

# EDEN PARK

## THE EDEN PARK TRUST



Bledisloe Cup, August 2015

Photo Sport

# ANNUAL REPORT

31 OCTOBER 2015

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[www.edenpark.co.nz](http://www.edenpark.co.nz)

## REPORT FROM THE CHAIRMAN

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### Introduction

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It is my pleasure to present the Annual Report of The Eden Park Trust (EPT) for the year ended 31 October 2015. The comparative prior period is the 12 months to 31 October 2014.

The 2015 financial year included a number of exceptional events which will long be regarded as great moments in New Zealand's sporting history. Two riveting Cricket World Cup victories by the Blackcaps, over Australia in pool play and then South Africa in the semi-final will both be remembered as amongst the greatest events hosted at Eden Park. The Bledisloe Cup victory by the All Blacks over Australia was also a tribute as the final home test match for several long serving All Blacks, including our own Keven Mealamu and Tony Woodcock, and the world record breaking test appearance for the captain, Richie McCaw.

From a financial perspective the year's limited event schedule provided some challenging issues. The Cricket World Cup was subject to a range of non-standard commercial arrangements which limited the financial return to the venue; the scheduling of the CWC event created a reduction in Super Rugby matches at the Park and a delay in the season commencing; the Rugby World Cup necessitated a reduction in the domestic test rugby schedule, hence only one test match was played at Eden Park in the year.

Key results in the year included the following:

### Finance

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The Trust had a satisfactory financial year, posting a net operating profit before interest, depreciation and other comprehensive income of \$2.810m (2014: \$2.836m). It was noted last year that the Trust faced a difficult financial year in 2015 due to hosting one All Blacks test only in Rugby World Cup year and the effect of the clean stadium obligations of the Cricket World Cup spanning February and March 2015. Overall, the result is better than was budgeted.

The financial results attached are briefly summarised as follows:

\$000	2015	2014
Total operating income	14,170	14,115
Total operating expenses	(11,360)	(11,279)
<b>Net operating profit/(loss)</b>	<b>2,810</b>	<b>2,836</b>
Interest (net)	(2,373)	(2,224)
Other comprehensive income	2,670	385
<b>Profit before depreciation</b>	<b>3,107</b>	<b>997</b>
Depreciation	(8,327)	(8,396)
<b>Total comprehensive income/(loss)</b>	<b>(5,220)</b>	<b>(7,399)</b>

As well as the effect of the All Blacks and Cricket World Cup matches' contributions, the NRL Nines suffered from a decline in attendance over the previous inaugural event, Super Rugby and ITM Cup attendances were down and no Warriors matches took place at Eden Park in the year. In the face of these head-winds, a number of key operating costs were reduced. The resulting net operating profit of \$2.810m (2014: \$2.836m) was above budget. Interest costs have increased over the year due to small

increases in overall debt and interest rates. However, the effect of revaluations of land and investment properties (other comprehensive income) has driven the overall profit before depreciation up to \$3.107m (2014: \$997k). After depreciation of \$8.327m (2014: \$8.396m), EPT recorded an overall net loss after depreciation of (\$5.220m) for the year (2014: (\$7.399m)).

Revenue from the sale of memberships and corporate boxes was less than last year, as was venue hire revenue and related food and beverage revenue. All reflect the effect of one less rugby test and the restrictions of the Cricket World Cup venue hire terms.

EPT took the precautionary step of hedging \$10m of debt (out of a total exceeding \$50m) through a fixed rate interest swap contract in July 2014, for a two-year period. This provided some certainty around future costs of borrowing, although interest rates have reduced over the term of the hedge contract.

Other comprehensive income in the year includes the revaluation of investment properties by \$420k, reflecting market trends. Likewise the stadium land has been revalued to \$22.0m, an increase of \$2.25m. Last year there was no change in value of land. We have a policy of revaluing land and investment properties annually.

The Trust would like to extend its thanks to both the ASB Bank and Auckland Council for their ongoing financial support. This is provided primarily through the \$40m Committed Cash Advance Facility (CCAF) with the ASB Bank, required to complete the Rugby World Cup redevelopment and supported by a guarantee from Auckland Council. This, together with other pre-existing facilities, amounts to more than \$50m of interest-bearing debt in total. The cost of servicing this debt is significant and does not allow sufficient free cash flow to reduce debt or invest in major capital expenditure to continually upgrade the stadium and maintain it as a world class facility and asset. This remains a key issue for the Trust.

EPT's asset base remains strong, however. The balance sheet at year end indicates net equity of \$221.8m. This has decreased by \$5.2m compared to the prior year, due to the depreciation charge of \$8.4m for the year, offset by the revaluations and operating profit.

Looking forward to 2016, with a return to two All Blacks tests, a seven-match Super Rugby programme, four international cricket matches and the annual NRL Nines tournament, the Trust is budgeting for an improvement in operating income and net operating profit next year.

## **Events**

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Key results in the year included the following:

- The Wellington Phoenix drew with the Central Coast Mariners in an A-League fixture in December 2014;
- The international cricket programme included a warm-up ODI between the Blackcaps and Sri Lanka, followed by four CWC 2015 matches featuring the Blackcaps, Australia, India, Pakistan, South Africa and Zimbabwe;
- The domestic cricket programme included an experimental four-game weekend of T20 matches in the new Georgie Pie Super Smash series, which was heavily effected by rain unfortunately;
- The second annual Dick Smith NRL Nines rugby league tournament was played over two days in February 2015. Although not as well attended as the inaugural event, in excess of 30,000 fans attended each day of this family friendly event which show-cased the stars of the NRL;
- The Blues six home matches at Eden Park yielded three wins followed by three losses;

- In July the NZ Barbarians beat the Maori All Blacks in a match which provided a number of Rugby World Cup hopefuls with a final opportunity to earn a place in the team. In the Auckland club rugby finals Grammar TEC defeated University to secure the Gallaher Shield;
- In August the All Blacks secured a convincing Bledisloe Cup victory over the Wallabies as a final dress rehearsal for the Rugby World Cup, before a capacity crowd;
- St Kentigern College defeated Auckland Grammar School in the 1A final of the Auckland Secondary Schools rugby competition;
- Auckland's ITM Cup rugby team completed a successful home season on Eden Park, including an impressive semi-final victory over Tasman;

## **Governance and Management**

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In January 2015 Chairman John Waller retired from the Board. John's association with Eden Park began as Chair of the Redevelopment Board, which completed the \$270m redevelopment of Eden Park as a venue for the 2011 Rugby World Cup. The development was completed on time and on budget and has provided Auckland with a world class venue thanks to John's leadership and dedication. Our thanks go to John for that contribution and his wisdom and guidance as founding Chairman of The Eden Park Trust from its creation under the new Trust Deed in September 2009.

Other changes to the Trust Board include the appointment of new Crown trustees Alan Gourdie and Vicki Salmon and the retirement of Auckland Rugby trustee Grant Carruthers, replaced by Nicky Duggan. Thanks also to Grant for his contribution as a trustee over a period of more than four years.

The board comprises five Crown appointees and two appointees each from Auckland Rugby Union (ARU) and Auckland Cricket Association (ACA).

David Kennedy left the Trust on 31 August after a five year term as CEO, to join Ngai Tahu Property. On behalf of the Board I would like to thank David for his contribution to the Trust and significant achievements in overseeing completion of the redevelopment of the Park, the successful hosting of RWC 2011, CWC 2015 and the introduction of exciting new events, such as the NRL Nines. I would also like to acknowledge my fellow trustee Vicki Salmon for stepping into the role as Acting CEO from 1 September to 31 December 2015. David's replacement is Guy Ngata, who joins the Trust on 1 January 2016 from Allphones Arena in Sydney.

## **Operations**

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Eden Park has again drawn the highest praise for its performance as a venue for such high-profile events as the Cricket World Cup, Bledisloe Cup and the Dick Smith NRL Nines. The cricket wicket was praised for its preparation as a fair surface for batting and bowling during the cricket world cup while the outfield is acknowledged as a world class surface for all sports.

The overall performance of the venue continues to be a tribute to the co-operation and participation of all concerned, including Eden Park staff and subcontractors (including caterers, security and cleaners) and external parties, including venue hirers, Auckland Council, Auckland Transport, the Police, Fire service, Ambulance service and the many volunteers, all of whom are essential to the successful delivery of events at Eden Park.

The second annual Dick Smith NRL Nines rugby league tournament retained its passionate fan engagement and family-friendly atmosphere. The promoters, Duco Events, are working hard towards establishing the Nines as a permanent part of the NRL calendar.

