



**WESTPAC
STADIUM**

2007

ANNUAL REPORT

WELLINGTON REGIONAL
STADIUM TRUST (INC)





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SPONSOR'S MESSAGE

Westpac New Zealand is proud to share its name with Westpac Stadium – an iconic facility that consistently delivers some of the best entertainment on offer to New Zealand and international audiences.

Westpac Stadium is, rightly, a jewel in Wellington's crown and our partnership stands as a demonstration of Westpac's commitment to the Wellington region.

The last 12 months have once again given us plenty to celebrate: the All Blacks continued their unbeaten home winning record; the Kiwi League team had a dominating win against Great Britain; and the Wellington sevens event continues to establish itself as one of the highlight events on the IRB World Series. We are thrilled to welcome the Wellington Phoenix Football team to the Westpac Stadium family and wish them well for their inaugural season in the Australian A-League.

Away from the sporting field, it was marvellous to see Elton John play to a great crowd in December. Following on from the successful Rolling Stones event earlier last year, it is great to see major international acts playing at Westpac Stadium, cementing its reputation as a true international concert facility.

To successfully coordinate all these activities requires a tremendous amount of work. I commend all those involved, particularly the management team and Board, for the ongoing efforts to ensure Westpac Stadium retains the pre-eminent position it has achieved in the hearts and minds of the people of Wellington. I look forward to 2008 and another great year for Westpac Stadium.



BRAD COOPER

Chief Executive Officer
Westpac New Zealand

31 August 2007



CHAIRMAN + CHIEF EXECUTIVE'S REPORT

TRY TO IMAGINE THE WELLINGTON REGION, OR EVEN THE LOWER HALF OF THE NORTH ISLAND, WITHOUT THE WESTPAC STADIUM. IT IS HARD TO BELIEVE THE STADIUM HAS BEEN OPERATING FOR JUST EIGHT YEARS.

Before the Stadium, there had been no Sevens, no big concerts for 11 years, and we were only hosting two or three Super 12 games at home. Now we are the envy of other cities as we provide a range of rugby, rugby league, football, cricket, concerts and exhibitions to our patrons. We have, in a central location in a region with a million people living in easy travelling distance of the city, a world class facility to host international events. Promoters, who had never previously considered Wellington as a destination, are bringing major international events to the city. Promoters now know that Wellington will support events as well, if not better, than other Australian and New Zealand cities.

The Stadium contributes significantly to enhancing Wellington's reputation as a destination. A visit to the Stadium, a weekend in Wellington, party time in Courtenay Place, are now regular features on the calendar of many New Zealanders. We see large numbers of Aucklanders coming to Wellington concerts in preference to attending the same concert in their own city.

For those of us who live here, we've come to enjoy the entertainment and celebration associated with each big event.

The Stadium continues to contribute to our community in all sorts of ways. Commercial properties adjacent to the Stadium are now developing more quickly, with some significant buildings being constructed in the immediate vicinity. The presence of the Stadium has played a big part in encouraging that development. On the sports front, the Stadium was key in the successful bid to get Wellington Phoenix Football Club in the Australian A-League Football competition.

Our business has matured and we now have a sound financial base with a solid and regular event schedule.

Accordingly the demands on management have changed. Currently, scheduling, turf management and maintenance and enhancement of the stadium are the major areas of focus for us, to ensure we continue to provide a truly international-quality facility to all our important users.

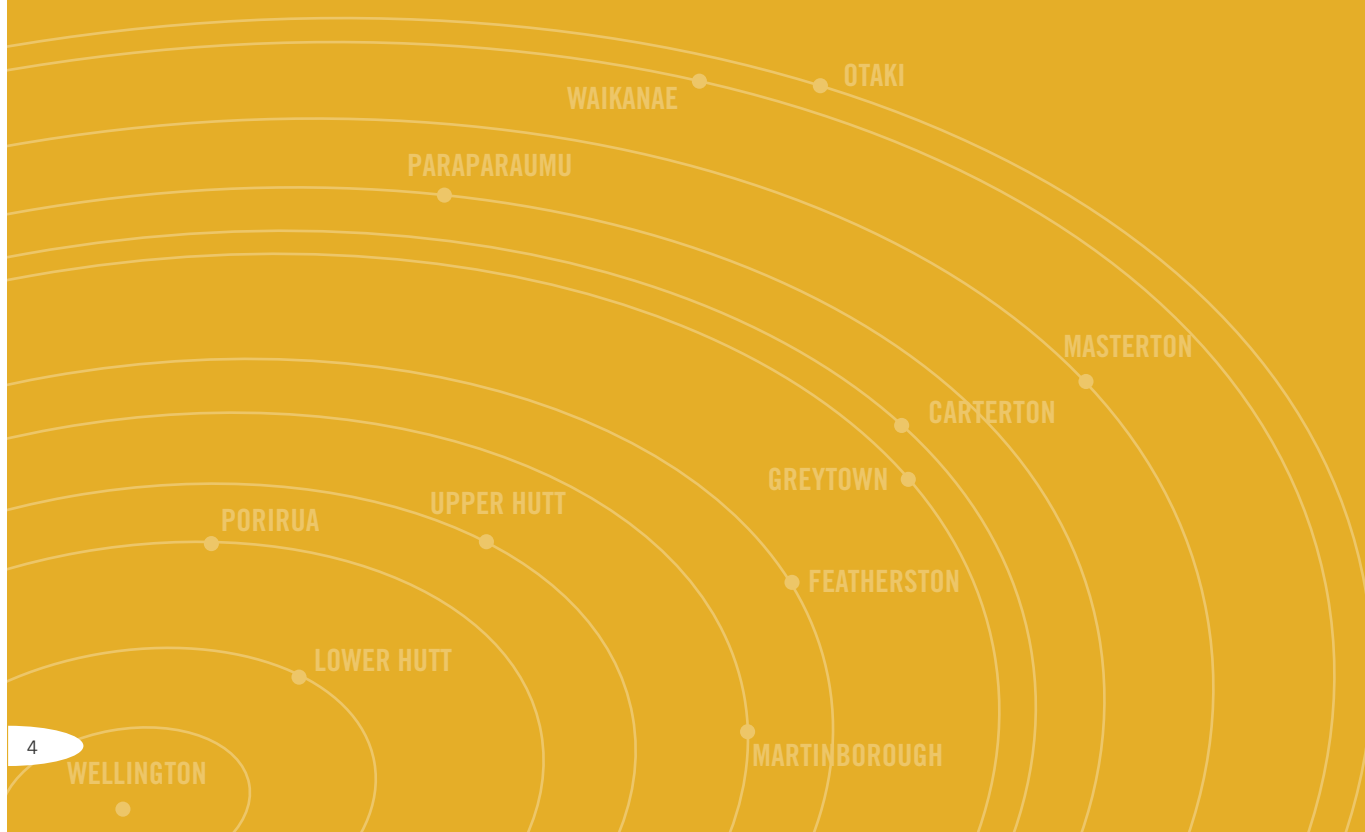
We measure economic benefit, attendances, number of visitors to the city and financial outcomes, but nobody can measure the very real pride and pleasure that Wellingtonians get from not only going to the Stadium, but understanding what a great asset we have. It is a pleasure to contribute to its further development.





