



WESTPAC
STADIUM

2005

ANNUAL REPORT
WELLINGTON REGIONAL
STADIUM TRUST (INC)



Westpac

SPONSORS MESSAGE

Westpac is proud of its association with a facility that not only captures the imagination of thousands of New Zealanders every year, but also many international visitors.

The Stadium continues to meet international best practice by featuring quality performances and events, and 2005 has been a very big year. This year the Westpac Stadium has seen more than 594,000 people attend events such as international and local sporting matches, national concerts and exhibitions.

In particular, the Westpac Stadium should be very proud of its professional management of the highlight of the 2005 New Zealand sporting calendar – the British and Irish Lions Rugby Wellington test match. All those who attended will long remember the atmosphere created at this event.

Westpac has also strengthened its commitment to the Stadium by improving our visual presence through the development of additional branding throughout the Stadium.

I applaud all the employees and the people associated with the Stadium for all their hard work and effort in bringing the Westpac Stadium experience to life. I have no doubt that during 2005/06 year the Westpac Stadium will continue to build upon its successes.

Ann Sherry
Chief Executive Officer

31 August 2005



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A YEAR OF HIGHLIGHTS

SPORTING EVENTS

- We saw the All Blacks win against Australia in the Bledisloe Cup. This exciting win at the Stadium in the pouring rain was the first step towards retention of the Cup.
- Stadium patrons saw the best cricketers in the world play when we hosted Australia, and the FICA World XI One Day Internationals.
- The best Sevens ever at the Stadium culminated in a New Zealand win and a fantastic party.
- Wellington hosted the NPC semi-final and final for the first time. This filled a major gap in our event calendar and gave additional events to members, box owners and season ticket holders.
- Wellington played the British and Irish Lions on the first leg of their tour. We then enjoyed a night of great rugby with the second test in Wellington.
- We hosted our three millionth patron at the Hurricanes v Waratahs game on 10 April 2005. We originally budgeted to achieve that milestone in 2009.

NON-SPORTING EVENTS

- For the first time we hosted the 2HOT2 Handle Motor Show. This featured an exhibition of international-class show cars, and street racing on Waterloo Quay.
- Crusty Demons motorcycle thrills and stunts, combined with a five hour rock concert, attracted an enthusiastic crowd of motor sport fans.
- The Neil Diamond concert in Wellington drew the largest audience of his Australasian tour.

FINANCIAL

- A surplus of \$2.5 million was achieved. This was particularly pleasing following the disappointing result of \$373,000 in the 2004 year. This recovery ensured that we could fund the Stadium's term loan repayment for both years.
- Average projected surpluses for the next three years are equivalent to our annual loan repayment of \$1.5 million. These surpluses are dependant on maintaining the existing level of events.
- Economic benefit from the Stadium to the region after its first five years is estimated at \$175 million. This compares to the \$75 million projected for that period when the Stadium was built.

MAINTENANCE & ENHANCEMENTS

- An Asset Management Plan was established to assist in the monitoring and control of maintenance and maintenance costs. The protection of our assets remains a major focus for the Trust.
- An independent firm of consulting engineers reviewed all assets as part of a process for ongoing monitoring and maintenance of the Stadium to world standards.
- A further \$588,000 was spent on enhancing the facility. This brought the total spent since we opened in 2000 to \$3.24 million.
- A commitment was made to introduce portable cricket wickets for use in 2007 to provide a more flexible arrangement for cricket and a consistent surface for rugby in the winter.



CHAIRMAN & CHIEF EXECUTIVE'S REPORT

INTRODUCTION

The Westpac Stadium is a great success story.

Since its opening in 2000, the Stadium has hosted over three million visitors at some outstanding games, concerts, exhibitions and shows. It has outperformed expectations of its economic impact on the Wellington region, received excellent ratings in customer satisfaction and gained a place in the hearts and minds of the greater Wellington region and its national and international visitors.

The Stadium has been successful in a number of ways. It has managed to attract quality sporting and non-sporting events. From the various event opportunities available each year,

the Stadium has provided a calendar of broad interest to the people in the region. This has required careful management of the demand for time in the popular summer months.

The new asset management plan and the investment in maintenance and new equipment will ensure the Westpac Stadium continues to be the best multi-purpose stadium in New Zealand, operating at world's best practice.

A great strength of the Stadium since opening has been the commitment, enthusiasm and energy of the staff and Trust Board members. As we reflect on a great year it is important to acknowledge their contribution to our success.



AN OUTSTANDING YEAR

2005 was the busiest year yet with a wide variety of events.

The Sevens, Neil Diamond, an ODI against Australia, the Crusty Demons, and the Super 12 games all featured on a calendar which had few spare weekends. For the first time we hosted a home semi-final and final in a major rugby competition and we finished the year on a high when we hosted the British and Irish Lions. These bonus events made 2005 an outstanding year.

EVENTS CITY

The very full calendar helped Wellington reinforce its reputation as an events city. The economic benefits to the region from events are now considerable. In October 2004 we released the results of the update of the 1996 Economic Impact

Report prepared for the Stadium. The update shows that the Stadium generated benefits to the region that are more than double the original projections.

The economic benefit is a good indicator of the quality of the Stadium experience. We were delighted when a Wellington City Council survey of ratepayers this year showed that 92% of those who visited the Stadium in the past year rated the experience good or very good. These are the two highest ratings available.

The combination of the quality of the events and the Stadium experience, mean that people keep coming. During the Hurricanes v Waratahs Super 12 game on Sunday, 10 April we hosted the three millionth Stadium patron.

DIAMOND DOLLARS

An excellent example of the economic benefits from events is the Neil Diamond concert. The Wellington City Council commissioned McDermott Miller to undertake an economic benefit assessment of the event. They found that total new spending was \$8.2 million and the total value added to the economy was \$4.0 million. These numbers are well in excess of any previous estimates highlighting the Westpac Stadium's contribution to the economic life of Wellington.

ECONOMIC IMPACT OF THE WESTPAC STADIUM ON THE WELLINGTON REGION

	1996 per annum	Actual 5 year average	Difference
Direct Spending by spectators (\$m)	15	35	132%
Employment generated (FTEs)	270	569	111%
Total Value added (GDP \$m)	11.6	27	131%

A WILDE WALK

The success the Stadium enjoys today would not have happened without the vision and leadership of Fran Wilde. As Wellington Mayor from 1992 to 1995, Fran championed the development of a new multi-purpose stadium. Fran drew together a steering group to make it happen, and later chaired the Wellington Regional Stadium Trust. Under Fran's leadership, the Trust was responsible for the planning, fundraising, development and construction of the Stadium. This year, the Wellington City Council, the Greater Wellington Regional Council and the Stadium Trust formally recognized Fran's work when the walkway that takes all patrons to the Stadium was named the Fran Wilde Walk. The two huge illuminated signs record Fran's contribution and will act as beacons for around 600,000 Stadium visitors each year.



