

WAKA PACIFIC TRUST

FINANCIAL REPORT

FOR THE YEAR ENDED
31 March 2024

WAKA PACIFIC TRUST

FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024

CONTENTS

Page	1	Directory
	2-3	Board Members Report and Statement of Responsibility
	4-12	STATEMENT OF SERVICE PERFORMANCE
	13-14	LOOKING TO THE FUTURE
		FINANCIAL STATEMENTS
	15	Statement of Comprehensive Revenue and Expense
	16	Statement of Changes in Net Assets/Equity
	17	Statement of Financial Position
	18	Statement of Cash Flows
	19 – 29	Statement of Accounting Policies and Notes to the Financial Statements
	30 - 31	Auditor's Report

WAKA PACIFIC TRUST

DIRECTORY

FOR THE YEAR ENDED 31 MARCH 2024

Settlor	Sir Barry Curtis
Date Settled	2 October 2000
Trustees	John Bongard ONZM, CRSNZ - Chairman Emma Lewisham Chelsea Herbert Martin Cooper Jeremy Hay Sky Cai Mark Robinson Jacoba Matapo (commenced 17/10/23) Andrew Scott (commenced 15/8/23)
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 2024

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 2024, 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 2024;
- 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 2024;
- 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 2024;
- 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 2024; 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 2024

For and behalf of the Board:


Chairman

3-7-24
Date


CEO

03/07/24
Date

Waka Pacific Trust
Statement of Service Performance
For the year ended 31 March 2024



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.

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.

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 Olympic standard 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.

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.



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.

Due Drop Events Centre

	23/24	22/23
Revenue	\$8,178,320	\$6,426,174
#Events - Total	270	263
#Attendees - Total	243,207	188,294
#Community Events	56	46
#School Events	11	16

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



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

In 2023, the schools and community programme enabled by the Due Drop Foundation provided 93,096 children and youth access to subsidised or fully sponsored creative arts events. We were able to collaborate with the Royal New Zealand Ballet, Tim Bray Theatre Company, Pacifica Arts Centre, Nightsong, National Youth Theatre, Atamira Dance Company, Ma-ori Myths by the Sandman and various schools with their Dance Concerts providing students with a wide variety of experiences. The Trust with the support of the Due Drop Foundation was able to support schools and community events by assisting with artists' fees, venue hire, labour, and AV technical costs. Along with our ongoing programme partners we are delighted to extend our schools programme to Duffy Books In Homes' already varied and successful, with our 2023 line up. We are excited to be building upon our schools' programme and believe these opportunities will enrich lives

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>	
	23/24	22/23
Children engaged (in person)	85,767	56,197
Children registered on-line	7,329	15,975
# Schools participating	104	105
# Community Events	56	46
\$ value of subsidies	797,894	547,914

Waka Pacific Trust sponsored Rosehill Intermediate School, Hingaia Peninsula School, St Patrick's School, Manurewa Central School, and Birkdale Primary School transportation to attend The Royal New Zealand Ballet show, Ballet in a Box.



2. Vector Wero Whitewater Park (VWWP)

Vector Wero Whitewater Park enjoys a long-standing commitment to providing the largest schools and community programme for whitewater experience in the world. With the naming rights sponsorship and support from Vector Limited we had a record-breaking year, with 20,345 students participating in our schools' programme and gaining vital water safety skills for life.



We seek to have as many clubs and their members active on the water as possible. Currently we are home to:

- Auckland University Canoe Club
- Manukau Canoe Club
- Tamaki Paddlesports Club
- Auckland Canoe Polo
- Waitemata Canoe and Multisport Club

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		
	23/24	22/23
Revenue	\$1,309,171	\$1,116,868
Attendance (Total pax)	31,346	27,932
# Clubs active	5	5
CSNZ training sessions	157	161
Emergency service usage (programmes)	18	6

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

- 20,345 students and youth have joined our whitewater and water safety programmes.
- 4,876 students participated in fully funded programmes.
- We provided customised activities for children and youth to learn survival skills in moving water.

Our first Making Waves Disability Water Day was held, catering exclusively to those living with impairments and disabilities.

