



Taranaki Stadium Trust



Taranaki Stadium Trust
2023/2024 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 2024

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 and Crown Infrastructure Partners Limited 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 2023/2024 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

In opting to repair and refurbish Yarrow Stadium within a budget of up to \$79.7 million, the Trust and the Taranaki Regional Council have reaffirmed their vision for the venue. The vision was originally adopted in 2015 following stakeholder engagement. It is:

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.*

During the year, significant progress was made on the repair and refurbishment project including:

- Completion of the groundworks for the new East Stand
- Completion of the design of the East Stand
- Commencement of the delivery of the East Stand.

The Yarrow Stadium operator, New Plymouth District Council, has actively and successfully encouraged increased use of the facility by a wider range of sporting and non-sporting organisations. The new East Stand build is well underway and remains on schedule to be opened in time for the 2025 winter sports season.

Trustee's Report



Financial Highlights

The Trust's 2023/2024 funding was focussed on the delivery of the repair and refurbishment project. To date the project spend is \$58m.

The delivery of the repair and recovery programme will require the Trust to borrow up to \$50m 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 face positive times ahead with the Stadium open for business and the construction of the new East Stand underway.

Donna Cram
Trustee
24 September 2024

Michael Nield
Trustee
24 September 2024

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 2023/2024. There have been no changes to this since the 2022/2023 financial year end.

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 \$79.7m repair and refurbishment project for Yarrow Stadium (2022/2023—\$79.7m). 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 2015/2016 to 30 June 2025. The Taranaki Regional Council provided the annual funding of \$2,178,669 to the Taranaki Stadium Trust (2022/2023 \$2,178,669).

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 2024

	Notes	Actual \$ 2023/2024	Budget \$ 2023/2024	Actual \$ 2022/2023
Revenue				
Funding from central or local Government	1	10,799,992	14,178,669	10,626,854
Interest revenue		33,759	-	61,039
Rental revenue		85,430	70,000	74,678
Other revenue		83	-	-
Gains on revaluation of buildings	6	-	-	1,365,646
Total revenue		10,919,264	14,248,669	12,128,217
Expenses				
Depreciation	6	808,232	900,000	735,137
Interest expense	2	1,033,810	1,050,000	777,321
Other expenses	3	391,200	255,000	303,148
Impairment charges	6	-	-	-
Losses on revaluation of buildings	6	-	-	-
Total expenses		2,233,242	2,205,000	1,815,606
Surplus/(deficit)		8,686,022	12,043,669	10,312,611
Other comprehensive revenue				
Gains / (Losses) on revaluation of land	6	-	-	(38,478)
Total other comprehensive income		-	-	(38,478)
Total comprehensive income/(deficit)		8,686,022	12,043,669	10,274,133
Total comprehensive income/(deficit) attributable to:				
Taranaki Regional Council		8,686,022	12,043,669	10,274,133
Total comprehensive income/(deficit)		8,686,022	12,043,669	10,274,133

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2024

	Notes	Actual \$ 2023/2024	Budget \$ 2023/2024	Actual \$ 2022/2023
Assets				
Current assets				
Bank accounts and cash	5	116,994	1,887,579	2,057,814
Debtors and other receivables	7	653,596	300,000	194,256
Prepayments		125,554	-	-
Total current assets		896,144	2,187,579	2,252,070
Non-current assets				
Property, plant and equipment	6	68,992,971	73,249,071	50,045,639
Total non-current assets		68,992,971	73,249,071	50,045,639
Total assets		69,889,115	75,436,650	52,297,709
Liabilities				
Current liabilities				
Creditors and other payables	8	3,504,163	700,000	1,598,779
Borrowings	9	4,500,333	-	333
Total current liabilities		8,004,496	700,000	1,599,112
Non-current liabilities				
Borrowings	9	22,000,000	32,747,663	19,500,000
Total non-current assets		22,000,000	32,747,663	19,500,000
Total liabilities		30,004,496	33,447,663	21,099,112
Net assets		39,884,619	41,988,987	31,198,597
Equity				
Accumulated funds	4	37,618,097	39,683,987	28,932,075
Asset Revaluation Reserve	4	2,266,522	2,305,000	2,266,522
Total equity attributable to the Trust	4	39,884,619	41,988,987	31,198,597