COMMUNITY CONTRIBUTION

Community use of the Stadium is not limited to attending the events. The Stadium is also used to host numerous community events. These range from fund raising for local non-profit organisations through to events for amateur sports people and local entertainers. Community events hosted over the last year include the secondary schools cross-country race, local cycle races on the Fran Wilde Walk, the Sport Wellington Junior Sports Day, the Harbour Capital Half Marathon, and Club Rugby finals. A particular highlight was the hosting of Carols by Candlelight at the Stadium, when over 22,000 Wellingtonians turned out to celebrate the spirit of Christmas together.

The professional sports events also provide an exciting opportunity for Wellington's young sports people to play in curtain raisers and experience a game at the Stadium. Local entertainers jump at the chance to participate in pre-event entertainment.

“A particular highlight was the hosting of Carols by Candlelight at the Stadium, when over 22,000 Wellingtonians turned out to celebrate the spirit of Christmas together.”

Stadium events also provide fundraising opportunities for schools and service clubs who assist with food and beverage sales, cleaning, and hosting on event days.

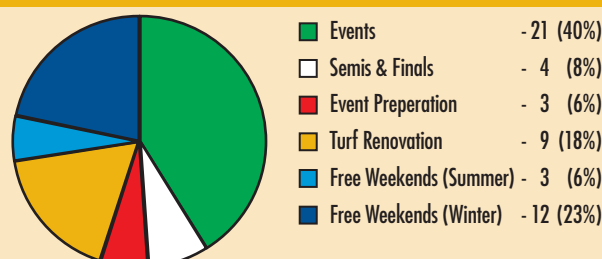
THE SUMMER RUSH

Success brings its own problems. The high utilisation of the Stadium in recent years brings with it scheduling difficulties, particularly over summer. As a multi-purpose outdoor Stadium, the majority of events, other than winter football codes, need to be scheduled in January to April to take advantage of the weather. In the coming year, the pressure will intensify, with Super 14 starting two weeks earlier.

These have the potential to clash with one day international cricket, concerts and other non-sporting events that we try to fit into the February/March period.

“In the coming year, the pressure will intensify, with Super 14 starting two weeks earlier.”

2005 UTILISATION OF STADIUM - BASED ON WEEKENDS





THE EVENTS

We hosted 36 major event days during the year compared to a budget of 39 and 31 the previous year.

It was the busiest year since 2001 when we hosted 41 event days of which 14 were exhibition days or small events that did not create the same scheduling or operational pressures.

SPORTING EVENTS

BLEDISLOE CUP

In July the All Blacks beat Australia 16-7 on their way to regaining the Bledisloe Cup. The continuous rain during the event did not dampen the spirits of the crowd. This win went some way to erasing memories of the loss to Australia in the inaugural test at the Stadium in 2000. Attendance was 37,600.

“The All Blacks’ win went some way to erasing memories of the loss to Australia in the inaugural test at the Stadium in 2000.”

NPC RUGBY

Our NPC campaign resulted in us hosting both a semi-final and final which Wellington supporters enjoyed having hosted a final the previous year. There is nothing Wellington likes better than being in contention for, and hosting, those events. The biggest benefit from the Stadium’s point of view is to corporate box holders, members and rugby season ticket holders.

These key supporters of the Stadium are getting access to the events they most want to see. It is pleasing to see Wellington Rugby's investment in the game through academies, player recruitment and retention pay off in major competitions. This investment will benefit the Stadium in the future. A feature of the NPC competition is that each year we have an A and B draw. In the 2004 season we played the top-rated NPC teams at home which gave us a crowd that was 38% larger than in the previous year when we played teams which were predominantly rated in the bottom half of that competition. The average attendance for the 2004 season was 20,693 compared to 14,974 for the previous year. In addition in the 2004 season (the better year) we got five games.

“There is nothing Wellington likes better than being in contention for, and hosting, a final.”

INTERNATIONAL CRICKET

The Sri Lankan Tour was cancelled because of the devastating effects of the tsunami on 26 December 2004. The loss of one cricket match was inconsequential in light of the events of that day. In a relatively short space of time it was apparent to cricket administrators that a contribution could be made to the victims of the disaster through special fund-raising games. New Zealand Cricket and the International Cricket Council, in a limited space of time, put together a short tour and we were fortunate to host the FICA team on 24 January which was Wellington's anniversary weekend. In spite of the fact that many people were out of town for the long weekend, 19,307 supporters enjoyed a good day of cricket.

The ODI against Australia was the highlight of our international cricket season and provided Wellingtonians with the opportunity to see the world's best, play the Black Caps on a perfect Saturday. Australia proved too strong for New Zealand and won by 10 runs. The attendance of 20,422 was disappointing and together with New Zealand Cricket we are working to increase future attendance at ODIs.



SEVENS

2005 saw the best Sevens in our short history. The New Zealand team performance was of high quality from the start which encouraged good crowd support through to the team's ultimate tournament win. There were many other popular teams, particularly the Kenyans whose warm-up routine made them a crowd favourite. The weekend was a typically fine Wellington weekend and crowd behaviour was excellent.

Wellington embraces the Sevens as its own special event and the party carries on into the town. This all enhances Wellington's reputation as the event and party capital of New Zealand.

SUPER 12

The Hurricanes had their third best result in the 10 years of the Super 12 competition. A place in the semi finals was secured with a fourth place in the round robin. The Hurricanes won four out of five games at the Stadium. They lost only to the Bulls but had a good win over top qualifiers, the Waratahs. This is a young Hurricanes team which is delivering better performances as their experience grows. We are fortunate to have some of the most exciting players in New Zealand and we are looking forward to next season with more home games. We averaged 26,570 for five games with total attendance of 132,850 compared to 27,255 for four games the previous year, a total of 109,020.

Next year will be the first year of the new Super 14 competition and we expect to host more matches than previously though the earlier start will create scheduling difficulties with cricket and other non-sporting events.