	<u>Vector Wero Whitewater Park</u>	
	23/24	22/23
Children attending	20,345	16,469
# Schools participating	178	142
\$ value of subsidies	\$906,164	\$771,854

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 Drowning Prevention Auckland, Trillian Trust, Four Winds Foundation, Grassroots Foundation, Active Auckland Sport & Recreation, John Walker Find Your Field of Dreams, CLM Community Sport, and other organisations.



We seek to strengthen the growing relationship between Vector Wero Whitewater Park with Sport NZ (incorporating High Performance Sport NZ) and the ACC.

3. Momentum Hub

The Momentum Hub is a service provision for the charitable sector, not 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, Tawai Takapiri Connect Futures NZ, Life Education Trust, Canoe Slalom NZ, YMCA Raise Up, Youthtown, Manukau Symphony Orchestra, Counties Manukau Rugby League.

Youthtown is our most recent arrival. Their work is gaining more focus on the youth of South Auckland and this fits well with the criteria used for all Momentum Hub tenants.

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.



How are we doing?

	<u>Momentum Hub</u>	
	23/24	22/23
# Charities given free space	9	8

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.

Third Party Social Impact Measurement – *Impact Lab*

The Waka Pacific Trust Board determined that the inclusion of a third-party audit of our social impact would be a worthy and valuable exercise. To that end *Impact Lab* was contracted to provide such a service.

The outcome of that study was:



The associated value attributed to this was:

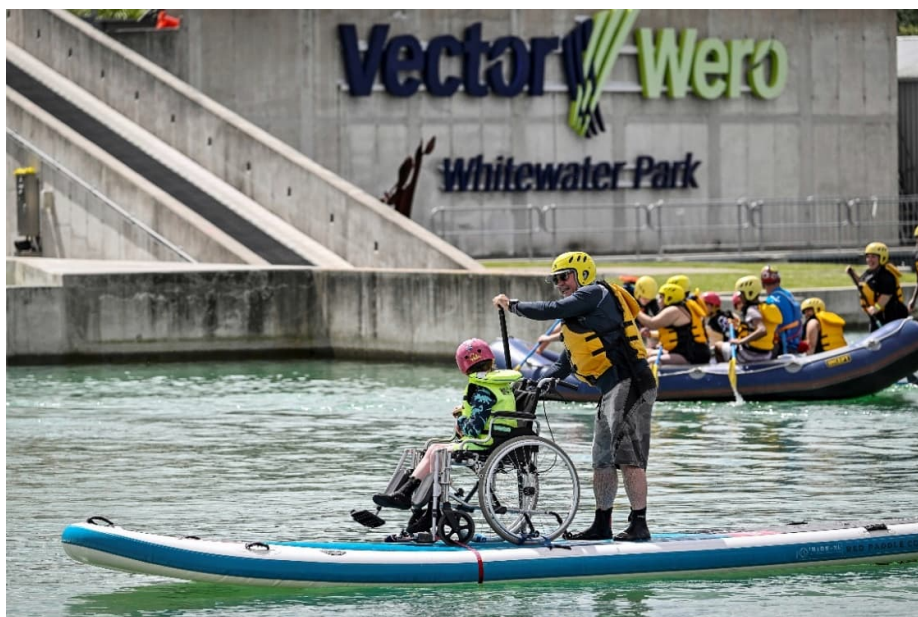


The intention of the Trust in relation to Impact Lab would be to have an occasional check-in to keep current (perhaps on a triennial basis) rather than every year.

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 Performance 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.

100,000 students in 2023

We are pleased to announce we have achieved our goal of 100,000 students and youth through our discounted or free programmes two years earlier than anticipated.



