

## ANNUAL REPORT 2002

### Chairman's Report

It is nearly three years since the Stadium opened and in that relatively short period it has become an entrenched part of Wellington's sporting and entertainment landscape and the benchmark for stadia in New Zealand.

The success of the Stadium is highlighted by the number of major event days – 28 over the last year. The All Blacks v Fiji test was allocated to Wellington by the New Zealand Rugby Football Union solely due to the support Wellington fans give to major events. In the same way, the upcoming New Zealand v Australia rugby league test has been allocated to Wellington by New Zealand Rugby League because of the high level of crowd support, and in turn profit, the match will generate for league. Wellington would have been unable to attract these events without the Stadium.

More importantly, given the increasing profile of the Stadium, we are now automatically top-of-mind awareness for promoters which will ensure a continuing feast of top quality events ranging from concerts to the Planet X games as well as more traditional sporting events. This is the fundamental purpose for which the Stadium was built and is a key focus for the trustees and management.

While not a goal in itself, a key outcome of the Stadium's operational success has been its financial performance. This year the Stadium made an operating surplus of \$1.15 million which compares favourably to the budget of \$862,000 and last year's surplus of \$819,000. This result enabled us to meet our first scheduled debt repayment of \$1 million and in addition to repay early \$650,000 of the debt repayment of \$1 million due on 30 June 2003. While these are noteworthy achievements, the Stadium still has \$32 million in debt with substantial servicing and repayment obligations. This requires continuing vigilance on all aspects of the Stadium's activities to ensure that it is run efficiently and cost effectively.

In this regard, like many other organisations, we have had to live with a substantial increase in insurance costs post September 11 (total cost nearly \$500,000 per annum) and are being advised of the likelihood of further increases on renewal later this year. Rates have also created a significant impost. Last year we received a rates advice for 2001/2 of \$262,000 compared to \$16,000 in 2000/1. We are contesting the valuation with Quotable Value.

A continuing focus is to maintain the stadium to international best standards. We are developing a long term asset management plan which will accommodate both Stadium enhancements and an appropriate repairs and maintenance regime. While we do not have a lot of financial latitude we will endeavour to spend whatever is necessary to maintain and enhance the quality of the Stadium.

During the year we had the inevitable disappointments, two of which received significant media attention. The first was the presentation of the Basin Reserve for the cricket test against England. Problems with the scoreboard and covers were not acceptable. In conjunction with the Wellington City Council, New Zealand Cricket and Cricket Wellington we have developed and implemented a short term plan to

upgrade the Basin Reserve. We are in discussions with Council and Cricket on a process to resolve the long term requirements for the Basin Reserve which, while there is a high level of goodwill between the parties, are not simple to resolve. The second was the loss of the Rugby World Cup subhosting rights. This was a tragedy for all stakeholders in the Stadium and rugby in New Zealand. On a positive note, the overwhelming support from boxholders and members to giving up their rights to enable the RWC to proceed in New Zealand was outstanding and we are thankful for the quick response and support received.

During the year one of our founding trustees, Dr Ngatata Love, retired and was replaced by Peter Biggs. Following the local body elections Chris Parkin was appointed to replace Robert Armstrong. To those retiring trustees – thank you for all your support; to David Gray and his management team – you have done an excellent job in all the many and varied facets of the Stadium. Much has happened over the last year and I would commend you to read the comprehensive overview of operations provided by David Gray.

This year promises to be another good year with an exciting and diverse range of events which should result in the achievement of another successful financial outcome.

**Paul Collins**  
Chairman

30 September 2002

# ANNUAL REPORT 2002

## Chief Executive's Report

From the Stadium management's perspective the result of the second year of operation is the most satisfying in our brief history. We always considered the second year to be the most difficult trading year following the euphoria of the first full year of operation. To finish the year with a surplus of \$1.15m which is 33% ahead of budget was particularly satisfying especially when we had reported at the half year, an expectation that we would not reach the budgeted figure. This was an outstanding performance and reflected a very committed effort by all the staff.

In considering that achievement we should first restate the principle objectives of the 2001/2002 Business Plan. These were:

- Growing the Stadium revenues and increasing the number of events.
- Improving event operations so that the public continued to enjoy the Stadium experience.
- Meeting increasing demands of the turf as we increased and diversified events.
- Working with the Caterers to continue to improve food and beverage service throughout the venue.

These objectives were all achieved and those achievements are documented elsewhere in this report. The management's focus now immediately shifts to the next two years, particularly following the loss of the Rugby World Cup which had the effect of removing a potential surplus of \$1m to \$1.5m from our bottom line making the achievement of budget in these years a major task.

I particularly want to acknowledge in this report the outstanding performance of a very committed and capable management team who continue to produce excellent results, constantly improving our performance and securing a wide variety of events for Wellington. The number and variety of events held at the Stadium ensures that our team is the most experienced in New Zealand.

### Finances

The surplus for the year was \$1.15m compared with the budget of \$862,000. This follows surpluses of \$819,000 and \$1.7m from the previous two years.