ALL BLACKS V SOUTH AFRICA // 22 JULY 2006

THE YEAR 2006/2007



SPORTING EVENTS

The International Rugby schedule in 2006/ 2007 meant that we had two rugby tests in the year.

ALL BLACKS V SOUTH AFRICA – 22 JULY 2006

We hosted the third match of the 2006 Tri Nations Series. The All Blacks won, 35-17 but the capacity crowd of 38,000 saw a game that was much more exciting than the score line suggests. The Springboks were coming off a 49-0 loss to Australia the previous week, but they provided real competition to the All Blacks, with the margin of comfort only being established in the last 10 minutes.

THE RESULTS: ALL BLACKS

vs South Africa	Won	35-17
vs France	Won	61-10

ALL BLACKS V FRANCE – 9 JUNE 2007

A capacity crowd attended this test as well, in spite of France being represented by a second string side. The All Blacks had a 61-10 win, scoring nine tries. The fans were obviously keen to see their World Cup team perform, irrespective of the quality of the opposition. This was France's biggest defeat in international rugby and the All Blacks' twenty-third consecutive home win.

WELLINGTON LIONS

In July 2006 the Air New Zealand Cup competition kicked off, replacing the previous National Provincial Championship Competition. This new competition expanded from 10 to 14 teams and featured two pools that played a modified round-robin over 10 weeks, followed by quarters, semis and finals.

The problem arising from this competition was that teams, unions, supporters and stadiums did not know what games they would be getting in the play-off series and the crowd support did not eventuate for the round-robin series, presumably as fans waited for the outcome of the round.

Wellington Lions won its three home pool games against Auckland, Tasman and Canterbury, securing the right to host a quarter final against Canterbury, which they also won. The Lions had the same number of wins as the top qualifiers in the round-robin, but failure to secure enough bonus points meant that they did not have a chance to host home semi-finals and finals.

This form of competition had problems for everybody involved, so NZRU conducted a full review and an amended competition has been agreed for 2007 which provides certainty for scheduling home games during the round robin.

THE RESULTS: WELLINGTON LIONS

vs Bay of Plenty	Won	11-6
vs Auckland	Won	14-11
vs Tasman	Won	39-25
vs Canterbury	Won	26-24
vs Canterbury (Quarter final)	Won	36-23



WINNERS: SAMOA, IRB INTERNATIONAL SEVENS / 2/3 FEBRUARY 2007

THE RESULTS: SEVENS

2000	Fiji
2001	Australia
2002	South Africa
2003	New Zealand
2004	New Zealand
2005	New Zealand
2006	Fiji
2007	Samoa

IRB INTERNATIONAL SEVENS

Another capacity crowd, many of them in fancy dress, came to enjoy a festival of rugby in a party atmosphere, unequalled anywhere else in the World Series. Each year, more and more fans put thought into creating costumes that help build an atmosphere of excitement and colour. With the Sevens contract now secure in Wellington until 2010, we will continue to enhance the experience for the fans and reinforce our position as the best tournament in the world.

The tournament was won by Samoa who beat tournament favourites Fiji, 17-14 in a pulsating final. New Zealand was beaten in the semi-final by Fiji, 31-0.

HURRICANES

The Super 14 series was without All Blacks for the first seven rounds. The average crowd was 21,187 compared to 25,250 the previous year, a drop of 16%.

The Hurricanes had six players away training for the Rugby World Cup, but in spite of this, they won five out of the six home games at Westpac Stadium, losing their last game to the Waratahs. They did not do well away from home and finished eighth in the competition.

The Waratah's game was Tana Umaga's last game for the Hurricanes. The crowd gave Tana and his fellow retiring Hurricanes Paul Tito, Luke Andrews and Lome Fa'atau an emotional farewell.