NUMBER OF DAYS – EVENT USE

Event Days	36
Pack in/out Days	74
Semi-Finals Super 12	2
Turf Renovation	56
Total Days	170

NON-SPORTING EVENTS

NEIL DIAMOND

This concert was a sell out with attendance of 32,184. This was the largest concert of his Australasian Tour, double the attendance of stadium events in Adelaide and Perth proving convincingly that Wellington can produce big concert crowds. Neil Diamond's desire to keep all ticket prices under \$100 provided an excellent concert at affordable prices.

There were some sound problems at this concert that affected a small number of patrons and was a problem experienced at other venues on this tour. While this was disappointing, it was out of the Stadium's hands, a fact that has been publicly acknowledged by the promoter.

CAROLS BY CANDLELIGHT

The Stadium is provided for free of charge this popular important community event which will become a permanent event on the Stadium calendar. Together with the organiser Nick Tansley and his team we will ensure the continuing success of Carols. The special nature of this event is obvious, with children running around the playing surface and enjoying the evening, and the high level of audience participation. 22,200 attended this event.

RECURRING EVENTS

The Stadium has an objective of securing non-sporting events especially recurring events that satisfy those people who are not rugby or cricket fans or regular attendees at the Stadium. Motor sport is an important part of that demographic. The problem in booking these events is there is often a conflict with the priority booking rights of Rugby and Cricket.

After two years of discussion we were pleased to secure Crusty Demons and fit them in between Neil Diamond and Super 12. We were able to leave the stage in place from the Diamond concert and accommodate a spectacular event which was enjoyed by an enthusiastic crowd.

Exhibitions continue to be important events for the Stadium. They are held indoors and they do not compete with our busy period.

The Home and Garden Show is held in September and has become a regular part of the Stadium calendar since we opened the doors in 2000. This show regularly has high attendances and is obviously very popular with Wellingtonians. Around 15,000 people attended this year.

The Food Show has now held its third event at the Stadium. Attendance at this outstanding exhibition reached 18,300 this year.

“The Home and Garden Show ... is obviously very popular with Wellingtonians.”

The Stadium hosted the 2HOT2 Handle Motor Show for the first time on Easter Saturday and Sunday. The exhibition involved several specialist vehicles brought in from overseas. Highly innovative displays were complemented with two days of demonstration street races along Waterloo Quay. A highlight was the Jet Car, the speed and noise of which attracted big crowds. Attendance, of 14,200 for the first event, was excellent and we believe that it can become a regular event in Wellington.

CURRENT YEAR EVENTS AND ATTENDANCE SCHEDULE

2004

17 July	Rugby Test - Bledisloe Cup NZ vs Australia	37,600
13 August	NPC Rugby: Wellington vs Canterbury	18,475
15 August	Wellington Club Rugby Finals	2,675
20-22 August	Spring Home & Garden Show (3 days)	15,000
3 September	NPC Rugby: Wellington vs Waikato	18,818
11 September	NPC Rugby: Wellington vs Auckland	22,497
25 September	NPC Rugby: Wellington vs Taranaki	24,934
2 October	NPC Rugby: Wellington vs Northland	18,742
15 October	NPC Rugby Semi-Final: Wellington vs Waikato	25,677
23 October	NPC Rugby Final: Wellington vs Canterbury	34,500
4 December	Concert: Carols by Candlelight	22,200

2005

24 January	Cricket ODI: Black Caps vs FICA World XI	19,307
4-5 February	IRB Sevens Tournament	69,000
19 February	Cricket ODI: NZ vs Australia	20,422
5 March	Concert: Neil Diamond	32,184
12 March	Crusty Demons	8,800
19 March	Super 12 Rugby: Hurricanes vs Bulls	23,300
26-27 March	2Hot2 Handle Motor Show (2 days)	14,200
1 April	Super 12 Rugby: Hurricanes vs Chiefs	23,325
10 April	Super 12 Rugby: Hurricanes vs Waratahs	25,400
22 April	Super 12 Rugby: Hurricanes vs Highlanders	30,270
30 April	Super 12 Rugby: Hurricanes vs Brumbies	30,560
13-15 May	The Food Show (3 days)	18,300
15 June	Rugby: Wellington Lions vs British & Irish Lions	38,800



ATTENDANCE RECORD

Attendances since the Westpac Stadium opened in January 2000:

2000 (6 months)	401,659
2001	645,710
2002	537,353
2003	535,955
2004	410,508
2005	594,986
TOTAL	3,135,171

On Sunday, 10 April we hosted the three millionth Stadium patron.

EVENT MANAGEMENT & DEVELOPMENT

LIONS TOUR

The British and Irish Lions Tour raised many significant logistical, operational and transport issues for the Stadium and for the City. These were addressed through a high level of co-operation between the Stadium, Wellington Rugby, New Zealand Rugby, Wellington City and Regional Councils and transport providers. This helped us host two outstanding events, while the city offered some excellent hospitality to the Lions supporters. We are particularly proud of our own contribution to the effective management of the tour issues. We have always had well-established protocols which proved effective in dealing with challenges that arose during tour planning. Wellington was able to ensure that these events contributed to a fantastic experience for everybody. The success will help us promote our 2011 Rugby World Cup Bid. Around 38,800 attended the Wellington Lions v British and Irish Lions. At the time, this was our biggest ever sporting crowd, although this number was promptly exceeded by the Test match. Holding an international the size of a Test, at 7.00 pm on a Wednesday night when Stadium traffic is mixing with commuter traffic, was a major challenge, which we managed without any difficulty.

“The British and Irish Lions Tour ... was an important forerunner to our 2011 Rugby World Cup Bid.”

RUGBY LEAGUE

The Stadium made visits to Australian Rugby League Clubs prior to the current season to discuss the prospect of hosting games at the Stadium. Our strategy has been to work alongside New Zealand Rugby League and their development of an academy based in Wellington to be part of the player development process. These proposals were met with considerable enthusiasm by the NRL clubs visited,

but a game did not eventuate in 2005. We are continuing with our strategy, and recent publicity about the Canterbury Bulldogs expressing interest in our proposal, reflects the strength of our offer. We are keen to re-establish a working relationship with the Bulldogs after four successful years of hosting their home game against the Warriors in Wellington.

We are also endeavoring to host rugby league tests in Wellington. It is a logical second home for rugby league in New Zealand and we do take a positive long-term view of the prospects for the sport in the capital.

