

WAKA PACIFIC TRUST

FINANCIAL REPORT

**FOR THE YEAR ENDED
31 March 2023**

WAKA PACIFIC TRUST

FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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WAKA PACIFIC TRUST

DIRECTORY

FOR THE YEAR ENDED 31 MARCH 2023

Settlor	Sir Barry Curtis
Date Settled	2 October 2000
Trustees	John Bongard ONZM, CRSNZ - Chairman Emma Lewisham Chelsea Herbert Martin Cooper Jeremy Hay Tori Ngataki Sky Cai Mark Robinson Walter Fraser (resigned 7 December 2022)
Chief Executive Officer	David Comery
Solicitors	Denham Bramwell Lawyers Auckland
Bankers	BNZ Bank Auckland
Address	770 Great South Road Manukau City
Accountants	RSM New Zealand (Auckland) Highbrook
Auditors	RSM Hayes Audit
Registered Charity Number	CC10294

WAKA PACIFIC TRUST

BOARD MEMBERS' REPORT AND STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 31 MARCH 2023

Board Members' Report

The Board of Waka Pacific Trust present this Financial Report incorporating financial statements and statement of service performance of the Trust for the financial year ended 31 March 2023, and the independent auditor's report thereon.

Statement of Responsibility

The Board is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements, service performance and related information.

The independent external auditors, RSM Hayes Audit, have audited the financial report and their report appears on pages 30-31.

The Board is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial report, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements.

Appropriate systems of internal control have been employed to ensure that all transactions have been executed in accordance with authority and correctly processed and accounted for in the financial records. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Board to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements are prepared on a going concern basis. Nothing has come to the attention of the Board to indicate that the Trust will not remain a going concern in the foreseeable future.

In the opinion of the Board:

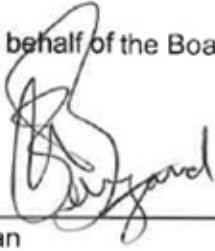
- The statement of comprehensive revenue and expense is drawn up so as to present fairly, in all material respects, the financial performance of the Trust for the financial year ended 31 March 2023;
- The statement of financial position is drawn up so as to present fairly, in all material respects, the financial position of the Trust as at 31 March 2023;
- The statement of cash flows is drawn up so as to present fairly, in all material respects, the cash flows of the Trust for the financial year ended 31 March 2023;
- The statement of service performance is drawn up so as to present fairly, in all material respects, the service performance of the Trust measured against suitable service performance criteria for the year ended 31 March 2023; and
- There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

WAKA PACIFIC TRUST

BOARD MEMBERS' REPORT AND STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 31 MARCH 2023

For and behalf of the Board:



Chairman

22/06/23

Date



CEO

22/06/23

Date



Waka Pacific Trust

Statement of Service Performance

For the year ended 31 March 2023



WAKA PACIFIC TRUST

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2023

Our Purpose / Vision

Established with the objectives as outlined in Note 2 to the Financial Statements under a Trust Deed dated 26 July 2000, the Waka Pacific Trust (“WPT”) owns and operates the Due Drop Events Centre, Vector Wero Whitewater Park and the Momentum Hub located in Manukau, Auckland. Through these businesses and facilities of national significance, the Trust provides financial resources, venue spaces and expertise which support school and community programmes designed to celebrate, transform and enrich people’s lives. (See [Waka Pacific website](#)).

Who are we?

Due Drop Events Centre

The Due Drop Events Centre is one of the country’s largest single flat floor, purpose-built events centres. The venue offers an arena, a theatre, a conference centre, three meeting rooms and multiple foyers that cater for a large variety of event types including youth and school programmes. With over 5,000 square metres of versatile venue space, it can accommodate a small board meeting for 10, a large multi-day conference for 1,200 or a concert for 4,000 – all under one roof. (See [DDEC website](#)).

Programmes which provide exposure to creative arts, dance, drama, music and culture are offered to schools subsidised or fully sponsored depending on their circumstances.

Vector Wero Whitewater Park

Vector Wero Whitewater Park is New Zealand's first facility to offer an artificial river and water course for recreation, sports, emergency services training, school programmes and youth development. In addition to retail and corporate bookings, the white-water park is also a venue for hire for events and filming location requirements. (See [VWWP website](#)).

The waterpark delivers all year-round school/youth water safety programmes subsidised or fully sponsored depending on their circumstances.

Momentum Hub

The Momentum Hub is a container village located within the Vector Wero Whitewater Park and provides a multi-faceted platform to enable leadership development, education and social innovation opportunities through the provision of free officing and services to selected charities. (See [MH Website](#)).



WAKA PACIFIC TRUST

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2023

What commercial /community activity do we do and how are we doing?

1. Due Drop Events Centre (DDEC)

The Trust endeavours to run a successful business whose profits are derived, in the main, from activities held within the Due Drop Events Centre. This facility is operated in a full commercially focused way to provide the funds required to support our schools and community programmes.

