

A photograph of the exterior of Sky Stadium at night. The building's facade is covered in a grid of small lights. The words "SKY STADIUM" are prominently displayed in large, illuminated letters. "SKY" is lit in white, while "STADIUM" is lit in red. Below the main signage, there are glass entrance doors and windows. Some people are visible in motion in the foreground, their figures blurred. The sky is dark, and the overall scene is lit by the stadium's lights.

SKY STADIUM

sky
STADIUM

**Annual Report
2020**





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Chairman & Chief Executive's Report

The Stadium enjoyed another year of big events and good crowds prior to the COVID-19 shutdown which saw the Stadium effectively closed from late March to mid-June.

Some highlights of the year:

- Welcoming Sky as our new naming rights partner and saying farewell to Westpac after 20 years.
- Another memorable Wellington test match with the Springboks holding the All Blacks to a 16-16 draw in front of over 34,000 fans.
- A very competitive Wellington Phoenix side which was on track for a home final prior to the shutdown.
- One of the best concerts in recent times, with Queen + Adam Lambert entertaining a passionate 34,000 fans, the largest crowd of the New Zealand leg of their tour.
- The return of the New Zealand Warriors in their first match of a multi-year agreement.

An otherwise busy and eventful year was overshadowed by the impact of COVID-19, which is having a significant impact on the sports and events industry, the effects of which will weigh heavily on the 2021 financial year and perhaps beyond. The Stadium was

unable to host events for the last quarter of the year and this is reflected in the financial result. The ability to hold events again from late June including some well attended Super Rugby Aotearoa games was welcome. However future restrictions on mass gatherings and restrictions on international borders will severely curtail the Trust's business for the foreseeable future.

The year began with the very positive news of a new partnership with Sky Network Television Ltd that saw Sky secure the naming rights of the Stadium from 1 January 2020. Sky Stadium is only the second name for the venue. The change concluded the agreement with Westpac, the naming rights partner since the Stadium first opened in 2000, ending one of the longest partnerships in New Zealand sport.

The Trust and Sky are working on delivering outstanding fan experiences, with innovations both in the Stadium and across all screens.

The financial year began with the return of the Warriors to Wellington as part of a two-year (with a third-year option) agreement to host a NRL game in Wellington. The following weekend we witnessed another very memorable test between the All Blacks and the Springboks as they prepared for the Rugby World Cup in Japan.



The Wellington Lions went all the way to the Mitre 10 Cup final defeating Canterbury in a home semi-final before losing the decider to Tasman in Nelson. The Wellington Phoenix saw good crowds, as new coach Ufuk Talay's team secured six wins in their nine home games.

We hosted two T20 internationals between the Blacks Caps and England (in November) and India (in January).

The Stadium continued its strong run of concerts with one of the best shows in recent times as Queen + Adam Lambert dazzled a 34,000 strong crowd.

Thanks to the Board of Trustees for their ongoing support and guidance and to the staff whose hard work and commitment contributes directly to the success of the Stadium. A special mention must be made of our hirers who choose Sky Stadium to host their events and to the fans and attendees who make these events so special.

COVID-19

The Stadium was closed from the start of Alert Level 4 in late March. With the move to Alert Level 1 on 8 June, it was able to resume events with crowds in attendance and hosted four Super Rugby Aotearoa games between June and August, and the Armageddon

expo in early August. Under Alert Level 2 the Stadium is unable to host mass gatherings.

All capital works including seismic resilience and the concourse upgrade were paused over the lockdown period.

The Trust held constructive discussions with all its major commercial contractors. All parties took a pragmatic and partnership approach to these discussions and no major contractual issues were encountered. The Trust extended all Sky Stadium Memberships and Box Licences by a period equivalent to the time we were unable to host events.

A total of 16 event days that were due to take place over the March to June period were either cancelled or postponed, including Super Rugby, A-League, the Warriors, and a number of exhibitions. Events later in the year were also impacted. The Stadium had been in line to host two All Blacks test matches in July and August as well as a number of concerts for the upcoming summer.

The financial impact of COVID-19 on the 2019/20 financial year was significant, affecting the financial result to the tune of almost \$2m.

While Alert Level 1 currently allows unrestricted mass gatherings, the Trust is restricted to hosting domestic content at this current time, and closed borders or further restrictions on mass gatherings mean a very uncertain year ahead.



QUEEN + ADAM LAMBERT
5 February 2020



ALL BLACKS V SOUTH AFRICA
27 July 2019

Events

Sky Stadium hosted a total of 28 major event days for the year, plus several community event days. 236,354 fans attended events during the 12 months, with the cumulative attendance since opening now at 10.4 million. These numbers are significantly down on forecast and prior years. Sixteen event days in the March to June period were either postponed or cancelled because of COVID-19. The March to June period is normally one of the busiest times of the year for events.

