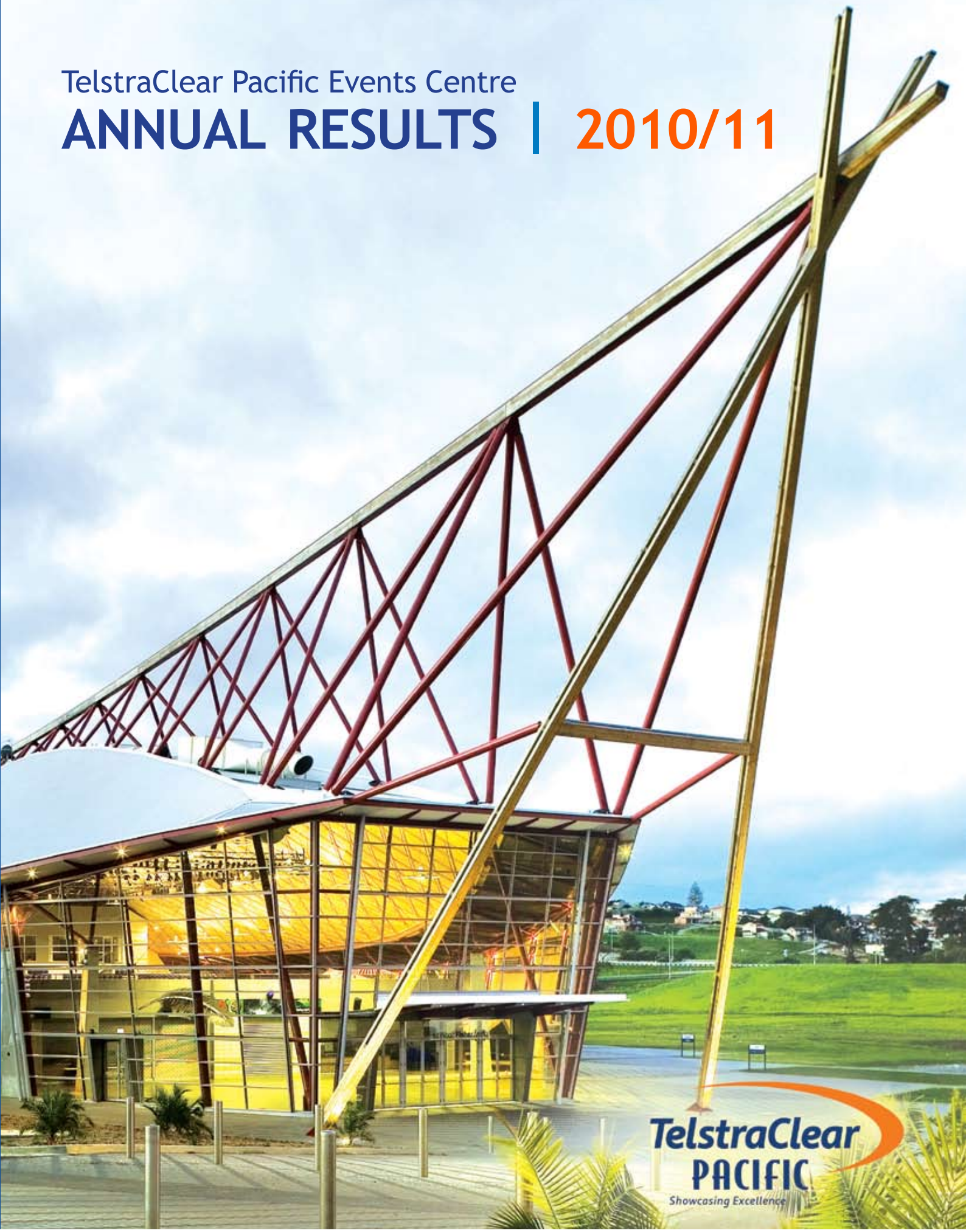


TelstraClear Pacific Events Centre

ANNUAL RESULTS | 2010/11



TelstraClear
PACIFIC
Showcasing Excellence

Counties Manukau Pacific Trust

Financial Statements

For the year ended 31 March 2011

Reporting, except for FRS19 Accounting for Goods and Services Tax which it has complied with fully.

