

**Chairperson and Committee Members**  
OPERATIONS & FINANCE COMMITTEE

12 APRIL 2018

Meeting Status: **Public**

Purpose of Report: For Information

**KAPITI COMMUNITY RECREATIONAL TURF TRUST 2017  
ANNUAL REPORT**

**PURPOSE OF REPORT**

- 1 The purpose of this report is to update the Operations and Finance Committee on the Kapiti Community Recreational Turf Trust (the Trust) audited Annual Report for the year ending 30 September 2017.

**DELEGATION**

- 2 The Operations & Finance Committee has delegated authority to consider this report under the following delegation in the Governance Structure and Delegations, Section B.2 which states that the key responsibilities of the Committee will include: *Financial Management, including risk mitigation.*

**BACKGROUND**

- 3 The Trust has been responsible for successfully developing and operating the hockey turf and pavilion facility at Mazengarb Reserve. The Trust has generated a significant amount of money through fund-raising and sponsorships to enable the facility to be built. The Council has also provided support to the Trust over the last 10 years, including a capital grant of \$1.3 million, one loan of \$100,000 in 2009 to help fund the turf and a second loan of \$150,000 in 2012 to help fund the Pavilion.
- 4 The Trust does not meet the Local Government Act 2002 definition (section 6) of a Council Controlled Organisation; therefore there is no legal requirement for the Council to monitor the Trust's performance. However, the assets that the Trust owns and operates are a significant part of the Kāpiti district's recreational offering. In addition, the loan balance of \$205,279 at 31 March, 2018 creates a requirement that the performance of the trust needs to be considered, to be able to evaluate its ability to repay. The Council acknowledges the contribution that the Trust makes and will continue to monitor the Trust's performance while at the same time working alongside the Trust to ensure the continued provision of a high-quality community asset.

**ISSUES AND OPTIONS**

**The Kapiti Community Recreational Turf Trust 2017 Annual Report**

- 5 Council approved funding to the Trust of up to \$5,000 to pay for the 2017 audit and it was completed in a timely manner. The audit was completed by Dennis Blank CA.

- 6 The 2017 results reflect an improved position from 2016 with the annual deficit reducing by 22% from \$81,096 to \$63,488. The operational surplus before depreciation increased from \$38,000 to \$56,000 which was an increase of 48%.
- 7 The Trust has also continued to reduce the level of its loan through repayments to the Council. The total loan balance outstanding at 31 March 2018 was \$205,279.
- 8 The Council has obtained the Trust's annual reports for the last four years and also its forecast for the 2017/18 and 2018/19 years. The table below summarises some key information from these documents:

**Kapiti Community Recreational Turf Trust - Financial Performance**

|   | 2014        | 2015        | 2016        | 2017        | 2018         | 2019         |
|---|-------------|-------------|-------------|-------------|--------------|--------------|
|   | Actual      | Actual      | Actual      | Actual      | Outlook      | Outlook      |
|   | \$000       | \$000       | \$000       | \$000       | \$000        | \$000        |
| Total Revenue   | 198         | 165         | 192         | 218         | 161          | 164          |
| Operating Expenditure                                       | 165         | 133         | 154         | 162         | 170          | 162          |
| <b>Net Operating Surplus/ (Deficit) before depreciation</b> | <b>33</b>   | <b>32</b>   | <b>38</b>   | <b>56</b>   | <b>(9)</b>   | <b>2</b>     |
| Depreciation  | 104         | 116         | 119         | 119         | 119          | 119          |
| <b>Net Surplus/ (Deficit)</b>                               | <b>(71)</b> | <b>(84)</b> | <b>(81)</b> | <b>(63)</b> | <b>(128)</b> | <b>(117)</b> |

- 9 It is important to note however that the Trust's small net operating surplus (before depreciation), or forecast revenue not being realised can have a significant impact on its finances. The outlook financials suggest that, unless the Trust significantly increases its revenue or significantly reduces its operating expenditure then it may struggle to continue operating sustainably from 2019 onwards. The trust are discussing their future financial position with Council.
- 10 One of the reasons for the increased operating costs in the Trust's outlook is increased budgets for essential operating maintenance. The Trust also has several major capital maintenance projects scheduled for the next few years. Some of these projects have been proposed by the Council in the 2015/35 draft LTP, for example the replacement of the artificial turf in 2022/23 and the upgrade of the Pavilion in 2025/26. However the remaining items, including the installation of LED bulbs in the floodlights are not being funded by the Council.
- 11 The auditor noted that the records of the trust were maintained to a good standard and made special mention of the high standard of work of the Board Treasurer David Jennings.
- 12 It was also noted that the Charities Commission reporting requirements created additional work for the trust with the requirement to report at a consolidated level for both the Kapiti Community Recreational Turf Trust and the Kapiti Pavilion Limited, which operates a retail café for turf users.
- 13 The intention of the trust is to close down the Kapiti Pavilion Limited and amalgamate with the main trust. This approach was supported by the auditors.
- 14 The trust has agreed to fund future annual financial reviews rather than full audits from 2018. The officers have no areas of concern to note.

## **CONSIDERATIONS**

### Policy considerations

15 There are no policy considerations.

### Legal considerations

16 There are no legal considerations arising from the matters in this report.

### Financial considerations

17 The financial considerations are as discussed in the body of the report.

### Tāngata whenua considerations

18 There are no Tāngata whenua issues.

## **SIGNIFICANCE AND ENGAGEMENT**

### Significance Policy

19 This matter has a low level of significance under the Council's Significance and Engagement Policy.

### Consultation already undertaken

20 The key matters traversed in this report have been discussed with the Trust.

### Engagement planning

21 An engagement plan is not needed to implement this decision.

### Publicity

22 There are no publicity considerations at this time.

## **RECOMMENDATIONS**

23 That the Operations and Finance Committee notes the performance of the Kapiti Community Recreational Turf Trust in its 2017 Annual Report.