QUEEN + ADAM LAMBERT

The Stadium continued its run of great shows with Queen + Adam Lambert entertaining over 34,000 fans for the first show of their Australasian tour. The crowd was the largest of the band's New Zealand shows.

RUGBY

SUPER RUGBY

Super Rugby was significantly impacted by COVID-19, with the Hurricanes hosting just two regular season games before the season was cancelled. The rearranged Super Rugby Aotearoa kicked off at the end of June, with the balance of the games taking place in the next financial year.

MITRE 10 CUP

The Wellington Lions had a strong season, winning all their home games including a semi-final on their way to the final in Nelson.

ALL BLACKS V SOUTH AFRICA

The 2018 clash between the All Blacks and the Springboks produced a test for the ages. The 2019 test against the same opposition was no different. The sides produced a memorable draw continuing the trend of very exciting and close international rugby matches in the capital in recent years. 34,248 fans were in attendance.

HURRICANES 2020

v Sharks	WIN	38-22
v Blues	LOSS	15-24
v Crusaders (Super Rugby Aotearoa)	LOSS	25-39

WELLINGTON LIONS 2019

v Canterbury	WIN	23-22
v Counties Manukau	WIN	29-22
v Otago	WIN	54-24
v Northland	WIN	57-36
v Waikato	WIN	39-21
v Canterbury (SF)	WIN	30-19



WELLINGTON V CANTERBURY
23 August 2019



HURRICANES FANS
February 2020





PHOENIX FANS
December 2019



WARRIORS V SHARKS
19 July 2019

FOOTBALL

WELLINGTON PHOENIX

After a slow start, the Phoenix went on an unbeaten run of seven games at home and were on track for their first home final in five years before the COVID-19 outbreak. The team had to relocate to Australia to complete the season.

CRICKET

In November we hosted the Black Caps v England in a T20 in front of 9,772 fans and in January we hosted the Black Caps and India for a T20 in front of 13,162 fans. The match will be remembered for the after-midnight finish time which India won in a super over.

EXHIBITIONS

We hosted only five exhibition days compared to our normal 15 due to COVID-19. The Wellington Armageddon Expo and The Wellington Food Show were rescheduled to the following financial year while the Better Home and Living show was cancelled.

RUGBY LEAGUE

In October 2018 the New Zealand Warriors announced a partnership with the Stadium to play a home game in Wellington in each of the next two NRL seasons. Their match against the Sharks in July 2019 was their tenth game in Wellington. The match produced a thrilling encounter with the Warriors winning by a point. Unfortunately, their next game against the North Queensland Cowboys was cancelled as a result of COVID-19. We hope to welcome the Warriors back in 2021.

COMMUNITY EVENTS

The Trust is proud to be able to give back to the regional community through making the Stadium available for several community events each year. Throughout the year it was used by Police, Corrections and Customs for dog training and by Fire and Emergency New Zealand, Wellington Free Ambulance, and the Defence Force for several training exercises. We hosted the Wellington Phoenix Community Day and the Stadium Stair Climb.

WELLINGTON PHOENIX FC 2019-20

v Western United FC	LOSS	0-1
v Perth Glory	LOSS	1-2
v Brisbane Roar	WIN	2-1
v Sydney FC	DRAW	2-2
v Central Coast Mariners	WIN	2-1
v Western Sydney Wanderers	WIN	2-0
v Newcastle Jets	WIN	2-1
v Western United FC	WIN	2-0
v Melbourne Victory	WIN	3-0

CRICKET

T20 v England	WIN	NZ WON BY 21 RUNS
T20 v India	LOSS	INDIA WON IN SUPER OVER



HOME AND GARDEN SHOW
20-22 September 2019



STADIUM STAIR CLIMB
7 November 2019





BLACK CAPS V ENGLAND
3 November 2019



STADIUM MEMBERS LOUNGE

FINANCIAL PERFORMANCE

The Trust has made a net loss of \$2.1 million, compared to a net surplus in the prior year of \$1.7m. Much of this loss is attributable to the effect of COVID-19, and the inability to hold events in the last quarter of the year. Sixteen event days were cancelled or postponed.

Event revenues were \$4.0 million compared to \$6.3 million in the previous year and a budget of \$5.7 million. These were generated from 28 event days compared to 50 in the prior year.

The budgeted surplus for the year was \$0.9 million which included \$3.3 million of council grant income. Actual grant income received during the year was \$0.4 million, as the timing of the works was also affected by COVID-19. This income is part of a \$5 million contribution to the concourse upgrade project, of which \$2.0 million has been received to date. The balance will be received in the coming financial year.