We were particularly pleased with the corporate box sales with a further three boxes sold or leased for various periods during the year and further interest being shown in corporate boxes even after the Rugby World Cup had been lost. Corporate box revenue is a critical element of the Stadium revenues and cash flows and has been a major focus of management attention since the Stadium has opened. It has been necessary to get our box revenues up to our original budgeted figures which assumed all boxes were sold before the Stadium opened.

The Stadium now has only six boxes available for hire for each event compared to the 19 we had when the Stadium was completed. There is a high demand for these boxes at premium events ensuring that we continue to meet our revenue targets.

Two significant cost increases have impacted on our results during the year and will continue to affect us in the future:

- . Rates have increased substantially though we are still contesting the basis of valuation with Quotable Value.
- . Our insurance was renewed in December 2001 and we were one of the first major buildings in the city to be reviewed after events of 11 September 2001. The Trust was faced with an increase in premium in the region of 300%. Working with our brokers we managed to reduce the increase to 100% but we believe further increases may be in the pipeline.

Following the introduction of the new accounting standard covering Property Plant and Equipment, we have reviewed the useful lives of our assets which resulted in a reduction to the depreciation charge of approximately \$300,000.

### **Events and Attendances**

We hosted 28 major events days compared to a budget of 31. The difference is mainly due to a reduced number of exhibition days.

The Robbie Williams concert was held in November and was an outstanding success. The final crowd of 42,500 was the biggest concert of his Australasian Tour.

The Trust invited all the major Australasian concert promoters to be its guests at this event to demonstrate the ability of the Stadium to hold a successful concert and to enable concert promoters to view the Stadium in concert mode. We had excellent feedback from the promoters

As a result of changes in Wellington's District Plan and the successful management of the first major rock concert, the Trust now has approval to hold concerts for up to 46,000 people at the Stadium. We were delighted with the commitment from the Wellington City Council and its officers to ensure that this concert was a success. We should also acknowledge that this work was undertaken with the Community Liaison Group to keep them fully informed and to ensure that concerts could be held without disturbing our neighbours.

The recent improvement in the Australian and New Zealand dollar has resulted in increased interest in artists touring this part of the world. We are continuing to work with promoters on opportunities, but as always securing major events takes time.

The NBR Stadium Spectacular lived right up to its name, and 30,000 patrons were entertained with a brilliant display of laser lighting, music, the Dance of the Diggers, and a fantastic finale with the 1812 Overture, complete with the cannons and fireworks. This was a very special event promoted by Alan Smythe and supported by New Zealand Festival of the Arts. We have a five year contract with Alan to host this event and he is already planning an exciting and different event for next year. It was especially pleasing to see Alan is now taking the event to Telstra Dome in Melbourne.

The International Rugby Sevens continues to grow in popularity with both days fully sold and the patrons enjoying the two days of festivity. A special feature of this event is the good natured and responsible crowd that come to the Stadium. There are unfortunately a few whose behaviour attracts media interest but with assistance from the crowd, who identify offenders, we are able to manage that behaviour and the feedback from patrons on the event has been very positive.

Rugby continues to be our major sport and the principal crowd puller for the Stadium. The NPC season started slowly with poor performances against lower placed teams which affected attendance early in the season. The attendance picked up when the Lions started to perform to their potential. We achieved average crowds of 24,400 people which was the highest average crowd of any NPC union.

Four Super 12 games attracted average crowds of 30,875 and this contributed to making the Hurricanes the most successful franchise in New Zealand measured by crowd attendance and by profit. The Hurricanes were disappointed with their performances over the year but crowd support remained at high levels. The atmosphere generated at rugby games still creates a highly entertaining event and we continue to get excellent feedback from the public on these games.

Only one international cricket game was scheduled at the Stadium last summer. With England touring with support from the 'Barmy Army', there was an opportunity to create a premium event. Wellington's weather created a challenge for the ground staff, although they were eventually able to produce a wicket on which New Zealand were able to post 245 runs (equal to the highest one day score of the English tour). The English team was unfortunately unable to produce a serious challenge and the event did not produce the cricket that the patrons wanted. The request by Peter Jackson to use the crowd to produce sound effects for the Lord Of The Rings was highly entertaining and enthusiastically supported by the crowd. The crowd really did enjoy the New Zealand win and we had very positive feedback from the public about the event. Attendance was a little disappointing particularly following some negative media prior to the game and was probably also affected by the early season form of the Black Caps. Cricket continues to be a major attraction to the public and we want to continue to work with New Zealand Cricket to increase the support for the ODIs.

The Rugby League Test in July 2001 attracted 26,580 patrons reinforcing the support that Wellington gives Rugby League. This support was further reinforced with the 24,200 patrons who attended the Bulldogs vs Warriors match in April 2002. The Trust will continue to try and build its rugby league programme and establish a mini rugby league season at the Stadium. There has been a high level of contact with NRL clubs to get further games to Wellington and we hope we can build on the current programme in 2002/3.

