

Marlborough Stadium Trust

Annual Report

1 July 2018-30 June 2019



**Marlborough Lines
Stadium 2000**

The Centre of Activity

Marlborough Stadium Trust:

Annual Report

1 July 2018 to 30 June 2019

The Marlborough Stadium Trust was established in 1998 with its primary focus being the development of an Indoor Stadium. This Stadium opened in October 2000. The Trust purchased a commercial Health and Fitness Centre in 2010 and in tandem with the Aquatic Centre redevelopment has grown to provide a full spectrum of Stadium, Health and Fitness and Aquatic recreational and sporting opportunities to the Marlborough community. The Trust has used 'Stadium 2000' as its operational entity since inception. It operates all facilities on a commercial basis but for the benefit of the public of Marlborough.

The Trust's mission is:

'To provide Marlborough with the very best recreational and sporting opportunities, through excellent facilities, support and innovation'

TRUSTEES

The Marlborough Stadium Trust is made up of eight trustees who act in a voluntary capacity. Three trustees are appointed representing user groups, three are community nominated, and two are appointed by the Marlborough District Council. Trustees are the governance group of the trading entity Marlborough Lines Stadium 2000. Their primary activities are to appoint a chief executive and to plan and monitor strategic, business and financial objectives.

Trustees in the 2018 – 2019 year were:

Luke van Velthooven	Chairman
Peter Baker	Deputy Chairman
Mathew Kerr	Treasurer
Simon Halliday	Secretary
Paul McKendry	
Roy Devanny	
Laura McFarlane	
Ben Glover is a co-opted board member	

David Hart stepped down as trustee during the year

CHAIRMANS REPORT

2018-2019 has proven to be a watershed year for the Marlborough Stadium Trust, the seismic upgrade works are finally completed and after 19 years of loyal service to the Trust, the Trust has a new CEO.

Paul Tredinnick retired this year. Paul was our inaugural CEO commencing his role some six months before we opened the stadium. The stadiums role within the community has been significant, and Paul has lead us throughout our evolution, where we have morphed from a new, unknown business to a community leader delivering a diverse range of programmes, developing new facilities , introducing new sports , employing 80 staff and successfully running at an annual surplus. The Trusts overriding mantra was to be the “centre of activity”. To enable this, Paul developed incredible loyalty from his staff, a venue where people from all walks of life felt welcome, safe and valued. Paul created a culture where this happened, his role in making our place a success cannot be undervalued. On behalf of the Trust we thank Paul and wish Paul and his wife Louise a very enjoyable retirement.

The Trust entered an extensive process to seek a new CEO with Rob MacLean being appointed to the role in April.

Rob was previously self-employed in the field of facilitation, collaborative and strategic planning, business reviews and project management. However, Rob’s most informative previous employment was as the School Director for Outward Bound at Anakiwa, and as Program Coordinator for the National Outdoor Leadership School. Rob brings a wealth of knowledge, passion and leadership, and we are very much looking forward to our next chapter with him at the helm.

This year has seen the completion of the seismic upgrade works. After nearly three years of progressive works the whole facility now exceeds 67% NBS as an importance level 3 building, making it one of the safest buildings in town.

Once again, my sincere thanks are extended to all users, tenants and the Stadium Management and staff for continuing to provide great service and strong financial results in difficult trading conditions.



The Stadium team includes a significant number of sponsors, tenants and core users to whom we are most grateful for your support.

I also would like to take this opportunity to welcome both Laura McFarlane and Ben Glover to our trust. Laura brings a valuable legal skill set to the trust and Ben both marketing and strategic skills.

To my fellow volunteer Trustees, I once again extend my thanks for a job well done and congratulate the stadium staff for great results in all areas.

As I mentioned, it has been a watershed year, and we now look forward with new energy.

Luke Van Velthooven
Chairman, Marlborough Stadium Trust



CEO REPORT

Marlborough Stadium Trust employs some 80 staff including full time, part time and casual staff. The wage and salary costs for the past year were \$1,553,760. This represents 46% of our total expenses and this percentage remains unchanged from our last annual report.

After a long period of relatively low staff turnover, a number of key staff have left in the last 12 months in addition to CEO Paul Tredinnick. Facility Operations manager Richard Norton resigned in May. In addition to the above, as I write this report, Customer Services Manager Kirsty Mattison is also finishing after some 15 years. These individuals hold a significant amount of institutional and industry experience. While we will miss them at the Stadium, they are all remaining in Marlborough and will continue to provide us with advice and support for which we are grateful.

Despite this loss of experience, the remaining Stadium team and new hires have stepped up to cover any gaps very well. We are also initiating changes to the nature of our rosters,

recruitment and appraisal processes and staff training to better tune our staffing plan to changing employee demographics and expectations.

QUALITY STANDARDS

Recent benchmarking against similar facilities throughout the South Island indicates that our charges are very low for the facilities we provide and, at 25.6%, the percentage of revenue from Marlborough District Council continues to remain low compared to other local aquatic and stadium facilities.