The four Cricket World Cup matches at Eden Park were a well-documented success. The first match, the low-scoring one wicket victory by the Blackcaps over co-hosts Australia probably set the tone for the entire tournament with its dramatic batting collapses by both sides and the ultimately heroic victory from the jaws of defeat. It was extraordinary for this match to then be eclipsed by the thrilling semi-final victory by the Blackcaps over South Africa, in somewhat similar fashion, which left many fans and commentators suggesting it was the greatest event they had ever attended.

The Blues season at Eden Park did not begin until April, following the Cricket World Cup. It included one less event than normal as a result. The lack of matches in March, which are traditionally the Blues' highest attended events, and the team's deteriorating record contributed to a significant reduction in crowd numbers for the Blues this year. We look forward to a change in fortune for the Blues in 2016. A schedule which includes matches against local opposition earlier in the season should also draw better crowd numbers.

The All Blacks extended their unbeaten run to 34 matches (since 1994) at Eden Park, by fighting back after a disappointing loss in Sydney the week before to record a convincing Bledisloe Cup victory over the Wallabies and thereby retrain the trophy. This milestone game was a record-setting 142<sup>nd</sup> international match for Richie McCaw. It was also the final home test for him, together with other long-serving All Blacks Dan Carter, Keven Mealamu, Ma'a Nonu, Conrad Smith and Tony Woodcock.

Other than the Nines, there were no rugby league matches at Eden Park during the year. However, Eden Park remains committed to hosting the Warriors, other NRL clubs and international rugby league matches whenever possible.

A summary of major sporting events held at Eden Park in the year is as follows:

Type	Number 2015	Crowd 2015	Number 2014	Crowd 2014
<b>No.1 Ground Events:</b>				
International Rugby	1	48,500	2	95,700
Super Rugby	6	61,000	7	122,000
ITM Cup Rugby	6	23,100	5	17,100
Other Rugby	3	15,100	2	7,800
International Cricket	5	146,700	4	80,900
T20 Domestic Cricket	4	6,600	3	12,100
Football	1	11,100	2	36,900
Rugby League	1	65,400	4	141,400
<b>Total</b>	<b>27</b>	<b>377,500</b>	<b>29</b>	<b>513,900</b>

### Sponsors

The ongoing generous support of sponsors and other key partners remains critical to the success of Eden Park. We appreciate and thank our family of sponsors including ASB Bank, Lion Breweries, Panasonic, Pernod Ricard, Philips and Spark. I would like to again particularly thank the ASB Bank for their long term sponsorship and support of Eden Park, which runs to 2022.

We also greatly appreciate the charitable donations received in the year from Four Winds Foundation, Infinity Foundation, North and South Trust, Southern Trust and Trillian Trust. These contributions are essential to the successful operation of the Park.

## **Memberships**

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Although 2015 was a challenging year in which to achieve membership growth due to the reduced event schedule, the return to a “normal” schedule of events in 2016 and the enticing opportunity of seeing the British and Irish Lions in New Zealand in 2017 has brought an encouraging uplift in membership and suite sales as we head into 2016. Notwithstanding the challenges we have made significant progress in enhancing membership offerings in 2015, including the introduction of a stadium-wide Wi-Fi network with high-density coverage in members’ lounges and seating areas. Our objective is to keep building on the quality of the fan experience.

I would like to thank Eden Park’s members once again for their on-going support and contribution to Eden Park. Our suite holders, corporate members and ground members are the foundation of our customer base, on both game days and as frequent users of our function facilities for other events as well.

## **Local Community**

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EPT would like to thank the local community for their ongoing support of Eden Park’s operations. EPT’s relationship with the local community is managed through regular meetings and communication with the Community Liaison Group, and I thank those members of the CLG for their contribution.

EPT has a strong relationship with the people of Ngati Whatua o Orakei. I would like to thank Ngati Whatua for their ongoing relationship with Eden Park.

EPT recently hosted another very successful Christmas barbecue on the No.2 ground, to thank our neighbours for their support during the year. The No.2 ground has also been host to children’s sports days such as ARU’s Milo Skills and Drill day and ACA’s Champion of Champions tournament. Eden Park’s meeting and function rooms have also been made available to a wide range of community groups throughout the year.

## **Future of Eden Park**

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The Trust has lodged submissions to the Proposed Auckland Unitary Plan (PAUP) which have now been heard before the Independent Hearings Panel and are the subject of ongoing review in accordance with guidance issued by the Panel. Through its submissions the Trust is seeking greater operational flexibility, with appropriate mitigations, to enable it to deliver a wider range of events and provide a stronger economic base, in line with the objects of the Trust Deed.

The Unitary Plan is crucial to a sustainable future for the Park and we have been approaching the process as our most important priority. To be financially sustainable the Park needs more activity and lower costs for hirers. The current regulatory regime has cumulated over time and is frankly now too onerous and expensive for the Park. Our hirers pay these costs and the consistent feedback from all is we are too expensive compared to other stadiums around the country, despite the offset of larger crowds.

We have no support from the political arm of Council to get a more flexible regime allowing more activity (within reason) at the Park. Our best hope is the Independent Hearings Panel who will take an informed and non-political view as to our submissions, balanced against the impact on the local community. Council are many things to us, our funding guarantor, our regulator, and our competitor through RFA so has conflicting agendas to manage, which we understand. I do look forward to the decisions of the Independent Hearings Panel. We need a simplified and more flexible Planning regime under which we can operate.

We have been unsuccessful through 2015 to attract the Warriors to Eden Park, either for a few games or for all home games. We need to engage with ATEED, RFA and the Warriors to make this happen but progress has been slow so far. Securing a couple of additional home teams for the Park alongside Auckland Cricket and Rugby remains our ambition and the Warriors could one day be one of those, in a similar fashion to the shared ground status in many of the major Australian stadiums which accommodate Rugby, NRL, Cricket, Soccer and AFL franchises.

The Council's stadium strategy seems to have stalled. This is disappointing for the Park as we believe we have a wider role to play as the high quality venue for major events in Auckland and nationally.

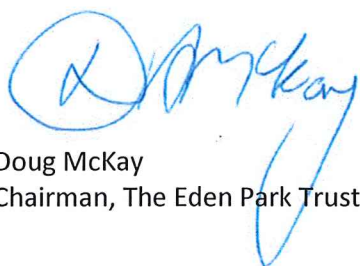
There has been a lot of conjecture about the No 2 ground's future. With our inherited high level of debt from the 2011 RWC and the finely balanced cash flow situation year to year an alternative use or possible sale of the No 2 ground is our best financial backstop in the event of serious financial stress. In the absence of financial relief/support from the Government or Auckland Council the Board must retain this contingency and not compromise it. Any near term investment to support the fan and player experience on No 2 must remain modest and limited, the way things currently stand.

The Board ran a two-day strategy workshop earlier this year, the first time ever I understand. The highlight was each of our key stakeholders, local and national, coming in person to talk to us about challenges and opportunities in their relationship with the Park. We had all our key sports, residents and neighbours, event promoters, Auckland Council and more attend and I would like to acknowledge them all. The strategy determined with the benefit of this input has guided us through this year and beyond. We intend to refresh this review at another similar workshop early in 2016.

## **Conclusion**

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I would like to extend my sincere thanks to all staff and the Board for making 2015 another successful year for Eden Park. I am confident that the Eden Park Management and Trustees will continue to constructively work with all of its stakeholders to ensure Eden Park's long term sustainable position and maintain its reputation as New Zealand's premier stadium.