The Football Kingz did not come to Wellington this year, opting to spread their games between North Harbour Stadium and Ericsson Stadium to assist them in deciding which ground to make their home venue. Our crowds of 12,000 for the two games in 2001 are still a record for the Kingz and, while they had a difficult year, the Trust is keen to host two games in the coming season. In my opinion Soccer needs to create a small but consistent programme in Wellington and build on the support Wellington has shown for good soccer events. We were keen to host the All Whites vs Dunfermline Athletic to ensure there was a continuous offering of international soccer to the Wellington public, and though attendance was only 4,500 we believe it would have been much higher if Soccer had adequately marketed the event. We are committed to supporting soccer at the Stadium.

The AFL cancelled their Ansett Cup following the collapse of Ansett Australia. We believe the AFL are still interested in bringing games to Wellington and we are keen to continue to host them.

Nine exhibitions days were held during the year, including the Home and Garden Show, the Capital Wine and Food Festival and The Food Show. We continue to promote this area of our business.

At late notice we were able to put on a double header at the end of June, with the All Whites playing Dunfermline Athletic on the Friday, and the All Blacks playing Fiji on the Saturday. Especially pleasing for the Stadium management was our ability to change the ground overnight so the patrons of the rugby test saw no evidence of the soccer international that was played the previous day. This was achieved without compromising the game for either code. We appreciate the co-operative approach of New Zealand Soccer and both New Zealand and Wellington Rugby Unions in ensuring that these games could take place.

### Catering

The major operational change for the year was the sale of the catering license by Panda Angus Ltd to Spotless Services (NZ) Ltd. This change in caterer was effected in April 2002. Spotless' experience and resources will bring extra benefits to the Stadium and we have already begun to experience improvements, notably in queuing times at retail outlets on the concourse, while maintaining the high standards that have already been set.

We are working with Spotless to grow the functions business. This will require some additional facilities to service this important area of Stadium operation.

Since the opening of the Stadium the principal focus of both the caterers and the Trust has been on getting the concourse service right. A big part of the problem is getting patrons to move around the concourse to look for outlets that have shorter queues. People tend to stop at the first outlet when 20-30 metres around the concourse there are outlets with shorter queues. To improve the visibility of the outlets we did extensive painting, re-imaging and colour coding during the year. We would like to acknowledge the assistance of Lion and DB in representing the food and beverage outlets. Patrons in a food and beverage queue can now see the location of the next outlet because of the new signage.

During the year we also focused on improving service and quality of food in the corporate boxes. Recent surveys show 97% of box owners are rating the experience good to excellent.

The caterer has also put a lot of work into staff training, and more frequent events has helped provide continuity in work for part time staff which is the key to retaining them and providing them with the assistance they need to continue to improve their performance.

The patrons now understand the need to arrive early. An improvement in food delivery and processing, including improved service to the temporary outlets on the outer ring of the concourse, has resulted in us now being regularly able to achieve queuing times of less than six minutes which is the standard we set ourselves from the start. We have continued to maintain the high quality of food while improving the speed of service.

We want to deliver better service and a greater range of food on the concourse and we will continue to try and do that.

### Rugby World Cup

Stadium management put a considerable amount of time and energy into the Rugby World Cup negotiations both with New Zealand Rugby Union and subsequently with corporate box holders and members.

The final outcome was particularly disappointing and will impact on the bottom line in 2003/2004. I would like to acknowledge the excellent working relationship we had with NZRFU and especially acknowledge the overwhelming support that we got from corporate box holders and members as we sought to produce a clean stadium.

### **Members Areas**

We continue our programme of improvements in the members area, constantly looking at all levels of service and improvements to the quality of members facilities. We particularly take heed of the feedback and responses from members surveys and comments made to us by members from time to time.

Last year we put in internal stairs to improve access and redecorated the Deloitte Clubroom and upgraded the furniture and changed the method of food service. As a result of this change queuing times reduced dramatically and there are no longer queues for food and food sales have increased. Since the end of this financial year we have commenced an upgrade of the Deloitte Lounge - this will be available to members for the ODI against India on 8 January 2003. We also constructed a help desk in the foyer to assist members and other corporate guests with any problems they have during the events. We are providing theming for events and have improved facilities. We have hired a band to play after each event for the entertainment of those who stay back.

We will complete our annual survey of members prior to the Annual General Meeting in October..

### **Members Committee**

The Members Committee continued to meet and provide feedback and suggestions to the Trust on matters that affected the membership. The Committee was especially supportive and helpful to the Trust as we tried to resolve the clean ground issues for the Rugby World cup.

A general meeting of members was held at the end of the previous financial year which was attended by 22 members. The low attendance could be interpreted as members being generally satisfied with the operation of the members areas.

Our annual survey showed that members were appreciative of the access and refurbishment improvements carried out earlier. The issue of abuse of membership cards, which featured prominently in the 2000 survey, had been addressed through the introduction of bar coded membership cards, and security in members areas generally, also a feature of the previous year's survey, received a high satisfaction rating.