The availability and use of this facility was deeply affected by covid but has rebounded strongly as can be seen from the numbers below.

Due Drop Events Centre

	22/23	21/22
Revenue	\$6,426,174	\$3,488,299
#Events - Total	263	170
#Attendees - Total	188,294	65,731
#Community Events	46	30
#School Events	16	10

Revenues are back to pre-covid levels, and the number of events has also come back strongly. Given the limits on people within spaces in the previous year (as prescribed in covid 19 legislation) larger events have been able to be re-accommodated in the past financial year shown in numbers of attendees having nearly tripled.

Community and school events are all sold at discounted rates reflecting the needs of, and connection to, our community.



WAKA PACIFIC TRUST

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2023

How is the Due Drop Events Centre doing for our community?

In 2022, the schools programme provided **72,172 children** and youth access to subsidised or fully sponsored creative arts events. We are excited to be building upon our schools programme and believe these opportunities will enrich lives. All community bookings are taken at reduced rates to support those organisations and it is pleasing to see the numbers of such bookings increasing.

While still mitigating covid associated risk we were able to collaborate with the Royal New Zealand Ballet, The Glow Show, Tim Bray Theatre Company, Pacifica Arts, APO, Māori Myths by the Sandman and various schools with their Dance Concerts providing students a wide variety of experiences.

The Trust was able to support schools and community events by covering artists fees, venue hire, labour and AV technical costs. In addition, where the need was greatest in low decile schools free access and transport to and from the venue has been provided.

<u>Due Drop Events Centre</u>		
	<u>22/23</u>	<u>21/22</u>
Children engaged (in person)	56,197	23,078
Children registered on-line	15,975	41,790
# Schools participating	105	177
# Community events	46	30
\$ value of subsidies	\$ 547,914	\$ 472,027

There has been a noticeable increase in on-site interactions for students which is our real desire. The on-line connection grew during covid for obvious reasons. During covid schools from outside of our usual catchment area took advantage of the on-line learning hence the difference in number of schools interacting with us.



WAKA PACIFIC TRUST

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2023

2. Vector Wero Whitewater Park (VWWP)

Whilst the Trust seeks to make a profit from VWWP, we remain cognisant of the cost demands (capital, labour and energy) of such a facility. The Trust’s overarching view is to provide training facilities for New Zealand’s Olympic canoe slalom team, emergency services and youth “safety in moving water” programmes.



Numbers here have also rebounded from the covid lows.

We seek to have as many clubs and their members active on the water as possible. Similarly, the usage of the river system by emergency services providers, trainers and other related parties is highly desirable especially given recent flooding events and ultimately the community benefit that this training will provide.

New Zealand’s elite canoeists train with us under the auspices of Canoe Slalom New Zealand (CSNZ), who also maintain an office within the Momentum Hub.

	Vector Wero Whitewater Park	
	22/23	21/22
Revenue	\$1,116,868	\$781,925
Attendance (Total pax)	27,932	20,719
# Clubs active	5	4
CSNZ training sessions	161	152
Emergency service usage (programmes)	6	3

WAKA PACIFIC TRUST

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2023

How is the Vector Wero Whitewater Park doing for our community?

Teaching water safety and drowning prevention to children and youth is our top priority at VWWP and in 2022/2023 we were able to provide our schools programme to 16,469 students exceeding our pre-covid highest annual number of children which was 14,138.

We are pleased to see growth within our programme especially after a challenging couple of years constrained by covid and abiding by the “traffic light” system.

	<u>Vector Wero Whitewater Park</u>	
	<u>22/23</u>	<u>21/22</u>
Children attending	16,469	8,703
# Schools participating	142	82
\$ value of subsidies	\$771,854	\$459,381

Fully sponsoring or subsidising our programmes for children and youth takes away the cost barrier enabling all to learn survival skills in moving water. Activities such as river crossing, river safety, kayaking, stand up paddleboarding, and rafting are all popular school activities but most importantly they teach important lifesaving skills while giving students a fantastic and memorable experience.

Vector Wero Whitewater Park will continue to strive to make our water safety programme available to every student of South Auckland during their school education regardless of their family financial circumstances in partnership with Water Safety NZ, Trillian Trust, Four Winds, Grassroots, Aktive Auckland Sport & Recreation, John Walker Find Your Field of Dreams, CLM Community Sport, and other organisations.



WAKA PACIFIC TRUST

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2023

3. Momentum Hub

The Momentum Hub is a service provision for the charitable sector, not as a source of revenue.

Within this transformational facility, enjoying rent-free office space inclusive of power and internet, are the following *not for profit* organisations: Hillary Outdoors, John Walker Find Your Field of Dreams, Life Education Trust, Outward Bound, Swimming New Zealand, Navigate Performance, Tawai Takapiri Connect Futures NZ and YMCA North.

Space is also given free of charge for the provision of a leadership academy for potential school leaders as provided by Navigate Performance.