**Report prepared by:**

**Approved for submission:**

**Approved for submission:**

**Ian Clements**  
Corporate Advisor

**Janice McDougall**  
Acting Group Manager  
Corporate Services

**Max Pedersen**  
Group Manager  
Community Services

**Appendix 1:** Kapiti Community Recreational Turf Trust Annual Report

**Appendix 2:** Kapiti Community Recreational Turf Trust Auditor Management Letter

**The Kapiti Community Recreational Turf Trust****Performance Report****For the year ended  
30 September 2017****Contents**

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# The Kapiti Community Recreational Turf Trust

## Entity Information

"Who are we?", "Why do we exist?"

For the year ended  
30 September 2017

|   |  |
|---|--|
| Legal Name of Entity:*                    | The Kapiti Community Recreational Turf Trust |
| Other Name of Entity (if any):            | Coastlands Kapiti Sports Turf                |
| Type of Entity and Legal Basis (if any):* | Registered Charity                           |
| Registration Number:                      | CC26358                                      |

### Entity's Purpose or Mission: \*

The Trustees of the Kapiti Community Recreational Turf Trust (KCRTT) are empowered to pay the income and capital of the Trust Fund for such Charitable Purposes in New Zealand as they, in their absolute discretion, determine and without limiting the generality of the foregoing for all or any of the following purposes to the extent that they may from time to time constitute Charitable Purposes in New Zealand namely :

- (a) The planning, development, construction, ownership, operation and maintenance of the Facility for the benefit of the District;
- (b) To provide at the Facility such other high quality facilities as are necessary for use by amateur sporting bodies and other users so as to attract to the Facility high quality and popular events for the benefit of the public in the District;
- (c) To administer the Facility and the Trust Assets on a prudent basis to ensure that it is and remains a successful community asset.
- (d) To do all such other things as in the opinion of the Trustees may be incidental or conducive to the attainment of the purposes of the Trust.

Provided that the foregoing activities are to be conducted only in furtherance of Charitable Purposes and are not to be so construed as to authorise the pursuit of any non-Charitable Purpose.

### Entity Structure: \*

Trust registered under the Charitable Trusts Act 1957, governed under a Trust Deed settled by the Kapiti Coast Hockey Club Inc and the Kapiti Coast District Council.

The number of Trustees may change from time to time but shall not be less than three (3) nor more than five (5) and will be made up as follows:

- (a) Not more than two (2) Trustees to be appointed by the Council;
- (b) Not more than three (3) Trustees to be appointed by the Club.

A majority of trustees shall not be appointed by the Council, to the intent that the Trust shall never be a Council Controlled Organisation within the meaning of the Local Government Act 2002.



# The Kapiti Community Recreational Turf Trust

## Entity Information

"Who are we?", "Why do we exist?"

For the year ended  
30 September 2017

### Main Sources of the Entity's Cash and Resources:\*

The Trust owns and operates a water based all-weather artificial sports turf, with supporting water, lighting and changing facilities together with a pavilion and cafe building at Mazengarb Reserve, Paraparaumu. The turf is used primarily for hockey, but is used by other codes such as football and rugby.

Primary sources of income are from:

- (a) the fees paid by users of the all weather turf;
- (b) turf fees and associated costs recovered for operating tournaments and events;
- (c) room hire, equipment hire and catering charges for corporate meetings and social events;
- (d) operating grants from Council and community funding organisations; and
- (e) Advertising and sponsorship from local companies and businesses.

### Main Methods Used by the Entity to Raise Funds:\*

In addition to the income streams above, special purpose grants have been provided by Council and gaming charities.

### Entity's Reliance on Volunteers and Donated Goods or Services: \*

The Trustees all act on a voluntary basis for both Board governance and operating sub-committees.

### Additional Information:\*

The retail café is operated through a wholly-owned subsidiary company, The Kapiti Pavilion Limited (KPL). This company has no fixed assets of its own, all are owned through the Trust.

### Contact details

|                   |  |
|-------------------|--|
| Physical Address: | 10 Scaife Drive, Paraparaumu   |
| Postal Address:   | P O Box 523, Paraparaumu   |
| Phone/Fax:        | 04 298 9527  |
| Email/Website:    | <a href="http://www.kapitisportsturf.org.nz">www.kapitisportsturf.org.nz</a> |



## The Kapiti Community Recreational Turf Trust

### Statement of Service Performance

"What did we do?", When did we do it?"

For the year ended  
30 September 2017

**Description of the Entity's Outcomes\*:**

The Trust exists to provide a multi-purpose all-weather artificial turf. A key measure of outcome is an increasing use of the turf. Turf charges have been stable for the past three years so the overall amount of turf charges reflects the steady use of the facility. As one of the Trust Settlers, the Kapiti Coast Hockey Club has become the primary user and the Club has enjoyed a period of growth since 2008 when there were just 2 senior teams in the club. For 2017 Wellington hockey season the number of senior teams was 9 (2016=8), with 3 junior teams.  
Note that the outputs of the Trust were not specifically measured prior to 1 October 2017.