Post-match entertainment and theming of the lounges for events have helped to improve the 'club' atmosphere - the major refurbishment of the Deloitte Lounge will continue this trend. We have increased members' dining options by introducing a mid-price carvery option in the Lounge and this has proved extremely popular.

Murray Mexted did not seek re-election to the Members Committee because of work commitments and we thank Murray for the valuable contribution he had made including that assistance he gave prior to the Stadium opening. The Members Committee is now:

**Roger Drummond** (Chair), **Dame Margaret Bazley** (Trust Representative), **Michael Egan** (Trust Representative), **Peter Garty**, **John Jenner**, **Jenny Smith**, **Raymond Smith** and **Victor Wu**.

We will continue to survey the members and meet regularly with the Members Committee to ensure that we do meet their needs.

### **Turnstiles**

During the year, with the valued assistance and support of the Wellington Rugby Union, we installed 32 public and eight member and corporate turnstiles so we are now the only stadium in New Zealand with fully automated access. This gives greater control over entry and provides the hirer of the Stadium greater security as it virtually eliminates illegal access. The venue industry recognises that gate takings can increase by up to 5% when turnstiles are installed. A problem had developed with season ticket holders collecting passes inside the ground and passing them to friends outside. After initial teething and familiarity problems at the first event the system now works very well, providing easy access for patrons with waiting time now no longer than five minutes.

### **Turf**

As promoters recognize the entertainment opportunities offered by the Stadium, we get more requests for non-traditional events and demands for a quicker turnaround of events. In this past year, we:

- played Sevens the week before the ODI against England,
- had the Soccer International the day before the All Blacks v Fiji Rugby Test,
- had the Stadium Spectacular with the stage in the centre of the ground a week before a Hurricanes game,
- had the Wine and Food Festival which included marquees and dancing on the grass the week before the Sevens.

All of this was achieved without compromising the quality of the ground for any event. In the coming year we will host the Planet X games which will be another major test for our turf management team.

During the year we were advised that our Waikanae Turf Farm could not provide us with the support we needed in the long term and we would need to look for alternative facilities. We have negotiated a new agreement with Turflands in Palmerston North to ensure that we have continual supply of back up turf to assist us manage the additional work we need to do on the ground after these events.

### **Basin Reserve**

The problems we experienced with the scoreboard and covers during the cricket test against England was a major disappointment. We have however addressed all the issues that arose with New Zealand Cricket, Cricket Wellington and the Wellington City Council. Work has commenced on upgrading players facilities, renovating practice wickets and trialling new clays, placing new drains around the cricket wicket and purchasing new covers. Wellington City Council has assisted in funding this renovation and we will continue to work with all parties to ensure the facility is maintained to the appropriate standard.



## **Enhancements**

Enhancements to the facility during the year included:

- . Construction of the help desk and functions office in the members and corporate box foyer, adjacent to the escalators. During the week the office assists Spotless service the various functions taking place in the building.
- Extra staircases were constructed to give access from the aisles to the pitch. These were necessary to allow the crowd to access the ground for the Robbie Williams concert and will be a valuable asset for future concerts.
- With the agreement of Cricket we reduced the cricket wickets from five to two and reinforced the turf around the cricket wicket with loksand. This means the winter codes will be less affected by the cricket wicket and the reinforcement ensures that there is no deterioration in the ground in the high wear area in the centre of the pitch.
- The telephone system was upgraded and the new system enables us to service the whole stadium, including the caterer, through a centralized system

## **Contracts**

Many of the Stadium's initial contracts were entered into for a three year period and these came up for renewal during the year. We have renewed gas, waste, cleaning and turf farm contracts with significant annual savings to the Trust. We have also renegotiated the bus parking arrangement with CentrePort which will also contribute to significant savings. Other contracts coming up for renewal include security and hosting, replay screen operation and some smaller contracts.

## **Community Liaison Group**

The Community Liaison Group was established under our Resource Consent conditions and is made up of representatives from Thomdon residents, Highland Park residents, Thomdon Business, Tranzrail, CentrePort, Wellington City Council and the Stadium Trust. Under the independent chairmanship of John Gilberthorpe, the group continued to meet during the year. Because of the good work done in earlier years the group now only meets as necessary and a number of meetings were held to communicate the arrangements for the Robbie Williams concert with our neighbours. The Trust would like to thank the Community Liaison Group for its support to the proposals and arrangements around the increased capacity for that concert. The fact that we were able to conduct the event without complaint and to the satisfaction of the residents and neighbours was a tribute to the work done by this group.

The Trust will continue to work with the Community Liaison Group to ensure that we do not have any issues over the Stadium's operation.

## **Major Sponsors**

WestpacTrust has continued to support the Stadium in a positive manner. A special thanks goes to Sponsorship Manager, Tony Gill, for his enthusiasm and commitment to all things related to the Stadium. WestpacTrust at its cost, has significantly improved signage around the Stadium identifying cash machines and the banking kiosk operated during major events to ensure that patrons can find those facilities and have ready access to cash.