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Year Ended 30 June 2024

	Notes	Actual \$ 2023/2024	Budget \$ 2023/2024	Actual \$ 2022/2023
Cash flows from (used in) operating activities				
Funding from central or local Government		10,799,992	14,248,669	10,626,854
Other revenue		83	-	-
Rental revenue		85,163	-	73,119
Interest received		33,938	-	60,861
Payments to suppliers		(292,875)	(255,000)	(283,147)
Interest paid		(838,006)	(1,050,000)	(712,675)
Goods and services tax (net)		(436,431)	-	(154,219)
Net cash from (used in) operating activities	10	9,351,864	12,943,669	9,610,793
Cash flows from (used in) investing activities				
Purchase of property, plant and equipment		(18,292,684)	(27,000,000)	(14,019,070)
Net cash from (used in) investing activities		(18,292,684)	(27,000,000)	(14,019,070)
Cash flows from (used in) financing activities				
Applied to borrowings		-	(1,752,669)	-
Provided from borrowings		7,000,000	15,000,000	5,000,000
Net cash from (used in) financing activities		7,000,000	13,247,331	5,000,000
Net (decrease)/increase in bank accounts and cash		(1,940,820)	(809,000)	591,723
Opening bank accounts and cash		2,057,814	2,696,579	1,466,091
Closing bank accounts and cash	5	116,994	1,887,579	2,057,814

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) Tier 3: 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 Trust recognised that it has exceeded the annual expenses threshold in 2023/2024 due to increasing depreciation expense and interest expense. As expenditure limits did not breach for two consecutive years, it is still appropriate to apply Tier 3 reporting requirements. Effective from 28 March 2024 (applicable for year ending 30 June 2025), the size criteria for Tier 3 will be updated from total annual expenses of less than \$2million to less than \$5million and it is expected that the Trust's expenditure will remain within the threshold.

The financial statements of the Trust are for the year ended 30 June 2024. The financial statements were authorised for issue by the Board of Trustees on 24 September 2024.

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 2024.

Changes in accounting policies

There have been no changes in accounting policies for the year ended 30 June 2024.

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.

Crown Infrastructure Stadium rebuild funding is recorded as revenue when received, as specified by Tier 3 PBE Accounting Standards.

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

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 Tier 2 PBE IPSAS 17 Property, Plant and Equipment for the purposes of accounting for revaluations and have applied the disclosure concession applicable for Tier 2 entities.

When land and buildings 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 land and buildings 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 land and buildings 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. Only land and buildings are revalued and recorded at fair value, all other assets are recorded at cost.

In accordance with the Trust's Statement of Intent for the year to 30 June 2024, property is normally revalued on a three yearly cycle. Property was last revalued as at 30 June 2023.

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 and have applied the disclosure concession applicable for Tier 2 entities 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.

Notes to the Financial Statements

Loans

Loans are recorded at the amount borrowed from the lender and include any interest accrued at balance date that has not yet been paid. All borrowing costs are expensed in the period they occur.

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:

Land and building fair values:

Land and buildings are revalued every three years. The latest valuation was performed by TelferYoung (Taranaki) Limited as at 30 June 2023. 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 Trust has done a fair value assessment as at 30 June 2024 to conclude that fair value does not differ materially to the carrying amount as at 30 June 2024.

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 rebuild enhancements 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 2024, the Trust's current liabilities exceeded its current assets by \$7,108,352 (2022/2023: current assets exceeded current liabilities by \$652,959).

Taranaki Regional Council continues to provide a letter of support to ensure where required, the Trust will be able to pay its debts as they fall due and has no intention to require loan repayments from the Trust in the next twelve months. Taranaki Regional Council has secured the funding that is required to repair the assets and the stadium as outlined in the Taranaki Regional Council 2024/2034 Long-Term Plan.