Goods and Services Tax

The Statement of Financial Performance 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 Charities Commission 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.

Grant and Sponsorship Income

Grant and sponsorship income is recognised when monies are physically received from donors or sponsors. Expenses are matched against this income.

Operating Leases

Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are charged to the Statement of Financial Performance in the periods in which they are incurred.

Fixed Assets

The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended service. The cost of self constructed assets includes the cost of all materials used in construction, direct labour on the project, and costs of obtaining consents, financing costs that are directly attributable to the project. Costs cease to be capitalised as soon as the asset is ready for productive use.

Capital work in progress (WIP) relates to work in relation to stage 2 and will be capitalised once completed.

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of net tangible and identifiable intangible assets acquired at the time of acquisition of a business. Goodwill is amortised on a straight line basis over a period of ten years.

Depreciation

Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2004. Artwork has been excluded from this approach from 1 April 2010 as the Trustees feel the pieces acquired to date will hold their value or appreciate so the useful life has been extended to 100 years. The depreciation recorded in prior years, 7.8 - 8.4% SL has not been reversed.

Depreciation rates used are as follows:

	Rate	
Building	2% - 8.4%	SL
Artwork	1%	SL
Furniture	3.6% - 67%	SL
Computers and software	7.8% - 48%	SL
Office Equipment	21% - 25.2%	SL
Other	3%	SL
Technical	6.6% - 36%	SL

Going Concern Assumption

These financial statements disclose an operating deficit of \$771,084 and working capital deficit of \$45,196. The continued use of the going concern assumption is dependent upon the Trust receiving the ongoing support of funders, sponsors and budgeted trading levels. The Trustees have full expectation of this ongoing support and the ability to adjust overhead expenses to levels of trade.

2. CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies.

3. 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.

4. FIXED ASSETS

2011	Cost	Depn	Accum Depn	Book Value
Computers & Software	155,599	18,305	140,160	15,439
Furniture	711,158	74,936	354,904	356,254
Office Equipment	40,903	346	40,880	23
Artwork	418,902	3,986	67,723	351,178
Technical Equipment	276,147	16,744	114,343	161,804
Other	34,725	1,042	6,251	28,475
Multi-Purpose Event Centre	44,527,352	1,333,921	8,081,142	36,446,210
Project Sponsored Art	84,700	7,115	32,962	51,738
	\$46,249,486	\$1,456,395	\$8,838,365	\$37,411,120

2010	Cost	Depn	Accum Depn	Book Value
Computers & Software	146,577	19,943	121,855	24,721
Furniture	592,559	51,095	279,968	312,592
Office Equipment	40,903	4,404	40,535	369
Artwork	395,031	3,946	63,737	331,294
Technical Equipment	256,147	16,504	97,599	158,548
Other	34,725	1,042	5,209	29,516
Multi-Purpose Event Centre	44,510,832	1,333,604	6,747,221	37,763,611
Project Sponsored Art	84,700	7,115	25,847	58,853
	\$46,061,474	\$1,437,652	\$7,381,971	\$38,679,504

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2011	2010
REVENUE			
Sponsorship & Grants	11	545,001	583,667
Service Agreements	12	385,000	384,996
Interest		15,505	2,688
Sundry Income		14,544	9,000
Trading Income	16	3,753,589	3,461,305
TOTAL REVENUE		4,713,639	4,441,656
NET SURPLUS/(DEFICIT)	17	(771,084)	(652,181)
NET SURPLUS/(DEFICIT) TO ACCUMULATED FUNDS		(\$ 771,084)	(\$ 652,181)