Insurance is becoming increasingly unaffordable for the Trust, and was \$1.6 million in the current year, up from \$0.6 million three years ago.

Operating cashflows remained positive at \$1.7 million but decreased from \$3.6 million in the prior year.

The two settlers of the Trust, being Wellington City Council and Greater Wellington Regional Council have made available a \$4.2 million loan facility to assist the Trust in managing the impacts of COVID-19. This was not drawn down at balance date but will be utilised in the year ahead. The loan is repayable over 10 years and is interest free for the first two years.

CAPITAL WORKS

During the year, the next phase of the concourse upgrade commenced primarily focussed on upgrades to all of the public catering outlets. Three months of progress was lost due to COVID-19 but works have since recommenced.

Considerable progress was made on seismic resilience of the Fran Wilde Walk over the year. Strengthening should be complete by early 2021.

BASIN RESERVE

The Trust's turf team also provides turf management services to the Basin Reserve Trust. It was another busy year at the Basin Reserve, hosting a Black Caps v India test match and two T20 White Fern matches against South Africa.

The ground played host to the following:

DAYS	
Cricket match days	46
Cricket practice days	82
Junior Sports (Rugby/Football)	7
Other Events	1
TOTAL	136

MEMBERSHIPS AND CORPORATE BOXES

The Stadium Members Club remains an active and passionate supporter group as do our Corporate Box holders and we thank both for their ongoing support of the Stadium. We saw a rise in membership numbers over the year.

Our Annual Members' Function in September was again popular and those who attended were treated to some fantastic stories from Erin Rush, Graham Mourie, Grant Nisbett and Norm Hewitt.



BEERVANA
9-10 August 2019

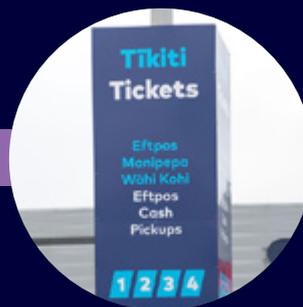


BLACK CAPS V ENGLAND
3 November 2019





NEW NAME



TE REO SIGNS

NAMING RIGHTS SPONSOR

As we move into our third decade, we are thrilled to welcome Sky Network Television as our naming rights partner. The six-year agreement will include several activations aimed at improving the fan experience both at the Stadium and on television. We are very grateful to Chief Executive Martin Stewart and his team.

With the rebrand to Sky Stadium, the Trust has taken the opportunity to replace all wayfinding signage and to introduce bilingual signage in English and Te Reo Māori throughout the venue, which along with the new logo design and branding, has been very well received.

As the naming rights sponsor of the Stadium since its opening in 2000, Westpac New Zealand played a critical role in the growth of the venue in its foundation years, establishing it as the go-to venue for a range of world-class sport and entertainment events. We thoroughly enjoyed working with Westpac over the past two decades, developing the partnership at both the local and national level. We remain very appreciative for the support from the Board of Westpac, Chief Executive Officer David McLean, his predecessors and the wider Westpac team in what has been one of New Zealand's longest commercial sporting partnerships.

ACKNOWLEDGEMENTS

Sky Stadium is proud of its position as an iconic venue for the Wellington region. The diverse range of events that we provide each year is possible thanks to the support of our key stakeholders, the Wellington City Council and Greater Wellington Regional Council, as well as WellingtonNZ.

Both councils supported the Trust by way of a loan facility to assist the Stadium to continue to operate in the current uncertain environment.

We achieve such a diverse and successful calendar of events only with the support of our clients. We are most appreciative and thank the following for working with us last year:

- Hurricanes Rugby
- Wellington Rugby Union
- New Zealand Rugby
- Wellington Phoenix Football Club
- Cricket Wellington
- New Zealand Cricket
- Armageddon
- Jade Promotions
- North Port Events
- Wellington Culinary Events Trust
- TEG Dainty
- New Zealand Warriors

Thank you also to our dedicated staff, who worked tirelessly over the year to deliver great events for Wellington.

The team is supported by a number of key suppliers and contractors all of whom go above and beyond in their provisions, often with short notice. We thank you all for your professionalism and support.

We acknowledge four departing Trustees. Firstly, we thank David Ogden and Simon Marsh, our Council representatives from Greater Wellington Regional Council and Wellington City Council respectively and we welcome on board Glenda Hughes and Sean Rush as the new Council representatives. We also bid farewell to Dame Therese Walsh after four years and to Mark McGuinness after nine years, and we thank them both for their invaluable service to the Trust. We welcomed Nicola Crauford onto the Board part way through the year.

Finally, we offer our sincere thanks to the fans who support all of our events throughout the year. We hope that you have enjoyed your various experiences here at Sky Stadium over the past twelve months and we look forward more than ever to welcoming you back again soon.