Notes to the Financial Statements

1. Funding from central or local Government

	Actual \$ 2023/2024	Actual \$ 2022/2023
Annual grant from the Taranaki Regional Council	2,178,669	2,178,669
Crown Infrastructure Stadium Rebuild Funding	8,621,323	8,448,185
Total funding from central or local Government	10,799,992	10,626,854

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. Interest Expense

	Actual \$ 2023/2024	Actual \$ 2022/2023
Interest – TSB	18,559	2,562
Interest – Taranaki Regional Council	1,015,251	774,759
Total finance expenses	1,033,810	777,321

3. Other Expenses

	Actual \$ 2023/2024	Actual \$ 2022/2023
Ancillary services	-	1,723
Audit fees for financial statement audit	25,686	41,970
Bank charges	16	38
Charities commission	44	44
General expenses	3,505	2,595
Insurance	253,310	138,703
Legal Expenses	873	15,565
Rates	12,005	8,896
Rental commission	7,369	6,383
Rental R&M	8,303	5,191
Stadium repairs and maintenance	72,480	59,571
Valuation Fees	7,609	22,469
Total other expenses	391,200	303,148

4. Equity

	Actual \$ 2023/2024	Actual \$ 2022/2023
Accumulated funds		
Balance at 1 July	28,932,075	18,619,464
Surplus/(deficit) for the year	8,686,022	10,312,611
Other comprehensive income/(deficit)	-	(38,478)
Transfers to asset revaluation reserve	-	38,478
Balance at 30 June	37,618,097	28,932,075
Asset revaluation reserve		
Balance at 1 July	2,266,522	2,305,000
Movement in the asset revaluation reserve	-	(38,478)
Balance at 30 June	2,266,522	2,266,522
Total equity	39,884,619	31,198,597

Notes to the Financial Statements

5. Bank accounts and cash

	Actual \$ 2023/2024	Actual \$ 2022/2023
TSB Bank current account	15,504	67,703
TSB Bank on call account	101,490	1,990,111
Total bank accounts and cash	116,994	2,057,814

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

6. Property, plant and equipment

	Actual \$ 2023/2024	Actual \$ 2022/2023
<u>Land at valuation</u>		
Carrying amount at 1 July	4,981,739	4,455,000
Additions	-	565,217
Revaluation	-	(38,478)
Carrying amount at 30 June	4,981,739	4,981,739

Furniture, fittings and equipment

Cost at 30 June previous year	3,327,010	3,324,495
Accumulated depreciation	(3,059,155)	(2,936,470)
Net book value previous year	267,855	388,025
Carrying amount at 1 July	267,855	388,025
Additions	-	2,515
Disposals	-	-
Depreciation	(37,460)	(122,685)
Carrying amount at 30 June	230,395	267,855

Buildings at valuation

Cost at 30 June previous year	32,176,371	26,635,393
Accumulated depreciation	(424,854)	(810,592)
Net book value previous year	31,751,517	25,824,801
Carrying amount at 1 July	31,751,517	25,824,801
Additions	-	444,713
Transfers	46,451	4,728,810
Depreciation	(770,772)	(612,452)
Revaluation	-	1,365,645
Carrying amount at 30 June	31,027,196	31,751,517

Office equipment

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

	Actual \$ 2023/2024	Actual \$ 2022/2023		
Carrying amount at 1 July	-	-		
Additions	-	-		
Disposals	-	-		
Depreciation	-	-		
Carrying amount at 30 June	-	-		
Work in progress				
Cost at 30 June previous year	13,044,528	4,810,380		
Accumulated depreciation	-	-		
Net book value previous year	13,044,528	4,810,380		
Carrying amount at 1 July	13,044,528	4,810,380		
Additions	19,755,564	12,962,958		
Transfers	(46,451)	(4,728,810)		
Impairment of enhancements	-	-		
Disposals	-	-		
Depreciation	-	-		
Revaluation	-	-		
Carrying amount at 30 June	32,753,641	13,044,528		
Total property, plant and equipment	68,992,971	50,045,639		
As at 30 June 2024	Cost or Valuation	Impairment	Accumulated Depreciation	Carrying Amount
Land at valuation	4,981,739	-	-	4,981,739
Furniture, fittings and equipment at cost	3,327,010	-	3,096,615	230,395
Buildings at valuation	32,222,822	-	1,195,626	31,027,196
Office equipment at cost	16,430	-	16,430	-
Work in progress at cost	32,753,641	-	-	32,753,641
Total property, plant and equipment	73,301,642	-	4,308,671	68,992,971

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 2023, by Mike Drew, registered valuer, TelferYoung (Taranaki) Limited. Land and buildings were adjusted in the financial statements, for the year ending 30 June 2023, 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.

Trust management has done a fair value assessment as at 30 June 2024 and is satisfied that the carrying amount as at 30 June 2024 is still materially accurate.