The Waka Pacific Trust (WPT) seeks to offer support to all Momentum Hub occupants through the provision of their free premises, but also free meeting spaces, provision of prizes for fundraising, opportunities for collaboration and general camaraderie.



Many of the charities at the Hub utilise storage space provided by WPT and there has even been free bus parking provided.



WAKA PACIFIC TRUST

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2023

How are we doing?

In the 22/23 year Outward Bound joined the Momentum Hub as a fully sponsored tenant.

	<u>Momentum Hub</u>	
	<u>22/23</u>	<u>21/22</u>
# Charities given free space	8	7
# Students in the academy sessions	22	18

By provision of free meeting and support officing space, Waka Pacific Trust supports the Momentum Hub Academy, which is a leadership programme aiming to develop the knowledge and understanding of next generation leaders from the South Auckland Community.

Students develop foundation knowledge in leadership and will acquire the ability to operate at an advanced level. It aims to provide a structured approach to the nurturing and growth of young leaders. It gives participants adequate time and opportunity to improve their performance through knowledge, understanding and self-awareness.



WAKA PACIFIC TRUST

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2023

Disclosure of Process/Judgements

The information and performance measures above have been selected by management and authorised by our Board of Trustees to support our service performance reporting as being the most meaningful measures of our activities and ultimately the benefits provided to our community.

It should be read in conjunction with our [Community Good Report](#) which is published annually. (The reader should note that the aforementioned report coincides with the calendar year to provide sensible linkage on school activity whilst this Statement of Service Reporting matches with our financial year Apr-Mar).



LOOKING TO THE FUTURE

This is an excerpt from our latest Community Good Report which is very relevant to the Due Drop Events Centre given that this venue hosts some 80% of our schools programme.

The Challenge

In 2022, we had a record performance for our schools and community programme with 94,026 students and youth engaging in our creative arts and water safety programmes.

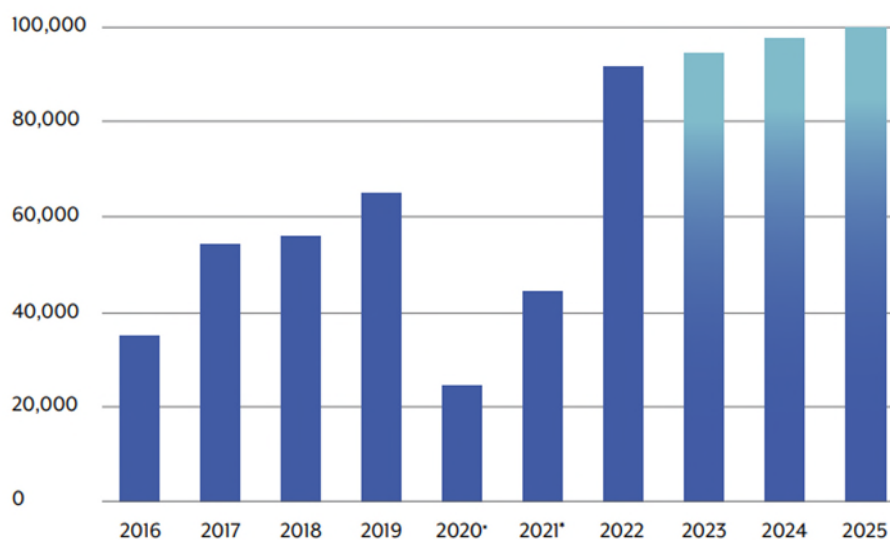
Our challenge is 100,000 students and youth by 2025 and we are confident that this is achievable after this record breaking year.

We look forward to seeing our schools programme continue to grow and develop by adding new

programmes and fields providing opportunities for students to experience real world events and workshops.

The Trust is focussed and committed to annually serving 100,000 children and young people by 2025 through events, the creative arts, white water and outdoor activities, water safety programmes, leadership development and sports.

Join our trust, whanau and communities and take the challenge!



*Participation decreased due to covid-19

What next for Vector Wero Whitewater Park?

The next exciting development for the Trust is Waka Pacific Climb which will be located within the whitewater park precinct. The following is an excerpt from our latest Community Good Report.

We are currently raising funding so we can open Waka Pacific Climb in Early 2025.

Waka Pacific Climb is a proprietary climbing system developed in Germany by Kristallturm (a world leader in the design and production of high ropes courses) with uncompromised safety.

The galvanised steel structure will rise 16 meters and comprise 78 climbing elements ranging in difficulty levels and design. Ten individual activities on the climbing frame will be themed in Māori mythological stories designed in consultation with local Tainui iwi representatives. It will include a giant swing, trust jump, pole walk staircase and a “walk the plank” confidence course all of which will be accomplished while the participant is safely double harnessed to guide wires.

The activities, being intertwined with the cultural elements, will make Waka Pacific Climb truly unique.

Youth will learn the stories of those before us and the challenges that our predecessors accepted and conquered while they too accept challenge and conquer it. All ages and fitness levels will be able to participate in this attraction.