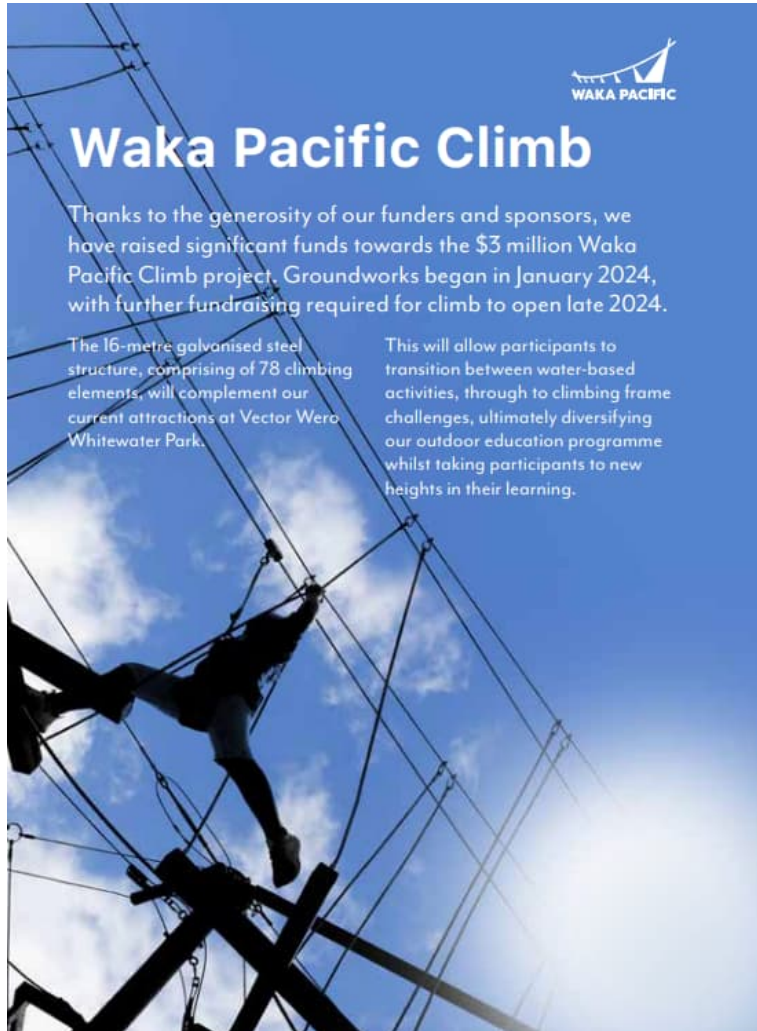
This was a tremendous achievement, which couldn't have been possible without the support we have received from our programme partners, the dedicated and professional people who make up our team, and the wider community.

The Trust recognises the privileged position we hold within the community, and we take great pride in remaining steadfast to our promise of serving children and young people through events, the creative arts, whitewater and outdoor activities, whitewater safety programmes, leadership development, and sport every single year.

Our drive remains strong, as we now look ahead to the new year with new targets of serving our community with the addition of Waka Pacific Climb, alongside growing our programme partners to maximise our schools' and community programmes.

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.



WAKA PACIFIC

Waka Pacific Climb

Thanks to the generosity of our funders and sponsors, we have raised significant funds towards the \$3 million Waka Pacific Climb project. Groundworks began in January 2024, with further fundraising required for climb to open late 2024.

The 16-metre galvanised steel structure, comprising of 78 climbing elements, will complement our current attractions at Vector Wero Whitewater Park.

This will allow participants to transition between water-based activities, through to climbing frame challenges, ultimately diversifying our outdoor education programme whilst taking participants to new heights in their learning.

The Trust has been successful in raising significant funds for this project in a very challenging environment. The total raised as at 10 April 2024 is \$2,888,000 which represents >95% of the total cost. Board approval for the project is expected to be given at the April Board meeting with supplier contracts signed in early May. Final commissioning is expected in March 2025.