| Description and Quantification (to the extent practicable) of the Entity's Outputs:*                            | Actual*   | Budget    | Actual*   |
|---|-----------|-----------|-----------|
|   | This Year | This Year | Last Year |
| Wellington Hockey Assoc (WHA) competition games played on the turf  | 167       |           |           |
| The number of full turf or half turf hours used by Kapiti Coast Hockey Club<br>*excluding WHA competition games | 506       |           |           |
| The number of turf hire hours by Kapiti school users  | 377       |           |           |
| The number of turf hire hours by other users<br>playing sports other than hockey<br>by visitors to the area     | 51<br>58  |           |           |
| Commercial advertising signage and naming rights  | 14        |           |           |
| Usage of the Pavilion for retail sales or functions<br>Open for competition games                               | 167       |           |           |
| Room hire events - corporate and private events and functions   | 132       |           |           |
| Catered events in conjunction with room hire  | 94        |           |           |

**Additional Output Measures:**

The subsidiary company, The Kapiti Pavilion Limited operates a retail café for turf users and has a mandate to be open when hockey competitions are on. The pavilion was open on 131 days for this purpose, comprising 129 days for hockey, and 2 for football.

**Additional Information:**

Management of a community sporting facility at minimal cost to ratepayers - Operations grant received \$20,000



# The Kapiti Community Recreational Turf Trust

## Consolidated Statement of Financial Performance

"How was it funded?" and "What did it cost?"

For the year ended

30 September 2017

|  | Note | Actual*<br>This Year<br>\$ | Budget<br>This Year<br>\$ | Actual*<br>Last Year<br>\$ |
|--|------|----------------------------|---------------------------|----------------------------|
| <b>Revenue</b>                           | 1    |                            |                           |                            |
| Fund Raising                             |      | 16,265                     |                           | 16,135                     |
| Donations                                |      | 128                        |                           | 150                        |
| Fees and subscriptions from members      |      | -                          |                           | -                          |
| Revenue from providing goods or services |      | 181,123                    |                           | 155,512                    |
| Interest and Investment Income           |      | 415                        |                           | 185                        |
| Other Income                             |      | 20,000                     |                           | 20,000                     |
| <b>Total Revenue*</b>                    |      | <b>217,931</b>             | <b>-</b>                  | <b>191,982</b>             |
| <b>Expenses</b>                          | 2    |                            |                           |                            |
| Expenses related to fundraising          |      | -                          |                           | -                          |
| Volunteer and employee related costs     |      | -                          |                           | -                          |
| Cost of providing turf services          |      | 56,310                     |                           | 58,451                     |
| Cost of providing event services         |      | 56,702                     |                           | 34,581                     |
| Cost of providing Cafe services          |      | 49,025                     |                           | 60,095                     |
| Grants and donations paid                |      | -                          |                           | -                          |
| Depreciation                             |      | 119,381                    |                           | 118,936                    |
| <b>Total Expenses*</b>                   |      | <b>281,418</b>             | <b>-</b>                  | <b>273,078</b>             |
| <b>Surplus/(Deficit) for the Year*</b>   |      | <b>(63,488)</b>            | <b>-</b>                  | <b>(81,096)</b>            |



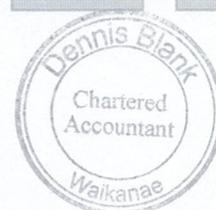
# The Kapiti Community Recreational Turf Trust

## Consolidated Statement of Financial Position

"What the entity owns?" and "What the entity owes?"

As at  
30 September 2017

|  | Note | Actual*<br>This Year<br>\$ | Budget<br>This Year<br>\$ | Actual*<br>Last Year<br>\$ |
|--|------|----------------------------|---------------------------|----------------------------|
| <b>Assets</b>  |      |                            |                           |                            |
| <b>Current Assets</b>                                    |      |                            |                           |                            |
| Bank accounts and cash*                                  | 3    | 43,065                     |                           | 1,557                      |
| Debtors and prepayments*                                 | 3    | 44,136                     |                           | 63,757                     |
| Inventory*   | 3    | 977                        |                           | 1,230                      |
| Other current assets                                     |      |                            |                           |                            |
| <b>Total Current Assets</b>                              |      | <b>88,177</b>              | <b>-</b>                  | <b>66,545</b>              |
| <b>Non-Current Assets</b>                                |      |                            |                           |                            |
| Property, plant and equipment*                           | 4    | 2,832,226                  |                           | 2,948,934                  |
| Investments*   |      | -                          |                           | -                          |
| Capital Works in Progress                                |      | -                          |                           | -                          |
| Loan to Subsidiary                                       |      | 0                          |                           | -                          |
| <b>Total Non-Current Assets</b>                          |      | <b>2,832,226</b>           | <b>-</b>                  | <b>2,948,934</b>           |
| <b>Total Assets*</b>                                     |      | <b>2,920,403</b>           | <b>-</b>                  | <b>3,015,479</b>           |
| <b>Liabilities</b>                                       |      |                            |                           |                            |
| <b>Current Liabilities</b>                               |      |                            |                           |                            |
| Bank overdraft*  |      | -                          |                           | -                          |
| Creditors and accrued expenses*                          | 3    | 23,172                     |                           | 33,722                     |
| Employee costs payable*                                  |      | -                          |                           | -                          |
| Unused donations and grants with conditions*             |      | -                          |                           | -                          |
| Loan from Subsidiary                                     |      | -                          |                           | -                          |
| <b>Total Current Liabilities</b>                         |      | <b>23,172</b>              | <b>-</b>                  | <b>33,722</b>              |
| <b>Non-Current Liabilities</b>                           |      |                            |                           |                            |
| Loans*   | 3    | 208,388                    |                           | 219,208                    |
| Other non-current liabilities                            |      |                            |                           |                            |
| <b>Total Non-Current liabilities</b>                     |      | <b>208,388</b>             | <b>-</b>                  | <b>219,208</b>             |
| <b>Total Liabilities*</b>                                |      | <b>231,560</b>             | <b>-</b>                  | <b>252,931</b>             |
| <b>Total Assets less Total Liabilities (Net Assets)*</b> |      | <b>2,688,843</b>           | <b>-</b>                  | <b>2,762,548</b>           |
| <b>Accumulated Funds</b>                                 |      |                            |                           |                            |
| Capital contributed by owners or members*                | 5    | -                          |                           | -                          |
| Accumulated surpluses or (deficits)*                     | 5    | 2,688,843                  |                           | 2,762,548                  |
| Reserves*  |      | -                          |                           | -                          |
| <b>Total Accumulated Funds*</b>                          |      | <b>2,688,843</b>           | <b>-</b>                  | <b>2,762,548</b>           |