STATEMENT OF FINANCIAL POSITION as at 31 March 2011

	Note	2011	2010
ACCUMULATED FUNDS			
Corpus		10	10
Trustees Accumulated Funds		38,398,802	39,169,886
		38,398,812	39,169,896
Represented by:			
CURRENT ASSETS			
Bank	13	915,487	152,504
Accounts Receivable		136,112	136,287
Goods & Services Tax Receivable		5,383	
		1,056,982	288,791
Less CURRENT LIABILITIES			
Accounts Payable & Accruals	1,091,298		758,009
Sundry Creditors	10,880		9,756
Goods & Services Tax Payable	-		22,309
		1,102,178	790,074
WORKING CAPITAL		(45,196)	(501,283)
ADD NON-CURRENT ASSETS			
Fixed Assets	4	37,411,120	38,679,504
Capital Works in Progress	5	1,031,415	989,942
Goodwill	22	1,473	1,733
NET ASSETS		\$38,398,812	\$39,169,896

STATEMENT OF MOVEMENTS IN ACCUMULATED FUNDS

	2011	2010
STATEMENT OF MOVEMENTS IN EQUITY		
Accumulated Funds at Beginning of the Year	39,169,886	39,822,067
Add Surplus/(Deficit) for the Year	(771,084)	(652,181)
NET MOVEMENT DURING THE YEAR	(771,084)	(652,181)
ACCUMULATED FUNDS AT END OF THE YEAR	\$38,398,802	\$39,169,886

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

1. STATEMENT OF ACCOUNTING POLICIES

GENERAL ACCOUNTING POLICIES

Reporting Entity

Counties Manukau Pacific (Trust) is a charitable trust incorporated under the Charitable Trust Act 1957. For financial reporting purposes only the Trust is considered a Council Controlled Entity by virtue of the Funding Deed it has in place with Manukau City Council. This does not impact on the role or independence of the Trust. Refer also to note 12 for details of change from Manukau City Council to Auckland Regional Facilities Ltd.

Measurement Base

The general accounting policies as recommended by the New Zealand Institute of Chartered Accountants 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.

PARTICULAR ACCOUNTING POLICIES

The financial statements are prepared in accordance with New Zealand generally accepted accounting practice (GAAP) as defined by Financial Reporting Standards & applicable Statements of Standard Accounting Practice. The following particular accounting policies which materially affect the measurement of financial results and financial position have been applied.

Differential Reporting

In the terms of the New Zealand Institute of Chartered Accountants framework for differential reporting, Counties Manukau Pacific Trust is not publicly accountable and is not large. Accordingly, it has taken advantage of all differential reporting exemptions allowed under the Framework for Differential

5. CAPITAL WORKS IN PROGRESS

	2011	2010
Work in Progress	1,031,415	989,942

The costs reflected in capital works in progress relate to Stage 2 of the building project.

Stage 2 completes the Trusts vision of establishing an irresistible destination. The core of Stage 2 is an international white water stadium that is detailed at www.stage2.co.nz. The Trust has gained resource consent for stage 2. That consent expires in 10 years.

6. ASSET MAINTENANCE RESERVE

The Counties Manukau Pacific Trust has developed a rolling twenty five year maintenance programme to sustain the building at a satisfactory level during its life span. To ensure cash reserves are available to implement this programme, an asset maintenance reserve is held as an accrual at year end and funded from operating revenues. The balance of this reserve is \$245,418 (2010: \$208,472).

7. RELATED PARTY DISCLOSURES

The Counties Manukau Pacific Trust entered into a lease agreement with the Manukau City Council for the use of the land on which the Indoor Event Centre is situated. The lease is for 99 years at an annual lease charge of \$1, if demanded.

The Trustees, M Shaddick and Sir Noel Robinson are involved with various entities. These entities have provided the Trust with sponsorship and/or grants to assist with the project.

M Hutcheson is a Director of Image Centre who provided print and design services to the Trust.

T Spragg is related to Manukau Symphony Orchestra which is a client of the Trust who has used the Genesis Energy Theatre.