THE RESULTS: HURRICANES

vs Blue	Won	23-22
vs Brumbies	Won	11-10
vs Bulls	Won	17-9
vs Cheetahs	Won	37-15
vs Highlanders	Won	22-21
vs Waratahs	Lost	14-38

CLUB RUGBY FINALS

We enjoy hosting the Club Finals and seeing Wellington premier club players getting a chance to play at the Stadium. The finals were played at the Stadium before a crowd of 4,129. The Jubilee Cup was won by Norths beating Ponkeke, 25-12. Upper Hutt won the Hardham Cup, defeating Wainui 25-12.

RUGBY LEAGUE TEST

We hosted the Kiwis against Great Britain in the fifth game of the Tri Nations Series. The Kiwis had just been penalised two points in the tournament for playing an ineligible player and needed to win by a big margin to ensure they had an opportunity to go through to the final against Australia, on a points differential.

This created a very exciting match as more than 15,000 watched the Kiwis establish control early in the game in their efforts to overcome the disappointment of the previous week. With great crowd support, they built a lead to reach the required points difference. The final score was 34-4, which ensured the Kiwis would play in the final if Great Britain lost their next game to Australia.

THE RESULTS: KIWIS

vs Great Britain	Won	34-4
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TWENTY/20 – NEW ZEALAND V SRI LANKA

We have been keen to support New Zealand Cricket and host this new version of cricket as we believe that it can have a special place in the Stadium event calendar. The match was played on the Friday before Christmas, which meant many people who might otherwise have attended would be out of town. A crowd of 12,962 turned out, even though it was cold and the weather forecast was not good. This compared favourably with attendance at our better quality ODIs.

The rain held off sufficiently for a game to be completed. Sri Lanka won by 18 runs under the Duckworth Lewis system, which was used when the second innings was rained out.

We are very keen to host another game, at a better time, and believe this form of entertainment will be very well supported in Wellington and at the Westpac Stadium.



THE RESULTS: BLACK CAPS

New Zealand 162, Sri Lanka 62 (5.5 overs)

Australia 148 all out, New Zealand 149-0.

NEW ZEALAND V AUSTRALIA ODI

The ODI was the first game of a three match series before both teams headed off to the Cricket World Cup in the West Indies. As New Zealand missed out on a place in the final of the Australian Tri-Series competition, the game in Wellington was an important part of their build up for the World Cup. The New Zealand team desperately needed to be successful. Poor weather prior to the game affected preparation and as a consequence it was a low scoring game. New Zealand beat Australia by 10 wickets. This was the first time that Australia had lost by 10 wickets in 646 ODIs. It was the first win for New Zealand in a series that they went on to win 3-0.



OTHER EVENTS

ELTON JOHN CONCERT

The Elton John concert was secured when the promoter identified a gap in Elton John's Australian tour programme. We succeeded in securing a one-off concert in Wellington. The concert was very popular, with 32,200 tickets sold in a very short selling period. It was held on a particularly balmy Wednesday night in December with the crowd really enjoying a night of excellent music from this rock icon. We were advised that Elton John considered the Wellington concert to be a highlight of his Australasian tour.

This gave us two concerts in the calendar year, the Rolling Stones in April and Elton John in December. These two outstanding concerts confirmed the Stadium's position as a concert venue that can generate the attendances required to support a major international act.



YEAR OF THE VETERAN – MILITARY PAGEANT

This was a very special event celebrating the Year of the Veteran and the 90th anniversary of the Royal New Zealand Returned and Services' Association.

The pageant featured an exhibition of a wide range of military equipment on the concourse, from armoured personnel carriers through to a variety of weapons. Children particularly enjoyed the opportunity to get up close to the equipment and personnel of all branches of the armed forces and the police.

The show featured massed bands and choirs. A replica castle was built in the middle of the Stadium and the highlight for many was a simulated battle which included troops abseiling out of hovering helicopters. The event concluded with the 1812 Overture, complete with cannons and fireworks.

It was outstanding entertainment, similar in content, quality, presentation and performance to the Edinburgh Military Tattoo. It was enjoyed by a small crowd of just 5,600 patrons.

EXHIBITIONS

FOOD SHOW

This very popular three-day show continues to grow. For the first time, it attracted a crowd in excess of 20,000. It is so popular that many Wellingtonians take the day off to visit the show on Friday so as to avoid the weekend crowds. Those attending have the opportunity to sample a wide range of food and wines, making the show excellent value for money. We look forward to continuing to host this important exhibition on the Wellington events calendar.

HOME AND GARDEN SHOW

The Home and Garden Show is a three-day exhibition. It has been part of our event calendar since opening in 2000. It consistently attracts a crowd of around 14,000.

THE LION MAN SHOW – OUT OF AFRICA

This two-day show, which featured caged lions on the concourse, was particularly popular with families.

COMMUNITY EVENTS

CAROLS BY CANDLELIGHT

Carols by Candlelight was attended by 14,800 people this year. This Saturday night event celebrated Santa's arrival to the Stadium and the city. The Stadium and its contractors again provided substantial financial support to Carols by Candlelight to ensure that it could be hosted at the Stadium. We particularly thank our contractors for their generous support. This was the last Carols by Candlelight Concert at the Stadium as the promoter is moving the event to Waitangi Park. This is due in part to uncertainty of Stadium availability because of our need to accommodate a very full Wellington Phoenix FC programme in December. Waitangi Park is a very good venue, however, for the size of audience attracted to the Carols.

OTHER EVENTS

We accommodated a number of community events, which we host whenever they can fit into our calendar. In particular, the Junior Sports Day, run by Sport Wellington Region, is very popular, with the children getting the opportunity to participate in a variety of sports on the field. This is an event we would like to expand.