Doug McKay  
Chairman, The Eden Park Trust



## KEY EVENTS

### Sporting Fixtures

A summary of the major fixtures played on the Eden Park no. 1 ground during the year, the results and the estimated attendances are detailed as follows:

DATE	EVENT	RESULT	CROWD	
<b>Rugby Fixtures 2015</b>				
<b>International</b>				
15 August 2015 (Sat)	All Blacks v Australia	All Blacks	41 – 13	48,500
<b>Super Rugby</b>				
10 April 2015 (Fri)	Blues v Brumbies	Blues	16 – 14	10,000
2 May 2015 (Sat)	Blues v Force	Blues	41 – 24	10,400
15 May 2015 (Fri)	Blues v Bulls	Blues	23 – 18	8,100
23 May 2015 (Sat)	Blues v Hurricanes	Hurricanes	29 – 5	10,100
6 June 2015 (Sat)	Blues v Crusaders	Crusaders	34 – 11	13,000
12 June 2015 (Fri)	Blues v Highlanders	Highlanders	44 – 7	9,400
<b>ITM Cup</b>				
23 August 2015 (Sun)	Auckland v Taranaki	Auckland	30 – 24	4,300
29 August 2015 (Sat)	Auckland v Canterbury	Canterbury	27 – 21	5,500
9 September 2015 (Wed)	Auckland v Manawatu	Auckland	45 – 28	2,400
13 September 2015 (Sun)	Auckland v Otago	Auckland	35 – 29	3,900
3 October 2015 (Sat)	Auckland v Northland	Auckland	64 – 21	2,000
16 October 2015 (Fri)	Auckland v Tasman (semi-final)	Auckland	44 – 24	5,000
<b>Other Rugby</b>				
18 July 2015 (Sat)	Maori All Blacks v NZ Barbarians	Barbarians	34 – 17	5,100
25 July 2015 (Sat)	Auckland Rugby Club Finals University v Grammar TEC	Grammar TEC	39 – 14	3,000
22 August 2015 (Sat)	ARU Secondary Schools 1 <sup>st</sup> XV Finals St Kentigern v Auckland Grammar School	St Kentigern	17 – 15	7,000
<b>Total Attendance for Rugby Fixtures</b>			<b>147,700</b>	
<b>Cricket Fixtures 2014/15</b>				
<b>International</b>				
17 January 2015 (Sat)	Blackcaps v Sri Lanka ODI	N/A	Abandoned	12,500
<b>ICC Cricket World Cup</b>				
28 February 2015 (Sat)	Blackcaps v Australia ODI	Blackcaps	1 wicket	40,100
7 March 2015 (Sat)	South Africa v Pakistan ODI	Pakistan	29 runs	22,700
14 March 2015 (Sat)	Zimbabwe v India ODI	India	6 wickets	30,100
24 March 2015 (Tues)	Blackcaps v South Africa (Semi-final) ODI	Blackcaps	4 wickets	41,300

(Continued on page 10).

*(Continued from page 9)*

**Georgie Pie Super Smash T20**

14 November 2014 (Fri)	Auckland Aces v Wellington Firebirds	Firebirds	6 wickets	1,800
15 November 2014 (Sat)	Auckland Aces v Central Stags	N/A	Abandoned	600
15 November 2014 (Sat)	Wellington Firebirds v Northern Knights	N/A	Abandoned	
16 November 2014 (Sun)	Central Stags v Wellington Firebirds	Firebirds	8 wickets	4,200
16 November 2014 (Sun)	Auckland Aces v Northern Knights	Knights	11 runs	
<b>Total Attendance for Cricket Fixtures</b>				<b>153,300</b>

**Football Fixtures for 2014/15 Season**

13 December 2014 (Sat)	Wellington Phoenix v Central Coast Mariners	Draw	1 – 1	11,100
<b>Total Attendance for Football Fixtures</b>				<b>11,100</b>

**Rugby League Fixtures for 2015 Season**

31 January - 1 February 2015 (Sat - Sun)	Dick Smith NRL Nines	Rabbitohs (Final)	18 – 14	65,400
<b>Total Attendance for Rugby League Fixtures</b>				<b>65,400</b>

<b>Total Attendance for All Fixtures</b>				<b>377,500</b>
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**Functions**

Eden Park hosts over 1,000 events and functions annually, ranging from small business meetings to school balls, conferences, AGMs, gala dinners, award ceremonies, business exhibitions, sports related events, weddings and other private functions.

Eden Park has high quality function spaces, excellent catering and technical support on site, together with the unique nature of the stadium itself, available all year round.

## FINANCIAL STATEMENTS

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The audited financial statements for The Eden Park Trust for the twelve months ended 31 October 2015 are presented on pages 12 to 31.



*Bledisloe Cup, August 2015*

*Photo Sport*

The Eden Park Trust

**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES**

For the year ended 31 October 2015

	NOTE	2015 \$000	2014 \$000
<b>Revenue</b>			
<i>Income from Exchange Transactions</i>			
Sports Events Income		6,078	5,566
Membership Income		6,305	6,876
Functions Income		682	637
Investment Properties Rental Income		138	125
Other Operational Income		362	431
Interest Income		176	166
		<b>13,741</b>	<b>13,801</b>
<i>Income from Non-Exchange Transactions</i>			
Grants Income		605	480
		<b>605</b>	<b>480</b>
<b>Total Revenue</b>		<b>14,346</b>	<b>14,281</b>
<b>Expenses</b>			
Sports Events Expenses		7,386	6,429
Membership Contributions to Sports Bodies	15	1,015	1,757
Functions and Membership Expenses		592	703
Personnel Expenses		2,330	2,361
Investment Property Expenses		37	29
Bank Interest		2,285	2,134
Other Interest		264	256
Depreciation and Amortisation	6	8,327	8,396
<b>Total Expenses</b>		<b>22,236</b>	<b>22,065</b>
<b>Total (Deficit) for the Year</b>		<b>(7,890)</b>	<b>(7,784)</b>
<i>Other Comprehensive Revenue and Expenses</i>			
Revaluation of Investment Properties	7	420	385
Revaluation of Stadium Land	6	2,250	-
		<b>2,670</b>	<b>385</b>
<b>Total Comprehensive (Loss) for the Year</b>		<b>(5,220)</b>	<b>(7,399)</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN NET ASSETS**

For the year ended 31 October 2015

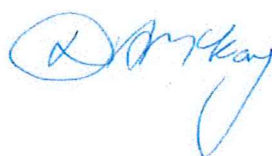
	NOTE	Retained Earnings \$000	Deferred Maintenance Reserve \$000	Asset Revaluation Reserve \$000	TOTAL EQUITY \$000
<b>Balance at 31 October 2013</b>		219,166	190	14,831	234,187
Net (Loss) for the Year		(7,399)	-	-	(7,399)
Transfer to Deferred Maintenance Reserve	13	(5)	205	-	200
<b>Balance at 31 October 2014</b>		211,762	395	14,831	226,988
Net (Loss) for the Year		(5,220)	-	-	(5,220)
Revaluation of Land	6	(2,250)	-	2,250	-
Transfer to Deferred Maintenance Reserve	13	(13)	78		65
<b>Balance at 31 October 2015</b>		<b>204,279</b>	<b>473</b>	<b>17,081</b>	<b>221,833</b>

The accompanying notes form part of these financial statements.

**The Eden Park Trust**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 31 October 2015**

	NOTE	2015 \$000	2014 \$000
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	559	383
Receivables from Exchange Transactions	5	3,306	3,274
Short Term Investments	3	3,185	3,640
Inventory	6	27	44
		<b>7,077</b>	<b>7,341</b>
<b>NON-CURRENT ASSETS</b>			
Work in Progress: Stadium Developments	6	1,519	1,501
Property, Plant and Equipment	6	276,031	281,257
Investment Properties	7	3,565	3,145
		<b>281,115</b>	<b>285,903</b>
<b>TOTAL ASSETS</b>		<b>288,192</b>	<b>293,244</b>
<b>CURRENT LIABILITIES</b>			
Bank Overdraft	4	311	338
Payables under Exchange Transactions	8	2,173	1,646
Payables under Non-Exchange Transactions	9	93	132
Provisions	10	356	444
Income in Advance	1a	4,904	5,050
Financial Liabilities	12	176	136
		<b>8,013</b>	<b>7,746</b>
<b>NON-CURRENT LIABILITIES</b>			
Income in Advance	1a	3,248	4,040
Long Term Loans	11	52,342	51,642
Advances	11, 15	1,643	1,643
Financial Liabilities	12	1,113	1,185
		<b>58,346</b>	<b>58,510</b>
<b>TOTAL LIABILITIES</b>		<b>66,359</b>	<b>66,256</b>
<b>EQUITY</b>			
Asset Revaluation Reserve	1m	17,081	14,831
Capital and Maintenance Reserve	1m	473	395
Retained Earnings	1m	204,279	211,762
<b>TOTAL EQUITY</b>		<b>221,833</b>	<b>226,988</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>288,192</b>	<b>293,244</b>

For and on behalf of The Eden Park Trust who approved these financial statements for issue on 8 January 2016:



Doug McKay  
 Chairman, The Eden Park Trust



Vicki Salmon  
 Trustee, The Eden Park Trust

**STATEMENT OF CASH FLOWS**

For the year ended 31 October 2015

	NOTE	2015 \$000	2014 \$000
<b>Cash Flows from Operating Activities</b>			
Receipts from Sports Events		5,254	3,885
Receipts from Memberships		6,087	6,675
Receipts from Functions		682	637
Receipts from Other Exchange Transactions		500	556
Receipts from Non-Exchange Transactions		566	480
Interest Received		176	166
Payments to Suppliers		(8,842)	(8,584)
Payments to Employees		(2,439)	(2,361)
Interest Payments		(2,561)	(2,425)
<b>NET CASH OUTFLOWS FROM OPERATING ACTIVITIES</b>		<b>(577)</b>	<b>(971)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Property, Plant and Equipment		(375)	(568)
<b>NET CASH OUTFLOWS FROM INVESTING ACTIVITIES</b>		<b>(375)</b>	<b>(568)</b>
<b>Cash Flows from Financing Activities</b>			
Drawdown/(Purchase) of Investments (Net)		455	(3,415)
Drawdown/(Repayment) of Loans (Net)		700	200
<b>NET CASH INFLOWS FROM FINANCING ACTIVITIES</b>		<b>1,155</b>	<b>(3,215)</b>
Net (Decrease)/Increase in Cash Held		203	(4,754)
Cash at Start of the Year		45	4,799
<b>CASH AT END OF THE YEAR</b>		<b>248</b>	<b>45</b>
REPRESENTED BY:			
Cash at Bank	3	248	45
<b>CASH AT END OF THE YEAR</b>		<b>248</b>	<b>45</b>

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2015

### 1. STATEMENT OF ACCOUNTING POLICIES

#### Reporting Entity

The Eden Park Trust ("the Trust") is a New Zealand registered charitable trust under the Charities Act 2005. The Trust was governed by the Eden Park Trust Act 1955 until 20 September 2009. Amendments to that Act were made with effect from 21 September 2009. The Trust is now governed by the Eden Park Trust Act 1955, as amended by the Eden Park Trust Amendment Act 2009 ("the Eden Park Trust Act"). As a consequence of the change in governing legislation, from 21 September 2009 the Crown appoints the majority of the Board members. Therefore the Trust is a public sector public benefit entity in accordance with the Public Audit Act 2001.

The business operations of the Trust encompass activity arising from the provision of Eden Park's facilities primarily as a sporting venue and function facility.

The Trust's principal place of business is Eden Park, Reimers Avenue, Kingsland, Auckland, New Zealand.

#### 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 Trust is a public benefit entity and is eligible to apply Tier 2 Public Sector PBE IPSAS on the basis that for financial reporting purposes under the framework 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 PBE IPSAS and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

#### Effect of first-time adoption of PBE standards on accounting policies and disclosures

This is the first set of financial statements of the Trust that are presented in accordance with PBE standards. The Trust has previously reported in accordance with NZ IFRS (PBE).

The accounting policies adopted in these financial statements are consistent with those of the previous financial year, except for instances when the accounting or reporting requirements of a PBE standard are different to requirements under NZ IFRS (PBE) as outlined below. The changes to accounting policies and disclosures caused by first time application of PBE accounting standards are as follows:

#### PBE IPSAS 1 - Presentation of Financial Statements

There are minor differences between PBE IPSAS 1 and the equivalent NZ IFRS (PBE) standard. These differences have an effect on disclosure only. The main changes in disclosure resulting from the application of PBE IPSAS 1 are the following:

##### *Receivables from exchange and non-exchange transactions:*

In the financial statements of the previous financial year, receivables were presented as a single total in the statement of financial position. However, PBE IPSAS 1 requires receivables from non-exchange transactions and receivables from exchange transactions to be presented separately in the statement of financial position. The Trust is not affected by this requirement as it has no receivables from non-exchange transactions which would alter the presentation of the current and comparative receivables figures in this transition period.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2015

### PBE IPSAS 23 - Revenue from Non-Exchange Transactions

PBE IPSAS 23 prescribes the financial reporting requirements for revenue arising from non-exchange transactions. There is no equivalent financial reporting standard under NZ IFRS. The application of this standard affected the Trust's accounting for grants revenue.

PBE IPSAS 23 requires revenue from non-exchange transactions, such as grants, to be recognised as revenue as they are received, unless the grant meets the definition of and recognition criteria for a liability. Non-exchange revenue from grants can only be deferred and recognised as a liability if there is a condition attached to the grant that requires an entity to use the grant as specified or return the grant if the entity does not perform as specified.

The Trust receives grants which are subject to specific criteria and accounts for revenue once those conditions are met. There are no adjustments to revenue from non-exchange transactions in the current or comparative figures in the statement of comprehensive revenue and expenses.

### Basis of Preparation

The financial statements have been prepared on the basis of historical cost, as modified by the revaluation of investment property and certain property, plant and equipment. Cost is based on the fair value of the consideration given in exchange for assets.

The financial statements and notes are presented in New Zealand dollars (\$) which is the entity's functional currency. All financial information has been rounded to the nearest thousand dollars (\$000).

The Statement of Financial Position presentation discloses assets and liabilities as current or non-current.

### Segment Reporting

The Trust's principal activity is the provision of a quality multi-purpose stadium. The Trust operates in one industry and one geographical location. The Trust reports as one business segment with additional reporting based on business sections.

### Critical Judgments in Applying Accounting Policies

In the application of PBE IPSAS, the Trustees are required to make judgments, estimates and assumptions about carrying values of assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. If the revision affects current and future periods, it is reflected in those reporting periods.

Critical judgments made by the Trustees primarily relate to the valuation of Investment Properties and the Land, which are revalued annually. The carrying value is based on a valuation by an independent registered property valuer.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2015

### Key Sources of Estimation Uncertainty

Judgments made by the Trust in the application of PBE IPSAS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the reporting year are disclosed, where applicable, in the relevant notes to the financial statements and below.

#### *Impairment*

An impairment loss is recognised when the carrying value of an asset exceeds its value in use. To determine the value in use, the remaining life of the asset is estimated. In the process of estimating the remaining life of the asset, assumptions are made about future events and circumstances based on all the information available. Actual results may vary and may cause adjustments to the Trust's assets within the next reporting period. Impairment losses are recognised in the Statement of Comprehensive Revenue and Expense.

#### *Useful Lives of Depreciable Assets*

The useful lives of depreciable assets are reviewed at each reporting date. It is determined whether the carrying amounts at the reporting date represent the expected utility of the assets to the Trust. The carrying amounts are analysed in *Note 6*.

#### *Change in Fair Value of Investment Properties*

The change in fair value of Investment Properties takes into account the intended future use of certain properties and known and confirmed future events and circumstances, at the time the independent valuation was undertaken. Such changes are recognised in Other Comprehensive Revenue and Expense.

#### *Fair value of Financial Instruments*

Valuation of the financial instruments is undertaken utilising market and other appropriate information where no active market quotes are available. Details of the assumptions used are given in *Note 14*.

#### *Loans and Advances*

The advances from Auckland Rugby Union Incorporated and Auckland Cricket Association have no fixed redemption date and have therefore not been recorded at fair value. However, it is the opinion of the Trustees that these advances will be repaid and have been classed as Non-Current Liabilities because this repayment is anticipated to take place at least 12 months after the reporting date.

### Specific Accounting Policies

#### (a) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured. Revenue is recognised at the fair value of consideration received. The following specific recognition criteria apply to the following revenue streams:

##### **Revenue from Non-Exchange Transactions**

#### *Grants*

Grants are recognised as income once the conditions are met. Grants that are receivable to offset expenses or losses already incurred or for the purpose of giving immediate financial support to the Trust with no future related costs are recognised as income in the reporting period in which they become receivable.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2015

### Revenue from Exchange Transactions

#### *Membership Revenue*

Membership revenue comprises revenue from licences for the use of facilities at Eden Park including corporate suites, corporate boxes, corporate reserve seats and club memberships. Income received from premiums paid on corporate facilities is recognised evenly over the life of the licence agreement. The annual licence fee is initially recognised as Income in Advance and then recognised in revenue over the period of the agreement.

#### *Sports Events, Functions and Sponsorship Income*

Revenue from sports events and functions is recognised at the time of the fixture or function. Sponsorship is recognised over the period of the contract as the benefits are supplied by the Trust under the contract.

#### *Investment Properties*

Rental income from investment properties is recognised in the reporting period that the income relates to.

#### *Interest Income*

Interest income is recognised using the effective interest method. For term investments, interest is recognised on a straight line basis over the term of the investment.

### (b) Expense Recognition

Expenses are recognised to the extent that it is probable that the economic obligations will be made and the expenses can be reliably measured. The following specific recognition criteria apply to the following expense streams:

#### *Reimbursed Expenses*

Where the Trust incurs expenses on behalf of other entities, the reimbursed amount is offset against the total amount paid to report the net expense to the Trust.