## The Kapiti Community Recreational Turf Trust

### Consolidated Statement of Cash Flows

"How the entity has received and used cash"

For the year ended  
30 September 2017

|  | Actual*<br>This Year<br>\$ | Budget<br>This Year<br>\$ | Actual*<br>Last Year<br>\$ |
|--|----------------------------|---------------------------|----------------------------|
| <b>Cash Flows from Operating Activities*</b>                   |                            |                           |                            |
| <b>Cash was received from:</b>                                 |                            |                           |                            |
| Donations, fundraising and other similar receipts*             | 16,393                     |                           | 16,285                     |
| Operating grants   | 20,000                     |                           | 20,000                     |
| Receipts from providing goods or services*                     | 200,745                    |                           | 118,362                    |
| Interest, dividends and other investment receipts*             | 415                        |                           | 185                        |
| Net GST  |                            |                           |                            |
| <b>Cash was applied to:</b>                                    |                            |                           |                            |
| Payments to suppliers and employees*                           | 179,954                    |                           | 156,667                    |
| Donations or grants paid*                                      |                            |                           |                            |
| <b>Net Cash Flows from Operating Activities*</b>               | <b>57,599</b>              | -                         | <b>(1,835)</b>             |
| <b>Cash flows from Investing and Financing Activities*</b>     |                            |                           |                            |
| <b>Cash was received from:</b>                                 |                            |                           |                            |
| Receipts from the sale of property, plant and equipment*       | -                          |                           | 0                          |
| Receipts from the sale of investments*                         | -                          |                           | -                          |
| Proceeds from loans borrowed from other parties*               | -                          |                           | -                          |
| Capital contributed from owners or members*                    | -                          |                           | -                          |
| <b>Cash was applied to:</b>                                    |                            |                           |                            |
| Payments to acquire property, plant and equipment*             | 2,673                      |                           |                            |
| Payments to purchase investments*                              |                            |                           |                            |
| Repayments of loans borrowed from other parties*               | 13,418                     |                           | 10,798                     |
| Capital repaid to owners or members*                           |                            |                           |                            |
| <b>Net Cash Flows from Investing and Financing Activities*</b> | <b>(16,091)</b>            | -                         | <b>(10,798)</b>            |
| <b>Net Increase / (Decrease) in Cash*</b>                      | <b>41,508</b>              | -                         | <b>(12,633)</b>            |
| <b>Opening Cash*</b>   | 1,557                      |                           | 14,190                     |
| <b>Closing Cash*</b>   | 43,065                     |                           | 1,557                      |
| <b>This is represented by:</b>                                 |                            |                           |                            |
| Bank Accounts and Cash*  | 43,065                     | -                         | 1,557                      |



## The Kapiti Community Recreational Turf Trust

### Statement of Accounting Policies

#### "How did we do our accounting?"

For the year ended

30 September 2017

#### **Basis of Preparation\***

The Kapiti Community Recreational Turf Trust has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

#### **Goods and Services Tax (GST)\***

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

#### **Income Tax**

The Kapiti Community Recreational Turf Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions. The Kapiti Pavilion Limited as carry forward losses and has no income tax liability.

#### **Bank Accounts and Cash**

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

#### **Consolidation of Subsidiary Company**

The Kapiti Pavilion Limited is wholly owned by the Trust and operates a retail Café for users of the Turf facility only. It is generally open during in the hockey season, in the period April to August. In prior years, the company operated on a 31 March balance date. The current year figures shown in the consolidated accounts are for the 6 months ended 30 Sept 2017. The comparative Performance figures are for the 12 months to 31 March 2017.

#### **Property Plant and Equipment**

The property, buildings, plant and equipment are recorded at cost less accumulated depreciation. The land is legally owned by the Kapiti Coast District Council and is leased to the Trust.

#### **Tier 2 PBE Accounting Standards Applied (if any)\***

None

#### **Changes in Accounting Policies\***

There have been no changes in accounting policies during the financial year, apart from the Charities Commission requirement to consolidate reporting activity with a common balance date, for the period ended 30 September 2017. (last year - nil)