COMMUNITY EVENTS HOSTED

Carols by Candlelight
Police Training Courses (3) – protection officers
Dell Computer recycling day
College Sport Wellington Cross Country
Sport Wellington Junior Sports Day
Wellington Marathon

NON-SPORTING EVENTS

YEAR	EVENT	ATTENDANCE
2000	Edinburgh Military Tattoo	83,409
2000	Celebrate Jesus	27,000
2001	Robbie Williams Concert	42,500
2002	Stadium Spectacular	29,500
2003	Stadium Spectacular	21,000
2004	David Bowie Concert	24,000
2005	Neil Diamond Concert	32,184
2005	Crusty Demons	8,800
2006	World Wrestling Entertainment (WWE)	23,875
2006	Rolling Stones Concert	40,000
2006	Military Pageant	5,643
2006	Elton John Concert	32,200

PRIVATE FUNCTIONS

Total Functions	1,172
Total Function Guests	41,241

FUNCTIONS

It is important that we maximise the use of the Stadium when it is not being used for events.

This year our private function business is at the highest it has been since we opened, with 806 private functions in our hospitality lounges and 366 functions in corporate boxes on non event days totalling 41,241 function guests.



ALL BLACKS V FRANCE // 9 JUNE 2007

FINANCIAL

When we first commenced operation in 2000, our event calendar was not large, was full of non-recurring events and our other revenues were uncertain. We had borrowed \$33.65 million which had a large debt servicing requirement and it was difficult to project a surplus to meet our debt repayments. Surpluses for the first 5 years averaged \$1.2 million, boosted by some one-off events such as the Edinburgh Military Tattoo. Surpluses were still insufficient to service our debt on a long-term basis.

We have now had three years of surpluses in excess of \$2 million and we believe our operation is sufficiently mature that we can be more confident about future projections and cashflows. There are continuing long-term challenges, but the security provided by three years of returns at the target levels of \$2 million puts us in a better position to meet those challenges.

The surplus for the year is \$2.059 million, compared with last year's surplus of \$2.279 million and a budget of \$1.701 million.

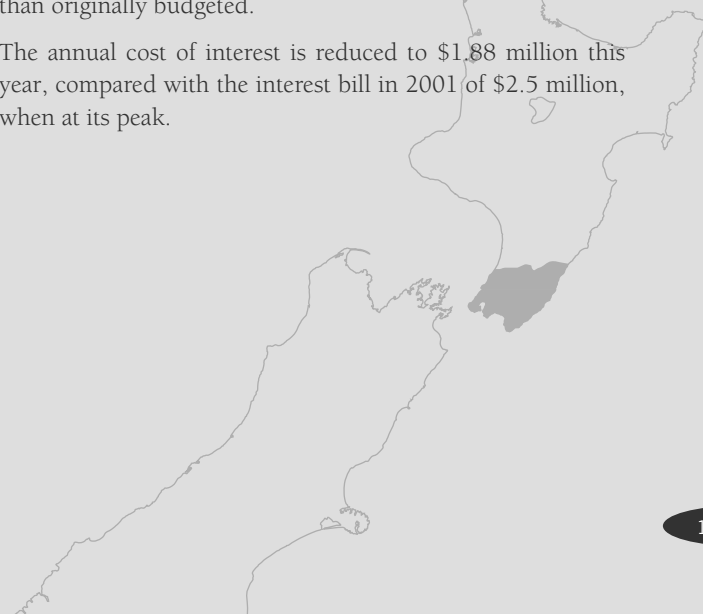
The early replacement of the replay screen and a resulting write down of that asset by \$0.98 million had a significant impact on the result. The original screen has now been replaced and a second new screen will be installed in October/November 2007.

As a result of the test match allocations by New Zealand Rugby Union, we were fortunate to host a test match in July 2006 and June 2007 therefore having two in one financial year. The second test match was not included in our original budget.

We work hard at maintaining the Stadium through our Asset Management Plan. We believe we have good programmes to enable us to monitor building maintenance and are doing everything needed to maintain the Stadium to international standards.

We reduced our ANZ Bank loan by \$1.65 million during the year. The balance is now \$22.3 million. We have accelerated our loan repayments over the past two years as a consequence of surplus cash reserves. Currently the loan is \$2.5 million less than originally budgeted.

The annual cost of interest is reduced to \$1.88 million this year, compared with the interest bill in 2001 of \$2.5 million, when at its peak.



PROJECTIONS

Looking forward to the next three years, we are operating in an environment where the Sevens are secured until 2010 but the major rugby competitions are experiencing some change and we have had reduced attendance in the past year. There are few concert artists suitable for stadium tours and many are likely to play indoors.

Our projected surpluses for the next 3 years are:

2007/08	\$1.08 million
2008/09	\$1.84 million
2009/10	\$2.15 million

The projected results for the 2007/08 year assume no rugby tests as we were allocated two in the 2006/07 financial year.

During this period we will continue with a capital investment programme so that we are in the best shape possible for the Rugby World Cup 2011.

ATTENDANCE RECORD	
2000 (6 months)	401,569
2001	645,710
2002	537,353
2003	535,955
2004	410,508
2005	594,986
2006	506,928
2007	483,000
Total	4,116,009

EVENTS SCHEDULE

We are excited about the prospects for Wellington Phoenix FC and are keen to help them secure a permanent place in the A-League competition beyond their initial two-year contract. The addition of the Wellington Phoenix FC to the Stadium calendar means that our events schedule is now at capacity and we must focus on how we manage the schedule without seriously impacting the quality of the playing surface. The additional football schedule has long been a target for the Stadium. The public response to the Phoenix has been very encouraging and hopefully will lift Wellington as a major venue for football.