The Stadium remains Poolsafe accredited which is an indication of industry best practice in terms of lifeguarding and water treatment practice. Our holiday programme is OSCAR accredited.

Stadium 2000 is a member of Recreation Aotearoa, the professional association for recreation facilities like ours. Our team network with other professionals throughout New Zealand to stay abreast of quality and safety developments in the sector.

Trust staff are accredited workplace assessors for Skills Active, the recreation industry training organisation and many of our staff hold Skills Active qualifications.

TENANTS

Stadium 2000 has retained all its tenants from last year despite the disruptions to them due to earthquake re-strengthening.

Our current tenants include: Subway, CPR Coffee, Momentum Dance School, Marlborough Rackets Squash Club, Marlborough Amateur Weightlifting Association, EV Biokinetics, Southern Rehabilitation, Edge Physio, Sport Tasman, Marlborough Basketball, Marlborough Hockey, Marlborough Rowing and the Graeme Dingle Foundation. As noted in last year's report we are particularly lucky to have such supportive tenants who are well aligned with our mission and have shown considerable patience and tolerance with the disruption caused by re-strengthening work.

SPONSORS AND GRANTS

The Marlborough District Council is the largest sponsor of the Stadium and contributes \$839,000 per year.

In the last financial year, Marlborough Lines our naming sponsor, provided some \$175,000 worth of sponsorship including some \$135,000 invested in exterior lighting. The ongoing support that Marlborough Lines continues to provide helps us significantly with our mission.

Rata Foundation (contributing \$30,000) and the Redwood Trust (contributing \$10,000) have both supported the delivery of the Fundamental Skills to Marlborough schoolchildren. Schools currently pay only 20% of what it costs the Stadium to deliver this \$125,000 programme each year, so help from both the Rata foundation and the Redwood Trust is significant.

We also received grant funding from the Kiwisport (administered through Sport Tasman) who provided \$8,173 to support the delivery of our Water polo and Flippa ball programmes.

WK Advisors and Accountants, Indevin and Chateau Marlborough all provided support as corporate membership partners this year. Their assistance is gratefully appreciated.

Blenheim Toyota continues to assist the trust by providing a vehicle for use for Stadium operations. This not only helps us run our programmes and facility, it helps promote the presence of the Stadium in the broader community.



Blenheim Toyota



OUR CUSTOMERS

The Stadium provides a glimpse of a full cross section of the Marlborough community more than just about any other place in Marlborough. Generations and situations represented change by the hour and the day.

Week-day mornings are the preserve of workers and student athletes getting exercise in before the work-day begins. Retirees arrive mid-morning for group fitness and a social coffee afterward. Parents and young children around noon and early afternoon for dance and swim lessons. School groups come in and out in lines during school hours for Fundamentals or Aquablast. After 3pm is busy with school-age sports in the Stadium and swimming lessons in the pools. The evening progresses with social sports leagues and the after-work exercise crowd. Weekends continue with sports leagues and swim meets and, occasionally, bigger events.

Total entries/exits (as indicated by electronic door counters) continue to sit around 500,000.

This year the Trust has generated operating revenue of \$3,416,362 which has grown 0.3% from last year.



STADIUM

Improved access to the Stadium this year resulted in an increase in both our regular users and 'one-off' events. Our Stadium income increased around 15% over last year returning some \$64,537.

In addition to the above we continue to offer the use of the facility to children and young person's regular organized sports free of charge, for non-commercial activity.

Regular users include:

- Fundamental Skills Programme
- Group Fitness
- Marlborough Gymnastics
- Marlborough Basketball
- Marlborough Volleyball
- Marlborough Netball
- Tasman Netball
- Sport Marlborough activities
- Special Olympics
- Physiotherapy
- Pilates
- Marlborough Boys College
- Futsal
- OSCAR Holiday Programme
- Speed Skating
- School's sports and physical education

In addition, the reopening of our ground floor programme room has allowed us to expand our group fitness programmes as well as host the Blenheim Judo club

EVENTS

While our primary purpose is to provide a facility for sport, recreation and fitness activities, the Stadium remains the only venue in Blenheim which can host larger indoor community events with attendance over 1000 people. While such events do have the impact of displacing our regular users, the Trust recognizes that our ability to host events of this nature is important for the Marlborough community.

In the past year we have hosted the following events:

- Home and Garden Show
- High Schools Career Expo
- Science Fair

In addition, we hosted the following large sporting events including:

- Marlborough Volleyball Tournaments
- Marlborough Basketball Tournaments
- Marlborough Gymnastics Events
- Tasman Volleyball Tournaments
- Marlborough Open Squash Champs

Looking ahead to the next year, we have a number of large public events programmed for the Stadium including:

- Home and Garden Show
- Marlborough and Regional Gymnastics
- Parents Expo
- The Blackhawk National Dog Show

We will continue to host large events, but we are unlikely to meet the full demand for these without disrupting our core business. We intend to work closely with the Marlborough District Council and our key stakeholders to identify the events that are most important for the Marlborough community

AQUATICS

Aquatic use and subsequent revenue have remained relatively static over the last year with total aquatic revenue (before costs) of \$1,789,892 in the last year compared to \$1,770,360 in the 2017-18 year. Casual swimmer numbers have seen slight increases in child and senior swimmers.