Waka Pacific Climb will complement the current attractions within the Vector Wero Whitewater Park allowing participants to transition from water-based activities through to the climbing frame challenges or to simply participate in one or the other.



WAKA PACIFIC TRUST

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023	2022
<i>Exchange revenue</i>			
Sponsorships recognised	8	490,000	540,000
Interest		5,786	1,124
Trading Income		7,541,034	4,230,224
Sundry Income	12	50,089	60,939
		<u>8,086,909</u>	<u>4,832,287</u>
<i>Non-exchange revenue</i>			
Grants recognised	8	220,028	627,752
TAU Service Contract	9	310,123	380,490
Sundry Income	12	13,574	539,920
		<u>543,725</u>	<u>1,548,162</u>
TOTAL REVENUE		<u>8,630,634</u>	<u>6,380,449</u>
Direct Costs for trading		3,652,595	2,090,096
Direct Costs for trading – employee benefits		593,634	480,119
Employee benefits		1,774,417	1,714,606
Depreciation	3	2,586,742	2,574,059
Repairs and Maintenance		567,170	343,105
Interest and finance charges		71,911	28,788
Utilities		333,050	281,825
Marketing, promotion and community programme costs		572,938	126,176
Insurance, communications and other operating overheads		999,064	739,986
TOTAL EXPENDITURE		<u>11,151,521</u>	<u>8,378,760</u>
TOTAL COMPREHENSIVE REVENUE AND EXPENSE TO ACCUMULATED FUNDS		<u>(2,520,887)</u>	<u>(1,998,311)</u>

This statement must be read in conjunction with the audit report and the accompanying statement of accounting policies and notes to the financial statements.

WAKA PACIFIC TRUST**STATEMENT OF CHANGES IN NET ASSETS/EQUITY****FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023	2022
Accumulated Funds at Beginning of the Year		59,170,561	61,168,872
Add Surplus/(Deficit) for the Year		(2,520,887)	(1,998,311)
ACCUMULATED FUNDS AT END OF THE YEAR		<u>56,649,674</u>	<u>59,170,561</u>
Settled Fund		10	10
TOTAL EQUITY		<u>56,649,684</u>	<u>59,170,571</u>

This statement must be read in conjunction with the audit report and the accompanying statement of accounting policies and notes to the financial statements.

WAKA PACIFIC TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Note	2023	2022
EQUITY			
Settled Fund		10	10
Trustees Accumulated Funds		56,649,674	59,170,561
		<u>56,649,684</u>	<u>59,170,571</u>
Represented by:			
CURRENT ASSETS			
Bank	10	916,673	640,024
Accounts Receivable from exchange transactions	16	238,627	92,533
Goods & Services Tax Receivable		0	19,635
		1,155,300	752,193
LESS CURRENT LIABILITIES			
Trade and Other Payables	15	636,675	382,764
Accruals		380,511	299,084
Employee Entitlements	17	180,889	225,637
Unearned Income		716,435	787,444
Deposits Held		828,688	349,592
Goods & Services Tax Payable		47,666	0
		2,790,864	2,044,521
WORKING CAPITAL		(1,635,564)	(1,292,329)
ADD NON-CURRENT ASSETS			
Property, Plant and Equipment	3	58,591,556	60,962,282
Capital Works in Progress	4	673,692	553,618
		59,265,248	61,515,900
LESS NON-CURRENT LIABILITIES			
BNZ Loan	19	980,000	980,000
Business Cashflow Loan	20	0	73,000
		980,000	1,053,000
NET ASSETS		<u>56,649,684</u>	<u>59,170,571</u>

This statement must be read in conjunction with the audit report and the accompanying statement of accounting policies and notes to the financial statements.

WAKA PACIFIC TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023	2022
Cash Flows from Operating Activities			
Proceeds Received :			
Receipts from Customers		7,669,734	4,717,463
Grants and Donations		1,116,225	1,167,752
COVID Wage Subsidy		5,374	548,120
Net GST Received		81,364	0
Payments Made :			
To suppliers		5,902,724	3,669,508
To employees		2,243,110	2,126,228
Net GST Paid		0	15,421
Net Cash Inflow/(Outflow)from Operating Activities		726,863	622,178
Cash Flows from Investing Activities			
Proceeds from Sale of Property		25,000	0
Purchase of Property, Plant and Equipment		(336,090)	(533,948)
Net Cash Inflow/(Outflow)from Investing Activities		(311,090)	(533,948)
Cash Flows from Financing Activities			
Drawdown of Loans		0	300,000
Interest Received		5,785	1,124
Repayment of Loans		(73,000)	0
Interest Paid		(71,911)	(28,789)
Net Cash Inflow/(Outflow)from Financing Activities		(139,126)	272,335
Net Cash Inflow/(Outflow)		276,647	360,565
Opening Cash and Cash Equivalents		640,024	279,459
Closing Cash and Cash Equivalents		916,673	640,024
Represented by:			
Cash & Cash Equivalents		916,673	640,024

The GST (net) components of operating activities reflect the net GST paid and received with Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

This statement must be read in conjunction with the audit report and the accompanying statement of accounting policies and notes to the financial statements.