There has been a shift in the tour schedules for concert artists and many enquiries seem to be coming in for the November to January period compared with the February to April months in the past. This is creating further pressure on our event schedule.

With the addition of the Phoenix, we will have in excess of 40 event days per year. Together with the bookings required for the pre-season football competition, quarters, semis and finals for all competitions, there are 52 event days booked next year.

With careful planning we believe that we can manage this, but we do need to be quite selective about what events we do hold on the pitch.

MAINTENANCE AND ENHANCEMENTS

PORTABLE WICKETS

In January, after a long period of construction, preparation and consolidation, we trialled the portable cricket wicket. The nursery for the two cricket wickets is on the eastern side of the ground which enables us to work on preparation of the wickets while the rugby season is still in progress.





PORTABLE WICKET RELOCATION // NOVEMBER 2006

We own the steel frame, which is a major part of the specially designed transporter, and we hire the wheels and motor system from Eden Park when we need to shift the wicket, which is generally twice a year.

The portable wicket was relocated to the centre of the ground in November and the sand-based wicket tray was relocated to the eastern side. This process takes around three to four hours. The wicket then receives normal preparation until its first use.

On 5 January a domestic match was played between Wellington and Auckland to assess the performance of the wicket. Two representatives of New Zealand Cricket were present with our Stadium staff. Auckland batted first and scored 247, which was the second highest one day domestic score at that time. Wellington were 10 runs short.

On 6 January we played the local Club final here.

The test established to everybody's satisfaction that the wicket would perform as an international cricket wicket.

The first full international will be played in 2008.

From the start of the rugby season in 2007, we are now playing rugby on a fully sand based turf with no clay wickets in the middle. Rugby and cricket both get the best outcomes. Cricket had been playing at least one international immediately after the Sevens. Now we will be able to host these games on a wicket that has not had any rugby games on it.

REPLAY SCREENS

During the year, we reached agreement to purchase two new screens from Mitsubishi and to trade in the old screen. By the end of the year, we will have two state-of-the-art Mitsubishi Mark 3 LED screens, one at each end of the ground so that all seats get a view of a screen.

The northern screen is 84sqm and the new screen at the southern end will be 52sqm.

The northern screen is already installed. We are getting a far superior quality of picture and much better colour compared with the previous CRT models. We now have the highest quality screens in New Zealand and Australia.

FUTURE PLANS

This year, the Asset Management Plan review will include an assessment by an independent engineer to ensure we are meeting the standards that we have set for ourselves.

We expect to see a second passenger lift added later this year to assist those with mobility problems.

Capital expenditure plans for lounges and the concourse have been made to improve the service and variety of food and beverage.

We still plan to undertake approximately \$6 million of capital expenditure prior to the Rugby World Cup, which will be fully funded out of cash flow.

TURF

Ultimately our playing surface is the greatest asset we offer the various promoters who provide us with events. The quality of the playing surface is critical to the performance of the sporting teams who play here. It is essential that when we host large concerts, we can also host high quality sporting events within a few days.

Our turf team is now very experienced and has an outstanding record of managing the changes required and producing the best possible surfaces for each event. Our strategy of using the turf farm to complement our renovation and re-growth programmes at the Stadium is working and we still see this as the best solution.

The addition of the portable wicket has improved the quality of the playing surface for all events.

UTILISATION

Recent annual reports commented on the very high utilisation of the Stadium. The addition of the Phoenix will add eight to ten regular season games, a pre-season competition, and a play-off series creating a level of usage that is very high, and pushes us to the limit of our capacity. The July to December period is now the busiest at the Stadium which is a major change from previous years.

We must maintain an eight-week turf renovation period which we can do in this schedule, but we cannot do much more. The days booked for events for 2007/08 will be about 52, including dates set aside for semis and finals of all competitions. This represents an increase in event days of over 20%.

ALLIED NATIONWIDE BASIN RESERVE

It was a particularly busy year at the Basin, with 41 days of cricket plus 12 games of rugby or rugby league. Our responsibility at the Basin is to manage the playing surface. This is demanding, given that it is the most utilised first class cricket ground in New Zealand. It also has a very full winter event schedule.

The ground was again voted the number one cricket ground in the country by the players.

Deloitte. MEMBERS, CORPORATE CLUB MEMBERS AND BOX HOLDERS

Members and Box holders will be disappointed that they did not enjoy a semi or final of the major rugby competitions. The addition of the Wellington Phoenix FC to our calendar, however, means that members will have a continuous offering of events, virtually throughout the calendar year. With an extra eight to ten sporting events and the potential to host quarters, semis and finals in two competitions and semis and finals in the Super 14, the value of these memberships is significantly enhanced.

The members' and box holders' surveys conducted during the financial year showed further improvement, across all categories of questions, from the surveys in previous years. The survey conducted recently did show a drop in satisfaction though, and we must respond positively to what we are being told. We appreciate the responses received and the effort many people go to, to give us thoughtful and constructive feedback. In all areas we recognise the need to continuously improve our service.

We do have plans for capital improvements in members areas to improve the surroundings, the quality and range of food, and the service.

We have appointed a new chef, Frank Prskawetz, who was previously well known to Wellingtonians for the excellence of his offerings at the Duxton Hotel.

MAJOR SPONSORS

We thank Westpac for yet another year of proactive and enthusiastic support for the Stadium. With Westpac's assistance we have created some strong imagery for them around the Stadium. We also want to acknowledge the dedicated support from Westpac staff who maintain the two cash outlets at each Stadium event. This is a very valuable service which ensures all patrons have a chance to obtain cash in the quickest possible time.