We have seen continued engagement from the same clubs and organized programmes, but participation rates have remained relatively static. These clubs and programmes include:

- Water Polo
- Underwater Hockey
- Swim School
- Triathlon training

- Blenheim Masters Swimmers
- Blenheim Swim Club
- Marlborough Boys' College
- Fundamental Skills Programme
- Aqua Blast programme
- Group Fitness Classes
- Holiday Programmes
- Birthday Parties
- Pool Parties

LEARN TO SWIM

Swim school enrolled some 5503 individuals in Swim School in the past year as compared to 5799 in 2017-18. Classes run on a school term basis. Around 100 enrolments were picked up by Blenheim Swim Club who took on the training of the highest grades.

Marlborough Lines Stadium 2000 also conducts School 'learn to swim' programmes in local school pools and also runs Aquablast intensive week swimming programme at the Stadium for schools. Enrolments in these programmes totaled 3538 in the last year (down from 4256 during 2017-18).

Overall, Learn to Swim, Aquablast and Swim school numbers are down some 1300 enrolments on 2017-18. It is unclear whether this is due to demographic factors, colder weather, a lower focus nationally on drowning risk prevention or some other factor. To that end we intend to start a review of our Swim programmes in the coming year to understand this picture better.



SQUASH

Regular club use occurs through a long-term lease with the Marlborough Squash Rackets Club. The Trust arrangement with the Squash club allows the club to manage booking data and the general management of the squash court area. Squash club membership remains at just over 100 members while casual court bookings have remained static at around 650 bookings per year.

HEALTH AND FITNESS CENTRE

Membership in the Stadium Health and Fitness has continued to grow steadily this year in an extremely competitive environment. This builds on continuous growth in both the 2016-17 and 2017-18 years. This growth has been led strongly by corporate members and may represent a greater focus by employers on staff wellbeing and health.

While the Stadium Health and Fitness Centre is a community facility, we try to position ourselves at the top end of the health and fitness market by providing a high level of coaching and supervision, access to a range of group fitness classes and other Stadium facilities including the pool as part of the membership.

To maintain our membership position and to reward the loyalty of our clients we are embarking on an upgrade of cardio equipment in the upcoming year. This equipment is over seven years old and has reached the point at which it should be turned over and upgraded.

FUNDAMENTAL SKILLS

The trend of growth in the Fundamental Skills programme has continued with total student days growing from 8075 in the 2017/18 year to 9482 this year (17%)

Children attend 10.45am – 2.30pm daily and undertake structured programmes including learn to swim, water safety, exercise, teambuilding and a range of sports.

While most of these programmes are delivered at the Stadium, our Fundamentals Skill team do travel out to deliver the programme to more remote rural schools within Marlborough, particularly during the warmer settled weather of Term 1.

HOLIDAY PROGRAMMES

Holiday programmes operated over nine weeks of school holidays this year. This programme is OSCAR accredited and attendance is partially subsidized by Work and Income NZ.

Available spaces on programmes remain capped at 50 participants per day as per last year and participation numbers remain static at some 2000 participant days per year.

Most participants are 12 years or younger. Holiday programmes are essential for many families where parents have to work and need a safe, fun and educational activity programme for their children during work hours. The Holiday programmes also promote an active lifestyle.

As there appears to be substantial un-met demand for holiday and after school programmes, we will evaluate whether we can grow this part of our service in the following year.

COMMUNITY CONTRIBUTION

Throughout the year Marlborough Lines Stadium 2000 has supported deserving individuals or community groups by providing free or subsidized facility access. Some of this is to young athletes, some to people with significant disability or disadvantage. We also sponsor a small number of high performing adult athletes with subsidized facility access. In addition, the Stadium frequently donates vouchers for family swims or gym memberships to local not for profits and charities. These groups can use these as fundraising auction items or raffle prizes. The total value of these contributions is in excess of \$40,000 per year.



ASSET MANAGEMENT

The completion of seismic strengthening at the end of this year has been a significant achievement and, as acknowledged in Luke's report above, has given us a stronger more resilient stadium asset than before.

Spending on repairs and maintenance (R&M) and asset management was down this year compared to last year due to the completion of seismic re-strengthening as shown below:

Year	2018-19	2017-18
Stadium R&M	\$91,709	\$129,180
H&F Centre R&M	\$13,450	\$12,810
Aquatics R&M	\$199,563	\$157,760
Seismic Strengthening	\$6,758	\$428,809*
Total	\$311,480	\$728,559

**includes \$400,000 contribution to council for seismic strengthening*

In the course of the year a number of proposed projects were cancelled or deferred. This includes the development of a Splash play area which was cancelled due to positioning and space restrictions. We deferred the purchase of carpet squares for Stadium events to allow us to develop a better understanding of our needs.

