranaki Regional Council for 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 2019/2020 and 2020/2021 Annual Plans.

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 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 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

	31 December 2020 \$	31 December 2019 \$
Annual grant from the Taranaki Regional Council	1,971,360	1,971,360

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

	31 December 2020 \$	31 December \$ 2019 \$
Interest - loans	13,311	83,725
Total finance expenses	13,311	83,725

3. Other Expenses

	31 December 2020 \$	31 December 2019 \$
Ancillary Services	119	-
Audit fees for financial statement audit	-	4,000
Bank charges	82	90
Charities commission	44	44
Insurance	142,093	68,911
General expenses	-	188,067
Stadium repairs and maintenance	800	-
Valuation Fees	9,360	-
Total other expenses	152,498	261,113

4. Equity

	31 December 2020 \$	31 December 2019 \$
Accumulated funds		
Balance at 1 July	11,499,804	11,139,734
Surplus/(deficit) for the year	1,349,498	1,185,314
Other comprehensive income/(deficit)	-	-
Transfers to asset revaluation reserve	-	-
Balance at 31 December	12,849,302	12,325,048
Asset revaluation reserve		
Balance at 1 July	1,350,000	970,000
Movement in the asset revaluation reserve	-	-
Balance at 31 December	1,350,000	970,000
Total equity	14,199,302	13,295,048

Notes to the Financial Statements

5. Cash and cash equivalents

	31 December 2020 \$	31 December 2019 \$
TSB Bank current account	53,588	230,618
TSB Bank on call account	753,513	3,300
Total cash and cash equivalents	807,101	233,918

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

6. Property, plant and equipment

	31 December 2020 \$	31 December 2019 \$
<u>Land at valuation</u>		
Carrying amount at 1 July	3,500,000	3,120,000
Additions	-	-
Revaluation	-	-
Carrying amount at 31 December	3,500,000	3,120,000
<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)
Net book value previous year	1,728,233	2,056,199
Carrying amount at 1 July	1,728,233	2,056,199
Additions	-	-
Transfers	-	-
Depreciation	(332,109)	(285,744)
Carrying amount at 31 December	1,396,125	1,770,455
<u>Buildings at valuation</u>		
Cost at 30 June previous year	11,528,265	15,483,060
Accumulated depreciation	(2,036,085)	(1,895,588)
Net book value previous year	9,492,180	13,587,472
Carrying amount at 1 July	9,492,180	13,587,472
Additions	-	1,023,733
Transfers	-	-
Disposals	-	-
Depreciation	(124,137)	(155,505)
Revaluation	-	-
Carrying amount at 31 December	9,368,042	14,455,700
<u>Office equipment</u>		
Cost at 30 June previous year	16,430	16,430
Accumulated depreciation	(16,430)	(16,430)
Net book value previous year	-	-

Notes to the Financial Statements

	31 December 2020 \$	31 December 2019 \$	
Carrying amount at 1 July	-	-	
Additions	-	-	
Disposals	-	-	
Depreciation	-	-	
Carrying amount at 31 December	-	-	
<u>Work in progress</u>			
Cost at 30 June previous year	2,617,457	-	
Accumulated depreciation	-	-	
Net book value previous year	2,617,457	-	
Carrying amount at 1 July	2,617,457	-	
Additions	807,971	-	
Transfers	-	-	
Disposals	-	-	
Depreciation	-	-	
Revaluation	-	-	
Carrying amount at 31 December	3,425,428	-	
Total property, plant and equipment	17,689,595	19,346,155	
As at 31 December 2020	Cost or Valuation	Accumulated Depreciation	Carrying Amount
Land at valuation	3,500,000	-	3,500,000
Furniture, fittings and equipment at cost	3,340,193	1,944,068	1,396,125
Buildings at valuation	11,528,265	2,160,223	9,368,042
Office equipment at cost	16,430	16,430	-
Work in progress at cost	3,425,428	-	3,425,428
Total property, plant and equipment	21,810,316	4,120,721	17,689,595

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 surplus or deficit.

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.

Notes to the Financial Statements

Based upon knowledge as at 30 June 2019, the level of impairment was assessed at 50% for the West Stand (excluding the new hospitality area which was fully operational) and 90% for the East Stand.

The total value of the impairment loss of the East and West Stands that was recognised for the year ended 30 June 2018 was \$15,514,988. \$10,049,235 of the impairment was reversed against previous building revaluations recorded in the asset revaluation reserve, with the remaining balance of \$5,465,753 recognised in surplus or deficit.

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.

Work has commenced on the repair of the West Stand. A significant amount of work has been undertaken on the detailed investigations and design work ahead of going to market to seek contractors to undertake the residual works.

7. Debtors and other receivables

	31 December 2020 \$	31 December 2019 \$
Taranaki Regional Council	-	1,133,532
Total debtors and other receivables	-	1,133,532

8. Creditors and other payables

	31 December 2020 \$	31 December 2019 \$
GST payable	73,753	129,627
Trade payables and accruals	223,313	2,323,630
Total creditors and other payables	297,066	2,453,257

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

	31 December 2020 \$	31 December 2019 \$
TSB Bank Liberty Revolving credit facility	328	4,965,300
Taranaki Regional Council loan	4,000,000	-
Total current liability borrowings	4,000,328	4,965,300

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 31 December 2020 (2019: 3.77%).

The Taranaki Regional Council loan has a draw down limit of \$35,000,000 and is unsecured. Interest is incurred at a 0.51% variable rate as at 31 December 2020 (2019: nil).

Notes to the Financial Statements

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

	Actual \$	Actual \$
	31 December	31 December
	2020 \$	2019 \$
Surplus/(deficit)	1,349,498	1,185,314
<i>Add/(less) non-cash items:</i>		
Depreciation and amortisation expense	456,246	441,249
Loss on disposal of buildings	-	-
Losses on revaluation of buildings	-	-
Donated plant and equipment	-	-
<i>Add/(less) movements in working capital items</i>		
Creditors and other payables	(67,439)	256,467
Debtors and other receivables	4	(1,133,531)
Goods and Services Taxation	-	96,777
Net cash from operating activities	1,738,309	846,276

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 has a \$4,000,000 loan from the Council as at 31 December 2020. (2019: nil).

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 six months ending 31 December 2020, 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

The Trust has capital commitments of \$9.4m for the repair of the West Stand. There are no further capital commitments as at 31 December 2020 (31 December 2019: \$nil).

13. Contingent liabilities

There are no contingent liabilities at 31 December 2020 (31 December 2019: \$nil).

14. Contingent assets

There are no contingent assets at 31 December 2020 (31 December 2019: \$nil).

15. Events after the balance sheet date

The Trust has no material events subsequent to balance date. (31 December 2019 – The Trust borrowed \$4,000,000 from the Taranaki Regional Council in January 2020. This was the first loan drawdown towards funding the Stadium rebuild.)

Trust Directory

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:	Melissa Youngson Deloitte Limited on behalf of the Auditor-General