Thank you also to Deloitte for their sponsorship of our members club.



THANK YOU

We thank Wellington City Council and Greater Wellington Regional Council, two major stakeholders, for their support during the year. Mayor Kerry Prendergast and Chairman Ian Buchanan are particularly strong supporters of the Stadium, but we also appreciate that the councillors and the officers of both councils work very closely with us over many issues.

Trustee Peter Biggs has not sought re-election as a trustee because of his appointment as Chief Executive of Clemengers in Melbourne. Peter Biggs has been an outstanding trustee in the six years he has been with us. He has been very generous with his time and his expertise has been important. He chaired our Non-Sporting Events Committee through some critical times and has been of major assistance to the management team. We wish Peter well in Melbourne.

Our major contractors are valued partners who work closely with us to ensure that patrons have an outstanding experience. We thank those contractors who share our desire to increase the quality of the experience:

Spotless Catering
Spotless Cleaning
United Group
Aquaheat
Turflands (Palmerston North)
PGG Wrightson

Red Badge Group
Waste Management
Ticketek
TVNZ (Avalon Studios)
Wellington Free Ambulance
Mexted Contractors

Our major sporting tenants are New Zealand Rugby Union, Wellington Rugby Football Union, New Zealand Cricket, Cricket Wellington and Wellington Phoenix FC. We enjoy our working relationship with each of them and thank them for the positive assistance and enthusiasm during the past 12 months.

There are many other promoters we deal with on a day-to-day basis as we build our event calendar. We thank them all for their enthusiasm and support.

The Stadium staff have worked through a challenging year. Their professionalism and commitment allow us to achieve what we do. The staff would also like to record their appreciation of the support that they get from the Trustees.

The Stadium is about patrons, whether they be in a corporate box, members' lounge, corporate hospitality, season ticket holder or those very important people that purchase their tickets at the gate. We thank all of you for your support.

PAUL COLLINS
Chairman

31 August 2007

DAVID GRAY
Chief Executive

31 August 2007



FINANCIAL STATEMENTS



WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007

	NOTES	2007 \$	2006 \$
Operating Revenues			
Event Revenues		7,441,808	8,001,580
License Fees and Sponsorship Revenues		4,435,736	4,374,517
Amortisation of Membership, Corporate Box and Sponsorship Funding		3,129,731	3,213,464
Sundry income		597,560	539,793
		15,604,835	16,129,354
Investment Revenues	2	307,327	302,779
Total Revenue		15,912,162	16,432,133
Less Operating Expenses	3	8,785,727	8,899,412
Operating Surplus before Depreciation & Interest		7,126,435	7,532,721
Less:			
Depreciation	7	3,183,762	3,167,129
Interest		1,883,693	2,086,362
NET OPERATING SURPLUS		2,058,980	2,279,230

STATEMENT OF MOVEMENT IN TRUST FUNDS FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
Funds at the beginning of the year	16,871,219	14,591,989
Net Operating Surplus	2,058,980	2,279,230
Total recognised revenue and expenses	2,058,980	2,279,230
FUNDS AT END OF YEAR	18,930,199	16,871,219

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2007

	NOTES	2007 \$	2006 \$
TRUST FUNDS			
Accumulated Surplus		18,930,199	16,871,219
NON-CURRENT LIABILITIES			
Limited Recourse Loans			
Greater Wellington Regional Council	4	25,000,000	25,000,000
Wellington City Council	4	15,000,000	15,000,000
Wellington City Council – Accrued Interest	4	394,893	394,893
Total Trust Funds & Limited Recourse Loans		59,325,092	57,266,112
Other Non Current Liabilities			
Membership, Corporate Box & Sponsorship Funding		18,499,680	21,559,829
Borrowings	5	22,300,000	23,950,000
Total Other Non Current Liabilities		40,799,680	45,509,829
CURRENT LIABILITIES			
Revenue in Advance		5,453,801	5,684,988
Payables	6	983,301	1,131,724
Provisions		–	45,255
Borrowings	5	–	–
Total Current Liabilities		6,437,102	6,861,967
TOTAL FUNDING		106,561,874	109,637,908
<i>Represented by:</i>			
NON-CURRENT ASSETS			
Property, Plant & Equipment	7	103,351,113	107,863,273
Total Non-Current Assets		103,351,113	107,863,273
CURRENT ASSETS			
Cash and Money Market Investments		1,630,100	1,172,826
Receivables and Prepayments	8	1,580,661	601,809
Total Current Assets		3,210,761	1,774,635
TOTAL ASSETS		106,561,874	109,637,908

On behalf of the Trustees:



TRUSTEE

28 August 2007



TRUSTEE

28 August 2007

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2007

	NOTES	2007 \$	2006 \$
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Event and operating income		7,566,793	8,865,752
Corporate box fees and sponsorships		4,411,178	4,365,846
Interest received		86,619	119,949
Donations and other sundry income		168,353	175,346
		12,232,943	13,526,893
<i>Cash was applied to:</i>			
Payments to suppliers and employees		(7,857,293)	(8,009,845)
Interest paid		(1,887,979)	(2,129,477)
		(9,745,272)	(10,139,322)
Net cash inflow from operating activities	13	2,487,671	3,387,571
CASH FLOWS (USED IN) INVESTING ACTIVITIES			
<i>Cash was applied to:</i>			
Purchase of property, plant & equipment		(380,397)	(504,559)
Net cash outflow from investing activities		(380,397)	(504,559)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
<i>Cash was provided from:</i>			
Memberships		–	81,233
		–	81,233
<i>Cash was applied to:</i>			
Repayment of loans		(1,650,000)	(3,012,191)
		(1,650,000)	(3,012,191)
Net cash outflow from financing activities		(1,650,000)	(2,930,958)
NET INCREASE/(DECREASE) IN CASH HELD		457,274	(47,946)
Cash at beginning of the period		1,172,826	1,220,772
CASH AT END OF THE PERIOD		1,630,100	1,172,826
<i>Composition of cash:</i>			
Cash at bank		74,602	78,237
Money market investments		1,555,498	1,094,589
		1,630,100	1,172,826

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

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 and the Greater Wellington Regional Council 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.