WAKA PACIFIC TRUST

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024	2023
<i>Exchange Revenue</i>			
Sponsorship Recognised	8	485,000	490,000
Interest and Dividends		42,390	5,786
Trading Income		9,483,946	7,541,034
Sundry Income	12	143,031	50,089
		<u>10,154,367</u>	<u>8,086,909</u>
<i>Non-Exchange Revenue</i>			
Grants Recognised	8	540,694	220,028
TAU Service Contract	9	356,759	310,123
Sundry Income	12	0	13,574
		<u>897,452</u>	<u>543,725</u>
TOTAL REVENUE		11,051,819	8,630,634
Direct Costs for Trading		4,813,183	3,652,595
Direct Costs for Trading – Employee Benefits		684,263	593,634
Employee Benefits		2,275,684	1,774,417
Depreciation	3	2,624,547	2,586,742
Repairs and Maintenance		454,949	567,170
Interest and Finance Charges		98,865	71,911
Utilities		398,545	333,050
Marketing, Promotion and Community Programme Costs		380,289	572,938
Insurance, Communications and Other Operating Overheads		1,135,448	999,064
TOTAL EXPENDITURE		12,865,774	11,151,521
TOTAL COMPREHENSIVE REVENUE AND EXPENSE TO ACCUMULATED FUNDS		<u>(1,813,954)</u>	<u>(2,520,887)</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 2024**

	Note	2024	2023
Accumulated Funds at Beginning of the Year		56,649,674	59,170,561
Add Surplus/(Deficit) for the Year		(1,813,954)	(2,520,887)
ACCUMULATED FUNDS AT END OF THE YEAR		<u>54,835,720</u>	<u>56,649,674</u>
Settled Fund		10	10
TOTAL EQUITY		<u>54,835,730</u>	<u>56,649,684</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 2024**

	Note	2024	2023
EQUITY			
Settled Fund		10	10
Trustees Accumulated Funds		54,835,720	56,649,674
		<u>54,835,730</u>	<u>56,649,684</u>
Represented by:			
CURRENT ASSETS			
Bank	10	1,855,922	916,673
Accounts Receivable from exchange transactions	16	221,370	238,627
Goods & Services Tax Receivable		5,134	0
		<u>2,082,426</u>	<u>1,155,300</u>
LESS CURRENT LIABILITIES			
Trade and Other Payables	15	457,111	636,675
Accruals		548,676	380,511
Employee Entitlements	17	148,733	180,889
Unearned Income		1,800,096	716,435
Deposits Held		656,225	828,688
Goods & Services Tax Payable		0	47,666
		<u>3,610,841</u>	<u>2,790,864</u>
WORKING CAPITAL		(1,528,415)	(1,635,564)
ADD NON-CURRENT ASSETS			
Property, Plant and Equipment	3	56,866,313	58,591,556
Capital Works in Progress	4	477,832	673,692
		<u>57,344,145</u>	<u>59,265,248</u>
LESS NON-CURRENT LIABILITIES			
BNZ Loan	19	980,000	980,000
		<u>980,000</u>	<u>980,000</u>
NET ASSETS		<u>54,835,730</u>	<u>56,649,684</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 2024

	Notes	2024	2023
Cash Flows from Operating Activities			
Proceeds Received :			
Receipts from Customers		9,177,384	7,669,734
Grants and Donations		970,000	1,116,225
COVID Wage Subsidy		0	5,374
Net GST Received		0	81,364
Payments Made :			
To Suppliers		7,336,727	5,902,724
To Employees		2,899,739	2,243,110
Net GST Paid		73,972	0
Net Cash Inflow/(Outflow)from Operating Activities		(163,053)	726,863
Cash Flows from Investing Activities			
Grants and Donations for Capital Work		1,862,239	0
Proceeds from Sale of Property		0	25,000
Purchase of Property, Plant and Equipment		(703,444)	(336,090)
Net Cash Inflow/(Outflow)from Investing Activities		1,158,795	(311,090)
Cash Flows from Financing Activities			
Interest Received		42,390	5,785
Repayment of Loans		0	(73,000)
Interest Paid		(98,882)	(71,911)
Net Cash Inflow/(Outflow)from Financing Activities		(56,493)	(139,126)
Net Cash Inflow/(Outflow)		939,249	276,647
Opening Cash and Cash Equivalents		916,673	640,024
Closing Cash and Cash Equivalents		1,855,922	916,673
Represented by:			
Cash & Cash Equivalents		1,855,922	916,673

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 2024

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

There are no significant changes to accounting policies in the 2024 year.