RUGBY WORLD CUP 2011

At about the same time as the British and Irish Lions Tour was being planned we were asked to assist New Zealand Rugby and the New Zealand Government as they put together their bid for the Rugby World Cup 2011. The New Zealand bid that was finally delivered to the IRB was the culmination of some outstanding work by a group of very talented people who pulled together the bid offer. The two Lions games at the Westpac Stadium were a big part of that sales process.

Following the Test the IRB Venue Assessment Team visited the Stadium and again we were able to make a positive contribution to the bid process.

COMMUNITY LIAISON GROUP

The Community Liaison Group have met as required during the year. We meet to brief the Group on upcoming events that were unusual or likely to affect the residents. The Neil Diamond Concert, Crusty Demons and 2HOT2 Handle were events in this category. Our commitment to keep residents and local businesses informed has ensured that there are no problems and that we continue to enjoy a good working relationship.

MAINTENANCE & ENHANCEMENTS

As the Stadium enters into its seventh year of operation, the warranty and guarantee periods for most of the assets have expired and the harsh environment in which we are located is starting to take its toll. The proximity to the sea and two large industrial sites in the port and railway yards create an environment which speeds up deterioration of the assets thereby requiring a high level of preventative and reactive maintenance.

We have developed a detailed Asset Management Plan which assesses the useful life of all assets, and identifies the preventative and reactive maintenance required to extend that life. It is important that these costs are built into our budgets and we are confident we can fully fund the maintenance and eventually assist fund the replacements as required.

We commissioned a report from independent consulting engineers to report on the state of the assets, and assess the validity of our annual review process. We asked them to benchmark us against best practice and to provide guidance on the asset management process. We are pleased that the report confirms that our assets are performing to expectation and that our current procedures are identifying the correct maintenance processes and costs associated.

“To retain our position as a premier New Zealand venue, providing an outstanding patron experience, we must maintain and continue to enhance the Stadium to meet world’s best practice.”

ENHANCEMENTS 2005	
	\$ (,000)
Turnstiles	197
Security System	123
Computer Upgrade	62
Turf Equipment	54
Additional Seats	41
Sprinklers	32
Sound System Upgrade	24
Pitch Protection	19
Medical Equipment	15
Other	21
	588
TOTAL since opening	\$3.24M



This process of independent review of the assets will continue to be undertaken in the future to ensure that we have in place adequate maintenance programmes and we are protecting against rapid deterioration.

It is not enough for us simply to maintain assets. To retain our position as a premier New Zealand venue, providing an outstanding patron experience, we must continue to maintain and enhance the Stadium to meet world’s best practice. There will be an ongoing demand for investment in all areas of the Stadium which we must carry out if we are to maintain our competitive position and satisfy our customers. Development of other New Zealand stadia and overseas venues will make us less competitive if we stop investing in our assets.

FINANCIAL

We achieved a net surplus for the year of \$2.5 million which compares with a budget of \$1.3 million and a surplus of \$373,445 in the previous year. This is an excellent result and can be seen to be so if we review the operating results of the past six years. For a variety of reasons but mainly due to the timing of a number of events there has been a wide fluctuation in surpluses.

Our surpluses since opening have been:

2000	\$1.7 million
2001	\$0.82 million
2002	\$1.15 million
2003	\$1.92 million
2004	\$0.38 million
2005	\$2.54 million

The average over the six years is \$1.45 million.

Our surpluses also need to be considered in light of the need to produce \$2 million in net surplus to maintain our loan repayments of \$1.5 million per annum and retain the small programme of capital investment. We have only achieved this level of surplus in 2003 and 2005.

The exceptional result in 2005 was created by a series of events which will be difficult to replicate or replace.

These are:

- The Lions Tour – this gave us returns from two rugby tests in one year.
- Neil Diamond Concert with attendance 50% higher than David Bowie.
- Securing of NPC semi-finals and finals.
- A substantial reduction in insurance premiums.
- Reduced contribution to the Basin Reserve.
- Growth of non-event revenues.

Our term loan with the ANZ Bank comes up for renegotiation during the next financial year and we expect to renegotiate on similar terms and conditions to the existing loan.

Our outlook for the next few years projects an annual surplus in the region of \$1.4 - \$1.5 million.

We have paid the \$1.5 million installment on the term loan that was due during the year.

SERVICE DELIVERY

We are constantly seeking continuous improvements in all the key service areas of food and beverage, hosting, security and cleaning. We regularly review the performance of each contractor against agreed Key Performance Indicators, and through event debriefs, independent surveys and monitoring of performance. All events at the Stadium are different and provide varying challenges to management and staff. Our contractors share our desire to attain the service levels we require, and are committed to continuous improvement.

We believe we have improved in all areas during the past year, in spite of some challenges associated with major events. The Sevens in 2005 was outstanding in any way it was measured. High attendance, hot weather and long days of activities meant our ability to provide high quality services to the public were tested to the extreme. We successfully met the challenge. We provided food and beverage service within all our KPIs and turned the venue around to meet the requirements of the following day. The Lions events were also challenging, and we were pleased that queues were kept under six minutes at the Test.

“High attendance, hot weather and long days of activities meant our ability to provide high quality services to the public were tested to the extreme. We successfully met the challenge.”

During the year we started an extensive programme of improving food and beverage service around the Stadium. The addition of a fish and chip outlet and additional Kopi and Spudway outlets on the public concourse resulted in greater choice for patrons, and reduced queuing times.

Challenges will continue. On a major event day the Stadium employs about 1,100 people but we can only provide these people with part-time work on about 20-25 days of the year in a very full employment market. We will continue to invest in recruitment and training so that we continue to attract good people and maintain high service standards.

MEMBERS & CORPORATE BOX OWNERS

Providing members and corporate box owners with the opportunity to attend the NPC semi-final and final was especially satisfying. We reserve the Stadium for a four week period every year for rugby semi-finals and finals. If we do not host the playoffs, the public, member and corporate perception is that there is a big gap in our programme.

Providing members with their own seats for the Lions Tour games, while rugby season ticket holders had to move to lesser seats, also highlighted the value of the membership.

Feedback from corporate box holders and members is obtained from regular surveys. These also show an overall increase in satisfaction with the services we provide these stakeholders. We are aware that more improvement is necessary in some areas to meet their requirements. The refit of the Deloitte Clubroom and the introduction of the “Grab and Go” food and beverage service have resulted in a quantum improvement in this lounge. We now have virtually no queues. Turnover has more than doubled, highlighting that we are serving many more people in about half the time, with no delays. Other members’ lounges are targeted for additional enhancement during the coming year.