TAXATION

As a charitable trust, the Trust is exempt from income tax and accordingly no provision for income tax is recorded in the financial statements.

All items in the financial statements are exclusive of GST, with the exception of receivables and payables which are stated with GST included.

PROPERTY PLANT & EQUIPMENT

All owned items of property plant and equipment are initially recorded 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.

Subsequent expenditure relating to an item of property, plant and equipment is added to its gross carrying amount when such expenditure either increases the future economic benefits beyond its existing service potential, or is necessarily incurred to enable future economic benefits to be obtained, and that expenditure would have been included in the initial cost of the item had the expenditure been incurred at that time.

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	10-70 years
Replay screen & production equipment	3-25 years
Fitout	5-50 years
Fittings	5-20 years
Plant & machinery & equipment	2-70 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.

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.

2. INVESTMENT REVENUE

	2007 \$	2006 \$
Interest received	86,619	119,949
Tenancy rentals	220,708	182,830
	307,327	302,779

3. OPERATING EXPENSES

	2007 \$	2006 \$
Event operating expenses	3,899,360	4,063,837
Maintenance and facility operation	2,053,513	2,103,908
Personnel	1,323,750	1,237,439
Trustee Fees	107,000	108,000
Impairment adjustment	–	572,785
Writedown of carrying value of assets	–	453,218
Loss on disposal of assets	1,023,287	–
Audit Fee	23,100	22,200
Rental expense on operating leases	6,987	5,755
Other operating expenses	348,730	332,270
TOTAL OPERATING EXPENSES	8,785,727	8,899,412

Prior to balance date, the replay screen was disposed of and a contract entered into for the purchase of a replacement screen, as well as a new screen for the southern end of the Stadium. The loss on disposal of the existing screen was \$980,000. Expenditure incurred to 30 June 2007 on the new screen is recorded under construction work in progress.

In the previous financial year, the Trust reduced the carrying value of the replay screen by \$527,285 due to advances in replay screen technology and falling replacement costs and also reassessed the useful life of the asset.

4. LIMITED-RECOURSE LOANS

The development of the stadium was partially funded by the Wellington City Council and the Greater Wellington Regional Council. The funding was by way of unsecured limited-recourse loans. No interest is payable 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 is fully repaid and no further interest will accrue.

The Trust is required to pay surplus funds to the Wellington City Council and the Greater 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.

5. BORROWINGS

	2007 \$	2006 \$
Non Current Borrowings		
ANZ National Bank Ltd	22,300,000	23,950,000
	22,300,000	23,950,000
Borrowings due within 12 months	–	–

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	7.8%	October 2007
\$5 million	7.8%	April 2008
\$4 million	7.8%	July 2008

The remainder of the loan is on floating rates of between 8.67% and 9.123% at balance date.

A repayment of \$1.5 million is due at 30 June 2008. However at balance date a temporary repayment of \$2.55 million had already been made against the loan. These funds remain available for drawdown if required.

Future scheduled repayments are as follows:

30 June 2009	\$1,000,000
30 June 2010	\$1,000,000
30 June 2011	\$1,000,000

Repayment terms relating to the balance of the loan at 30 June 2011 will be renegotiated at or before that date.

6. PAYABLES

	2007 \$	2006 \$
Trade payables	255,521	404,571
Accrued expenses	621,750	613,181
Employee benefits	106,030	113,972
	983,301	1,131,724

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

CONTINUED

7. PROPERTY PLANT & EQUIPMENT

	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE	DEPRECIATION CHARGE
2007				
Land	4,225,000	–	4,225,000	–
Pitch	1,183,537	(37,372)	1,146,165	11,053
Stadium Buildings	82,848,259	(10,728,774)	72,119,485	1,440,896
Fitout	13,953,975	(3,750,384)	10,203,591	480,584
Replay Screen & Production equipment	1,641,283	(775,284)	865,999	315,976
Fittings	1,284,002	(896,205)	387,797	127,788
Plant, machinery & equipment	19,511,313	(5,205,525)	14,305,788	807,465
Construction work in progress	97,288	–	97,288	–
	124,744,657	(21,393,544)	103,351,113	3,183,762
2006				
Land	4,225,000	–	4,225,000	–
Pitch	1,194,378	(26,319)	1,168,059	10,073
Stadium Buildings	82,848,259	(9,287,878)	73,560,381	1,364,551
Fitout	13,923,191	(3,294,286)	10,628,905	497,785
Replay Screen & Production equipment	3,530,283	(669,307)	2,860,976	374,018
Fittings	1,291,901	(773,376)	518,525	129,828
Plant, machinery & equipment	19,600,683	(4,699,256)	14,901,427	790,874
	126,613,696	(18,750,423)	107,863,273	3,167,129

8. RECEIVABLES

	2007 \$	2006 \$
Trade receivables	671,999	298,495
Prepayments	908,662	303,314
	1,580,661	601,809

9. FINANCIAL INSTRUMENTS

FAIR VALUE

Except for interest rate swaps, the fair value of the financial instruments is equivalent to the carrying amount disclosed in the statement of financial performance. The estimated fair value of the interest rate swaps at balance date are \$178,691 (2006: \$116,141) and the carrying amount is \$33,416 (2006: \$22,587).