#### *Interest Expenses*

Interest expenses are recognised on a time proportionate accruals basis.

### (c) Leases

*Operating Leases* - Leases other than finance leases are included in the Statement of Revenue and Expenses in equal instalments over the lease term.

### (d) Goods and Services Taxation

All amounts in these financial statements are recognised net of goods and services tax (GST), except for trade receivables and payables which are recognised inclusive of GST.

### (e) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the first in first out method.

### (f) Taxation

Due to its Charitable status the Trust is exempt from income tax pursuant to the Income Tax Act 2007.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2015

(g) **Financial Instruments**

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through surplus or deficit, which are measured initially at fair value.

For financial instruments traded in active markets, the quoted market prices or dealer price quotations are used as a measure of fair value. Where quoted market prices do not exist, fair values are estimated using present value or other market accepted valuation techniques, using methods and assumptions that are based on market conditions and risks existing at each reporting date. An analysis of fair values of financial instruments and further details on how they are measured are explained in *Note 14*.

Financial assets and financial liabilities are measured subsequently as described below.

*Financial Assets*

Financial assets other than those designated as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables;
- financial assets at fair value through surplus or deficit;
- held to maturity investments; or
- held-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses.

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.

*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 impairment allowance.

The Trust's cash and cash equivalents, receivables from exchange transactions, related party receivables and amounts due from related parties fall into this category of financial instruments.

The Trust does not currently have, at the end of each reporting period, any financial assets designated into the following categories:

- Financial assets at fair value through surplus or deficit;
- Held to maturity investments; or
- Held-for-sale financial assets.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2015

### *Financial Liabilities*

Financial liabilities are measured subsequently at amortised cost using the effective interest rate method, except for financial liabilities held for trading or designated at fair value through surplus or deficit, that are carried subsequently at fair value with gains or losses recognised in the statement of revenue and expenses.

The Trust's financial liabilities include long term loans and borrowings, payables under exchange and non-exchange transactions, related party payables and amounts due to related parties.

The Trust does not currently have any financial liabilities held for trading or designated at fair value through surplus or deficit, designated into the following category:

- Derivative financial instruments, other than as disclosed in *Note 14*.

### (h) **Investment Properties**

Investment Properties are recognised at fair value based on an independent valuation by a registered valuer. Any movement in the valuation is recognised in surplus or deficit within the Statement of Revenue and Expenses.

When an investment property is no longer retained for rental income or capital appreciation and is instead utilised for the Trust's operating purposes, the property is transferred from Investment Properties to Property, Plant and Equipment at the carrying value, which is equivalent to the fair value, on the date of the change of use.

### (i) **Property, Plant and Equipment**

Property, Plant and Equipment (including Land) is initially recorded at cost. Cost includes the original purchase consideration and those costs directly attributable to bringing the item of property, plant and equipment to the location and condition for its intended use. After recognition as an asset, property, plant and equipment (except for Land) is carried at cost less accumulated depreciation and impairment losses.

When an item of property, plant and equipment is disposed of, any gain or loss is recognised within the Statement of Comprehensive Revenue and Expense and is calculated as the difference between the income from the sale and the carrying value of the item at the date of disposal.

Land is revalued at each reporting date by an independent valuer with any gain or loss recognised in Other Comprehensive Income and in the Asset Revaluation Reserve in the Statement of Changes in Net Assets.

Depreciation is provided on a straight line basis on all property, plant and equipment (except for Land, which is not depreciated) at depreciation rates calculated to allocate the cost, less estimated residual value, over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. Depreciation commences once the asset is available for use.

Major classes of property, plant and equipment and their depreciation periods are:

Land	No depreciation
Buildings and Other Improvements	3 to 40 years
Plant and Equipment - Owned	1 to 50 years
Plant and Equipment - Leased	2 to 7 years
Furniture and Fittings	6 to 13 years
Work In Progress - Buildings and Other Improvements	No depreciation

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2015

(j) **Impairment of Assets**

The carrying amounts of the Trust's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in profit or loss within the Statement of Revenue and Expenses.

Estimated recoverable amount of receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at their original effective interest rate. Receivables with a short duration are not discounted.

Impairment losses on an individual basis are determined by an evaluation of the exposures on a receivable by receivable basis. All individual receivables are subject to this approach.

Estimated recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(k) **Membership and Sponsorship Income in Advance**

Membership and sponsorship income in advance represents the unexpired portion of the premium and licence fee paid by corporate members, and the unexpired portion of sponsorship revenue.

(l) **Employee Entitlements**

Provision is made for benefits accruing to employees in respect of salaries and annual leave entitlements when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within twelve months are measured using the remuneration rate expected to be applied at the time of settlement.

(m) **Statement of Changes in Net Assets**

The following are the definitions of categories used in the Statement of Changes in Net Assets:

*Asset Revaluation Reserve* - comprises the effect of movements in the annual valuation of Land, as determined annually by an independent registered valuer.

*Deferred Maintenance Reserve* - represents the available balance of funds set aside for unusual or unexpected capital or maintenance costs required for the upkeep of the Park's facilities.

*Retained Earnings* - represents the accumulated balance of the excess of total comprehensive revenue and expenses, after allowing for reserves as noted above.

(n) **Changes in Accounting Policies**

The accounting policies adopted are consistent with those of the previous financial year except as described above.

The Eden Park Trust  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 October 2015

**2. REMUNERATION OF THE AUDITOR**

	2015 \$000	2014 \$000
Audit of the Financial Statements	43	42
<b>Total Remuneration of the Auditor</b>	<b>43</b>	<b>42</b>

**3. CASH AND INVESTMENTS**

	2015 \$000	2014 \$000
<b>Current Portion</b>		
Cash on Call	559	383
Short Term Investments	3,185	3,640
<b>Total Cash and Investments</b>	<b>3,744</b>	<b>4,023</b>

The effective interest rate of call deposits was 3.65% (2014: 3.44%). The deposits had an average of five days to maturity at year end (2014: five days). The combined value of cash on call and the bank overdraft (refer Note 4) is \$248,000 (2014: \$45,000).

**4. BANK OVERDRAFT**

	2015 \$000	2014 \$000
Bank Overdraft	311	338
<b>Total Bank Overdraft</b>	<b>311</b>	<b>338</b>

The effective bank overdraft interest rate was 6.1% p.a. (2014: 7.0% p.a.).

**5. RECEIVABLES FROM EXCHANGE TRANSACTIONS**

	2015 \$000	2014 \$000
Trade Receivables	3,381	3,347
Impairment Allowance	(75)	(73)
<b>Total Receivables from Exchange Transactions</b>	<b>3,306</b>	<b>3,274</b>

Receivables from exchange transactions includes GST receivable of nil (2014: nil). The balance is primarily made up of Eden Park membership income.

The Eden Park Trust  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 October 2015

**6. PROPERTY, PLANT AND EQUIPMENT**

	Land \$000	Buildings and Other Improvements \$000	Plant and Equipment \$000	Leased Plant and Equipment \$000	Furniture and Fittings \$000	TOTAL \$000
<b>Cost/Revaluation</b>						
<b>Balance at 1 November 2013</b>	19,750	307,613	7,234	132	375	335,104
Revaluations	-	-	-	-	-	-
Additions	-	229	266	-	2	497
Transfers	-	-	-	-	-	-
Disposals	-	-	(186)	-	-	(186)
<b>Balance at 31 October 2014</b>	19,750	307,842	7,314	132	377	335,415
Revaluations	2,250	-	-	-	-	2,250
Additions	-	-	848	-	3	851
Transfers	-	-	132	(132)	-	-
Disposals	-	-	-	-	-	-
<b>Balance at 31 October 2015</b>	<b>22,000</b>	<b>307,842</b>	<b>8,294</b>	<b>-</b>	<b>380</b>	<b>338,516</b>
<b>Accumulated Depreciation</b>						
<b>Balance at 1 November 2013</b>	-	39,702	5,848	122	276	45,948
Impairment Loss	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Depreciation Expense	-	7,954	393	7	42	8,396
Disposals	-	-	(186)	-	-	(186)
<b>Balance at 31 October 2014</b>	-	47,656	6,055	129	318	54,158
Impairment Loss	-	-	-	-	-	-
Transfers	-	-	129	(129)	-	-
Depreciation Expense	-	7,933	368	-	26	8,327
Disposals	-	-	-	-	-	-
<b>Balance at 31 October 2015</b>	-	<b>55,589</b>	<b>6,552</b>	<b>-</b>	<b>344</b>	<b>62,485</b>
<b>Net Carrying Value</b>						
<b>Balance at 31 October 2014</b>	19,750	260,186	1,259	3	59	281,257
<b>Balance at 31 October 2015</b>	<b>22,000</b>	<b>252,253</b>	<b>1,742</b>	<b>-</b>	<b>36</b>	<b>276,031</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2015

### 6. PROPERTY, PLANT AND EQUIPMENT (Continued)

#### Allocation of Property, Plant and Equipment

A total of \$276,031,000 (2014: \$281,257,000) is categorised as non-current assets.