John Shewan
Chairman

Shane Harmon
Chief Executive

EVENTS HELD DURING THE YEAR

DATE	EVENT	ATTENDANCE
19 Jul 2019	Rugby League: New Zealand Warriors v Cronulla Sharks	13,226
27 Jul 2019	Rugby Test: All Blacks v South Africa	34,248
9-10 Aug 2019	Exhibition: Beervana	13,431
23 Aug 2019	Mitre 10 Cup Rugby: Wellington Lions v Canterbury	2,160
29 Aug 2019	Mitre 10 Cup Rugby: Wellington Lions v Counties Manukau	1,228
15 Sep 2019	Mitre 10 Cup Rugby: Wellington Lions v Otago	2,353
20-22 Sep 2019	Exhibition: Home & Garden Show	7,506
28 Sep 2019	Mitre 10 Cup Rugby: Wellington Lions v Northland	2,261
12 Oct 2019	Mitre 10 Cup Rugby: Wellington Lions v Waikato	1,730
13 Oct 2019	A League: Phoenix v Western United FC	6,516
19 Oct 2019	Mitre 10 Cup Rugby Semi Final: Wellington Lions v Canterbury	1,879
27 Oct 2019	A League: Phoenix v Perth Glory	5,254
3 Nov 2019	Cricket T20: Black Caps v England	9,772
23 Nov 2019	A League: Phoenix v Brisbane Roar	5,565
21 Dec 2019	A League: Phoenix v Sydney FC	6,500
4 Jan 2020	A League: Phoenix v Central Coast Mariners	6,723
11 Jan 2020	A League: Phoenix v Western Sydney Wanderers	7,408
24 Jan 2020	A League: Phoenix v Newcastle Jets	6,906
31 Jan 2020	Cricket T20: Black Caps v India	13,162
5 Feb 2020	Concert: Queen + Adam Lambert	34,199
15 Feb 2020	Super Rugby: Hurricanes v Sharks	11,040
21 Feb 2020	A League: Phoenix v Western United FC	5,834
7 Mar 2020	Super Rugby: Hurricanes v Blues	13,778
15 Mar 2020	A League: Phoenix v Melbourne Victory	6,069
21 Jun 2020	Super Rugby: Hurricanes v Crusaders	17,606
TOTAL ATTENDANCE		236,354

Financial statements

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED) STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$000	2019 \$000
Revenues			
Event Revenues		3,987	6,254
Corporate Box, Membership & Sponsorship Revenues		4,292	4,580
Sundry income	1	2,983	5,205
Total Revenue		11,262	16,038
Less Operating Expenses	2	8,952	9,993
Operating Surplus before Depreciation & Finance costs		2,310	6,045
Less:			
Depreciation	8	4,206	4,094
Finance costs	3	175	209
Total comprehensive revenue & expense		(2,071)	1,742

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED) STATEMENT OF STATEMENT OF CHANGES IN TRUST FUNDS & LIMITED RECOURSE LOANS FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$000	2019 \$000
Balance at 1 July		91,229	89,487
Total comprehensive revenue & expense for the year		(2,071)	1,742
Balance at 30 June		89,158	91,229

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 2020

	Notes	2020 \$000	2019 \$000
TRUST FUNDS			
Accumulated Surplus		48,763	50,834
Limited Recourse Loans			
Greater Wellington Regional Council	4	25,000	25,000
Wellington City Council	4	15,395	15,395
Total Trust Funds & Limited Recourse Loans		89,158	91,229
NON-CURRENT LIABILITIES			
Revenue in Advance		53	292
Borrowings	5	2,500	2,500
Total Non-Current Liabilities		2,553	2,792
CURRENT LIABILITIES			
Revenue in Advance	6	2,816	2,465
Payables	7	1,505	1,455
Total Current Liabilities		4,321	3,920
TOTAL FUNDING		96,032	97,941
Represented by:			
NON-CURRENT ASSETS			
Property Plant & Equipment	8	93,078	93,585
Total Non-Current Assets		93,078	93,585
CURRENT ASSETS			
Cash		1,360	2,856
Receivables & Prepayments	10	1,594	1,500
Total Current Assets		2,954	4,356
TOTAL ASSETS		96,032	97,941

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

On behalf of the Trustees:



TRUSTEE

30 September 2020



TRUSTEE

30 September 2020

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2020

	Notes	2020 \$000	2019 \$000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES			
Cash was provided from:			
Event and operating income		4,269	6,758
Corporate box, membership and sponsorship income		4,160	3,973
Goods and services tax	16	–	162
Sundry income		2,680	2,997
		11,109	13,890
Cash was applied to:			
Payments to suppliers and employees		(9,172)	(10,100)
Interest paid		(165)	(191)
Goods and services tax	16	(88)	
		(9,425)	(10,291)
Net cash inflow from operating activities		1,684	3,599
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Cash was provided from:			
Grant income		373	1,170
Cash was applied to:			
Purchase of property, plant & equipment		(3,553)	(2,827)
Net cash (outflow) from investing activities		(3,180)	(1,657)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Net cash inflow (outflow) from financing activities		–	–
NET INCREASE / (DECREASE) IN CASH HELD		(1,496)	1,942
Cash at beginning of the period		2,856	914
CASH AT END OF THE PERIOD		1,360	2,856

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 2020**

1. SUNDRY INCOME

	Note	2020 \$000	2019 \$000
Carpark income		1,602	1,933
Tenancy income		330	276
Grant income	12	373	840
Gain on transferred assets		–	1,377
Interest income		2	2
Other sundry income		676	777
Total sundry income		2,983	5,205

The Grant income has been received from the Wellington City Council as a contribution to the concourse upgrade project which is currently underway.

During the year the Trust applied for and received \$248,379 in wage subsidies as part of the Ministry of Social Development's COVID-19 Wage Subsidy and Extension Scheme. Of the amount received, \$178,083 has been recognised within Other sundry income, and \$70,296 has been recognised in Revenue in Advance.

The Gain on transferred assets in the prior financial year arose from assets transferred to the Trust on termination of a lease of premises within the Stadium building. Under the lease agreement, the tenant was responsible for the construction of the exterior walls, floor slab and the internal fit out. Upon termination, the ownership of these items passed to the Trust, with no consideration payable. An external valuation of the assets transferred was obtained, and they have been recorded in the asset register at that value and are being depreciated over their remaining useful lives.

2. OPERATING EXPENSES

	Note	2020 \$000	2019 \$000
Event operating expenses		2,677	3,345
Maintenance and facility operation		2,074	2,210
Insurance		1,554	1,353
Personnel *	12	2,116	2,305
Loss on disposal of assets		15	34
Audit Fee - annual audit		34	34
Rental expense on operating leases		4	11
Doubtful debt expense		4	62
Other operating expenses		474	639
Total operating expenses		8,952	9,993

*Personnel expense includes Kiwisaver employer contributions of \$58,147 (2019: \$58,603)

3. FINANCE COSTS

	2020 \$000	2019 \$000
Interest and line fee on bank loan	162	178
Interest rate swaps - fair value adjustment	9	26
Other financing charges	4	5
Total finance costs	175	209

4. LIMITED RECOURSE LOANS

The development of the stadium was partially funded by the Wellington City Council (\$15 million) and the Greater Wellington Regional Council (\$25 million). The funding was by way of unsecured limited recourse loans. No interest has been charged on these loans by the Councils.

The Wellington City Council loan includes an amount for accrued interest (face value \$394,893) which arose 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 a previous financial year 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.

To maintain the Stadium asset to a suitable standard will require ongoing investment in the asset. This will be funded either from accumulated earnings or borrowings. The Trust's view is that it will need to maintain a level of borrowing for the foreseeable future. Until the bank loan is extinguished, the Trust is not required to make any repayments of the limited-recourse loans.

5. BORROWINGS

	2020 \$000	2019 \$000
Non-Current Borrowings		
Westpac New Zealand Ltd	2,500	2,500

The Westpac borrowing is secured by a Composite General Security Agreement and a registered first mortgage over the Stadium property.

The following interest rate swap has been entered into, effectively fixing the interest rate at:

	Interest Rate	Expires
\$2.5 million	4.67%	October 2021

At balance date the loan limit is \$10 million, and therefore \$7.5 million remains available for drawdown if required. The current facility expires on 30 June 2022 and is expected to be extended prior to that date.

6. REVENUE IN ADVANCE (CURRENT)

This balance represents the portion of funds received from corporate box holders, stadium members and signage and sponsorship agreements that will be recognised as revenue in the next 12 months, as the services deliverable under the contracts are delivered to those clients.

IMPACT OF COVID-19

With the restrictions on mass gatherings put in place by the New Zealand government in order to manage the impact of the global Covid 19 pandemic, the Trust was unable to host events at Sky Stadium for a period of three months from late March 2020 until late June 2020.

Purchasers of Stadium memberships and corporate box licenses purchase these items in order to attend such events. Revenue is received in advance and recognized on a straight-line basis over the term of the agreement. As no services were able to be provided to members or boxholders during this period, no revenue has been recognized for the last quarter of the current financial year. Members and box holders have been granted a three-month extension to their membership/license and the revenue will be recognized over the remaining extended term of the agreement.