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Trust uses interest rate swaps to manage the interest rate risk on its borrowings. The interest rates on the Trust's borrowings are disclosed in Note 5. The Trust does not consider that there is any significant interest exposure on either its investments or borrowings.

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.

CURRENCY RISK

The Trust has no exposure to currency risk.

10. RELATED PARTY TRANSACTIONS

WELLINGTON CITY COUNCIL	2007 \$	2006 \$
Services provided to Council	89,273	151,855
Receivables balance outstanding	–	–
Services provided by Council	11,853	10,998
Payable balance outstanding	2,048	366

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

Details of the Limited Recourse Loan from the Wellington City Council are given in Note 4.

GREATER WELLINGTON REGIONAL COUNCIL

Details of the Limited Recourse Loan from the Greater Wellington Regional Council are given in Note 4. There were no other related party transactions with the Greater Wellington Regional Council.

BASIN RESERVE TRUST

The Basin Reserve Trust is a Council Controlled Organisation of the Wellington City Council. The Trust provides turf management services to the Basin Reserve Trust at no charge, to the value of \$201,360 (2006: \$210,969).

11. COMMITMENTS

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

	2007 \$	2006 \$
Operating leases		
Non cancellable operating lease commitments		
Within one year	4,353	4,353
Between one and five years	1,995	6,347
More than five years	–	–
	6,348	10,700
Capital expenditure		
Amounts committed to capital expenditure	1,440,670	64,974

12. CONTINGENCIES

The Trust has no contingent liabilities at 30 June 2007 (2006: Nil).

13. RECONCILIATION OF NET OPERATING SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2007 \$	2006 \$
Net surplus for the year	2,058,980	2,279,230
Impact of changes in working capital items		
(Increase)/decrease in receivables and prepayments	(978,852)	869,233
(Decrease) in revenue in advance	(231,187)	(539,764)
(Decrease) in payables and provisions	(193,678)	(233,634)
	(1,403,717)	95,835
Non Operating items in above movements		
Receivables	699,483	(16,716)
Revenue in advance	–	(6,400)
Payables	(4,881)	30,195
Increase/(decrease) in Non Current Revenue in Advance	27,584	(104,241)
Non Cash Items in Operating Surplus		
Depreciation	3,183,762	3,167,129
Amortisation	(3,087,731)	(3,083,464)
Other	1,014,191	1,026,003
Net cash inflow from operating activities	2,487,671	3,387,571

AUDIT REPORT



TO THE READERS OF WELLINGTON REGIONAL STADIUM TRUST'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

The Auditor-General is the auditor of the 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 2007.

UNQUALIFIED OPINION

In our opinion, the financial statements of the Trust on pages 17 to 23:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the Trust's financial position as at 30 June 2007; and
 - the results of its operations and cash flows for the year ended on that date.

The audit was completed on 28 August 2007, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees 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 the 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 our opinion.

The 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 Trustees;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement 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 our opinion above.

RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITOR

The Trustees are 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 2007. They must also show the results of its operations and cash flows for the year ended on that date. The Trustees' responsibilities arise from clause 15 of the Trust Deed.

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, 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

CURRENT YEAR EVENTS & ATTENDANCE	
The Lion Man Show – Out of Africa	4,250
Rugby Test: All Blacks vs South Africa	38,000
Air NZ Cup Rugby: Wellington vs Bay of Plenty	16,471
Wellington Club Rugby Finals: Ponoke vs Northern United, Upper Hutt vs Wainuiomata	4,129
Air NZ Cup Rugby: Wellington vs Auckland	10,406
Air NZ Cup Rugby: Wellington vs Tasman	11,200
Air NZ Cup Rugby: Wellington vs Canterbury	14,310
Home & Garden Show	14,400
Air NZ Cup Rugby Quarter Finals: Wellington vs Canterbury	17,641
Military Pageant	5,643
Rugby League Test: New Zealand vs Great Britain	15,668
Carols by Candlelight	14,833
Elton John Concert	32,200
Cricket Twenty/20: New Zealand vs Sri Lanka	12,962
State Shield Cricket: Wellington vs Auckland	450
Club Cricket One Day Finals: Naenae Old Boys vs Easts	50
IRB International Sevens Tournament	69,000
Cricket ODI: New Zealand vs Australia	17,961
S14 Rugby: Hurricanes vs Blues	24,208
S14 Rugby: Hurricanes vs Brumbies	21,194
S14 Rugby: Hurricanes vs Bulls	20,874
S14 Rugby: Hurricanes vs Cheetahs	15,770
S14 Rugby: Hurricanes vs Highlanders	19,790
S14 Rugby: Hurricanes vs Waratahs	25,290
The Food Show	20,000
Rugby Test: All Blacks vs France	36,300
TOTAL	483,000



ELTON JOHN CONCERT // 6 DECEMBER 2006

SETTLORS

Wellington City Council
 Greater Wellington Regional Council

TRUSTEES

P D Collins (Chair)
 Sir John Anderson
 R A Armstrong
 D W Bale
 P R F Biggs (retired 30 June 2007)
 E A Dawson
 M J Egan
 C R Laidlaw

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



**WESTPAC
STADIUM**

WELLINGTON REGIONAL
STADIUM TRUST (INC)

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