#### Land

Land was revalued to the net current value at 31 October 2015 by Tony Gardner of Gardner Valuations Limited, an independent registered valuer and a member of the New Zealand Institute of Valuers, who has recent experience in the location and category of the Property, Plant and Equipment valued. The valuation resulted in an increase of \$2,250,000 to the carrying value of the land (2014: no change), therefore leaving a carrying value of \$22,000,000 (2014: carrying value \$19,750,000). The valuation method adopted was the intended/continued use basis. Land is assessed by the valuer on a GST exclusive basis.

#### Buildings and Improvements

Based on a valuation for insurance purposes dated 4 September 2014 by Beca Valuations Limited, an independent registered valuer, the buildings and improvements had a replacement value of \$376,459,000. The most recent prior valuation in September 2011 produced a valuation of \$361,103,000. After accumulated depreciation, the current depreciated replacement value is \$320,870,000 (2014: \$328,803,000). The carrying value of these assets is \$252,253,000 at 31 October 2015 (2014: \$260,186,000), in accordance with the Trust's accounting policy for the valuation of Property, Plant and Equipment.

#### Impairment Assessment

The annual review of Property Plant and Equipment by management on 31 October 2015 identified no items thought to be beyond their useful life (2014: no writedown).

#### Work in Progress

	2015 \$000	2014 \$000
Work in Progress	1,519	1,501
<b>Carrying Value at End of the Year</b>	<b>1,519</b>	<b>1,501</b>

During the reporting period \$18,000 (2014: \$71,000) was capitalised for Work in Progress in relation to the construction of the acoustic screen, resulting in a carrying value of \$1,519,000 (2014: \$1,501,000). No borrowing costs were capitalised during the reporting period ended 31 October 2015 (2014: \$nil).

#### Inventory

	2015 \$000	2014 \$000
Inventory	27	44
<b>Carrying Value at End of the Year</b>	<b>27</b>	<b>44</b>

Inventory consists of merchandise including clothing and books.

The Eden Park Trust  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 October 2015

**7. INVESTMENT PROPERTIES**

	2015 \$000	2014 \$000
Carrying Value at Beginning of the Year	3,145	2,760
Disposals	-	-
Revaluation of Investment Properties	420	385
<b>Carrying Value at End of the Year</b>	<b>3,565</b>	<b>3,145</b>

There were no sales or purchases of investment properties in the year.

Investment Properties were revalued to the net current value at 31 October 2015 provided by Tony Gardner of Gardner Valuations Limited, an independent registered valuer and member of the New Zealand Institute of Valuers, who has recent experience in the location and category of the Investment Properties valued. The valuation method adopted was the Sales Comparison method, based on market evidence. The valuation resulted in an increase to the carrying value of the remaining properties of \$420,000 (2014: increase of \$385,000). Overall, the carrying value of the Investment Properties (after transfers, purchases, disposals and revaluations) increased by \$420,000 (2014: increased by \$385,000). Investment Properties are valued at \$3,565,000 (2014: \$3,145,000).

**8. PAYABLES UNDER EXCHANGE TRANSACTIONS**

	2015 \$000	2014 \$000
<b>Current Portion</b>		
Trade Payables and Accruals	2,173	1,646
<b>Total Payables under Exchange Transactions</b>	<b>2,173</b>	<b>1,646</b>

**9. PAYABLES UNDER NON-EXCHANGE TRANSACTIONS**

	2015 \$000	2014 \$000
<b>Current Portion</b>		
Grant Income received in advance	93	132
<b>Total Payables under Non-Exchange Transactions</b>	<b>93</b>	<b>132</b>

**10. PROVISIONS**

	2015 \$000	2014 \$000
<b>Current Portion</b>		
Employee Benefits	356	444
<b>Total Trade and Other Payables</b>	<b>356</b>	<b>444</b>

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 October 2015

**11. LOANS AND ADVANCES**

	Note	2015 \$000	2014 \$000
<b>Loans:</b>			
Secured Bank Loans		45,750	45,050
Secured Other Loans		6,545	6,545
Unsecured Loans		47	47
		<b>52,342</b>	<b>51,642</b>
<b>Advances:</b>			
Auckland Rugby Union Incorporated	16	1,043	1,043
Auckland Cricket Association	16	600	600
		<b>1,643</b>	<b>1,643</b>
<b>Total Loans and Advances</b>		<b>53,985</b>	<b>53,285</b>
<b>Current</b>			
Current		-	-
<b>Non Current</b>			
Non Current		53,985	53,285
<b>Total Loans and Advances</b>		<b>53,985</b>	<b>53,285</b>

The Secured Bank Loans of \$45,750,000 (2014: \$45,050,000) are between ASB Bank Limited and the Trust. \$40,000,000 (2014: \$40,000,000) of the secured bank loans are guaranteed by Auckland Council. The loans are secured over the Land and Investment Properties of the Trust. The current interest rates are variable and range between 3.77% and 4.61% (2014: between 5.08% and 5.50%) with no fixed repayment date (2014: no fixed repayment date). In addition to the reported loans, the Trust has an overdraft facility of \$500,000 (2014: \$500,000) secured over the assets of the Trust. The fair value of the assets is in excess of the loans and credit facility secured over those assets.

The Trust has honoured its covenant obligations, namely the debt service cover ratio, with the ASB Bank and Auckland Council, since the current facility was established in August 2010.

The Secured Other Loans of \$6,545,000 (2014: \$6,545,000) are between Auckland Council and the Trust. The loans are secured over the Cash, Cash Investments, Investment Properties and the Property, Plant and Equipment of the Trust. The current interest rate is 3.68% (2014: 4.18%) and has no fixed repayment date (2014: no fixed repayment date).

The Unsecured Loan of \$47,000 (2014: \$47,000) is between the Auckland Rugby Union Incorporated and the Trust. The current interest rate is 0% (2014: 0%) with no fixed repayment date (2014: no fixed repayment date).

The Advances to the Trust from the Auckland Rugby Union Incorporated and the Auckland Cricket Association of \$1,043,000 and \$600,000 respectively (2014: \$1,043,000 and \$600,000 respectively) are documented in Deeds of Covenant and are not secured. The current interest rate is 0% (2014: 0%) and they have no fixed repayment date. Please also see the Key Sources of Estimation Uncertainty as disclosed in *Note 1*.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2015

### 12. FINANCIAL LIABILITIES

In accordance with an agreement to sell land to and purchase land from the Barbarians Rugby Football Club ("the Barbarians"), the Trust has an obligation to provide clubrooms to the Barbarians. In fulfilment of this obligation, the Barbarians have the right to occupy two corporate suites for 35 years from 2010 at a rate less than market value. The liability, being the difference between market rate and contract value, at 31 October 2015 is \$1,184,000 (2014: liability of \$1,260,000). The liability is discounted to fair value and represents the likely outflow of economic resources. The liability is split between current \$73,000 (2014: \$76,000) and non-current liabilities \$1,113,000 (2014: \$1,185,000).

In the event that the Barbarians surrender their licence to occupy before the end of 2020, the Trust has an obligation to pay the Barbarians Club an amount of up to the present value of \$1,000,000 at August 2008, at the time the licence is surrendered.

The mark to market value of the interest rate hedge of \$103,000 (2014: \$60,000) is also recognised as a current financial liability (refer also *Note 14* below).

### 13. EQUITY

The Trust allocated \$113,000 (2014: allocation of \$205,000) to the Capital and Maintenance Reserve during the year. The trust utilised \$35,000 (2014: \$nil) from the Capital and Maintenance Reserve for scheduled and urgent works to the existing stadium facilities. This brings the total funds in the Capital and Maintenance Reserve to \$473,000 (2014: \$395,000). These funds are held in a separate bank account and are retained to meet unforeseen important facility costs, at the discretion of the Trustees.