Deloitte Touche Tohmatsu again provided additional sponsorship at the Annual Bledisloe Cup Dinner; a special thanks to Greg Anderson and his team for their continued support of the Stadium.

We would also like to acknowledge the Community Trust of Wellington and the Lotteries Grants Board, without whose substantial assistance the Stadium could not be built.

The New Zealand Community Trust through Bill Day has continued their financial support with grants for new equipment and facilities.

### **Wellington City Council and Wellington Regional Council**

Mayor Kerry Prendergast and the City Councillors continue to provide their positive support during the year. Thanks also to Council Officers and Chief Executive Garry Poole for support and leadership to ensure that we are in a position to attract and retain major events that come to Wellington.

Equally the Wellington Regional Council, through Chair Margaret Shields, Chief Executive Howard Stone and all Councillors provide very practical support to the Stadium on a variety of issues.

We are fortunate to have such positive support from our two principal funders.

### **Trustees.**

On behalf of staff I would like to thank Paul Collins and the other Trustees for their help and support during the year. The city is lucky that people of quality and skill offer their services to the Trust and it is important to staff to see the support provided and the direct assistance we get from Trustees on issues that arise from time to time.

### **Thanks**

A very big thank you to the national and local sports codes, promoters, hirers and users who used the Stadium. We appreciate and value your patronage. There are many contractors both big and small who always seem to put in an extra effort to help the Stadium. We appreciate that help. The public of the Wellington Region continue to provide support to events beyond that experienced at Stadiums elsewhere in New Zealand. The Trust recognizes that it must continue to earn that that support and thanks all to those who come from within the region to support events.

**Wellington Regional Stadium Trust  
(Incorporated)**

**Annual Financial Statements**

**For the year ended 30 June 2002**

**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)**

**TRUST PARTICULARS**

**AT 30 JUNE 2002**

SETTLORS: Wellington City Council  
Wellington Regional Council

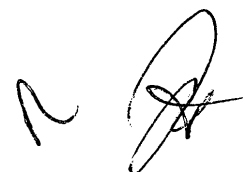
TRUSTEES P D Collins (Chair)  
Sir Ronald S Scott (Deputy Chair)  
Dame Margaret C Bazley  
P R F Biggs (appointed 1 July 2002)  
I M Buchanan  
M J Egan  
C W Parkin (appointed 1 November 2001)  
J M Hunn  
R A Armstrong (retired 31 October 2001)  
R H N Love (retired 30 April 2002)

DATE OF SETTLEMENT: 1 January 1998

AUDITORS: Audit NZ, Wellington  
on behalf of the Controller  
and Auditor General

SOLICITORS: KPMG Legal

BANKERS: WestpacTrust  
ANZ Banking Group (NZ) Limited

Two handwritten signatures in black ink, one appearing to be a stylized 'R' and the other a more complex signature.

**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)**

**STATEMENT OF FINANCIAL PERFORMANCE**

**FOR THE YEAR ENDED 30 JUNE**

	Notes	2002 \$	2001 \$
<b>Operating revenue</b>			
Event Revenues		4,928,183	5,997,919
License Fees and Sponsorship Revenues		3,484,151	3,187,616
Amortisation of Membership, Corporate Box and Sponsorship Funding		3,137,340	3,117,434
Sundry income		<u>598,546</u>	<u>621,120</u>
		<u>12,148,220</u>	<u>12,924,089</u>
<b>Investment revenue</b>	3	<u>119,027</u>	<u>124,447</u>
<b>TOTAL REVENUE</b>		<b>12,267,247</b>	<b>13,048,536</b>
Less Operating Expenses	4	<u>5,724,223</u>	<u>6,440,055</u>
<b>OPERATING SURPLUS BEFORE DEPRECIATION &amp; INTEREST</b>		<b>6,543,024</b>	<b>6,608,481</b>
<i>Less:</i>			
Depreciation	5	2,996,158	3,242,802
Interest		<u>2,400,551</u>	<u>2,546,941</u>
<b>NET OPERATING SURPLUS</b>	6	<u><b>1,146,315</b></u>	<u><b>818,738</b></u>

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

	2002	2001
	\$	\$
<b>FUNDS AT BEGINNING OF THE PERIOD</b>	8,617,733	7,798,995
Operating surplus	<u>1,146,315</u>	<u>818,738</u>
Total recognised revenue and expenses	<u>1,146,315</u>	<u>818,738</u>
<b>FUNDS AT END OF THE PERIOD</b>	<u>9,764,048</u>	<u>8,617,733</u>