# The Kapiti Community Recreational Turf Trust

## Notes to the Performance Report

For the year ended  
30 September 2017

### Note 1 : Analysis of Revenue

| Revenue Item        | Analysis            | This Year<br>\$ | Last Year<br>\$ |
|---------------------|---------------------|-----------------|-----------------|
| Fundraising revenue | Naming Right        | 10,000          | 10,000          |
|                     | Advertising Signage | 6,265           | 6,135           |
|                     | <b>Total</b>        | <b>16,265</b>   | <b>16,135</b>   |

| Revenue Item                        | Analysis                       | This Year<br>\$ | Last Year<br>\$ |
|-------------------------------------|--------------------------------|-----------------|-----------------|
| Donations and other similar revenue | Donations/koha from the public | 128             | 150             |
|                                     | <b>Total</b>                   | <b>128</b>      | <b>150</b>      |

| Revenue Item                  | Analysis | This Year<br>\$ | Last Year<br>\$ |
|-------------------------------|----------|-----------------|-----------------|
| Fees, subscriptions and other | nil      | -               | -               |
| <b>Total</b>                  |          | <b>-</b>        | <b>-</b>        |

| Revenue Item                             | Analysis                               | This Year<br>\$ | Last Year<br>\$ |
|--|--|-----------------|-----------------|
| Revenue from providing goods or services | Turf Hire                              | 55,782          | 41,340          |
|  | Tournament Income                      | 1,039           | 2,542           |
|  | Pavilion Hire and Catering             | 69,896          | 53,018          |
|  | Retail Café sales (subsidiary company) | 54,406          | 58,612          |
|  | <b>Total</b>                           | <b>181,123</b>  | <b>155,512</b>  |

| Revenue Item                                     | Analysis     | This Year<br>\$ | Last Year<br>\$ |
|--|--------------|-----------------|-----------------|
| Interest, dividends and other investment revenue |              | 415             | 185             |
|  | <b>Total</b> | <b>415</b>      | <b>185</b>      |

| Revenue Item  | Analysis  | This Year<br>\$ | Last Year<br>\$ |
|---------------|---|-----------------|-----------------|
| Other revenue | Operating Grant - Kapiti Coast District Council | 20,000          | 20,000          |
|               | <b>Total</b>                                    | <b>20,000</b>   | <b>20,000</b>   |



# The Kapiti Community Recreational Turf Trust

## Notes to the Performance Report

For the year ended

30 September 2017

### Note 2 : Analysis of Expenses

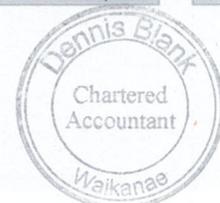
| Expense Item                           | Analysis     | This Year<br>\$ | Last Year<br>\$ |
|--|--------------|-----------------|-----------------|
| Expenses related to public fundraising | Nil          |                 |                 |
|  | <b>Total</b> | -               | -               |

| Expense Item                         | Analysis     | This Year<br>\$ | Last Year<br>\$ |
|--------------------------------------|--------------|-----------------|-----------------|
| Volunteer and employee related costs | Nil          |                 |                 |
|                                      | <b>Total</b> | -               | -               |

| Expense Item                             | Analysis                  | This Year<br>\$ | Last Year<br>\$ |        |
|--|---------------------------|-----------------|-----------------|--------|
| Costs related to providing turf services | Turf Manager & Groundsman | 34,329          | 41,514          |        |
|  | Admin                     | 1,429           | 727             |        |
|  | Technology & Comms        | 1,423           | 1,524           |        |
|  | KCDC Charges              | 2,722           | 2,443           |        |
|  | Marketing                 | -               | -               |        |
|  | Insurance                 | 2,608           | (2,086)         |        |
|  | Interest                  | 4,180           | 4,202           |        |
|  | Water                     | 575             | 618             |        |
|  | Maintenance               | 2,929           | 2,260           |        |
|  | Power                     | 6,115           | 7,249           |        |
|  | Rent and Facilities Hire  | -               | -               |        |
|  |                           | <b>Total</b>    | 56,310          | 58,451 |

| Expense Item                    | Analysis              | This Year<br>\$ | Last Year<br>\$ |
|---------------------------------|-----------------------|-----------------|-----------------|
| Costs related to event services | General Manager       | 23,773          | 10,248          |
|                                 | Equipment Maintenance | 2,054           | 4,372           |
|                                 | Catering & Supplies   | 14,012          | 7,642           |
|                                 | Technology & Comms    | 1,423           | 1,524           |
|                                 | Marketing             | 627             | -               |
|                                 | Maintenance           | 457             | 7,595           |
|                                 | Power & Gas           | 7,664           | 6,997           |
|                                 | Cleaning              | 1,889           | 2,512           |
|                                 | KCDC Charges          | 2,722           | 2,443           |
|                                 | Security              | 715             | 87              |
|                                 | Admin                 | 1,367           | 727             |
|                                 | Interest              | -               | -               |
|                                 | Insurance             | -               | (9,565)         |
|                                 |                       | <b>Total</b>    | 56,702          |

| Expense Item                   | Analysis             | This Year<br>\$ | Last Year<br>\$ |
|--------------------------------|----------------------|-----------------|-----------------|
| Costs related to Café Services | Cost of Sales        | 24,082          | 27,493          |
|                                | Café operating costs | 24,943          | 32,602          |
|                                | <b>Total</b>         | 49,025          | 60,095          |



# The Kapiti Community Recreational Turf Trust

## Notes to the Performance Report

For the year ended  
30 September 2017

### Note 3 : Analysis of Assets and Liabilities

| Asset Item             | Analysis                      | This Year<br>\$ | Last Year<br>\$ |
|------------------------|-------------------------------|-----------------|-----------------|
| Bank accounts and cash | Cheque account balance        | 4               | 998             |
|                        | Savings account balance       | 42,300          | 2               |
|                        | Cash Floats                   | 300             | 100             |
|                        | Subsidiary Bank Account (KPL) | 461             |                 |
|                        | <b>Total</b>                  | <b>43,065</b>   | <b>1,100</b>    |