### 14. FINANCIAL INSTRUMENTS

#### Fair Value of Financial Instruments

The fair value of financial instruments is equivalent to the carrying value, except for advances from Auckland Cricket Association and Auckland Rugby Union Incorporated.

As at 31 October 2015, the interest free advances from Auckland Cricket Association (ACA) and Auckland Rugby Union Incorporated (ARU) have a carrying value of \$1,643,000 (2014: \$1,643,000). As these advances have no fixed repayment date, a fair value cannot be reasonably ascertained.

Included in Long Term Loans at 31 October 2015 is an interest free loan from ARU that had a carrying value of \$47,000 (2014: \$47,000). As this loan has no fixed payment date, a fair value cannot be reasonably ascertained.

The carrying value of all other financial assets and liabilities is materially equal to the fair value.

#### Derivatives

On 2 July 2014 the Trust entered into an agreement with the ASB Bank in a format prepared by the International Swaps and Derivatives Association (ISDA) under which it may undertake derivative transactions in the form of interest rate swaps. On 31 July 2014 the Trust entered into an interest rate swap transaction with a termination date of 29 July 2016 for a notional amount of \$10,000,000 at a fixed rate of 4.17%. The contract is settled and reset quarterly for differences between the fixed and designated floating rates. At the reporting date the mark to market value of the contract is a charge of \$103,000 (2014: \$60,000), which has been accrued as an expense in the current period. No derivative financial instruments were used by the Trust during the period ended 31 October 2014 (2014: nil).

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 October 2015

**15. RELATED PARTIES**

**Auckland Cricket Association (ACA) and Auckland Rugby Union Incorporated (ARU)**

Until 20 September 2009, ACA and ARU received beneficial enjoyment of the Trust property. From 21 September 2009, ACA and ARU each had one representative on The Eden Park Trust's nine person Board. In accordance with the Eden Park Trust Act this increased to two representatives each from 21 September 2012. The Trust transacts with these organisations primarily for the provision of venue facilities and services and pays for certain match tickets for matches controlled by the entities. The Trust legislation provides for a number of these services to be charged at below market rate. In addition, the Trust incurs expenses on behalf of these entities which are oncharged at the cost of the transaction to the Trust. No debts were written off or forgiven during the reporting period (2014: nil).

The following key transactions were undertaken with ACA and ARU:

	2015 \$000	2014 \$000
<b>Income - Venue Facilities and Services:</b>		
Auckland Cricket Association	248	530
Auckland Rugby Union Incorporated	715	1,140
<b>Expenses - Match Ticket and Membership Costs:</b>		
Auckland Cricket Association	(383)	(604)
Auckland Rugby Union Incorporated	(739)	(1,153)
<b>Net Income/(Expense)</b>	<b>(159)</b>	<b>(87)</b>

The following balances were outstanding with Auckland Cricket Association and Auckland Rugby Union Incorporated at each reporting date:

	2015 \$000	2014 \$000
<b>Accounts Receivable:</b>		
Auckland Cricket Association	5	6
Auckland Rugby Union Incorporated	128	56
<b>Accounts Payable:</b>		
Auckland Cricket Association	(65)	(64)
Auckland Rugby Union Incorporated	-	(1)
<b>Loans:</b>		
Auckland Rugby Union Incorporated	(47)	(47)
<b>Advances:</b>		
Auckland Cricket Association	(600)	(600)
Auckland Rugby Union Incorporated	(1,043)	(1,043)
<b>Net Asset/(Liability)</b>	<b>(1,622)</b>	<b>(1,693)</b>

Details of the terms and conditions of the related party Loans and Advances are outlined in *Note 11*.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 October 2015

**15. RELATED PARTIES (Continued)**

**Crown**

The Crown is entitled to appoint five out of the nine Trustees of the Trust. There have been no transactions between the Crown and the Trust during the year (2014: no transactions).

**Trustees**

All Trustees are required to record possible conflicts of interest and are required to abstain from voting on those matters. The Trust complied with the obligations under the Eden Park Trust Act in relation to registers and notices of potential conflicts of interest.

Trustee Fees were paid to Trustees for services as a Trustee during the year of \$110,000 (2014: \$102,000). Trustee fees are payable in accordance with the Eden Park Trust Act.

Other than those disclosed, there have been no dealings with Trustees or parties related to the Trustees on terms other than in the ordinary course of business.

**Key Management Personnel Compensation**

	2015 \$000	2014 \$000
Short Term Employee Benefits	1,497	1,504
<b>Total Key Management Compensation</b>	<b>1,497</b>	<b>1,504</b>
Number of Full Time Equivalent employees	8	8

**16. LEASE COMMITMENTS**

**Finance Lease Commitments**

The Trust has no finance lease commitments (2014: \$nil).

**Operating Lease Commitments**

Obligations payable after balance date on non cancellable operating leases are as follows:

	2015 \$000	2014 \$000
Current (within 1 year)	82	63
1 to 2 Years	63	50
2 to 5 Years	19	33
Greater than 5 Years	-	-
<b>Operating Lease Commitments</b>	<b>164</b>	<b>146</b>

The Operating lease commitments impose no significant restrictions or obligations on the Trust. The rights of renewal are between 0 and 5 years (2014: between 0 and 5 years).

The total operating lease expense for the reporting period was \$82,000 (2014: \$82,000).

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2015

### 17. CAPITAL COMMITMENTS

In accordance with requirements of the redevelopment of Eden Park, an acoustic screen is to be constructed behind the East Stand. The Trust has paid \$18,000 (2014: \$71,000) towards the cost of materials for the construction of the acoustic screen during the period ended 31 October 2015. An estimated \$1.8m more is required to complete the project, for which no construction contract is in place.

### 18. CONTINGENT LIABILITIES

As at 31 October 2015, there are no contingent liabilities (2014: nil).

### 19. GOING CONCERN

Significant losses have been reported for both reporting periods. The Trust does not currently generate sufficient operating surpluses to cover its ongoing depreciation charges. However, the Going Concern assumption has been adopted in the preparation of these financial statements, on the basis that current projections of profit and loss and cash flows indicate that the Trust can meet all its commitments as they fall due for the foreseeable future and established external funding lines were renewed in 2014 through to 30 November 2017.

### 20. SUBSEQUENT EVENTS

No events have occurred subsequent to each reporting date that would materially impact the financial statements as presented.

# Independent Auditor's Report

**Audit**

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Partnership  
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**TO THE READERS OF THE FINANCIAL STATEMENTS OF THE EDEN PARK TRUST FOR THE YEAR ENDED 31 OCTOBER 2015****Report on the financial statements**

The Auditor-General is the auditor of The Eden Park Trust (the Trust). The Auditor-General has appointed me, Kerry Price, using the staff and resources of Grant Thornton New Zealand Audit Partnership, to carry out the audit of the financial statements of the Trust on her behalf.

**Opinion**

We have audited the financial statements of the Trust on pages 12 to 31, that comprise the statement of financial position as at 31 October 2015, the statement of comprehensive revenues and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Trust:

- present fairly, in all material respects:
  - its financial position as at 31 October 2015 and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity International Public Sector Accounting Standards with reduced disclosure regime requirements.

Our audit was completed on 8 January 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and explain our independence.

**Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain



reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of the disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. Also, we did not evaluate the security and controls over the electronic publication of the financial statements.

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

#### **Responsibilities of the Trustees**

The Trustees are responsible for the preparation and fair presentation of financial statements for the Trust that comply with generally accepted accounting practice in New Zealand.

The Trustees' responsibilities arise from clause 15.3 of the Trust Deed of the Trust.

The Trustees are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements, whether in printed or electronic form.

#### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001.

**Independence**

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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



Kerry Price  
Grant Thornton New Zealand Audit Partnership  
On behalf of the Auditor-General  
Wellington, New Zealand

## DIRECTORY OF BOARD MEMBERS

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### Eden Park Trust Board Members

Mr Doug McKay (Chairman)  
Ms Michelle Boag (re-appointment pending)  
Mr Alan Gourdie (appointed 1 July 2015)  
Mr Morris Pita (re-appointment pending)  
Ms Vicki Salmon (appointed 1 July 2015)  
Mr Ken Baguley  
Ms Nicky Duggan (appointed 21 July 2015)  
Mr Paul Lucas  
Mr Rex Smith

### Appointed By

New Zealand Government  
New Zealand Government  
New Zealand Government  
New Zealand Government  
New Zealand Government  
Auckland Rugby Football Union  
Auckland Rugby Football Union  
Auckland Cricket Association  
Auckland Cricket Association

### Finance and Audit Committee

Mr Morris C Pita (Chairman)  
Mr Ken Baguley  
Mr Paul Lucas

## BOARD MEMBER BIOGRAPHIES

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### Doug McKay

Doug McKay is Chairman of The Eden Park Trust. He brings considerable commercial experience to the board with previous roles as either CEO or Managing Director at Procter and Gamble, Lion Nathan, Carter Holt Harvey, Goodman Fielder, Sealord and was the inaugural CEO of Auckland Council. He is now a full time professional director on the boards of Chartered Accountants Australia and New Zealand, Bank of New Zealand (Chairman), IAG Insurance, Genesis Energy and Ryman Healthcare. He is a member of the Institute of Directors in New Zealand.