Sir Noel Robinson is a Director of Hampden Fence Limited AKA Hampden Fencing who installed and supplied mesh fencing to the Trust.

The Original Art Sale Limited is a company wholly owned by Counties Manukau Pacific Trust. See Note 9 for details.

All the related party transactions were at arms 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.

8. CAPITAL COMMITMENTS

There are no capital commitments during the year. (2010: nil)

9. THE ORIGINAL ART SALE LIMITED

The Original Art Sale Limited is an inactive company wholly owned by Counties Manukau Pacific Trust. The Trust acquired the rights to the "The Original Art Sale" event and the results of this event are included in the financial statements of Counties Manukau Pacific Trust. Sir Noel Robinson (Trustee) and Richard Jeffery (CEO) of Counties Manukau Pacific Trust are also Directors of The Original Art Sale Limited.

10. TRUSTEES/HONORARIUM

During the year no trustee received any form of payment or honorarium. Trustees collectively have donated over 1,000 hours of their own time during this period (2010: 1,000).

The Trustees meet 10 times per year. Meeting and preparation time is 8 hours per Trustee. The chairman spends approx 4 hours per week in addition to this.

11. SPONSORSHIP AND GRANTS

Major sponsorships for 2011 were received from:

Genesis Energy TelstraClear

12. SERVICE AGREEMENT AND CHANGE TO AUCKLAND REGIONAL FACILITIES LTD

The Trust entered into a service agreement for \$385,000 per annum with Manukau City Council for which the Council receives benefits.

The Local Government (Tamaki Makaurau Reorganisation) Act 2009, dissolved the Manukau City Council and group on 31 October 2010. The functions, duties and powers of Manukau City Council and group became the functions, duties and powers of the Auckland Council, the single unitary authority responsible for governing the Auckland region from 1 November 2010. All of Manukau City Council and group's assets, rights, liabilities, contracts, entitlements and engagements vested in the Auckland Council group at that date. The obligations of the Manukau City Council in regard to this service agreement are now managed by Regional Facilities Auckland Ltd. with whom the trust has a constructive working relationship.

13. BANK

Bank balances were held in short term deposits with the ASB Bank.

14. TRADING NAME

The Trust's legal name is "Counties Manukau Pacific Trust" but trades under the Trading name of "TelstraClear Pacific".

15. BANK OVERDRAFT

The Trust had an overdraft facility with ASB Bank which was used to pay for capital work to establish the event centre. The limit was \$7.5 million. It is secured by a guarantee from the Manukau City Council. The overdraft has been fully repaid during the year.

Sponsorship funds and instalments were used to pay the overdraft and the respective building costs.

16. OPERATING & TRADING INCOME

	2011	2010
Operating Income	3,753,589	3,461,305
Less: Operating Expenses	2,340,519	1,984,135
Gross Operating Surplus	1,413,070	1,477,170
Less: Overheads	1,398,883	1,441,951
Net Operating (Deficit)/ Surplus	14,187	35,219

Net operating surplus 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. Furthermore the operating income does not include the Manukau City Council Service Contract as noted in Note 12.

Trust achieved a net operating surplus from trading before depreciation and interest of \$669,804. These trading activities generated a cash surplus of \$992,466 which was applied to capital expenditure of \$229,483 and a \$762,983 increase in the net bank position.

17. NET SURPLUS/(DEFICIT)

Net Surplus/(Deficit) includes:

	2011	2010
Depreciation	1,456,394	1,437,652
Bad & Doubtful debts expense	31,389	5,692
Interest and finance charges	2,740	7,893
Rental and operating lease expenses	16,209	16,203
Auditors fees	19,793	15,000
Goodwill amortisation	260	260

18. OPERATING LEASE COMMITMENTS

Commitments under non-cancellable operating leases:

	2011	2010
Current	18,385	16,209
Non-current	10,409	27,015
Total operating lease commitments	28,794	43,224

19. IMPACT OF ADOPTING NEW ZEALAND EQUIVALENTS TO IFRS

In September 2007 the Accounting Standards Review Board (ASRB) announced that a postponement of mandatory adoption of NZ IFRS was available for some New Zealand reporting entities in recognition of the significant ongoing debate surrounding the applicability of these new standards to some entities. Under the announced criteria Counties Manukau Pacific Trust is able to delay the adoption of NZ IFRS.