KEY STADIUM CONTRACTORS

Spotless Services – Catering	Spotless Services – Cleaning
Waste Management	Armourguard ADT
Ticketek NZ	TVNZ
Turflands (Palmerston North)	Wellington Free Ambulance
Sign and Display	



TURF

The financial surplus has assisted us make a commitment to install portable wickets at the Stadium. Two nursery trays and a centre tray will be installed in September/October 2005. Cricket will continue to be played on the existing wicket for the 2005/6 summer season. The existing wicket will be removed in October 2006 as there is unlikely to be sufficient time in the event calendar after the cricket season to allow a relaying of turf in that area without affecting the quality of the surface for the rugby season.

This investment will give us flexibility over the summer season enabling us to produce well prepared cricket wickets that will not be affected by other activities in the centre of the ground such as concerts. It will also enable us to play the Sevens and the full rugby season without a hard clay surface in the middle.

“We are now rated one of the best one day wickets in the country.”

We are pleased with the performance of the cricket wicket during the year. We are now rated one of the best one day wickets in the country. We see no difficulty in maintaining that standard with portable wickets. We also maintain a high standard of cricket preparation at the Basin Reserve where we now manage only the turf.

MAJOR SPONSORS

We have completed an upgrade of Westpac signage in the Stadium, providing our naming rights sponsor with increased profile in high visibility areas. We were able to do this for the huge international television audience following the Lions Tour.

Deloitte and New Zealand Community Trust have maintained their support for the Stadium which we do appreciate. The New Zealand Community Trust has sponsored our extended Stadium tour programme, part of which was installed for the Lions Tour. The remainder of the programme has an education focus which will be completed by the end of the year.

INDOOR STADIUM DEVELOPMENT TRUST

The establishment of a separate Trust to manage the development of the Indoor Centre above the Fran Wilde Walk is a positive step forward in this exciting project. We are keen to work with the Trust and the City to help establish this important facility.

CREATIVE WELLINGTON – INNOVATIVE CAPITAL

Part of Wellington City Council's strategic goals for the City include: "Attracting sporting events, concerts and cultural festivals and other major events".

Earlier in the report we detailed the economic benefits to the region from our activities.

In the past year we have continued to attract events which are beyond those originally contemplated at the Stadium both in total number of events and in attendances. All events are detailed in the report.

We are particularly focused on recurring events and events such as 2HOT2 Handle. Events such as this can take two to three years to secure. We were pleased to be able to add Crusty Demons in this year which has the potential to be a recurring event.





CONCLUSION

It will be difficult for the Stadium to have a busier year than 2005 or one with a similar surplus.

We face increasing pressures from changes in the entertainment market. The opening of the new arena in Auckland, which can host 12,000 people indoors, will impact on the concert market and make attracting concerts to Wellington more difficult. The expanded Super 14 adds additional events to an already busy February and March and the new NPC domestic rugby competition provides challenges by providing more events which may be less attractive to patrons.

We will need to adapt to these challenges to maintain the number and type of events the patrons expect and to achieve the level of surplus necessary to service debt. Part of the solution will need to come from the improved performance of the sporting teams playing at the Stadium. It is most encouraging to see the investment being made into these teams and we look forward to seeing that investment being returned on the field.

THANKS

To our very important hirers, promoters and venue users, we trust you were well rewarded for using the Stadium for your events and we look forward to your return.

To the Wellington City Council and Greater Wellington Regional Council for their considerable support and assistance from all levels of the Council. In particular we appreciated the work done by Council Officers in supporting the Lions Tour, their contribution was important to the success of those events.

We are fortunate to have a dedicated and professional Board of Trustees committed to the success of the Stadium. During the year Trustees Chris Parkin from the Wellington City Council and Ian Buchanan from Greater Wellington Regional Council retired prior to the Council Elections. They were replaced by Robert Armstrong and Chris Laidlaw. Dame Margaret Bazley retired at 30 June 2005 as her term is completed. We thank Chris, Ian and Dame Margaret for their contribution. Liz Dawson replaces Dame Margaret from 1 July 2005.

The staff have put in a major effort in the 2004/5 year particularly over the period of intensive usage from January until the completion of the Lions Tour. We are blessed with a stable and very competent staff who meet every challenge thrown their way and there were many.

Last but by no means least we would like to thank the patrons because without them there would be no Stadium.



Paul Collins
Chairman

David Gray
Chief Executive

31 August 2005

TRUSTEES

P D Collins (Chair)
R A Armstrong (appointed November 2004)
D W Bale
Dame Margaret C Bazley (retired June 2005)
P R F Biggs
I M Buchanan (retired October 2004)
E A Dawson (appointed July 2005)
M J Egan
J M Hunn
C R Laidlaw (appointed November 2004)
C W Parkin (retired October 2004)



**WELLINGTON REGIONAL STADIUM TRUST (INC.)
FINANCIAL STATEMENTS**



WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE

	Notes	2005 \$	2004 \$
Operating Revenue			
Event Revenues		7,738,597	4,528,686
License Fees and Sponsorship Revenues		3,930,403	3,690,763
Amortisation of Membership, Corporate Box and Sponsorship Funding		3,126,348	3,063,313
Sundry income		529,767	660,326
		15,325,115	11,943,088
Investment Revenues	3	330,937	247,549
Total Revenue		15,656,052	12,190,637
Less Operating Expenses	4	7,718,566	6,199,434
Operating Surplus before Depreciation & Interest		7,937,486	5,991,203
Less:			
Depreciation	5	3,117,688	2,985,658
Interest		2,283,808	2,632,130
Net Operating Surplus	6	2,535,990	373,415

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF MOVEMENT IN TRUST FUNDS FOR THE YEAR ENDED 30 JUNE

	2005 \$	2004 \$
Funds at the beginning of the year	12,055,999	11,682,584
Operating Surplus	2,535,990	373,415
Total recognised revenue and expenses	2,535,990	373,415
Funds at end of year	14,591,989	12,055,999

The accompanying accounting policies and notes form part of these financial statements