### Ken Baguley

Ken Baguley is a qualified Chartered Accountant with 40 years' experience in Chartered Accountancy, specialising in IT services. Ken was elected a Life Member of the Auckland Rugby Union in December 2014 and was Chairman of Auckland Rugby from 2001 to 2010. He was an Auckland City Councillor and Chairman of Transport Committee from 2007 to 2010. He is currently an Orakei Local Board Member – Auckland Council. He is also a Life Trustee of The Halberg Trust and is a Trustee of the Auckland Rescue Helicopter Trust. Ken holds RMA Making Good Decisions certification, valid until June 2019.

### Michelle Boag

Michelle Boag has 30 years' experience in government, consultancy and corporate public relations and is currently a principal of Boag Allan SvG, a Strategic Communications Consultancy. She has an extensive background in the not-for-profit sector, including as a current Trustee of the Auckland Rescue Helicopter Trust and as a former President of Variety Club New Zealand. She has previously served on the boards of the Auckland Cricket Association, Manu Samoa Rugby Limited, the Mt Smart Advisory Board, Television New Zealand and the Auckland Surf Lifesaving Association.

**Nicky Duggan**

Nicky has had a blue chip career path with companies such as Lion Nathan, Fletcher Building and Carter Holt Harvey where she has delivered best-practice strategy, sales, marketing and commercial outcomes. This is complimented by a range of entrepreneurial business experiences including the start-up of the Hell Pizza franchising business. She is currently a Director and shareholder of her own businesses, including Evolution of Surfaces Ltd. which has the DuPont™ agency for Corian® in New Zealand.

Nicky's skills and experience in not-for-profit and commercial governance also include current and past Director roles at Auckland Rugby, Surf Life Saving New Zealand, the Auckland Rugby Referees Association, Hell Pizza and LifeLine New Zealand. In 2013 Nicky was the inaugural recipient of the Auckland Institute of Directors Emerging Director award.

**Alan Gourdie**

Alan has 25 years of experience as a CEO and Marketing Director of global organisations within the telecommunications and FMCG industries. His roles have been based in Amsterdam, Singapore and London with the Heineken organisation and in New Zealand as CEO for Spark (formally Telecom) Retail. He is currently the Founder/Managing Director at Quantiful, an Independent Director for Australasia's largest strategy, design and interactive company Designworks, on the Advisory Board of Aotearoa Fisheries Limited and the Auckland based investor group, Ice Angels. He also dedicates time to working on the Boards of successful early stage companies such as Stqry and is Chairman of Parrot Analytics.

**Paul Lucas**

From an initial accounting background, Paul Lucas has accumulated in excess of 35 years' business experience. He was the founder of the EDL Group of Companies, comprising a branch network throughout Australia and NZ. Having sold the businesses, Mr Lucas has for the last nine years been a company director, business consultant and investor in a range of private companies. Mr Lucas has previously served on the board of the Auckland Cricket Association, 1996 – 2000 and in 2008 was co-opted back to the board, serving as Deputy Chairman and a member of the finance committee until standing down from the ACA board in 2014.

**Morris Pita**

Morris Pita has worked in New Zealand and in the United Kingdom in a range of commercial, strategic and project management roles for Mighty River Power, BG Group and Ernst & Young. Mr Pita has an MBA from the University of Oxford, in addition to a Master of Laws and a Bachelor of Arts from the University of Auckland. He operates a boutique consultancy business, Shea Pita & Associates, advising organisations working in Maori economic development, particularly in the energy sector. He is also a member of the Auckland and Waitemata District Health Boards.

**Vicki Salmon**

Vicki Salmon is an experienced CEO and Director of private and public sector entities with extensive business experience in New Zealand, Australia and Canada. Vicki is a self-employed business consultant and a Director of Coopers Creek Vineyard. From a background in Chartered Accountancy, Vicki's past experience includes roles as CEO and Director of Group Rentals and publicly listed Restaurant Brands and as a Director of Auckland District Health Board. Vicki also brings extensive event business experience to the Park, as a former CEO of the Ellerslie Flower Show and involvement with the Netball World Championships.

## Rex Smith

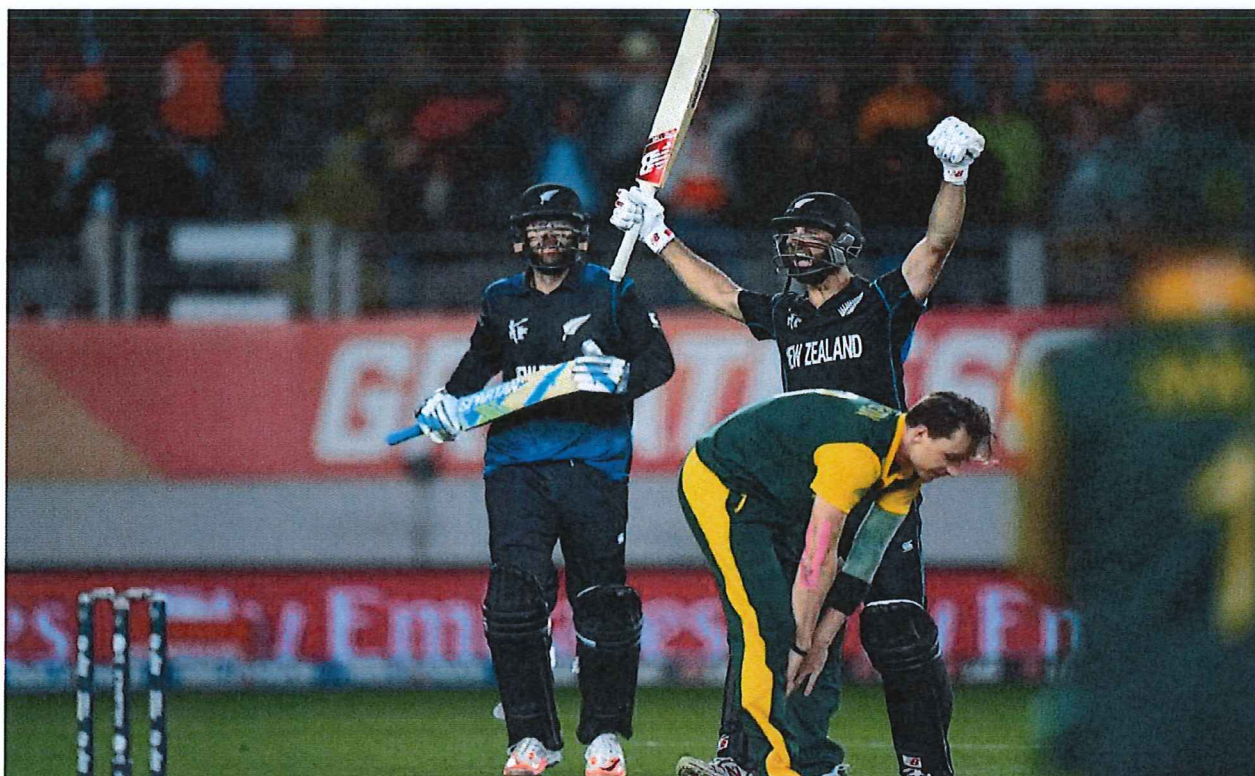
Rex Smith has more than 40 years' experience in property negotiation specialising in the central and local government sectors. He currently operates his own property consultancy business. Mr Smith holds a post graduate degree in Political Studies from the University of Auckland. A former member of the Eden Park Board of Control, he is the current Chairman of the Auckland Cricket Association.

## SENIOR EXECUTIVES

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Senior executives of the Trust are:

- Vicki Salmon (Acting Chief Executive Officer, to 31 December 2015)
- Blair Christiansen (Turf Manager)
- Steve Donaghy (General Manager, Operations and Infrastructure)
- Brett Winstanley (Chief Financial Officer)



CWC Semi Final – March 2015

Photo Sport