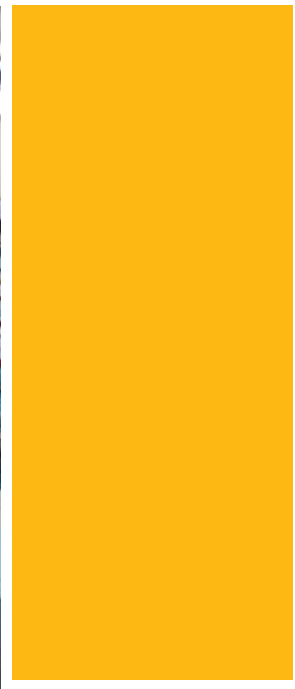




Thousands of local children use the facilities weekly with over 100,000 subsidised aquatic lessons annually



Regular stadium customers reflecting the diversity of activity within the facility, included:

Fundamental Skills Programme
Marlborough Gymnastics
Marlborough Basketball
Marlborough Volleyball
Marlborough Badminton
Marlborough Netball
Tasman Netball Sport
Marlborough Special Olympics
Physiotherapy Centre Pilates
Blenheim City Church
Marlborough Colleges
Futsal
OSCAR Holiday Programme
School's sports and physical education

AQUATICS

We have now completed our fourth year of trading since an aquatic facility redevelopment. The 2015-2016 year has seen casual aquatics revenue of \$836,489. This represents revenue levels very close to last year.

The aquatic redevelopment continues to not only met our objectives of making pool space available in a more appropriate way to our existing customers, but has also attracted significantly more new customers.

This has occurred against the backdrop of little overall population growth in the region.

Regular customers, reflecting significant new aquatic sports development, included:

Water Polo
Underwater Hockey
Swim School
Triathlon
Blenheim Masters Swimmers Blenheim Swim Club
Marlborough Boys' College Fundamental Skills Programme
Aqua Blast programme
Group Fitness Classes including rehabilitation classes
Holiday Programmes
Birthday parties

SPECTATORS

Admission to all facilities at Marlborough Lines Stadium 2000 is free to spectators with the exception of closed events.

We estimate approximately 25% of all entries are spectators.

With many children and sports participants being accompanied by friends and family, the facility is a true 'hub of Marlborough'.

LEARN TO SWIM

Swim school is now close to 1500 members and visits to swim school are over 5700 annually.

Swim school growth has been consistent since the Marlborough Stadium Trust took over facility management with the swim School growing from 350 members to over 1500.

While future growth potential exists, we anticipate it being a mix of growing the market and of total population growth. Swim School continues to be an important financial and activity driver of our business however at \$10.00 per lesson our charges are some of the lowest in New Zealand.

We are delighted to have one of the more successful swim schools in New Zealand and we continue to steadily grow the swim school despite competition from our own highly subsidised aquatic programmes.

Classes run on a school term basis. Marlborough Lines

Stadium 2000 also conducts learn to swim in schools, subsidised schools lessons and a range of holiday learn to swim programmes.

STADIUM HEALTH AND FITNESS CENTRE

This commercial business was purchased as a small business by the Trust in December 2005.

The gym was transformed by the Trust in 2012 with new premises and significant investment in equipment.

The gym operates as a community gym, attempting to ensure access for all with a membership price close to half the cost of equivalent facilities.

Any Gym trading surplus is returned to the Trust to support programmes and facility development.

A lease and cost of equipment along with all operating costs are charged on a commercial basis to the gym element of our business.

Stadium Health and Fitness Centre has slowly grown its membership over the 2015-2016 year. This has occurred in an extremely competitive environment.

Existing members have reaped the benefit of loyal patronage and we are delighted not only with increases in new individual members, but also in the growing number of corporate members.

FUNDAMENTAL SKILLS

This award-winning programme has continued to maintain its popularity and grow. In the 2015-16 year we delivered 38 weeks of programmes to 22 schools across Marlborough.

Children attend 10.45am – 2.30pm daily and undertake structured programmes including learn to swim, water safety, exercise, teambuilding and a range of sports.

An estimated 50 children attend on a daily basis, with total customers estimated at 10,000.

We have delivered 5 weeks of this programme through our team delivering out in rural schools throughout the region.

HOLIDAY PROGRAMMES

Our Holiday programmes now operate every holiday period and cover nine weeks throughout the year.

Holiday programmes are OSCAR accredited indicating quality systems and allowing parent subsidies.

Children are involved in a wide range of activities throughout most weekdays of the holidays.

We have capped the available spaces on programmes to 40 per day and are fully subscribed.

A wide range of learn to swim holiday programmes are operated every holiday period.

SCHOOLS

Many Marlborough schools use Marlborough Lines Stadium 2000 wet and dry facilities through-out the year. Their programmes range from Learn to Swim to Aquatic Sports.

With increase pool space availability and new programmes, school use has increased significantly since the aquatic redevelopment completion.

The very successful 'AquaBlast' programme has delivered quality swim lessons and aquatic sports options to many Marlborough schools and continues to grow.

Marlborough Boys' College hold regular classes at the Stadium

SQUASH

Regular club use occurs through a long-term lease with the Marlborough Squash Rackets Club.

The Trust has established an enhanced lease with the Club which sees them taking a much greater role in managing the court area.