WAKA PACIFIC TRUST

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. STATEMENT OF ACCOUNTING POLICIES

GENERAL ACCOUNTING POLICIES

Reporting Entity

Waka Pacific Trust is a Charitable Trust incorporated under the Charitable Trusts Act 1957. The Trust is considered to be a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013).

The financial statements and the accompanying notes summarise the financial results of activities carried out by the Trust.

These financial statements were authorised for issue by the Trustees on the date indicated on page 3.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Charities Act 2005 which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").

The Trust is a registered charity in New Zealand. The Trust is a public benefit entity for the purpose of financial reporting as the underlying principle of any registered charity is the carrying out of a charitable purpose. For the purposes of complying with NZ GAAP, the Trust is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-for-Profit PBE IPSAS RDR on the basis that it does not have public accountability and it is not defined as large. All reduced disclosure regime exemptions have been adopted.

Measurement Base

The general accounting policies for the measurement and reporting of results and financial position under the historical cost method have been adopted in the preparation of these financial statements.

Functional and presentation currency

The financial statements are presented in New Zealand Dollars (\$), which is the functional and presentation currency, rounded to the nearest dollar.

There has been no change in the functional currency of the Trust during the year.

Changes in Accounting Policies

During the year, the Trust adopted the following new standards for the first time:

- (i) PBE IPSAS 41 - Financial Instruments. There was no material effect on the current or prior periods from the adoption of this standard.
- (ii) PBE FRS 48 Service Performance Reporting. PBE FRS 48 is effective for annual periods beginning on or after 1 January 2022 and was adopted by the Trust on that date. This standard establishes principles and requirements for presenting service performance information useful for accountability and decision-making.

There are no other significant changes to accounting policies in the 2023 year.

WAKA PACIFIC TRUST

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Significant Judgements and estimates

The preparation of the Trust's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements:

In the process of applying the Trust's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- Revenue recognition – non-exchange revenue (conditions vs. restrictions)
- Useful lives of property, plant and equipment
- Classification of non-financial assets as cash generating or non-cash generating assets for the purposes of assessing impairment indicators and impairment testing.
- Going concern – refer to the going concern assumption policy note.

Goods and Services Tax

The Statement of Comprehensive Revenue and Expense has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST with the exception of receivables and payables which include GST as invoiced.

Taxation

The Trust is an approved charitable organisation registered with the Department of Internal Affairs Charities and recognised by the Inland Revenue Department. As such it is exempt from income tax on income derived by the Trust for charitable purposes.

Accounts Receivable

Accounts Receivable are valued at expected realisable value, after due allowance for any expected credit losses.

Grant and Sponsorship Income

Grant and sponsorship income is recognised when monies are received or receivable from donors or sponsors and any conditions of the funding have been met.

Property, Plant and Equipment

Buildings, items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses.

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Trust and the cost of the item can be measured reliably.

Going Concern Assumption

These financial statements disclose a deficit of \$2,520,887 (2022: deficit of \$1,998,311). This deficit is due to the level of depreciation, support to community and promotion of the venue. The trustees and management team closely monitored the situation through the pandemic, regularly reviewing the level of events and expected cash flows and made changes to the operations as appropriate, with a return to more normalised operations in 2023. While the Trust has a working capital deficit of \$1,635,564 as at 31 March 2023, its operating cash flow remained positive for the year.

WAKA PACIFIC TRUST

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Going Concern Assumption (cont)

Based on the expected continued support of the sponsors and bank, the trustees retain confidence in the viability of the Trust, and that preparing the financial statements on a going concern basis is appropriate. The continued use of the going concern assumption is dependent on the Trust receiving the ongoing support of sponsors, effectively using its cash balances of \$916,673 and working within the \$1,000,000 contingency facility available from BNZ Bank.

Depreciation

Depreciation has been calculated on a straight line basis at rates that will write off the cost of the assets to their estimated residual values over their estimated useful lives.

Depreciation rates used are as follows:

	Rate	
Buildings & Multi-Purpose Event Centre	2% - 8.4%	SL
Artwork & Project Sponsored Art	1%	SL
Furniture	3.6% - 67%	SL
Computers and software	7.8% - 67%	SL
Motor Vehicles	13.5% - 21%	SL
Office Equipment	21% - 25.2%	SL
Other	3%	SL
Technical	6.6% - 36%	SL
Vector Wero Whitewater Course	2%	SL
Vector Wero Whitewater Equipment	3% - 67%	SL
Vector Wero Building	2%	SL

Employee Benefits

Short Term employee benefits

Short-term employee benefit liabilities are recognised when the Trust has a legal or constructive obligation to remunerate employees for services provided with 12 months of reporting date, and is measured on an undiscounted basis and expensed in the period in which employment services are provided.