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

	Notes	2005 \$	2004 \$
TRUST FUNDS			
Accumulated Surplus		14,591,989	12,055,999
NON-CURRENT LIABILITIES			
Limited Recourse Loans			
Wellington Regional Council	7	25,000,000	25,000,000
Wellington City Council	7	15,000,000	15,000,000
Wellington City Council - Accrued Interest	7	394,893	394,893
Total Trust Funds & Limited Recourse Loans		54,986,882	52,450,892
Other Non Current Liabilities			
Membership, Corporate Box & Sponsorship Funding		24,689,933	27,485,574
Borrowings	8	26,669,215	28,773,901
Total Other Non Current Liabilities		51,359,148	56,259,475
CURRENT LIABILITIES			
Revenue in Advance		6,224,752	5,484,538
Payables and Accruals	10	1,410,612	1,337,252
Borrowings	8	292,976	1,754,912
Total Current Liabilities		7,928,340	8,576,702
TOTAL FUNDING		114,274,370	117,287,069
Represented by:			
NON-CURRENT ASSETS			
Fixed Assets	11	111,582,557	114,271,969
Total Non-Current Assets		111,582,557	114,271,969
Current Assets			
Cash and Money Market Investments		1,220,772	2,199,110
Receivables and Prepayments		1,471,041	815,990
Total Current Assets		2,691,813	3,015,100
TOTAL ASSETS		114,274,370	117,287,069

On behalf of the Trustees:



Trustee
19 August 2005



Trustee

The accompanying accounting policies and notes form part of these financial statements

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF CASH FLOWS FOR THE 12 MONTHS ENDED 30 JUNE

	Notes	2005 \$	2004 \$
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Cash was provided from:			
Event and operating income		7,875,149	5,829,363
Corporate box fees and sponsorships		4,375,412	3,813,753
Interest received		147,387	73,322
Donations and other sundry income		130,735	132,086
		12,528,683	9,848,524
Cash was applied to:			
Payments to suppliers and employees		(7,392,683)	(6,106,618)
Interest paid		(2,271,499)	(2,207,718)
		(9,664,182)	(8,314,336)
Net cash inflow from operating activities	16	2,864,501	1,534,188
CASH FLOWS (USED IN) INVESTING ACTIVITIES			
Cash was applied to:			
Fixed asset additions		(589,304)	(109,043)
Net cash outflow from investing activities		(589,304)	(109,043)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Cash was provided from:			
Memberships		252,167	433,709
Loans		–	–
		252,167	433,709
Cash was applied to:			
Repayment of loans		(3,505,702)	(1,030,148)
		(3,505,702)	(1,030,148)
Net cash outflow from financing activities		(3,253,535)	(596,439)
NET (DECREASE)/INCREASE IN CASH HELD		(978,338)	828,706
Cash at beginning of the period		2,199,110	1,370,404
CASH AT END OF THE PERIOD		1,220,772	2,199,110
Composition of cash:			
Cash at bank		(167,359)	2,018
Money market investments		1,388,131	2,197,092
		1,220,772	2,199,110

The accompanying accounting policies and notes form part of these financial statements

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

These financial statements are for the Wellington Regional Stadium Trust ('the Trust'), a charitable trust established by the Wellington City Council ('WCC') and Wellington Regional Council ('WRC') and registered under the Charitable Trusts Act 1957.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand. The financial statements have also been prepared in accordance with the requirements of the Charitable Trusts Act 1957.

MEASUREMENT BASE

The financial statements have been prepared on a historical cost basis.

MEMBERSHIP, CORPORATE BOX AND SPONSORSHIP FUNDING

The development of the Stadium was partially funded by the sale of stadium club memberships, corporate boxes and signage and sponsorship properties. The term of the memberships and corporate box licenses is 15 years. The terms of the signage and sponsorship agreements range from one year to ten years. Payment for these items has been received and recorded as revenue in advance. This funding is amortised as revenue on a straight-line basis over the term of the agreement. Amortisation of revenue from memberships and corporate boxes commenced from 1 January 2000. Where signage and sponsorship agreements were entered into prior to the opening of the Stadium, amortisation of revenue commenced from 1 January 2000.

DONATIONS AND GRANTS

Donations and Grants are recognised as revenue on receipt.

INCOME TAX

The income tax expense charged against the net surplus for the year is the estimated liability in respect of that surplus and is calculated after allowance for permanent differences. The Trust uses the liability method of accounting for deferred taxation and applies this on a comprehensive basis. Future tax benefits attributable to tax losses or timing difference are only recognised when there is virtual certainty of realisation.

Because of the uncertainty over the tax status of the Trust (refer to Note 2), any deferred tax liability has not been recognised in the financial statements.

GOODS AND SERVICES TAX (GST)

The financial statements have been prepared exclusive of goods and services tax (GST) with the exception of receivables and payables which are stated with GST included.

FIXED ASSETS

Fixed assets are stated at cost. Cost includes the purchase consideration, or fair value in the case of a donated asset, and those costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

FINANCE LEASES

Leases where the Trust assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance lease are stated initially at an amount equal to the present value of the future minimum lease payments, and are depreciated as described below.

OPERATING LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

DEPRECIATION

Depreciation is calculated on a straight line basis to allocate the cost or revalued amount of an asset, less any residual value, over its useful life. The estimated useful lives of fixed assets are as follows:

Pitch	15 years -indefinite
Stadium Buildings	50 - 70 years
Replay screen & production equipment	15 -25 years
Fitout	5-50 years
Fittings	5-10 years
Plant & machinery & equipment	3-50 years

RECEIVABLES

Receivables are valued at net realisable value. An estimate is made for doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off during the period in which they are identified.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FINANCIAL INSTRUMENTS

The Trust is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, money market deposits, debtors, creditors, loans and interest rate swaps. The Trust has interest rate swap instruments with off-balance sheet risk for the primary purpose of reducing its exposure to interest rate volatility. For interest rate swap agreements the differential to be paid or received is effectively accrued as interest rates change and is recognised as a component of interest expense over the life of the agreement. Apart from interest rate swaps, all financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the statement of financial performance. Except for interest rate swaps, all financial instruments are stated at fair values.

CHANGES IN ACCOUNTING POLICIES

All policies have been applied on a consistent basis during the year. There have been no changes in accounting policies.

2. STATUS OF TRUST

During 1999, the New Zealand Government passed amendments to the Local Government Act and the Income Tax Act, which had the effect of bringing some trusts controlled by local bodies within the Local Authority Trading Enterprise ("LATE") definition. The Inland Revenue Department subsequently deemed that the Wellington Regional Stadium Trust was a LATE for tax purposes and withdrew the Trust's tax-exempt status with effect from 1 April 1999. With the enactment of the Local Government Act 2002, LATE's have been replaced by Council Controlled Organisations ("CCO") and Council Controlled Trading Organisations ("CCTO"). If the Trust is a CCTO it will be required to accrue interest on its limited-recourse loans at a market rate and it will be a taxpayer.