As we start the next financial year, the Aquatic centre is entering its eighth year of life and we are noticing a number of systems that are needing greater investment than our asset management planning anticipated. Most significantly this includes the air conditioning in the pool complex which needs substantial refurbishment or perhaps even replacement in some cases.

THE YEAR AHEAD

As the new CEO, I feel particularly privileged to take on the running of this remarkable facility. The design and layout of Marlborough Lines Stadium 2000 is one of the better designs in the South Island and this was reemphasized by my recent trip to the WAVES Pool Management conference. This is testament to 20 years of vision and hard work on the part of the board, my predecessor Paul Tredinnick and the Stadium staff team. This success has also been driven by the loyalty and support of our tenants, supporters and clients.

I am also lucky to come in at the close of the earthquake re-strengthening which has been essential but trying for our users, tenants and staff.

The plan for the upcoming year is to rebuild the staff team, catch up on asset management that may have been deferred due to earthquake related works and engage the Marlborough community in developing a new strategic plan for the Stadium.

Rob MacLean
CEO

TREASURER'S REPORT

The 2018 – 2019 accounts reported Net Trading Surplus for the year of \$200k (\$235k L/Y) generated from total turnover of \$3.4M (\$3.24 L/Y)

Included in the turnover figure is sponsorship from Marlborough Lines of \$101K that was contributed specifically for the exterior lighting project which has been capitalized to the Fixed Asset Schedule. When this is taken into consideration the trusts operational trading surplus is reduced to \$99K.

Revenue from Programmes recorded a modest increase while Operating Revenue showed steady increase. The decrease in lease income was expected and will correct itself now the strengthening work has concluded.

The revenue result is particularly pleasing as it was generated while there was still significant disruption going on as the last of the seismic work was completed. Once again credit needs to go to the whole stadium team that have worked hard to maintain the stadiums operations under difficult conditions.

Total Expenses decreased by 7.6% to \$3.22 M (2018: \$3.48 M). However, when last years \$400k contribution to the seismic work is taken into consideration total expenses increased by \$135k or 4.3%.

Employment costs continue to be our most significant area of expenditure and as signaled last year have increased by 7.67% to \$1.71 million. Going forward the trust still faces challenges balancing our strategic goal of providing excellent service with the associated investment this requires.

Energy costs for the year reduced to \$507k from \$544K last year. A significant portion of the stadium's lights have been transitioned to LED and we continue to work closely with Marlborough Lines to gain efficiencies in how we manage our electrical consumption. As part of the trusts strategy on sustainability we are monitoring the feasibility of investing in alternate forms of energy generation on an annual basis.

The Depreciation expense for the year decreased reflecting the increasing age of most of the depreciable assets.

Asset Management and Repairs and Maintenance expenditure was \$310k (2018: \$329 k). The trust is currently in the process of reviewing our Asset Management Plan as we are aware of several areas where significant investment will be required as plant and equipment comes to the end of its economic life.

The Balance Sheet of the Trust continues to show a stable position with recorded net assets of \$6.6 million compared to \$6.4million last year. The balance Sheet also records Asset Management funds of \$1.412 million. These funds are held for the maintenance and development of the facility as well as operational contingencies.

As indicated above, a significant portion of these funds have been directly tagged to scheduled major maintenance projects that are planned for the next 24 months.

Management of these funds is a key focus of the finance committee. This involves careful planning of expected expenditure and generating annual operating surpluses to replenish

the fund.

I would once again like to thank my fellow finance committee members, Simon Halliday and Paul Tredinnick for their contribution to the financial management of the Trust and collectively we are very pleased to present another positive set of audited annual accounts.

Matt Kerr
Treasurer, Marlborough Stadium Trust

REPORT CARD

Stadium 2000 Complex	
Total Visits	500,000 (estimate)
Total Revenue	\$3,416,362
Total Expenditure	\$3,215,991
Net Trading Surplus/ (Deficit)	\$200,371
Council contribution to operating revenue	\$839,000 (24.5%)





Annual Report

Marlborough Stadium Trust
For the year ended 30 June 2019

Prepared by WK Advisors and Accountants Limited

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Trust Directory

Marlborough Stadium Trust For the year ended 30 June 2019

Date of Formation

17 August 1998

Trustees

Luke van Velthooven
Peter Baker
Roy Devanny
Paul McKendry
Mathew Kerr
Simon Halliday
Laura McFarlane - Joined October 2018
Ben Glover - Joined October 2018
David Hart - Retired October 2018

Chief Executive Officer

Rob Maclean - Appointed May 2019
Paul Tredinnick - Resigned March 2019

Charities Registration

CC28847

Nature of Business

Operation of Leisure Services and Facilities

GST Status

Payments basis, two monthly, coinciding with balance date.