Long term employee benefits

Long-term employee benefit obligations are recognised when the Trust has a legal or constructive obligation to remunerate the employees for services provided beyond 12 months of reporting date. The Trust did not have any long term employee benefits during the current financial period.

Revenue

Services

Exchange revenue from the rendering of services is recognised upon performance of services to the customer. Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Trust and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Non-exchange revenue – Grants, donations, legacies and bequests

Non-exchange revenue from grants, donations, legacies and bequests is recognised upon receipt unless any conditions attached to the inflow of resources received are yet to be completed, which then creates a liability (i.e. present obligation). Revenue is then recognised as the conditions are met.

WAKA PACIFIC TRUST

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Stipulations that specifically require the Trust to return the inflow of resources received if they are not utilised in the way stipulated results in the recognition of a non-exchange liability until the conditions are satisfied.

Stipulations may exist that are in essence restrictions - which do not specifically require the Trust to return the inflow of resources received if they are not utilised in the way stipulated. Such stipulations therefore do not result in the recognition of a non-exchange liability, and do result in the immediate recognition of non-exchange revenue.

Interest Income

Interest income is recognised when received.

Expenditure

Operating lease payments

Payments made under operating lease are recognised in the statement of comprehensive revenue and expense on a straight-line basis over the term of the lease. Lease incentives are recognised in the surplus or deficit over the term as an integral part of the total lease expense.

Borrowing Costs

Borrowing costs are recognised in the surplus or deficit using the effective interest rate method.

Foreign Currency Transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to NZD at the foreign exchange rate ruling at that balance date. Foreign exchange differences arising on their translation are recognised in the surplus or deficit.

Financial Instruments

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

(i) Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using effective interest method.

Financial assets include cash and cash equivalents and accounts receivable.

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(ii) Financial liabilities at amortised cost

Financial liabilities classified as at amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

WAKA PACIFIC TRUST

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Financial Instruments (cont)

Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost comprise loan, trade and other payables.

(iii) Impairment of financial assets

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). This allowance is calculated based on lifetime ECL. In measuring ECL, short-term receivables have been assessed on a collective basis where they possess shared credit risk characteristics. They have been trusted based on the days past due. Where a short-term receivable does not possess these similar characteristics, its ECL is individually assessed. Short-term receivables are written off when there is no reasonable expectation of recovery.

Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

2. PRINCIPAL ACTIVITY

The objects for which the Trust is established are:

- To establish a multi-purpose complex in the Counties Manukau Sub-Region to provide for the cultural community and recreational needs of the diverse Counties Manukau Community and the public at large;
- To operate and administer the multi-purpose complex in a prudent commercial basis so that it is a financially independent community asset; and
- To support clubs, societies and other organisations based on the Counties Manukau Sub-Region that are providing for the cultural community and recreational needs of the diverse Counties Manukau Community; such support to include by way of illustration, but not limitation, grants and/or loans either with or without interest.

Refer to the Statement of Service Performance for more information.

WAKA PACIFIC TRUST

**STATEMENT OF ACCOUNTING POLICIES
AND NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2023

3. PROPERTY, PLANT AND EQUIPMENT

2023	Cost	Depn	Accum Depn	Closing Book Value
Artwork	608,421	7,912	129,398	479,023
Computers & Software	328,402	13,351	317,334	11,069
Furniture	1,216,815	42,870	1,045,471	171,344
Motor Vehicle	175,857	15,400	106,471	69,385
Multi-Purpose Event Centre	50,988,653	1,474,291	24,900,203	26,088,450
Office Equipment	40,903	0	40,903	0
Other	34,725	1,042	18,751	15,974
Project Sponsored Art	84,700	0	84,700	0
Technical	276,147	1,440	273,667	2,480
Vector Wero Building	6,998,942	139,966	911,451	6,087,491
Vector Wero Whitewater Course	28,469,881	569,398	3,984,574	24,485,307
Vector Wero Whitewater Equipment	3,287,384	321,086	2,106,350	1,181,034
	92,510,829	2,586,755	33,919,274	58,591,556

2023	Opening Book Value	Additions/ (Disposals)	Depn	Closing Book Value
Artwork	486,935	0	7,912	479,023
Computers & Software	15,376	9,043	13,351	11,069
Furniture	166,540	47,674	42,870	171,344
Motor Vehicle	8,485	76,300	15,400	69,385
Multi-Purpose Event Centre	27,550,291	12,450	1,474,291	26,088,450
Other	17,015	0	1,042	15,974
Project Sponsored Art	0	0	0	0
Technical	3,920	0	1,440	2,480
Vector Wero Building	6,219,593	7,864	139,966	6,087,491
Vector Wero Whitewater Course	25,054,705	0	569,398	24,485,307
Vector Wero Whitewater Equipment	1,439,432	62,685	321,086	1,181,034
	60,962,282	216,016	2,586,755	58,591,556