The Trust also has signage and sponsorship arrangements in place, some of which are paid annually in advance. These agreements have been reviewed on a case by case basis with each sponsor and appropriate adjustments made where they have been impacted by the reduction in events held for the last quarter.

The amount of revenue deferred is \$664,000 and it is anticipated that this will be recognized in the next financial year as the benefits under the arrangements are delivered.

7. PAYABLES

	2020 \$000	2019 \$000
Trade payables	744	874
Accrued expenses	554	305
Employee entitlements	111	189
Fair value of interest rate swaps	96	87
	1,505	1,455

8. PROPERTY PLANT & EQUIPMENT

	1 July 18 \$000		30 June 19 \$000	Additions \$000	Disposals & impairment \$000	30 June 20 \$000
Cost						
Land	4,225		4,225			4,225
Pitch	3,397		3,397			3,397
Stadium Buildings	86,409		90,326	1,327	(20)	91,633
Fitout	16,963		17,289	1,056	(315)	18,030
Replay Screen & Production equipment	3,740		3,754	33	(5)	3,782
Fittings	1,743		1,781	12	(5)	1,788
Plant, machinery & equipment	31,071		31,690	458	(131)	32,017
Work in progress	1,920		822	828	*	1,650
	149,468		153,284	3,714	(476)	156,522
Depreciation	1 July 18	Charge for year	30 June 19	Charge for year	Disposals	30 June 20
Land	–		–			–
Pitch	(556)	(229)	(785)	(230)		(1,015)
Stadium Buildings	(28,286)	(1,752)	(29,908)	(1,799)	15	(31,692)
Fitout	(8,750)	(453)	(9,193)	(488)	308	(9,373)
Replay Screen & Production equipment	(2,897)	(197)	(3,090)	(189)	6	(3,273)
Fittings	(1,475)	(57)	(1,529)	(56)	4	(1,581)
Plant, machinery & equipment	(13,869)	(1,406)	(15,194)	(1,444)	128	(16,510)
Work in progress	–		–			–
	(55,833)	(4,094)	(59,699)	(4,206)	461	(63,444)
Carrying value	1 July 18		30 June 19			30 June 20
Land	4,225		4,225			4,225
Pitch	2,841		2,612			2,382
Stadium Buildings	58,123		60,418			59,941
Fitout	8,213		8,096			8,657
Replay Screen & Production equipment	843		664			509
Fittings	268		252			207
Plant, machinery & equipment	17,202		16,496			15,507
Work in progress	1,920		822			1,650
	93,635		93,585			93,078

*The additions column of Work in Progress shows the net increase in this category over the year.

There is no evidence of impairment in the carrying amount of any Property Plant and Equipment at balance date.

For details of the security held by Westpac over the stadium land and buildings refer to Note 5.

9. INSURANCE

The Trust has insurance cover for the Stadium asset with a combined maximum policy limit of \$230m for material damage and business interruption. This is less than the building reinstatement value which was last assessed in September 2019 at \$302m. The Trust has received advice which supports the limits as being appropriate cover in the context of modelled probable losses from fire, earthquake and other loss events, and taking account of the current insurance market. The Trust is required to cover the first \$7.0 million of any earthquake claim.

10. RECEIVABLES

	2020 \$000	2019 \$000
Trade receivables	815	896
Prepayments	783	666
Less provision for doubtful debts	(4)	(62)
	1,594	1,500

11. FINANCIAL INSTRUMENTS RISK

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 interest rate swaps are recorded at fair value and classified as held for trading.

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.

12. RELATED PARTY TRANSACTIONS

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include the settlors of the Trust, the governing body and key management personnel.

Related party disclosures have not been made for transactions with related parties that are within normal supplier relationships on terms and conditions no more or less favourable than those it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

SETTLORS OF THE TRUST

Wellington City Council

Councillor Sean Rush has been the Wellington City Council's representative on the Board of Trustees since November 2019. Prior to that it was Simon Marsh. Trustee Fees for the Council representative are paid directly to the Council.

Details of the Advance from the Wellington City Council are given in Note 4.

The Basin Reserve Trust is a Council Controlled Organisation of the Wellington City Council. During the year the Trust received income from the provision of turf management services to the Basin Reserve Trust, of \$339,113 (2019: \$368,146). The receivables balance outstanding is \$67,830 (2019: \$109,477).

During the year the Trust also received grant income of \$372,719 (2019: \$840,000) from the Wellington City Council as detailed in Note 1.

Greater Wellington Regional Council

Councillor Glenda Hughes has been the Greater Wellington Regional Council's representative on the Board of Trustees since November 2019. Prior to that it was David Ogden. Trustee Fees for the Council representative are paid directly to the Council.

Details of the Advance from the Greater Wellington Regional Council are given in Note 4.