Auditors

NMA Nelson Marlborough Audit Limited

Bankers

Westpac Bank
Blenheim

Chartered Accountants

WK Advisors and Accountants Limited
Blenheim

Statement of Comprehensive Revenue and Expenses

Marlborough Stadium Trust For the year ended 30 June 2019

	NOTES	2019	2018
Revenue from Exchange Transactions			
Operating Revenue		2,020,929	1,951,674
Programme Revenue	10	138,750	136,966
Lease Income		150,925	182,851
Interest Received		49,443	48,099
Total Revenue from Exchange Transactions		2,360,046	2,319,591
Revenue from Non-Exchange Transactions			
MDC Contribution	6	839,000	839,000
Operational Grants	11	71,127	47,313
Sponsorship		45,000	40,000
Marlborough Lines Sponsorship - Lighting Project		101,188	-
Total Revenue from Non-Exchange Transactions		1,056,315	926,313
Total Revenue		3,416,362	3,245,904
Expenses			
Operational Expenses		742,677	726,718
Employment Expenses		1,713,023	1,591,100
Administration Expenses		274,057	242,910
Repairs & Maintenance		310,841	329,201
Repairs & Maintenance - Seismic Work		-	400,000
Depreciation		169,950	186,221
Audit Fees		5,443	5,300
Total Expenses		3,215,991	3,481,449
Net Trading Surplus / (Deficit)		200,371	(235,546)
Total Comprehensive Revenue and Expense for the Year		200,371	(235,546)

These statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors Report.

Statement of Changes in Net Assets/Equity

Marlborough Stadium Trust For the year ended 30 June 2019

	2019	2018
Equity		
Opening Balance	6,426,494	6,662,040
Increases		
Surplus / (Deficit) for the Period	200,371	(235,546)
Total Increases	200,371	(235,546)
Total Equity	6,626,865	6,426,494

These statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors Report.

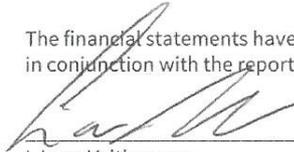
Statement of Financial Position

Marlborough Stadium Trust As at 30 June 2019

	NOTES	30 JUN 2019	30 JUN 2018
Assets			
Current Assets			
Receivables from Exchange Transactions	14	97,196	68,542
Prepayments	15	23,233	22,012
Stock - Merchandise		9,560	14,374
Cash and Cash Equivalents	12	464,768	209,953
GST		-	39,194
Total Current Assets		594,757	354,075
Non-Current Assets			
Fixed Assets	18	5,175,395	5,200,943
Investments			
Asset Management Plan Funds	13	1,412,880	1,377,595
Total Investments		1,412,880	1,377,595
Total Non-Current Assets		6,588,275	6,578,538
Total Assets		7,183,032	6,932,613
Liabilities			
Current Liabilities			
Accounts Payable	16	311,952	284,106
Grants not expended	11	42,638	33,333
Income Received in Advance	17	150,417	148,680
Marlborough Lines Sponsorship in Advance		40,000	40,000
GST		11,160	-
Total Current Liabilities		556,167	506,119
Total Liabilities		556,167	506,119
Net Assets		6,626,865	6,426,494
Trustee Funds			
Accumulated Funds			
Accumulated Funds		6,426,494	6,662,040
Surplus / (Deficit) Transferred		200,371	(235,546)
Total Accumulated Funds		6,626,865	6,426,494
Total Trustee Funds		6,626,865	6,426,494

These statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors Report.

The financial statements have been audited. The accompanying notes form part of the financial statements and should be read in conjunction with the reports contained herein.



LJ van Velthooven
Trustee



MB Kerr
Trustee

Date: 16 October 2019

These statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors Report.

Statement of Cash Flows

Marlborough Stadium Trust For the year ended 30 June 2019

	2019	2018
Cash Flows from Operating Activities		
Cash received from		
Receipts from customers	3,047,271	3,009,039
Interest, dividends and other investment receipts	35,685	45,987
Lease Income	131,168	155,069
Sponsorship & Grants	213,982	160,646
GST	52,954	(47,548)
Total Cash received from	3,481,061	3,323,193
Cash applied to		
Payments to suppliers	(1,387,319)	(1,772,876)
Payments to Employees	(1,664,380)	(1,516,799)
Total Cash applied to	(3,051,699)	(3,289,675)
Total Cash Flows from Operating Activities	429,362	33,518
Cash Flows from Investing Activities		
Cash received from		
Receipts from sale of property, plant and equipment	-	150
Total Cash received from	-	150
Cash applied to		
Payments to acquire property, plant and equipment	(139,261)	(95,617)
Movement in term deposits	(35,285)	(45,443)
Total Cash applied to	(174,546)	(141,060)
Total Cash Flows from Investing Activities	(174,546)	(140,910)
Net Increase/ (Decrease) in Cash	254,816	(107,392)
Cash Balances		
Cash and cash equivalents at beginning of period	209,953	317,345
Cash and cash equivalents at end of period	464,768	209,953
Net change in cash for period	254,816	(107,392)

These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors Report.