**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE**

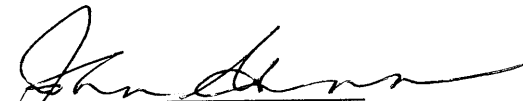
	Notes	2002 \$	2001 \$
<b>TRUST FUNDS</b>			
Accumulated surplus		9,764,048	8617,733
<b>NON-CURRENT LIABILITIES</b>			
<b>Limited-Recourse Loans</b>			
Wellington Regional Council		25,000,000	25,000,000
Wellington City Council		<u>15,000,000</u>	<u>15,000,000</u>
		<u>40,000,000</u>	<u>40,000,000</u>
<b>Total Trust Funds &amp; Limited-Recourse Loans</b>		<u>49,764,048</u>	<u>48617,733</u>
<b>Other Non-Current Liabilities</b>			
Membership, Corporate Box & Sponsorship Funding		33,092,440	36,116,280
Borrowings	8	<u>31,549,254</u>	<u>32,422,506</u>
<b>Total other non-current liabilities</b>		<u>64,641,694</u>	<u>68,538,786</u>
<b>CURRENT LIABILITIES</b>			
Revenue in Advance		5,825,113	5,365,806
Payables and Accruals	10	1,456,337	1,263,353
Borrowings	8	<u>501,576</u>	<u>810,263</u>
<b>Total current liabilities</b>		<u>7,783,026</u>	<u>7439,422</u>
<b>TOTAL FUNDING</b>		<u>122,188,768</u>	<u>124,595,941</u>
<i>Represented by:</i>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	11	<u>119,646,635</u>	<u>122,322,423</u>
<b>Total non-current assets</b>		<u>119,646,635</u>	<u>122,322,423</u>
<b>CURRENT ASSETS</b>			
Cash and money market investments		1,329,429	971,754
Receivables and prepayments		1,212,704	1,230,839
Other current assets		<u>70,925</u>	<u>70,925</u>
<b>Total current assets</b>		<u>2,542,133</u>	<u>2,273,518</u>
<b>TOTAL ASSETS</b>		<u>122,188,768</u>	<u>124,595,941</u>

On behalf of the trustees:

  
\_\_\_\_\_

Trustee

Date: 26 Sep + under 2002

  
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Trustee

**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE**

	2002	2001
	\$	\$
<b>CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES</b>		
<i>Cash was provided from:</i>		
Event and operating income	4974,783	5,774,127
Corporate box fees & sponsorships	3,394,486	4,000,956
Net GST received		90,663
Interest received	39,763	96,525
Donations and other sundry income	<u>883,631</u>	<u>566,214</u>
	<u>9,292,663</u>	<u>10,528,485</u>
<i>Cash was applied to:</i>		
Payments to suppliers and employees	(4,911,421)	(6,387,548)
Interest paid	(2,363,117)	(2,436,709)
Net GST paid	<u>(27,644)</u>	<u></u>
	<u>(7,302,182)</u>	<u>(8824,257)</u>
<b>Net cash inflow from operating activities</b>	16 1,990,481	1,704,228
<b>CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES</b>		
<i>Cash was applied to:</i>		
Fixed asset additions	<u>(359,956)</u>	<u>(1,711,582)</u>
<b>Net cash outflow from investing activities</b>	<u>(359,956)</u>	<u>(1,711,582)</u>
<b>CASH FLOWS FROM./ (USED IN) FINANCING ACTIVITIES</b>		
<i>Cash was provided from:</i>		
Membership, Corporate Box Fees & Sponsorships	155,270	119,423
Loans		<u>5,017,640</u>
	<u>155,270</u>	<u>5,137,063</u>
<i>Cash was applied to:</i>		
Repayment of loans	<u>(1,428,120)</u>	<u>(5,754,030)</u>
<b>Net cash (outflow)/ inflow from financing activities</b>	(1,272,850)	(616,967)
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	357,675	(624,321)
Cash at beginning of the period	<u>971,754</u>	<u>1,596,075</u>
<b>CASH AT END OF THE YEAR</b>	<u>1,329,429</u>	<u>971,754</u>
<i>Composition of cash:</i>		
Cash at bank	(43,224)	235,390
Money market investments	<u>1,372,653</u>	<u>736,364</u>
	<u>1,329,429</u>	<u>971,754</u>



  
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**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**1. STATEMENT OF ACCOUNTING POLICIES**

**Reporting Entity**

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

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

**Measurement base**

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

**Membership, Corporate Box and Sponsorship Funding**

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

**Donations and Grants**

Donations and Grants are recognised as revenue on receipt.

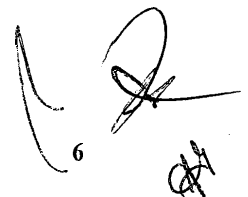
**Income tax**

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

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

**Goods and Services Tax (GST)**

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

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**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**Fixed Assets**

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

**Finance Leases**

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

**Operating Leases**

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

**Depreciation**

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

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

**Receivables**

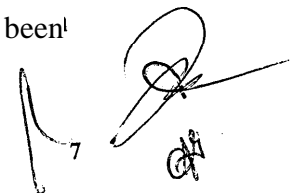
Receivables are valued at net realisable value. An estimate is made for doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off during the period in which they are identified.

**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 rates. For interest rate swap agreements the differential to be paid or received is effectively accrued as interest rates change and is recognised as a component of interest expense over the life of the agreement. Apart from interest rate swaps, all financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the statement of financial performance. Except for interest rate swaps, all financial instruments are stated at fair values.