The Trust, in conjunction with WCC and WRC made application to the High Court for a declaratory judgement on the Trust's status. This application was heard in the High Court in June 2004. In July 2004, the High Court declared that the Trust was not a CCTO and that Part 5 of the Local Government Act 2002 did not apply to the Trust. However the Inland Revenue Department has appealed this decision. The appeal was heard in the Court of Appeal on 28 June 2005.

The obligations of the WRC and WCC to fund the Trust are defined under a Funding Deed dated 30 January 1998. Under the terms of this deed, any interest charged on the limited-recourse loans is accrued and added to the loans. It is not repayable until after all other debts are extinguished. If the Trust is a CCTO, WCC and WRC are required to charge interest on the limited recourse loans at market rates.

At the date these financial statements were completed, the Court of Appeal's decision has not been released and therefore the final status of the Trust remains uncertain. As in previous years, these financial statements have been prepared as if the Trust is not a CCTO and therefore not a taxpayer. The potential tax implication should the Trust be deemed a CCTO has been set out in Note 6. However due to the continuing uncertainty, the interest on the limited recourse loans has not been charged by WRC and WCC, and accordingly has not been accrued in the financial statements of the Trust. This is also consistent with previous years.

3. INVESTMENT REVENUE

	2005 \$	2004 \$
Interest received	147,309	73,439
Tenancy rentals	183,628	174,110
	<u>330,937</u>	<u>247,549</u>

4. OPERATING EXPENSES

	2005 \$	2004 \$
Event operating expenses	3,794,036	2,409,477
Maintenance & facility operation	2,018,163	2,110,191
Personnel	1,207,299	1,087,550
Trustee Fees	106,000	108,000
Loss on disposal of assets	159,638	5,796
Fees paid to Auditors – external audit	21,050	15,060
– other services	–	3,750
Rental expense on operating leases	5,318	5,364
Other operating expenses	407,062	454,246
Total operating expenses	<u>7,718,566</u>	<u>6,199,434</u>

5. DEPRECIATION

	2005 \$	2004 \$
Pitch	5,157	4,768
Stadium Buildings	1,367,410	1,365,445
Fitout	587,770	478,172
Replay screen and production equipment	246,274	246,321
Fittings	130,988	131,174
Owned plant machinery and equipment	780,089	733,502
Leased plant machinery and equipment	–	23,189
Leasehold improvements	–	3,087
Total	<u>3,117,688</u>	<u>2,985,658</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6. TAXATION

	2005 \$	2004 \$
Accounting net surplus before tax	2,535,990	373,415
Tax at 33%	836,877	123,227
Tax effect of permanent differences	18,292	33,811
Tax loss benefit not recognised	(75,770)	708,307
Timing differences not recognised	(799,399)	(865,345)
Tax expense	0	0
Unrecognised tax losses carried forward	10,792,897	10,935,726
Tax saving thereon	3,561,656	3,608,790
Deferred tax liability (tax effected) not recognised on accumulated timing differences	5,918,480	5,167,718

7. LIMITED-RECOURSE LOANS

The development of the stadium was partially funded by the Wellington City Council and the Wellington Regional Council. The funding was by way of unsecured limited-recourse loans. No interest has been charged on these loans.

The Wellington City Council loan also includes an amount of \$394,893 which is accrued interest under a membership underwrite agreement. The interest component is not payable until both of the original Council limited-recourse loans have been repaid. The underwrite was fully repaid in the previous financial year and no further interest will accrue.

The Trust is required to pay surplus funds to the Wellington City Council and Wellington Regional Council in reduction of their loans after meeting costs, liabilities, and debt reductions and after allowing for the appropriate capital expenditure and transfers to reserves. No surplus funds are available for repayment in the current year.

8. BORROWINGS

Notes	2005 \$	2004 \$
Non Current Borrowings		
ANZ National Bank Ltd	26,150,000	28,150,000
Wellington Rugby Football Union Incorporated		
– Deferred Membership reimbursement	519,215	623,901
	26,669,215	28,773,901
Borrowings due within 12 months		
ANZ National Bank Ltd	–	1,500,000
Wellington Rugby Football Union Incorporated		
– Deferred Membership reimbursement	292,976	–
Hunter Premium Funding	–	159,210
New Zealand Cricket Incorporated	–	90,000
Lease & hire purchase obligations	–	5,702
	292,976	1,754,912

ANZ NATIONAL BANK LTD FACILITIES

The ANZ has a first mortgage security over the stadium land and buildings and a floating first debenture charge over the assets of the Trust. The following interest rate swaps have been entered into, effectively fixing interest rates at:

	Interest Rate	Expires
\$5 million	7.46%	January 2006
\$5 million	7.78%	May 2007
\$5 million	7.75%	October 2007
\$5 million	7.75%	April 2008

A further swap has been entered into on a \$4 million tranche of the loan, which takes effect from July 2005 and fixes the rate at 7.75% until July 2008. The remainder of the loan is on a floating rate of 8.023% at balance date.

A repayment of \$1.5 million is due at 30 June 2006. However at balance date a temporary repayment of \$2 million had already been made against the loan. These funds remain available for drawdown if required.

During the next 12 months terms for the repayment of the balance of the loan for the period following 30 June 2006 will be renegotiated with the ANZ and both parties expect to conclude a renegotiation on terms similar to those currently existing.

WELLINGTON RUGBY FOOTBALL UNION INCORPORATED

The deferred membership reimbursement is repayable at the end of the NPC seasons in the years 2005-2007. The current interest rate is 7.61%.