Reconciliation of Operating Cash Flow to Net Profit

Marlborough Stadium Trust For the year ended 30 June 2019

	2019	2018
Reconciliation of Operating Cash Flow to Net Surplus / (Deficit)		
Surplus / (Deficit) for the Year	200,371	(235,546)
Working Capital Adjustments for the Year:	-	-
Add Back Depreciation for the Year	169,950	186,221
Add Back Net Loss on Sale of Fixed Assets	-	806
Creditors	21,935	45,929
Debtors	(14,896)	1,608
Grants not Expended	9,305	33,334
GST	51,125	(50,083)
Income in Advance	1,737	59,480
Interest Accrued	(13,757)	(2,112)
Payments in Advance	(1,222)	(6,794)
Stock	4,814	675
Total Reconciliation of Operating Cash Flow to Net Surplus / (Deficit)	429,362	33,518
	2019	2018

Cash and Cash Equivalents as per Cash Flow Statement

Westpac - 00 Account	462,866	208,600
Gym Bank Account	100	100
Swim School Bank Account	100	100
Cash On Hand	1,098	548
Till Floats	604	604
Total Cash and Cash Equivalents as per Cash Flow Statement	464,768	209,953

These statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors Report.

Notes to the Financial Statements

Marlborough Stadium Trust For the year ended 30 June 2019

1. Reporting Entity

The reporting entity is the Marlborough Stadium Trust. The Marlborough Stadium Trust is domiciled in New Zealand and is a Trust registered under the Charitable Trusts Act 1957.

2. Statement of Compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Marlborough Stadium Trust is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board of Trustees has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

3. Statement of Accounting Policies

(a) Basis of Measurement

The financial statements have been prepared on the basis of historical cost with the exception that certain financial instruments are measured at amortised cost.

(b) Functional and Presentational Currency

The financial statements are presented in New Zealand dollars (\$), which is the Marlborough Stadium Trust's functional currency.

(c) Critical accounting estimates and assumptions

In preparing these financial statements, the Trustees have made estimates and assumptions concerning the future in regards to asset useful lives and impairment of assets. Where these estimates and assumptions are considered critical by the Trustees, they are disclosed in the relevant note below.

(d) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Marlborough Stadium Trust and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised:

Revenue from exchange transactions

Sales of Services and Membership Fees

Sales of services are recognised in the accounting period in which the services are rendered. Fees and subscriptions received in exchange for monthly access to members' facilities are initially recorded as income in advance and recognised in revenue evenly over the membership period.

Where members purchase specific services, revenue is initially recorded as revenue in advance, and then recognised proportionally on the basis of the value of each session relative to the total value of the purchased services.

Event Income

Event hosting income is initially recorded as revenue in advance, and then recognised in the month the event actually takes place.

Lease Income

Lease income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

Interest Income

Interest revenue is recognised as it accrues, using the effective interest method.

Revenue from non-exchange transactions

Grant Revenue

Grant revenue includes grants given by other charitable organisations. Grant revenue is recognised when the conditions attached to the grant has been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

Sponsorship Revenue

Sponsorship income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

MDC Contributions

Marlborough District Council contributions are recognised on an accruals basis in accordance with the substance of the relevant agreements.

(e) Financial Instruments

Financial assets and financial liabilities are recognised when the Marlborough Stadium Trust becomes a party to the contractual provisions of the financial instrument.

(f) Financial Assets

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Marlborough Stadium Trust's financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. The Marlborough Stadium Trust's financial assets include: cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and investments.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below:

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Marlborough Stadium Trust has the positive intention and ability to hold to maturity.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Marlborough Stadium Trust's cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and non-equity investments fall into this category of financial instruments.

(g) Financial liabilities

The Marlborough Stadium Trust's financial liabilities include trade and other payables, employee entitlements, loans and income not due. All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

(h) Cash and Cash Equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These are detailed in the relevant note below.

(i) Investments

Investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

Investments are carried at the lower of cost and net realisable value. Where in the Trustees' opinion there has been a permanent reduction in the value of the investments this has been brought to account in the current period.

(j) Income Tax

The Trust is a Registered Charity under the Charities Act 2005 and has no liability for taxation due to the fact that it has charitable status.

(k) Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

(l) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Details of fixed assets are set out in Note 18 to these financial statements. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Marlborough Stadium Trust and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

(m) Depreciation

Depreciation rates suggested by Inland Revenue have not been adopted. All policies have been applied on bases consistent with those used in previous years.

Depreciation has been charged on a straight line basis, at rates approved by the Trustees. Details of rates and depreciation claims are set out in the Fixed Asset Register included herein. The depreciation rates used are as follows:

- Buildings 0% - 7% CP
- Plant & Equipment 4% - 40% CP

(n) Inventories

Inventories are recorded at cost.

(o) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except for receivables and payables, which are stated with the amount of GST included.

Items are included in the Statement of Cash Flows net of GST.