**Changes in accounting policies**

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

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**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2002**

**2. STATUS OF TRUST**

During 1999, the New Zealand Government passed amendments to the Local Government Act and the Income Tax Act, which had the effect of bringing some trusts controlled by local bodies within the Local Authority Trading Enterprise ("LATE") definition. The Inland Revenue Department subsequently deemed that the Wellington Regional Stadium Trust was a LATE for tax purposes and withdrew the Trust's tax-exempt status with effect from 1 April 1999.

During the year, the Trust made submissions on the Local Government Bill, which is currently before Parliament. If the status of the Trust is not resolved by the enactment of the Bill, the Trust will continue, in conjunction with the Wellington Regional Council and Wellington City Council, the process of seeking to obtain a declaratory judgment from the High Court to confirm its status.

The obligations of the WRC and WCC to fund the Trust are defined under a Funding Deed dated 30 January 1998. Under the terms of this deed, any interest charged on the limited-recourse loans is accrued and added to the loans. It is not repayable until after all other debts are extinguished. If the Trust is a LATE it will be a taxpayer and will be required to pay interest on its limited-recourse loans at a market rate. Because of the uncertainty over the LATE status of the Trust, this interest has not been charged by the WRC and WCC, and accordingly has not been accrued in the financial statements of the Trust.

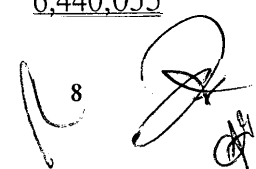
If the Trust is deemed not to be a LATE, the Trust will then seek reinstatement of the previous tax-exempt status.

**3. INVESTMENT REVENUE**

	2002	2001
	\$	\$
Interest received	40,138	85,811
Tenancy rentals	<u>78,889</u>	<u>38,636</u>
	<u>119,027</u>	<u>124,447</u>

**4. OPERATING EXPENSES**

	2002	2001
	\$	\$
Event operating expenses	2,297,312	3,169,180
Maintenance and facility operation	1,817,779	1,534,706
Personnel	980,971	1,037,953
Trustee Fees	106,000	112,000
Audit fees	16,250	12,509
Loss on disposal of assets	-	67,274
Bad debts		9,402
Rental expense on operating leases	12,660	12,214
Other operating expenses	<u>493,251</u>	<u>484,817</u>
Total operating expenses	<u>5,724,223</u>	<u>6,440,055</u>

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**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

<b>5. DEPRECIATION</b>	2002	2001
	\$	\$
Pitch	9,206	9,206
Stadium Buildings	1,367,895	1,665,307
Fitout	466,606	534,052
Replay screen and production equipment	246,729	348,984
Fittings	123,885	113,664
Owned plant machinery and equipment	700,470	522,636
Leased plant machinery and equipment	78,280	43,806
Leasehold improvements	<u>3,087</u>	<u>5,147</u>
Total	<u>2,996,158</u>	<u>3,242,801</u>

The effect of a review of the useful lives of individual assets was to reduce the depreciation charge for 2002 by \$303,246

<b>6. TAXATION</b>	2002	2001
	\$	\$
Accounting net surplus before tax	<u>1,146,315</u>	<u>818,738</u>
Tax at 33%	378,284	270,184
Tax effect of permanent differences	1,122	(81,037)
Tax loss benefit not recognised	697,016	1,146,681
Tin-ring differences not recognised	<u>(1,076,422)</u>	<u>(1,335,828)</u>
Tax payable	<u>0</u>	<u>0</u>
Gross tax losses carried forward	6,355,485	4,797,309
Deferred tax liability (tax effected) not recognised on accumulated timing differences	2,897,735	2,004,131

**7. LIMITED-RECOURSE LOANS**

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

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

**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

<b>8. BORROWINGS</b>	<b>Note</b>	2002 \$	2001 \$
<b>Non Current Borrowings</b>			
ANZ Banking Group (NZ) Ltd		31,150,000	32,150,000
Wellington Rugby Football Union Incorporated - Deferred Membership reimbursement		3 13,405	160,000
New Zealand Cricket Incorporated		30,000	60,000
Lease & hire purchase obligations	9	<u>55,849</u>	<u>52,506</u>
		<u>31,549,254</u>	<u>32,422,506</u>
<b>Borrowings due within 12 months</b>			
ANZ Banking Group (NZ) Ltd		350,000	700,000
New Zealand Cricket Incorporated		90,000	60,000
Lease & hire purchase obligations	9	<u>61,576</u>	<u>50,263</u>
		<u>501,576</u>	<u>8 10,263</u>

**ANZ Banking Group (NZ) 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:

	<b>Interest Rate</b>	<b>Expires</b>
\$5 million	7.15%	July 2002
\$5 million	7.41%	July 2003
\$7.5 million	7.22%	January 2004
\$10 million	7.48%	April 2005

The floating interest rate on the remaining balance is 6.41% at balance date.