There is an ongoing focus by the Trust, to maximise use of the Squash courts.

EVENTS

The position in the events market for Marlborough Lines Stadium 2000 is clearly as Marlborough's large scale event destination.

Sole Mio was an extremely popular example of ideally suited concert events, where we can accommodate 2200 people.

Events staged still continue to be many and various, with a mix of local, regional and national events.

Event visits continue to represent a significant economic impact on our region.

EVENT HIGHLIGHTS

Home and Garden Show Science Fair

Sole Mio

Tasman Volleyball Tournaments

Marlborough Open Squash Champs

Badminton Marlborough Open Champs

Marlborough Volleyball Tournaments

Marlborough Basketball Tournaments

Marlborough Gymnastics Events

COMMUNITY CONTRIBUTION

Each year Marlborough Stadium Trust makes a significant contribution to Marlborough through direct support to individuals and organisations.

Publicising this support is deliberately kept 'low key' by the Trust as befitting the values of our organisation.

Nonetheless, the Trust has last year supported in excess of 120 community organisations, over 100 needy individuals and families and several large charitable events.

Access to facilities free of charge or at significantly reduced rates, complimentary services such as learn to swim, and events use of Stadium facilities, are all common examples of how the Trust has assisted.

Such contribution to deserving Marlburians exceeds \$40,000 annually.

ASSET MANAGEMENT

During the 2015-2016 year the Trust has funded \$318,841 on repairs and maintenance and asset management.

The Stadium building has nearly completed its sixteenth year of operation, with the 'new' aquatic development five years old early in 2017.

This year the Trust has completed a refurbishment of the plant room which now presents in better than new condition.

The Trust has also fully re-carpeted upstairs area and has

completed new flooring in the most used ablution area downstairs.

The Trust has completed and is attempting to fund itself in an ongoing way, a ten year Asset Management Plan for all facilities.

In addition to the Asset Maintenance Plan the Trust continues to improve the facility.

We are currently funding a storage area and sealing at the rear of the stadium at an estimated cost of \$70,000, completing re-carpeting downstairs at an estimated cost of \$40,000 and a preschool 'Spray ground' at an estimated cost of \$150,000.

Additionally the Trust has this year committed to stage one of LED lighting throughout the facility, Stage re-carpeted upstairs, is creating and sealing of an additional back car park, and is purchasing an onsite chlorine machine.

The LED lighting and the onsite chlorine manufacture is anticipated to create ongoing operational savings.

TREASURER'S REPORT

The attached 2015-2016 financial Statements record a net surplus for the year of \$199,676 from total turnover of \$3,219,142.

Growth continues to be experienced across all of the Trust's its activity based income streams, reflecting the continued support for the programs and services the Trust provides.

The net surplus of 6.2% compared to total revenue was again consistent with previous years. Revenue streams for the business are reasonably stable compared to previous years with the major contributions coming from Aquatics at 27%, Stadium and Health and Fitness 33% and Council funding 26%.

Total operating expenditure has once again been able to be maintained at a similar level to last year, compared to turnover. Employment expenses continue to be the Trust's biggest expenditure item with \$1,547,778 m being paid to over 76 full and part time staff, up from \$1,427,626 last year

Asset Management

In the 2016 calendar year the Trust will have expended over \$650,000 on maintaining and improving the facilities for Marlburians.

The Trust prides itself on the presentation of our facilities and this is evidenced by \$318,841 being spent on repairs and maintenance during the year. The level of expenditure reflects the age of the stadium facility and also that the Trust is funding the total asset management plan for the stadium and aquatic facility.

An Asset Management Plan has been prepared by Opus International Consultants Ltd. The plan details expected

expenditure on repairs and replacement of plant out to 2035. The plan forecasts expenditure of 2.38 million over the next ten years and it is the Trust's intention to self-fund this if possible.

Development projects

We are currently funding a storage area and sealing at the rear of the stadium at an estimated cost of \$70,000, completing re-carpeting downstairs at an estimated cost of \$40,000 and a preschool 'Spray ground' at an estimated cost of \$150,000.

Additionally, the Trust has this year committed to stage one of LED lighting throughout the facility, staged re-carpeting and is purchasing an onsite chlorine machine.

The LED lighting and the onsite chlorine manufacture is anticipated to create ongoing operational savings

The Trust's balance sheet continues to show a stable position with recorded net assets of \$6.5m compared to \$6.3m last year. New capital items amounting to \$46,630 were purchased during the year.

The balance sheet also records asset management plan funds of \$1,301,958, as covered above, this fund is required for the on-going maintenance of the facility both scheduled and unscheduled.

Outlook

Our primary financial task continues to be the maintenance of a sustainable operating net surplus. This allows the Trust to expand and enhance the activity and the opportunities for participation in sport and active leisure. It also enables the accumulation of capital to fund, to the best of the Trust's ability, the on-going Asset Management plan.

In conclusion, I am very pleased to present another positive set of annual accounts and attached unqualified audit statement.

Matt Kerr

Treasurer Marlborough Stadium Trust

REPORT CARD

Stadium 2000 Complex	
Total Visits	500,000 (estimate)
Total Revenue	\$3,219,142
Total Expenditure	\$3,019,466
Net Trading Surplus	\$199,676
Council contribution to operating revenue	\$839,000