| Asset Item              | Analysis            | This Year<br>\$ | Last Year<br>\$ |
|-------------------------|---------------------|-----------------|-----------------|
| Debtors and prepayments | Accounts receivable | 44,136          | 63,757          |
|                         | GST Receivable      | -               |                 |
| <b>Total</b>            |                     | <b>44,136</b>   | <b>63,757</b>   |

| Asset Item | Analysis                              | This Year<br>\$ | Last Year<br>\$ |
|------------|---------------------------------------|-----------------|-----------------|
| Inventory  | Kapiti Pavilion - Bar and Cafe stocks | 977             | 1,230           |
|            | <b>Total</b>                          | <b>977</b>      | <b>1,230</b>    |

| Asset Item           | Analysis     | This Year<br>\$ | Last Year<br>\$ |
|----------------------|--------------|-----------------|-----------------|
| Other current assets |              | -               | -               |
|                      | <b>Total</b> | <b>-</b>        | <b>-</b>        |

| Asset Item  | Analysis     | This Year<br>\$ | Last Year<br>\$ |
|-------------|--------------|-----------------|-----------------|
| Investments | Nil          |                 |                 |
|             | <b>Total</b> | <b>-</b>        | <b>-</b>        |

| Asset Item               | Analysis     | This Year<br>\$ | Last Year<br>\$ |
|--------------------------|--------------|-----------------|-----------------|
| Other non-current assets | Nil          |                 |                 |
|                          | <b>Total</b> | <b>-</b>        | <b>-</b>        |



# The Kapiti Community Recreational Turf Trust

## Notes to the Performance Report

For the year ended  
30 September 2017

### Note 3 : Analysis of Assets and Liabilities

| Liability Item                 | Analysis                 | This Year<br>\$ | Last Year<br>\$ |
|--------------------------------|--------------------------|-----------------|-----------------|
| Creditors and accrued expenses | Trade and other payables | 12,033          | 33,722          |
|                                | GST Payable              | 11,139          | -               |
|                                | <b>Total</b>             | <b>23,172</b>   | <b>33,722</b>   |

| Liability Item         | Analysis                           | This Year<br>\$ | Last Year<br>\$ |
|------------------------|------------------------------------|-----------------|-----------------|
| Employee costs payable | Casual employees, contractors only |                 |                 |
| <b>Total</b>           |                                    | -               | -               |

| Liability Item                              | Analysis | This Year<br>\$ | Last Year<br>\$ |
|---|----------|-----------------|-----------------|
| Unused donations and grants with conditions | None     |                 |                 |
| <b>Total</b>                                |          | -               | -               |

| Liability Item            | Analysis             | This Year<br>\$ | Last Year<br>\$ |
|---------------------------|----------------------|-----------------|-----------------|
| Other current liabilities | Loan from Subsidiary | -               | 2,567           |
| <b>Total</b>              |                      | -               | 2,567           |

| Liability Item | Analysis   | This Year<br>\$ | Last Year<br>\$ |
|----------------|--|-----------------|-----------------|
| Loans          | Loan Facilities - KCDC Consolidated Loan   | 208,388         |                 |
|                | Loan Facility - KCDC Turf Loan \$110,000 borrowed 6.5% over 10 years, maturity 17 March 2022 |                 | 69,208          |
|                | Loan Facility - KCDC Pavilion Loan - rate 0% tbc - Terms deferred until turf loan repaid     |                 | 150,000         |
|                | <b>Total</b>   | <b>208,388</b>  | <b>219,208</b>  |

| Liability Item                | Analysis | This Year<br>\$ | Last Year<br>\$ |
|-------------------------------|----------|-----------------|-----------------|
| Other non-current liabilities |          |                 |                 |
| <b>Total</b>                  |          | -               | -               |



# The Kapiti Community Recreational Turf Trust

## Notes to the Performance Report

For the year ended  
30 September 2017

### Note 4 : Property, Plant and Equipment

| This Year                           |                          |              |                 |   |                          |
|-------------------------------------|--------------------------|--------------|-----------------|---|--------------------------|
| Asset Class*                        | Opening Carrying Amount* | Purchases    | Sales Disposals | Current Year Depreciation and Impairment* | Closing Carrying Amount* |
| Land*                               | -                        |              |                 | -   | -                        |
| Buildings*                          | 1,661,014                | -            | -               | 34,977                                    | 1,626,037                |
| Sports equipment, scoreboard        | 22,992                   | -            | -               | 4,417                                     | 18,575                   |
| Furniture and fixtures*             | 943                      | -            | -               | 126                                       | 817                      |
| Office equipment*                   | 1,537                    | 2,673        | -               | 943                                       | 3,267                    |
| Computers (including software)*     | -                        | -            | -               | -   | -                        |
| Kitchen machinery and equipment*    | 20,645                   | -            | -               | 3,019                                     | 17,626                   |
| Sports Turf, watering plant, lights | 1,241,804                | -            | -               | 75,899                                    | 1,165,905                |
| <b>Total</b>                        | <b>2,948,935</b>         | <b>2,673</b> | <b>-</b>        | <b>119,381</b>                            | <b>2,832,227</b>         |

| Last Year                           |                          |           |                 |   |                          |
|-------------------------------------|--------------------------|-----------|-----------------|---|--------------------------|
| Asset Class*                        | Opening Carrying Amount* | Purchases | Sales Disposals | Current Year Depreciation and Impairment* | Closing Carrying Amount* |
| Land*                               |                          |           |                 | -   | -                        |
| Buildings*                          | 1,696,889                |           |                 | 35,875                                    | 1,661,014                |
| Sports equipment, scoreboard        | 27,409                   |           |                 | 4,417                                     | 22,992                   |
| Furniture and fixtures*             | 1,069                    |           |                 | 126                                       | 943                      |
| Office equipment*                   | 2,327                    |           |                 | 790                                       | 1,537                    |
| Computers (including software)*     | -                        |           |                 |   | -                        |
| Kitchen machinery and equipment*    | 23,664                   |           |                 | 3,019                                     | 20,645                   |
| Sports Turf, watering plant, lights | 1,316,512                |           |                 | 74,708                                    | 1,241,804                |
| <b>Total</b>                        | <b>3,067,870</b>         | <b>-</b>  | <b>-</b>        | <b>118,935</b>                            | <b>2,948,935</b>         |