For reasons of time and cost efficiency and to enable the NZ IFRS environment to be clarified the Board of Trustees have resolved to delay the adoption of the new standards.

20. TREASURY FUNDS

The Trust aims to accumulate Treasury Funds of \$1,000,000 by years 2012/13 to assist with planned maintenance of the facility and unforeseen events.

21. 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 trusts total sponsorship or forgone revenue in providing continued community access to the centre in this way was \$602,024.

22. AMORTISATION

The acquisition cost for the rights to the Original Art Sale (Note 9) on 14th of November 2006 included goodwill of \$2,600. This goodwill is being amortised on a straight line basis over 10 years.

DIRECTORY

Settlor	Sir Barry Curtis	
Date Settled	2 October 2000	
Trustees	Sir Noel Robinson KNZM - Chairman Karen Avery Ted Ngataki Hamish Crooks Terry Spragg MNZM Stephen Bootten (retired 24 June 2010) Michael Boggs (retired 1 March 2011) John Robertson (retired 1 December 2010) Maureen Shaddick Mike Hutcheson Colin Dale CNZM,JP (appointed 1 March 2011) John Bongard ONZM (appointed 1 March 2011) Luke Patterson (appointed 1 March 2011)	
Chief Executive Officer	Richard Jeffery	
Solicitors	Brookfields Lawyers Auckland	Buddle Findlay Lawyers Auckland
Bankers	ASB Bank Auckland	
Address	770 Great South Road, Manukau City	
Accountants	CST Nexia Limited, Manukau City	
Auditors	Craig Fisher of Hayes Knight Audit As Approved Auditor of Auditor General	
Registered Charity Number	CC10294	

ELECTORAL COLLEGE MEMBERS

The following people have been appointed to the Electoral College to appoint, replace and monitor the performance of Trustees to the Counties Manukau Pacific Trust. Trustees are appointed and replaced on a rotational basis.

1. Bev Smaill	Company Director
2. Graham Pryor	Company Director
3. Peter Goldsmith	Chairman, Electoral College
4. Sir George Fistonich KNZM	Founder of Villa Maria
5. Julie Wade	representing Te Kauhanganui o Waikato, Waikato Raupata Lands Trust

THANK YOU TO OUR SPONSORS

TelstraClear . Regional Facilities Auckland Ltd . ASB Community Trust . Genesis Energy . Sir Woolf Fisher Charitable Trust . Lion Foundation . Fisher & Paykel New Zealand Lottery Grants Board . ASB . Danmemora Holdings and Fulton Hogan Panasonic . Sky City Auckland Community Trust . Auckland Airport . Lotto The Southern Trust . Carter Holt Harvey . Bayleys . Perry Foundation New Zealand Community Trust . Cadbury . Streets . Villa Maria Estate Coca Cola Amatil (NZ) Ltd . Dyson . Lion Nathan

2010/11 Highlights

Mayoress Charity Gala Ball raised \$170,000 for Kidz First

\$602,000 given in direct community sponsorship

Over 16,000 students attended our Schools Programme

Delivery of New Zealand's largest Schools Programme
(Performing Arts Centres)

The Trust continues to exceed financial targets

Home to the Manukau Symphony Orchestra

Host to the Manukau Festival of Arts 2010

Over 1.5 million visitors since opening

65% of events were community based

Matariki Scholarship awarded

Over 400 great events

Celebrated our 5th Birthday

For a complete copy of our audited financial statements and
accompanying audit report refer to our website

TelstraClear Pacific Events Centre
770 Great South Road, Manukau 2104
09 976 7777
www.pacific.org.nz

All made possible for our community with the support of our sponsors