WAKA PACIFIC TRUST

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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
- 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 \$1,813,954 (2023: deficit of \$2,520,887). This deficit is due to the level of depreciation, support to community and promotion of the venue. The trustees and management team closely monitor the situation, regularly reviewing the level of events and expected cash flows and make changes to the operations as appropriate.

WAKA PACIFIC TRUST

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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 \$1,855,922 and working within the \$1,000,000 contingency facility available from BNZ Bank to manage the working capital deficit.

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.

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

FOR THE YEAR ENDED 31 MARCH 2024

Revenue (cont)

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.

STATEMENT OF ACCOUNTING POLICIES
AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Financial Instruments (cont)

(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.

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

Financial liabilities classified as amortised cost comprise 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 2024

3. PROPERTY, PLANT AND EQUIPMENT

2024	Cost	Depn	Accum Depn	Closing Book Value
Artwork	608,421	7,912	137,310	471,111
Computers & Software	333,068	8,144	325,478	7,590
Furniture	1,386,163	51,928	1,097,399	288,764
Motor Vehicle	175,857	26,130	132,601	43,255
Multi-Purpose Event Centre	50,988,653	1,473,495	26,373,686	24,614,968
Office Equipment	40,903	0	40,903	0
Other	34,725	1,042	19,793	14,932
Project Sponsored Art	84,700	0	84,700	0
Technical	276,147	1,440	275,107	1,040
Vector Wero Building	7,065,777	141,316	1,052,766	6,013,010
Vector Wero Whitewater Course	29,048,355	580,829	4,565,403	24,482,951
Vector Wero Whitewater Equipment	3,367,350	332,307	2,438,658	928,692
	93,410,117	2,624,543	36,543,805	56,866,313

2024	Opening Book Value	Additions/ (Disposals)	Depn	Closing Book Value
Artwork	479,023	0	7,912	471,111
Computers & Software	11,069	4,665	8,144	7,590
Furniture	171,344	169,347	51,928	288,763
Motor Vehicle	69,385	0	26,131	43,255
Multi-Purpose Event Centre	26,088,450	0	1,473,495	24,614,968
Other	15,974	0	1,042	14,932
Project Sponsored Art	0	0	0	0
Technical	2,480	0	1,440	1,040
Vector Wero Building	6,087,491	66,836	141,316	6,013,010
Vector Wero Whitewater Course	24,485,307	578,473	580,829	24,482,951
Vector Wero Whitewater Equipment	1,181,034	79,982	332,307	928,692
	58,591,556	899,302	2,624,544	56,866,313

WAKA PACIFIC TRUST**STATEMENT OF ACCOUNTING POLICIES
AND NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2024****3. PROPERTY, PLANT AND EQUIPMENT (cont)**

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
	<u>92,510,829</u>	<u>2,586,755</u>	<u>33,919,274</u>	<u>58,591,556</u>

4. CAPITAL WORK IN PROGRESS**2024****2023**

Work in Progress

\$477,832\$673,692

There is \$425,683 (2023: \$90,682) work in progress recorded as at balance date that relates to the Waka Pacific Climb project. The Waka Pacific Climb project has begun and construction work is expected to be carried out throughout the rest of 2024. The project is anticipated to be completed by January 2025 and the facility operational by March 2025.

A further \$52,149 relates to the venue lighting project. The remainder of the 2023 work in progress primarily related to the WERO filtration system, which has been fully implemented in the current year.

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 (2023: \$ nil).

Parties related to the Trustees have hired the facilities of WPT on normal commercial terms during the 2024 year.

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 discussions where there has been an interest in regards to any decision made.

WAKA PACIFIC TRUST

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

6. CAPITAL COMMITMENTS

The Trust has no contractual commitments at balance date (2023: \$ nil).

The Trust is still fundraising for funds towards further enhancement of the facility including the Waka Pacific Climb project for which the groundwork preparation has commenced ready for the Climb frame.

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 \$485,000 (2023: \$490,000) was received from various sponsors in the 2024 financial year including Due Drop Foundation, Vector, Coca Cola and other corporate entities.