WAKA PACIFIC TRUST

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

3. PROPERTY, PLANT AND EQUIPMENT (cont)

2022	Cost	Depn	Accum Depn	Closing Book Value
Artwork	608,421	7,912	121,486	486,935
Computers & Software	319,359	15,573	303,983	15,376
Furniture	1,169,141	42,486	1,002,601	166,540
Motor Vehicle	129,991	15,624	121,506	8,485
Multi-Purpose Event Centre	50,965,003	1,474,648	23,414,712	27,550,291
Office Equipment	40,903	0	40,903	0
Other	34,725	1,042	17,710	17,015
Project Sponsored Art	84,700	3,399	84,700	0
Technical	276,147	1,440	272,227	3,920
Vector Wero Building	6,991,078	139,822	771,485	6,219,593
Vector Wero Whitewater Course	28,469,881	569,298	3,415,177	25,054,705
Vector Wero Whitewater Equipment	3,224,685	302,820	1,785,264	1,439,421
	<u>92,314,035</u>	<u>2,574,063</u>	<u>31,351,754</u>	<u>60,962,282</u>

4. CAPITAL WORK IN PROGRESS

2023

2022

Work in Progress

\$673,692

\$553,618

There is \$673,692 (2022: \$553,618) work in progress recorded as at balance date that relates to the WERO Climb project and the replacement of the WERO filtration system. The WERO Climb project was put on hold due to COVID-19, but the trust is looking to resume this project by the end of the coming year and is currently actively sourcing funding from various entities for its development costs.

5. RELATED PARTY DISCLOSURES

The Waka Pacific Trust (WPT) entered into a lease agreement with the Manukau City Council (now Tataki Auckland Unlimited) for the use of the land on which the Indoor Event Centre and the Stage 2 "Wero" is situated. The lease is for 99 years at an annual lease charge of \$1, if demanded.

No grants or sponsorships were received from entities for whom WPT Trustees work for or have Trusteeship roles (2022: \$ nil).

WPT did not purchase any products or services from entities the Trustees are related to. Parties related to the Trustees have hired the facilities of WPT on normal commercial terms during the 2023 year.

WAKA PACIFIC TRUST

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

5. RELATED PARTY DISCLOSURES (cont)

All the related party transactions were at arm's length. All the transactions were approved by the Board of Trustees. Trustees have removed themselves from discussion where there has been an interest in regards to any decision made.

6. CAPITAL COMMITMENTS

The Trust has no contractual commitments at balance date (2022: \$ nil).

The Trust is still fundraising for funds towards further enhancement of the facility including the WERO Climb project which is in the last stage of design.

7. THE ORIGINAL ART SALE LIMITED

The Original Art Sale Limited is an inactive company wholly owned by Waka Pacific Trust. Sir Noel Robinson (former Trust Chairman) and David Comery (CEO) of Waka Pacific Trust are also Directors of The Original Art Sale Limited.

8. SPONSORSHIPS AND GRANTS

Sponsorship of \$490,000 (2022: \$540,000) was received from various sponsors in the 2023 financial year including Due Drop Foundation, Vector, Coca Cola and other corporate entities.

Grants include \$210,000 received for pump maintenance and upgrade (2022: included \$535,000 for new filtration systems).

9. INVESTMENT PARTNERSHIP

During the current financial year, the Trust received \$406,197 (2022: \$380,490) from Tataki Auckland Unlimited (TAU), with an amount of \$96,074 included in unearned income in the statement of financial position. TAU have confirmed that this support will continue on an ongoing basis to support the event centre community aspirations but not be allocated toward Vector Wero operations.

10. BANK

Bank balances are held in accounts with BNZ Bank.

WAKA PACIFIC TRUST

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

11. TRADING INCOME

	2023	2022
Trading Income	7,541,034	4,230,224
Less: Trading Expenses	<u>4,246,231</u>	<u>2,570,215</u>
Gross Trading Surplus	3,294,803	1,660,009
Less: Overheads	3,106,531	2,736,417
Repairs and Maintenance	<u>567,170</u>	<u>343,105</u>
Net Operating (Deficit) / Surplus	<u>(378,897)</u>	<u>(1,419,514)</u>

Net Trading operating surplus / (deficit) is the position achieved before non-event income such as sponsorship, grants or interest income and before the recognition of interest costs, depreciation and non-operational charges. The repair and maintenance cost covers current operational expenses. Furthermore the trading income does not include the TAU Service Contract as noted in Note 9; although some operating costs for delivery of TAU Service Contract outputs are included in the aforementioned operating overheads.

12. SUNDRY INCOME

Sundry income received by the Trust during the year includes rental income from Eventfinda annual licence, billboard income, resurgence payment from the government and wages subsidies from the Ministry of Social Development for \$13,574 (2022: \$539,920) to aid the impact of Covid-19 on its operation.

13. COMMUNITY GOOD

During the year the Trust provided access to its facilities to a large number of schools, charities and other community focused groups. The Trust's total sponsorship or forgone revenue for discounts given in providing continued community access to the centre in this way was \$773,751 (2022: \$403,217) from DDEC and \$771,854 (2022: \$459,381) from WERO. Since opening in 2005 this figure is now \$13,788,643.