	2020 \$000	2019 \$000
Key management personnel compensation		
Board members		
Trustee Fees	81	171
Full time equivalents based on number of Trustees	8	8
Management team		
Remuneration	1,026	1,183
Full time equivalent members	6	6

During the period the Trustees waived payment of their Trustee Fees for a period of six months, in light of the disruptions caused by the COVID-19 pandemic.

13. COMMITMENTS

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

	2020 \$000	2019 \$000
Operating leases		
Non cancellable operating lease commitments		
Within one year	3	16
Between one and five years	4	53
More than five years	-	7
	7	76
Capital expenditure		
Amounts committed to capital expenditure	3,457	1,863

14. CONTINGENCIES

The Trust has no contingent liabilities at 30 June 2020 (2019: Nil).

15. EVENTS AFTER BALANCE DATE

Since 30 June 2020, the two settlors of the Trust have jointly provided the Trust with a loan facility of up to \$4.2 million to assist the Trust in managing the impact of COVID-19 on its operations.

The term of the loan is 10 years, with an annual interest rate of 3% that applies from year 3. At the date of completion of these accounts there have been no drawdowns against this loan.

There were no other events subsequent to balance date that require adjustment of amounts in the financial statements or additional disclosures.

16. GOODS & SERVICES TAX IN CASH FLOW STATEMENT

In the Statement of Cash Flows, the GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

17. IMPACT OF COVID-19 AND GOING CONCERN ASSESSMENT

The COVID-19 pandemic has impacted the revenues of the Trust through the restrictions on mass gatherings and the closure of international borders. This caused cancellation or postponement of events that would have taken place in the last quarter of the June 2020 financial year as well as future bookings.

Many of the events that take place at the Stadium involve international teams and artists. Uncertainty exists over how long the restrictions on mass gatherings and the operation of international borders will be in place.

If these restrictions continue Trust revenues will be impacted directly through loss of event revenues and indirectly from reduced memberships, corporate box licenses, signage and sponsorship.

However with ongoing non-event revenue, careful management of operating and capital expenditure, the exploration of alternative uses of the Stadium assets and with the support of the Council and Westpac loan facilities referred to in Notes 5 and 15, the Trustees are satisfied that the going concern basis remains valid for the preparation of these financial statements.

In making this assessment, a significant judgement has been made that the event calendar will return to levels similar to pre COVID-19 levels within the next two years.

18. SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY AND PERIOD

Wellington Regional Stadium Trust Incorporated (the Trust) is a charitable trust established by the Wellington City Council ('WCC') and Greater Wellington Regional Council ('GWRC'). The Trust is domiciled in New Zealand.

The Trust is responsible for the planning, development, construction, ownership, operation and maintenance of the Sky Stadium, Wellington, as a multi-purpose sporting and cultural venue.

The Trust was incorporated under the Charitable Trust Act 1957. The Trust is also a charitable entity under the Charities Act 2005, registration CC10754.

The financial statements of the Trust are for the year ended 30 June 2020. The financial statements were authorised for issue by the Trustees on 30 September 2020.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Trust Deed which requires compliance with generally accepted accounting practice in New Zealand.

As the primary purpose of the Trust is to provide a community and social benefit, it is a public benefit entity for financial reporting purposes.

The financial statements of the Trust comply with Public Benefit Entity (PBE) standards.

The financial statements have been prepared in accordance with Tier 2 PBE Standards. The Trust meets the requirements for Tier 2 reporting as it does not have public accountability and is not large (as defined by XRB A1).

The financial statements have been prepared on an historical cost basis, except for interest rate swaps.

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (000) unless otherwise stated.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. The impact of COVID-19 on the going concern assessment is discussed in Note 17.

REVENUE

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliability measured. It is recognized at the fair value of the consideration received. Specific recognition criteria apply to the following income streams as noted below.

Revenue from Exchange transactions

Corporate Box, Memberships & Sponsorship Revenues
Licenses for Corporate boxes are issued for terms of between four and six years. Signage and sponsorship properties are sold for a range of terms of between one and six years. The related license fees/revenues are paid annually and initially recorded as Revenue in Advance with the revenue recognised on a straight-line basis throughout the term.

Stadium memberships have been sold for terms ranging between two and five years. Payment may be made upfront or in a series of instalments. The payments received are recorded as Revenue in Advance and recognised on a straight-line basis over the term of the membership.

Rental income

Rents are recognised on a straight-line basis over the term of the lease.

Revenue from Non-Exchange transactions

Grant income

Grants are recognized as income once the conditions of the grant are met.

EXPENSES

Expenses are recognised on an accrual basis when the goods or services have been received.