(p) Employee Earnings

Liabilities for wages and salaries, annual leave and accumulating sick leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

Employee earnings, previously earned from past services, that the Trust expect to be settled within 12 months of reporting date are measured based on accrued entitlements at current rate of pays. These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

4. Asset Management Plan Funds

The Trust is not developing a facility replacement fund. It is the intention, within the financial capability of the Trust, to fund the maintenance of the facility, the repair and maintenance of the plant and equipment and targeted facility development. The asset management plan funds of \$1,412,880 shown on the balance sheet are funds held in term deposit for these purposes.

5. Securities and Guarantees

There was no overdraft as at balance date, although a facility has been arranged with Westpac. Any overdrawn balance would be subject to 9.10% p.a. for a debit balance of up to \$50,000. An overdrawn or line of credit charge to cover the cost of the overdraft administration may also apply.

There is a General Security Agreement over all present and after acquired property. There is also a GSA over the funds held in a term deposit account that is limited to \$200,000.

6. Funding Agreement

In existence is an agreement between the Marlborough District Council and the Trust which provides for operational funding \$839,000 for the year ended 30 June 2019. This is allocated between the Stadium (\$39,000) and Aquatics (\$800,000).

7. Lease

The Trust has leased the Aquatic Centre complex and the land that the Stadium building and surrounds occupies from the Marlborough District Council for a period of 60 years (3 x 20 years at the Trust's option). This is at a peppercorn rental. This lease began during the 1999 financial year.

8. Audit

These financial statements have been subject to audit, please refer to Auditor's Report.

	2019	2018
9. Total Revenue		
Total Revenue is made up as follows:	-	-
Revenue from Exchange Transactions	2,360,046	2,319,591
Revenue from Non-Exchange Transactions	1,056,315	926,313
Total Revenue	3,416,361	3,245,904

10. Programme Revenue

Programme Revenue of \$138,750 (2018: \$136,966) consists of income received for the following programmes:

- Fundamental Skills programme
- School Holiday programme
- After School programme
- Kiwi Sport programme

	2019	2018
11. Grants Received		
Grants Received		
Rata Foundation	30,000	50,000
Kiwisport Funding	8,174	7,826
Redwood Trust	10,000	10,000
Ministry of Social Development	32,258	12,820
Total Grants Received	80,431	80,646
Add 2018 Grants expended in 2019 Year:		
Rata Foundation	33,333	-
Total Add 2018 Grants expended in 2019 Year:	33,333	-
Less Grants not expended until 2020		
Rata Foundation	(30,000)	(33,333)
Ministry of Social Development	(12,638)	-
Total Less Grants not expended until 2020	(42,638)	(33,333)
Total Grants Received for Year	71,127	47,313

Grants Received - Programmes

Rata Foundation	33,333	16,667
Kiwisport Funding	8,174	7,826
Redwood Trust	10,000	10,000
Ministry of Social Development	19,620	12,820
Total Grants Received - Programmes	71,127	47,313
Total Grants Received for Year	71,127	47,313
	2019	2018

12. Cash and Cash Equivalents

Cash and Cash Equivalents include the following components:	-	-
Westpac - 00 Account	462,866	208,600
Swim School Bank Account	100	100
Gym Bank Account	100	100
Till Floats	604	604
Cash On Hand	1,098	548
Total Cash and Cash Equivalents	464,768	209,953
	2019	2018

13. Investments - Asset Management Plan Funds

Westpac Term Deposits - Maturing within 12 months of balance date	1,412,880	1,245,041
Westpac Term Deposits - Maturing after more than 12 months of balance date	-	132,554
Total Investments - Asset Management Plan Funds	1,412,880	1,377,595
	2019	2018

14. Accounts Receivable

Receivables from Exchange Transactions	97,196	68,542
Receivables from Non-Exchange Transactions	-	-
Total Accounts Receivable	97,196	68,542
	2019	2018

15. Payments in Advance

Insurance paid in advance	19,400	19,174
Music Licences	2,886	2,838
Exercise Association	384	-
NZRA Pool Safe	563	-
Total Payments in Advance	23,233	22,012

	2019	2018
16. Accounts Payable		
Trade Creditors - Exchange Transactions	170,209	136,298
Trade Creditors - Non-Exchange Transactions	-	-
Audit Fee Accrued	5,300	5,300
PAYE Payable	16,484	28,040
Holiday Pay Accrued	57,346	56,939
Wages Accrued	62,613	57,529
Total Accounts Payable	311,952	284,106
	2019	2018
17. Income in Advance		
Tenant Leases and Sponsorship paid in advance	9,463	10,542
Swim School Fees received in advance	20,925	23,790
Gym Memberships received in advance	84,305	76,102
Event Hire received in advance	-	-
School Holiday Programme Fees received in advance	3,344	6,158
Aquatic Subs Received in Advance	32,102	31,918
Water Polo Income Received in Advance	279	170
Total Income in Advance	150,418	148,680