14. CONTINGENT LIABILITIES

There were no contingent liabilities at balance date (2022: \$ nil).

15. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

	2023	2022
Trade Payables	636,540	380,992
Sundry Creditors	<u>136</u>	<u>1,772</u>
Total Payables from Exchange Transactions	<u>636,676</u>	<u>382,764</u>

WAKA PACIFIC TRUST

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

16. ACCOUNTS RECEIVABLE FROM EXCHANGE TRANSACTIONS

	2023	2022
Trade Receivables	235,531	89,163
Sundry Debtors	<u>3,096</u>	<u>3,370</u>
Total Receivables from Exchange Transactions	238,627	92,533

17. EMPLOYEE ENTITLEMENTS

	2023	2022
Annual Leave	70,142	93,349
Salary and wages accrual	<u>110,747</u>	<u>132,288</u>
	180,889	225,637

18. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The carrying values of financial instruments are as follows:

	2023	2022
Financial Assets at Amortised Cost		
Cash and Cash Equivalents	916,673	640,026
Accounts Receivable	<u>235,531</u>	<u>89,163</u>
Total Financial Assets at Amortised Cost	1,152,204	729,189

Financial Liabilities at Amortised Cost

Loans	980,000	1,053,000
Trade and Other Payables	<u>636,675</u>	<u>382,764</u>
Total Finance Liabilities at Amortised Cost	1,616,675	1,435,764

The Trust is a party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, receivables and payables.

Credit Risk

In the normal course of its business, the Trust incurs credit risk from receivables and from transactions with financial institutions. The Trust has no significant concentrations of credit risk. No collateral or security is held or given to support financial instruments.

Interest Rate Risk

The Trust is exposed to interest rate risk on loans at the end of the financial year at a floating rate of 7.9% per annum.

Fair Value

The estimated fair values of all financial assets and liabilities are equivalent to the carrying amounts disclosed in the statement of financial position.

Creditors and Other Payables

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms. The carrying value of creditors and other payables approximates their fair value. All creditors and other payables are from exchange transactions.

WAKA PACIFIC TRUST

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

19. BNZ LOAN FACILITY

The Trust has had a BNZ facility loan facility for over five years and at balance date \$980,000 was drawn down. During the year the BNZ has extended the term of the facility and set the facility at \$1.98m. The terms of the facility are commercial and the face value is considered to represent fair value. There are no set repayment requirements.

20. GOVERNMENT BUSINESS CASHFLOW LOAN

Waka Pacific Trust had suffered a loss of revenue during the pandemic and was therefore eligible to apply for the COVID-19 Small Business Cashflow Loan. An advance of \$73,000 was received and the loan was repaid in full in May 2022, within the interest free period as offered by the scheme.

21. KEY MANAGEMENT PERSONNEL AND COMPENSATION

Key management and personnel are considered to be the board of trustees and the leadership team.

	2023	2022
Trustees		
Full time equivalent members	0.5	0.5

During the year no Trustee received any form of payment or honorarium. Trustees have collectively donated over 1,000 hours of their own time during this period (2022: over 1,000 hours) which is considered to be equivalent of 0.5 FTE.

The Trustees meet 6 times per year. Meeting and preparation is 8 hours per Trustee per meeting. The Chairman spends approximately 4 hours per week in addition to this.

Leadership Team

	2023	2022
Remuneration	\$890,164	\$ 909,225
Full Time Equivalent members	6.1	7

Independent Auditor's Report

To the Trustees of Waka Pacific Trust

Opinion

We have audited the general purpose financial report (hereinafter referred to as "financial report") of Waka Pacific Trust ("the Trust") which comprises the financial statements on pages 15 to 29 and the statement of service performance on pages 4 to 12. The complete set of financial statements comprises the statement of financial position as at 31 March 2023, the statement of comprehensive revenue and expense, statement of changes in net assets, and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial report presents fairly, in all material respects:

- The financial position of the Trust as at 31 March 2023, and its financial performance and its cash flows for the year then ended; and
- The service performance for the year ended 31 March 2023 in accordance with the entity's service performance criteria

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the statement of service performance in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We are independent of the Trust in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Other matter

The corresponding service performance information for the year ended 31 March 2022 is unaudited.

Other information

The board is responsible for the other information. The other information comprises directory page 1, board members' report and statement of responsibility on page 2 & 3 and looking to the future on page 13 & 14 (but does not include the financial report and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the financial report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the board for the financial report

The board is responsible, on behalf of the Trust, for:

- (a) The preparation and fair presentation of the financial statements and statement of service performance in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;
- (b) Service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- (c) Such internal control as the board determines is necessary to enable the preparation of the financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the board is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the statement of service performance, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this financial report.

A further description of the auditor's responsibilities for the audit of the financial report is located at the XRB's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-14/>

Who we report to

This report is made solely to the trustees, as a body. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Waka Pacific Trust and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A stylized, handwritten-style signature of 'RSM' in blue ink.