9. FINANCE LEASE LIABILITIES

	2005 \$	2004 \$
Total minimum lease payment due:		
Not later than one year	–	5,817
	–	5,817
Future lease finance charges:		
Current	–	115
Non Current	–	–
	–	115
Net Finance lease liability		
Current	–	5,702
Non Current	–	–
	–	5,702
Financing charges related to finance leases included in Interest expense	115	5,762

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10. PAYABLES AND ACCRUALS

	2005	2004
	\$	\$
Trade creditors	1,224,157	1,198,847
Employee entitlements	80,223	59,521
Accrued expenses	106,232	78,884
	<u>1,410,612</u>	<u>1,337,252</u>

11. FIXED ASSETS

	2005	2004
	\$	\$
Freehold Land	4,225,000	4,225,000
Pitch		
At cost	1,273,719	1,314,289
Accumulated depreciation	(25,236)	(67,779)
	<u>1,248,483</u>	<u>1,246,510</u>
Stadium Buildings		
At cost	82,996,519	82,996,519
Accumulated depreciation	(7,943,410)	(6,578,316)
	<u>75,053,109</u>	<u>76,418,203</u>
Fitout		
At cost	13,914,847	13,868,881
Accumulated depreciation	(2,796,500)	(2,212,152)
	<u>11,118,347</u>	<u>11,656,729</u>
Replay Screen & Production Equipment		
At cost	5,260,129	5,232,583
Accumulated depreciation	(1,507,017)	(1,260,742)
	<u>3,753,112</u>	<u>3,971,841</u>
Fittings		
At cost	1,290,011	1,344,450
Accumulated depreciation	(655,180)	(587,994)
	<u>634,831</u>	<u>756,456</u>
Owned Plant and Machinery and Equipment		
At cost	19,534,221	18,851,374
Accumulated depreciation	(3,984,546)	(3,012,527)
	<u>15,549,675</u>	<u>15,838,847</u>
Leased Plant and Machinery and Equipment		
At cost	—	257,859
Accumulated depreciation	—	(239,462)
	<u>—</u>	<u>18,397</u>
Leasehold improvements		
At cost	—	154,396
Accumulated depreciation	—	(14,410)
	<u>—</u>	<u>139,986</u>
Total net carrying amount	<u>111,582,557</u>	<u>114,271,969</u>

12. FINANCIAL INSTRUMENTS

CREDIT RISK

Financial instruments which potentially expose the Trust to credit risk consist of bank deposits, short term investments, accounts receivable and interest rate swaps. The Trust invests with high credit quality financial institutions. Accordingly, the Trust does not require any collateral or security to support financial instruments with organisations it deals with. There is no concentration of credit risk with respect to accounts receivable.

FAIR VALUE

Except for interest rate swaps, the fair value of financial instruments is equivalent to the carrying amount disclosed in the statement of financial position. The estimated fair values of the interest rate swaps at balance date are (\$43,087) (2004, (\$230,784)) and the carrying amount is \$12,488 (2004, (\$42,540)).

INTEREST RATE RISK

Interest rate risk is the risk that interest rates will fluctuate due to changes in the market interest rates. The interest rates on the Trust's borrowings are disclosed in Note 8. The Trust does not consider that there is any significant interest exposure on either its investments or borrowings.

CURRENCY RISK

The Trust has no exposure to currency risk.

13. RELATED PARTY TRANSACTIONS

WELLINGTON CITY COUNCIL

	2005	2004
	\$	\$
Services provided to Council	200,000	552,005
Receivable balance outstanding	—	22,634
Services provided by Council	15,827	12,371
Payable balance outstanding	4,914	2,182

These transactions took place on normal commercial terms. Services provided by the Council excludes payments for water and rates.

Details of the Advance from the Wellington City Council are given in Note 7.

WELLINGTON REGIONAL COUNCIL

Details of the Advance from the Wellington Regional Council are given in Note 7. There were no other related party transactions with the Wellington Regional Council.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14. COMMITMENTS

The following amounts have been committed to by the Trust, but not recognised in the financial statements.

	2005 \$	2004 \$
Operating leases		
Non-cancellable operating lease commitments:		
Within one year	3,823	4,308
One to two years	3,627	196
Two to five years	5,441	—
	<u>12,891</u>	<u>4,504</u>
Capital Expenditure		
Amounts committed to capital expenditure	Nil	16,209

15. CONTINGENCIES

The Trust has no contingent liabilities at 30 June 2005(2004: Nil)

16. RECONCILIATION OF NET OPERATING SURPLUS TO NET CASHFLOWS FROM OPERATING ACTIVITIES

	2005 \$	2004 \$
Net surplus for the year	2,535,990	373,415
Impact of changes in working capital items		
(Increase)/decrease in receivables	(655,051)	453,432
Increase/(decrease) in revenue in advance	740,214	365,188
Increase/(decrease) in payables	73,360	(54,720)
	<u>158,523</u>	<u>763,900</u>
Non Operating items in above movements:		
Receivables	383	(107,925)
Revenue in advance	(117,700)	(80,402)
Payables	10,278	63,465
 Increase/(decrease) in Non Current Revenue in Advance	 95,107	 180,006
Non Cash Items in Operating Surplus		
Depreciation	3,117,688	2,985,658
Amortisation	(3,193,697)	(3,189,377)
Other	257,929	545,448
Net cash inflow from operating activities	<u>2,864,501</u>	<u>1,534,188</u>



Audit New Zealand

AUDIT AND ASSURANCE SERVICES

TO THE READERS OF WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

The Auditor-General is the auditor of Wellington Regional Stadium Trust (the Trust). The Auditor-General has appointed me, Rudie Tomlinson, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust, on his behalf, for the year ended 30 June 2005.

UNQUALIFIED OPINION

In our opinion:

- the financial statements of the Trust on pages 16 to 23:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Trust's financial position as at 30 June 2005; and
 - the results of its operations and cash flows for the year ended on that date.

The audit was completed on 19 August 2005, and is the date at which our opinion is expressed.

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

BASIS OF OPINION

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in the opinion.

Our audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;

- reviewing significant estimates and judgements made by the Board;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support the opinion above.

RESPONSIBILITIES OF THE BOARD AND THE AUDITOR

The Board is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Trust as at 30 June 2005. They must also fairly reflect the results of its operations and cash flows for the year ended on that date.

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

INDEPENDENCE

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

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

R L Tomlinson
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand



TRUST PARTICULARS AT 30 JUNE 2005

SETTLORS

Wellington City Council
Wellington Regional Council

DATE OF SETTLEMENT

1 January 1998

AUDITORS

Audit New Zealand, Wellington on behalf of the Controller
and Auditor General

SOLICITORS

Maude & Miller

BANKERS

ANZ National Bank Limited
Westpac Banking Corporation

PHOTO CREDITS

Peter Bush, Neil McKenzie, Craig Simcox,
2Hot2 Handle, Kevin Stent (Sunday Star Times)

Designed by Gibson Rusden (Wgtn) Limited



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