18. Fixed Assets

COST	Buildings	Plant & Equipment	Vehicles	Total
Balance as at 30 June 2018	5,921,749	1,496,567		7,418,315
Add Additions	97,422	46,979		144,401
Less Disposals				-
Balance as at 30 June 2019	6,019,171	1,543,546	-	7,562,717
ACCUMULATED DEPRECIATION	Buildings	Plant & Equipment	Vehicles	Total
Balance as at 30 June 2018	1,024,106	1,193,266		2,217,372
Add Depreciation for the Year	95,952	73,997		169,950
Less Disposals				-
Balance as at 30 June 2019	1,120,059	1,267,263	-	2,387,322
CARRYING VALUE	Buildings	Plant & Equipment	Vehicles	Total
Cost	6,019,171	1,543,546	-	7,562,717
Accumulated Depreciation	1,120,059	1,267,263	-	2,387,322
Balance as at 30 June 2019	4,899,112	276,283	-	5,175,395

19. Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Board of Trustees, General Manager of operations, which constitutes the governing body of the Group, and also the key management staff. No remuneration is paid to members of the Board of Trustees. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2019	2018
Total Remuneration	\$361,980	\$355,865
Number of key personnel	6	5

During the reporting period, no remuneration or compensation was provided by the Trust to employees who are close family members of key management personnel (2018: \$Nil).

20. Related Party Transactions

Accountancy and Secretarial services have been provided to the Trust by WK Advisors and Accountants Limited, a firm in which Trustee M J Kerr is a Director. WK Advisors and Accountants Limited provide accounting and secretarial work including inputting and processing of debtor and creditor invoices, creditor payments, bank reconciliations, GST returns, monthly reporting, annual accounts preparation, accounting software training to staff, payroll administration, PAYE returns, budget preparation assistance, ongoing accounting software assistance.

The Trust also has uniforms and clothing for fundamental skills and sports development programmes provided by P Baker who is a Trustee. All related party transactions are carried out on an arms length basis on normal commercial terms. No related party debts have been written-off or forgiven during the year.

Luke van Velthooven is a director and shareholder of APL Property Blenheim Ltd. The trust pays rates and insurance to APL Property Blenheim Limited. The related party transactions for the year are as follows:

RELATED PARTY	DESCRIPTION OF TRANSACTIONS	2019 VALUE OF TRANSACTIONS (EXCL)	2018 VALUE OF TRANSACTIONS (EXCL)	2019 AMOUNT OUTSTANDING (INCL)	2018 AMOUNT OUTSTANDING (INCL)
APL PROPERTY BLENHEIM	Trust paid rates and insurance to APL Property Blenheim Limited	126,650	109,868	-	-
PETER BAKER	Provided Staff Uniforms and Clothing for Fundamental Skills and Sports Development Programmes	19,259	17,108	-	-
WK	Provided accounting and secretarial work for the year as described above.	41,434	43,115	3,095	3,200

21. Apportionment of Indirect Expenses

Indirect expenses have been allocated to the trading accounts of the Trust on the following basis:

- ACC levies and staff training and expenses have been apportioned based on the wages costs for each trading account.
- Depreciation has been apportioned based on:
 1. The use of the asset where identifiable
 2. General use assets have been apportioned on the basis of:

- Aquatics	50%
- Stadium and Health & Fitness Centre	40%
- Programmes	10%
- Other indirect costs (administration and general operational) have been apportioned on the basis of:

- Aquatics	50%
- Stadium and Health & Fitness Centre	40%
- Programmes	10%

The apportionment of overhead expenses between the trading accounts has been assessed on the relative demand on each area of the overall operations.

22. Capital Commitments

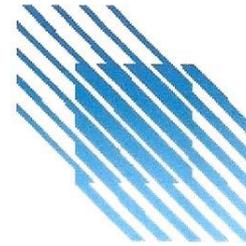
There were no known capital commitments at balance date. (2018: Nil).

23. Contingent Liabilities

At balance date there are no known contingent liabilities. Marlborough Stadium Trust has not granted any securities in respect of liabilities payable by any other party whatsoever. (2018: Nil)

24. Events Subsequent to Balance Date

No events or transactions have occurred since balance date which would have a material effect upon the financial statements or which are of such significance as to require mention in the notes to the financial policies. There are no plans or intentions that may materially affect the current value or classification of assets and liabilities.



NMA Nelson Marlborough Audit Ltd

INDEPENDENT AUDITOR'S REPORT

To the Beneficiaries of Marlborough Stadium Trust

Report on the Financial Statements

Opinion

We have audited the financial statements of Marlborough Stadium Trust which comprise the trust directory, the statement of financial position as at 30 June 2019, the statement of comprehensive revenue and expenses, the statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the performance report, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 3 to 20 present fairly, in all material respects, the financial position of Marlborough Stadium Trust as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards with Reduced Disclosure Regime.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)).

Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Other than in our capacity as auditor we have no relationship with, or interests in, the Trust.

The Responsibility of the Trustees for the Financial Statements

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of these financial statements in accordance with Public Benefit Entity Standards with Reduced Disclosure Regime, and for such internal control as the Trustees determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could be reasonably expected to influence the decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

NMA Nelson Marlborough Audit Ltd

NMA Nelson Marlborough Audit Limited
PO Box 732
Nelson 7040

16 October 2019