#### Significant Donated Assets Recorded - Source and Date of Valuation\*

|     |  |
|-----|--|
| Nil |  |
|     |  |
|     |  |

#### Significant Donated Assets - Not Recorded\*

|     |  |
|-----|--|
| Nil |  |
|     |  |
|     |  |



# The Kapiti Community Recreational Turf Trust

## Notes to the Performance Report

For the year ended  
30 September 2017

### Note 5: Accumulated Funds

| This Year                                 |   |                                    |           |           |
|---|---|------------------------------------|-----------|-----------|
| Description*                              | Capital Contributed by Owners or Members* | Accumulated Surpluses or Deficits* | Reserves* | Total*    |
| Opening Balance                           | -   | 2,762,548                          | -         | 2,762,548 |
| Capital contributed by owners or members* | -   |                                    |           | -         |
| Capital returned to owners or members*    | -   |                                    |           | -         |
| Surplus/(Deficit)*                        |   | (63,488)                           |           | (63,488)  |
| Prior period adjustment                   |   | (10,218)                           |           | (10,218)  |
| Distributions paid to owners or members*  |   | -                                  |           | -         |
| Transfer to Reserves*                     |   | -                                  | -         |           |
| Transfer from Reserves*                   |   | -                                  | -         |           |
| Closing Balance                           | -   | 2,688,842                          | -         | 2,688,842 |

| Last Year                                 |   |                                    |           |           |
|---|---|------------------------------------|-----------|-----------|
| Description*                              | Capital Contributed by Owners or Members* | Accumulated Surpluses or Deficits* | Reserves* | Total*    |
| Opening Balance                           | -   | 2,843,644                          | -         | 2,843,644 |
| Capital contributed by owners or members* |   |                                    |           | -         |
| Capital returned to owners or members*    |   |                                    |           | -         |
| Surplus/(Deficit)*                        |   | (81,096)                           |           | (81,096)  |
| Distributions paid to owners or members*  |   | -                                  |           | -         |
| Transfer to Reserves*                     |   | -                                  | -         |           |
| Transfer from Reserves*                   |   | -                                  | -         |           |
| Closing Balance                           | -   | 2,762,548                          | -         | 2,762,548 |

#### Breakdown of Reserves

| Name* | Nature and Purpose* | Actual*   | Actual*   |
|-------|---------------------|-----------|-----------|
|       |                     | This Year | Last Year |
|       |                     | \$        | \$        |
|       |                     |           |           |
|       |                     |           |           |
|       |                     |           |           |



# The Kapiti Community Recreational Turf Trust

## Notes to the Performance Report

For the year ended  
30 September 2017

### Note 6 : Commitments and Contingencies

#### Commitments

There are no commitments as at balance date (Last Year - nil )

#### Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last Year - nil )



# The Kapiti Community Recreational Turf Trust

## Notes to the Performance Report

For the year ended  
30 September 2017

### Notes 7-12

#### Note 7: Other

#### Significant Grants and Donations with Conditions which have not been Recorded as a Liability\*

| Description* | Original Amt* | Not Fulfilled Amt* | Purpose and Nature of the Condition(s)* |
|--------------|---------------|--------------------|---|
| Nil          |               |                    |   |

#### Goods or Services Provided to the Entity in Kind\*

| Description* | Amount* |
|--------------|---------|
| Nil          |         |

#### Assets Used as Security for Liabilities\*

| Nature and Amount of Borrowing* | Nature and Amount of Asset Used as Security*             |
|---------------------------------|--|
| KCDC Loan                       | Building and sports turf at 10 Scaife Drive, Paraparaumu |

#### Note 8: Assets Held on Behalf of Others\*

| Description of the Assets Held* | Name of Entity of Whose Behalf Assets are Held* |
|---------------------------------|---|
| Nil                             |   |

#### Note 9: Related Party Transactions\*

| Description of Related Party Relationship* | Description of the Transaction (whether in cash or amount in | This Year              | Last Year           | This Year           | Last Year |
|--|--|------------------------|---------------------|---------------------|-----------|
|  |  | \$                     | \$                  | \$                  | \$        |
|  | Value of Transactions*                                       | Value of Transactions* | Amount Outstanding* | Amount Outstanding* |           |
| KCDC                                       | Grant Income   | 20,000                 | 20,000              |                     |           |

#### Related Party Disclosures:

Accounting Services were provided by Trustee David Jennings on a voluntary basis. Mr Jennings operates The Can Do Company Ltd which does provide similar services for reward.

The Kapiti Coast District Council provides services that would be expected from a Local Authority and charges for land use at Council owned Mazengarb Reserve. The Council also uses the Pavilion for meetings and events, all conducted at standard user rates.

#### Note 10: Events After the Balance Date\*

##### Events After the Balance Date:

There were no events that have occurred after the balance date that would have a material impact on the consolidated Performance Report. (Last Year Nil) Of note is that The Kapiti Pavilion Limited will cease to operate with effect from 1 October 2017 with the retail cafe function provided by the company being integrated back into Trust operating activities.