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 and rebuild 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 West Stands and the build of a new East Stand. Other important refurbishments include LED pitch lighting and the reinstatement of Field 1.

This work essentially restores what existed, with essential updates. The estimated total cost is \$79.7 million which will be funded by a \$30m "shovel-ready" grant from the Government and a loan through Taranaki Regional Council.

The repair of the West Stand is complete. The reinstatement of Field 1 and upgraded lights is also complete, with the Stadium reopening in September 2022. The East Stand construction is partially complete as at 30 June 2024. The new East Stand is planned to open in time for the winter 2025 sports season.

7. Debtors and other receivables

	Actual \$ 2023/2024	Actual \$ 2022/2023
TSB Bank interest accrual	56	234
Trade debtors	23,000	-
Net rental income owed	1,825	1,737
GST refund	628,715	192,285
Total debtors and other receivables	653,596	194,256

8. Creditors and other payables

	Actual \$ 2023/2024	Actual \$ 2022/2023
Audit fee accrual	18,140	22,425
Trade payables and accruals	3,486,023	1,576,353
Total creditors and other payables	3,504,163	1,598,778

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 \$ 2023/2024	Actual \$ 2022/2023
TSB Bank Liberty Revolving credit facility	333	333
Taranaki Regional Council loan	4,500,000	-
Total current liability borrowings	4,500,333	333
Taranaki Regional Council loan	22,000,000	19,500,000
Total non-current liability borrowings	22,000,000	19,500,000

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 8.12% variable rate as at 30 June 2024 (2022/2023: 8.12%). The Taranaki Regional Council loan has a draw down limit of \$35,000,000 and is unsecured. Interest is incurred at a 5.23% variable rate as at 30 June 2024 (2022/2023: 4.36%). The current borrowing is classified as current as the maturity date is 15 April 2025. Remaining borrowings are due to mature between 15 April 2026 and 20 April 2029.

Notes to the Financial Statements

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

	Actual \$	Actual \$
	2023/2024	2022/2023
Surplus/(deficit)	8,686,022	10,312,611
<i>Add/(less) non-cash items:</i>		
Depreciation and amortisation expense	808,232	735,137
Impairment of enhancements (through surplus/deficit)	-	-
(Gain) /Losses on revaluation of buildings	-	(1,365,646)
<i>Add/(less) movements in working capital items</i>		
Creditors and other payables	442,505	84,825
Debtors and other receivables	(459,341)	(156,134)
Prepayments	(125,554)	-
Net cash from operating activities	9,351,864	9,610,793

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 \$2,178,669 of annual grant revenue from the Council for the year ending 30 June 2024 (2022/2023: \$2,178,669) The Trust has a \$26,500,000 loan from the Council as at 30 June 2024. (2022/2023: \$19,500,000). During the year, the Trust paid interest on this loan of \$1,015,251 (2022/2023: \$774,759)

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 2024, 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 \$17,082,938 as at 30 June 2024 (2022/2023: 35,606,375).

13. Contingent liabilities

There are no contingent liabilities as at 30 June 2024 (2022/2023: nil).

14. Contingent assets

There are no contingent assets as at 30 June 2024 (2022/2023: nil).

15. Events after the balance sheet date

The Trust has no material events subsequent to balance date.

Trust Directory

Taranaki Stadium Trust

Nature of business:	Charitable Trust
Trustees:	Donna Cram 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:	Bruno Dente Deloitte Limited on behalf of the Auditor-General

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF TARANAKI STADIUM TRUST'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2024

The Auditor-General is the auditor of Taranaki Stadium Trust (the Trust). The Auditor-General has appointed me, Bruno Dente, using the staff and resources of Deloitte Limited, 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 5 to 16, that comprise the statement of financial position as at 30 June 2024, 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 performance information of the Trust on page 4.

In our opinion:

- the financial statements of the Trust:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2024; 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 2024.

Our audit was completed on 24 September 2024. 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 Trustees and our responsibilities relating to the financial statements and the performance information, we comment on other 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 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 performance information for the Trust.

The Trustees are responsible for such internal control as they determine is necessary to enable them 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 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 intends to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

The 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 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 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 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 and page 17, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information 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 performance information, 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 performance information 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 (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.



Bruno Dente
Deloitte Limited
On behalf of the Auditor-General
Hamilton, New Zealand