Grants of \$55,694 received from Tataki Auckland Unlimited and \$150,000 from Trillian Trust are for capital work such as refurbishment of theatre and maintenance of the Due Drop Event Centre (2023: included \$210,000 for pump maintenance and upgrade). It also includes \$335,000 of funding from various donors relating to earth works completed for the Waka Pacific Climb Project.

9. INVESTMENT PARTNERSHIP

During the current financial year, the Trust received \$899,816 (2023: \$406,197) from Tataki Auckland Unlimited (TAU). This includes \$347,577 for operations, \$188,795 for the refurbishment of the theatre and the balance of \$363,444 is for capital and repair work on the event centre.

\$379,255 from TAU is included in unearned income in the statement of financial position. TAU have confirmed that this operational 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 2024

11. TRADING INCOME

	2024	2023
Trading Income	9,483,947	7,541,034
Less Trading Expenses	(5,497,446)	(4,246,231)
Gross Trading Surplus	3,986,501	3,294,803
Less Overheads	(3,809,677)	(3,106,531)
Repairs and Maintenance	(454,949)	(567,170)
Net Operating (Deficit)	(278,125)	(378,898)

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 and billboard income,

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 \$797,894 (2023: \$773,751) from DDEC and \$906,164 (2023: \$771,854) from WERO. Since opening in 2005 this figure is now \$15,492,701 (2023: \$13,788,643).

14. CONTINGENT LIABILITIES

There were no contingent liabilities at balance date (2023: \$ nil).

15. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

	2024	2023
Trade Payables	455,733	636,540
Sundry Creditors	1,378	136
Total Payables from Exchange Transactions	457,111	636,676

WAKA PACIFIC TRUST

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

16. ACCOUNTS RECEIVABLE FROM EXCHANGE TRANSACTIONS

	2024	2023
Trade Receivables	171,694	235,531
Sundry Debtors	49,676	3,096
Total Receivables from Exchange Transactions	221,370	238,627

17. EMPLOYEE ENTITLEMENTS

	2024	2023
Annual Leave	88,008	70,142
Salary and Wages Accrual	60,726	110,747
	148,733	180,889

18. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The carrying values of financial instruments are as follows:

	2024	2023
Financial Assets at Amortised Cost		
Cash and Cash Equivalents	1,855,922	916,673
Accounts Receivable	171,694	235,531
Total Financial Assets at Amortised Cost	2,027,616	1,152,204
 Financial Liabilities at Amortised Cost		
Loans	980,000	980,000
Trade and Other Payables	457,111	636,675
Total Finance Liabilities at Amortised Cost	1,437,111	1,616,675

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 has minimal interest rate risk, as all cash funds that earn interest are with a registered bank.

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.

Trade Creditors and Other Payables

Trade 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 2024

19. BNZ LOAN FACILITY

The Trust has a BNZ facility loan facility of \$1,980,000. At balance date \$980,000 was drawn down with a further \$1,000,000 undrawn. The terms of the facility are commercial and the face value is considered to represent fair value. There are no set repayment requirements.

20. KEY MANAGEMENT PERSONNEL AND COMPENSATION

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

	2024	2023
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 (2023: 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

	2024	2023
Remuneration	\$1,129,054	\$890,164
Full Time Equivalent members	6.5	6.1

21. EVENTS POST BALANCE DATE

In May 2024 the trust signed an agreement with a supplier for the purchase and construction of the Waka Pacific Climb project totalling approximately \$3,000,000. This is being substantially funded by grants and donations.

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 includes 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 2024, the statement of comprehensive revenue and expense, statement of changes in net assets/equity, 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 2024, and its financial performance and its cash flows for the year then ended; and
- the service performance for the year ended 31 March 2024 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.

An affiliated RSM entity has provided certain accounting and advisory services to Waka Pacific Trust, including the compilation of the financial statements. The provision of these services has not impaired our independence as the auditor of the Trust. Except in this regard, and other than in our capacity as auditor we have no relationship with, or interest in, the Trust.

Other information

The board is responsible for the other information. The other information comprises the directory on page 1, board members' report and statement of responsibility on pages 2 to 3 and looking to the future report on pages 13 to 14 (but does not include the financial statements and statement of service performance 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.



RSM Hayes Audit
Auckland

19 July 2024