#### Note 11: Ability to Continue Operating\*

The Trust has sufficient current assets to meet its current obligations as at balance date. There are no factors or considerations that will cause it to cease operating in the next 12 months.

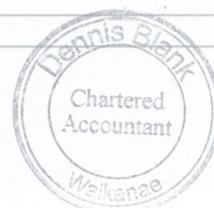
As noted above, The Kapiti Pavilion Ltd will cease to operate in the new financial year.

#### Note 12: Correction of Errors\*

Not applicable

#### Additional Information

Not applicable



# The Kapiti Community Recreational Turf Trust

Performance Report

Year Ended 30 September 2017

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## INDEPENDENT AUDITOR'S REPORT

### To the Trustees of the Kapiti Community Recreational Turf Trust

#### Report on the Performance Report:

I have audited the accompanying performance report of the consolidated Kapiti Community Recreational Turf Trust (the "Trust") which comprise the entity information, the statement of service performance, the statement of financial performance and the statement of cash flows for the year then ended 30 September, 2017, the statement of financial position as at 30 September, 2017, and the statement of accounting policies and other explanatory information.

#### The Responsibility of the Trustees for the Performance Report:

- (a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) The Trustees are responsible for the preparation and fair presentation of the performance report which comprises:
  - The entity information; and
  - The statement of service performance; and
  - The statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

In accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and

- (c) For such internal control as the Trustees determine is necessary to enable the presentation of the performance report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility:

My responsibility is to express an opinion on the performance report based on my audit. I conducted my audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with the International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ)3,000 (Revised). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the performance report is free from material misstatement.

# The Kapiti Community Recreational Turf Trust

Performance Report

Year Ended 30 September 2017

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## INDEPENDENT AUDITOR'S REPORT (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance report, including performing procedures to obtain evidence about and evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the performance report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the performance report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the performance report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Other than in my capacity as auditor, I have no other relationship with, or interests in, the Trust.

### **Opinion:**

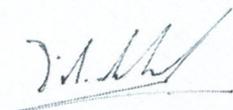
In my opinion

- (a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- (b) the performance report on pages 1 to 16 present fairly, in all material respects
- The entity information for the year then ended; and
  - The statement of service performance for the year then ended; and
  - The financial position of the Trust, and its financial performance, and cash flows, for the year then ended

In accordance with Public Benefit Entity Simple Reporting – Accrual (Not-For-Profit).

### **Other Matter**

An audit of the Performance Report of the consolidated Kapiti Community Recreational Turf Trust was not undertaken for the prior year ended 30 September 2016.



Dennis Blank CA  
Qualified Auditor  
31 December, 2017  
Waikanae



31 December 2017

Trustees  
The Kapiti Community Recreational Turf Trust  
P O Box 523  
PARAPARAUMU

Dear Trustees

## **The Kapiti Community Recreational Turf Trust – consolidated - annual audit to 30 September 2017**

The 30 September 2017 annual **audit is completed** for the consolidated Kapiti Community Recreational Turf Trust Performance Report and attached is a copy of the signed auditor's report.

The consolidated financial statements have been prepared to meet the consolidation reporting requirements of the **NZ Charities Commission**. This means that the separate legal entities of the Kapiti Community Recreational Turf Trust and the Kapiti Pavilion Limited have not been provided with individual entity audit reports.

The format of the Performance Report has been prepared to a good standard and comply with the charities reporting framework, the **Public Benefit Entity Simple Format Reporting – Accrual** (Not-For Profit). The statement of service performance is clear and reliable.

The **records** have been maintained at a good standard. The transaction testing showed that the core systems were working in a reliable and consistent way.

David Jennings' work as Board Treasurer has been at a very high standard with the management aspects of the Trust for the year. As the audit has progressed it has become very apparent that two key roles exist for the Trust for the future. The **two recommended roles** are firstly the Board Treasurer and secondly a financial accountant who can complete the annual Performance Report which meets all the specialised reporting requirements of the NZ Charities Commission. It is simply too big "an ask" to expect a volunteer Board Treasurer to cover all the management aspects during the year and also to complete the end of year financial accounts with a specialised charity reporting understanding. Your auditor recommends this the Trustees.

The notes the extensive use of excel recording of transaction data during the year. Many organisations have found a better reliability of **transaction data recording** and reporting by using existing computer based software like Xero and MYOB. The ability to access the internet system for processing transactions is an appealing feature for many organisations. Your auditor recommends this the Trustees.

The charities reporting framework has **created additional work** and the need to report at the consolidated level for both the Kapiti Community Recreational Turf Trust and the Kapiti Pavilion Limited. A number of completion problems has delayed the finalisation of the audit. For this reason, my audit invoice will be higher than originally intended.

The auditor notes the intention to **close down** the operating company Kapiti Pavilion Limited and to amalgamate with the main Trust, as noted in the Performance Report. Your auditor supports this approach.

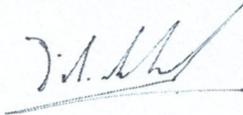
The **Trust's "Briefing Papers"** prepared by David Jennings in September 2017 are excellent and provided a clear profile insight into the activity of the Trust.

The auditor understands that the Catering Manager, Aimee Hanson, currently lacks an **employment contract**. It is recommended that this be completed quickly.

The auditor understands that the **2017 contract** for the Pavilion General Manager has yet to be signed. It is recommended that this be completed quickly.

I would like to record my thanks for the good support from David Jennings during the course of the audit work.

Yours sincerely



Dennis Blank  
Qualified Auditor

Copy:  
Kapiti Coast District Council  
Attention Ian Clements  
Paraparaumu