Interest

Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Taxation

As a Charitable Trust, the Trust meets requirements for exemption 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, except for receivables and payables, which are stated as GST inclusive.

FINANCIAL INSTRUMENTS

The Trust classifies its financial assets and financial liabilities according to the purpose for which they were acquired. The Trust determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

NON-DERIVATIVE FINANCIAL INSTRUMENTS

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. After initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Trust's contractual rights to the cash flows from the financial assets expire or if the Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets in the ordinary course of business are accounted for at trade date. Financial liabilities are derecognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

Financial Assets

Cash and cash equivalents comprise cash balances and call deposits with up to six months' maturity. These are recorded at their nominal value.

Trade and other receivables are stated at their cost less impairment losses.

Financial Liabilities

Financial liabilities comprise trade and other payables and borrowings and are all classified as other financial liabilities. Financial liabilities with a duration of more than 12 months are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Amortisation is recognised in the Statement of Comprehensive Revenue & Expense as is any gain or loss when the liability is derecognised.

Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

Derivative Financial Instruments

Derivative financial instruments are recognised at fair value as either assets or liabilities. The Trust does not hold any derivatives that qualify for hedge accounting. Derivatives that do not qualify for hedge accounting are classified as held for trading financial instruments with fair value gains or losses recognised in the Statement of Comprehensive Revenue & Expense. Fair value is determined based on quoted market prices.

EMPLOYEE ENTITLEMENTS

Employee entitlements that the Trust expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These benefits are principally annual leave earned but not yet taken at balance date, and bonus payments.

No provision for sick leave is accrued, as past experience indicates that compensated absences in the current year are not expected to be greater than sick leave entitlements earned in the coming year.

OTHER LIABILITIES & PROVISIONS

Other Liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

LEASES

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Statement of Comprehensive Revenue & Expense in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Comprehensive Revenue & Expense on a straight-line basis over the term of the lease.

PROPERTY, PLANT AND EQUIPMENT

Recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. Borrowing costs are not capitalised.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Statement of Comprehensive Revenue & Expense.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Revenue & Expense in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, some aspects of the pitch and assets under construction (work in progress).

Depreciation is calculated on a straight-line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the major classes of property, plant and equipment are as follows:

Land	indefinite
Pitch	10 years to indefinite
Buildings	8 to 70 years
Replay screen & production equipment	3 to 25 years
Fitout	5 to 50 years
Fittings	3 to 20 years
Plant & machinery & equipment	2 to 70 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance date.

Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed, and then depreciated.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the Trust, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the statement of comprehensive revenue and expense, and carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by regular physical inspection of assets, including periodic independent review, and a planned preventative maintenance and asset replacement programme.

STATEMENT OF CASH FLOWS

The statement of cash flows has been prepared using the direct approach. Operating activities include cash received from all income sources of the Trust, record cash payments made for the supply of goods and services and include cash flows from other activities that are neither investing nor financing activities. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to the funding structure of the Trust.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies in the year ended 30 June 2020.

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Independent Auditor's Report

TO THE READERS OF WELLINGTON REGIONAL STADIUM TRUST'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The Auditor-General is the auditor of the Wellington Regional Stadium Trust (the Trust). The Auditor-General has appointed me, Andrew Clark, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust on his behalf.

OPINION

We have audited the financial statements of the Trust on pages 12 to 22, that comprise the statement of financial position as at 30 June 2020, the statement of comprehensive revenue and expense, statement of changes in trust funds and limited recourse loans and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Trust on pages 12 to 22:

- present fairly, in all material respects:
 - › its financial position as at 30 June 2020; and
 - › its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 30 September 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the impact of Covid-19 on the Trust. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

EMPHASIS OF MATTER – IMPACT OF COVID-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Trust as set out in notes 1, 6, 15 and 17 to the financial statements.

BASIS FOR OUR OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE TRUSTEES FOR THE FINANCIAL STATEMENTS

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Trustees are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intend to wind-up the Trust or to cease operations, or have no realistic alternative but to do so.

The Trustees' responsibilities arise from clause 15 of the Trust Deed of the Trust.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included on pages 2 to 11, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENCE

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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



Andrew Clark

Audit New Zealand

On behalf of the Auditor-General
Wellington, New Zealand

TRUST PARTICULARS

Settlers

Wellington City Council and Greater Wellington Regional Council

Trustees

John Shewan, Tracey Bridges, Nicola Crauford, Glenda Hughes, Steven Fyfe, Mark McGuinness (retired 30 June 2020), Sean Rush and Rachel Taulelei

Date of settlement

1 January 1998

Auditors

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

Solicitors

Maude & Miller

Bankers

Westpac New Zealand Ltd

Photography by Photosport, Brady Dyer and Byron Taylor.



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STADIUM