Repayments on the Cash Advance facility are as follows:

30 June 2003	\$1 million
30 June 2004	\$1.5 million
30 June 2005	\$1.5 million
30 June 2006	\$1.5 million
30 June 2007	\$6 million and renegotiation of the terms relating to the balance

At 30 June 2002, \$0.65 million of the repayment due on 30 June 2003 had been repaid early.

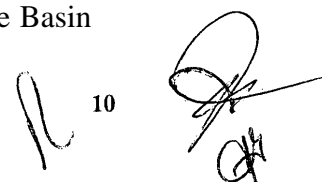
**Wellington Rugby Football Union Incorporated**

The deferred membership reimbursement is repayable at the end of the NPC seasons in the years 2005-2007. The current interest rate is 8.42%.

**New Zealand Cricket Incorporated**

New Zealand Cricket Incorporated advanced the Basin Reserve Trust \$150,000 for the construction of a new toilet block at the Basin Reserve. This debt was assumed by the Wellington Regional Stadium Trust when it took over the operations of the Basin

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**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

Reserve Trust on 1 July 1999. The debt is repayable by the Trust at \$30,000 per annum over a period of five years. The payments due in the years ending 30 June 2001 and 30 June 2002 have been deferred. The loan is interest free and is deemed to be a prepayment of the Gate share which will become payable by New Zealand Cricket for fixtures held at the Stadium or Basin Reserve.

<b>9. FINANCE LEASE LIABILITIES</b>	<b>2002</b>	<b>2001</b>
	\$	\$
<b>Total minimum lease payment due:</b>		
Not later than one year	70,000	57,832
Later than one year but not later than two years	<u>59,272</u>	<u>57,264</u>
	<u>129,272</u>	<u>115,096</u>
 <b>Future lease finance charges:</b>		
Current	8,424	7,568
Non Current	<u>3,423</u>	<u>4,758</u>
	<u>11,847</u>	<u>12,326</u>
 <b>Net Finance lease liability</b>		
Current	61,576	50,263
Non Current	<u>55,849</u>	<u>52,506</u>
	<u>117,425</u>	<u>102,769</u>
 Financing charges related to finance leases included in Interest expense	 15,717	 12,035
 <b>10. PAYABLES AND ACCRUALS</b>	 <b>2002</b>	 <b>2001</b>
	\$	\$
Trade creditors	884,323	306,577
Employee entitlements	45,314	63,252
Accrued expenses	<u>526,700</u>	<u>893,524</u>
	<u>1,456,337</u>	<u>1,263,353</u>

**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

<b>11. FIXED ASSETS</b>	2002	2001
	\$	\$
<b>Freehold Land</b>	<u>4,225,000</u>	<u>4,225,000</u>
<b>Pitch</b>		
At cost	1,309,044	1,290,986
Accumulated depreciation	<u>(53,565)</u>	<u>(44,359)</u>
	<u>1,255,479</u>	<u>1,246,627</u>
<b>Stadium Buildings</b>		
At cost	82,996,342	82,948,884
Accumulated depreciation	<u>(3,849,849)</u>	<u>(2,485,042)</u>
	<u>79,146,493</u>	<u>80,463,842</u>
<b>Fitout</b>		
At cost	13,642,693	13,589,736
Accumulated depreciation	<u>(1,259,187)</u>	<u>(792,581)</u>
	<u>12,383,506</u>	<u>12,797,155</u>
<b>Replay Screen &amp; Production Equipment</b>		
At cost	5,232,583	5,232,583
Accumulated depreciation	<u>(767,693)</u>	<u>(520,964)</u>
	<u>4,464,790</u>	<u>4,711,619</u>
<b>Fittings</b>		
At cost	1,247,211	1,221,138
Accumulated depreciation	<u>(326,784)</u>	<u>(202,899)</u>
	<u>920,427</u>	<u>1,018,239</u>
<b>Owned Plant and Machinery and Equipment</b>		
At cost	18,554,541	18,461,373
Accumulated depreciation	<u>(1,566,710)</u>	<u>(886,796)</u>
	<u>16,987,831</u>	<u>17,574,577</u>
<b>Leased Plant and Machinery and Equipment</b>		
At cost	257,859	174,454
Accumulated depreciation	<u>(165,885)</u>	<u>(84,518)</u>
	<u>91,974</u>	<u>89,936</u>
<b>Leasehold improvements</b>		
At cost	154,396	154,396
Accumulated depreciation	<u>(8,234)</u>	<u>(5,147)</u>
	<u>146,162</u>	<u>149,249</u>
<b>Construction work in progress</b>	<u>24,873</u>	<u>46,179</u>
<b>Total net carrying amount</b>	<u>119,646,635</u>	<u>122,322,423</u>

**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2002**

**12 FINANCIAL INSTRUMENTS**

**Credit risk**

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

**Fair value**

Except for interest rate swaps, the fair value of financial instruments is equivalent to the carrying amount disclosed in the statement of financial position. The estimated fair values of the interest rate swaps at balance date are (\$115,692) (2001, (\$95,747)) and the carrying amount is \$47,026 (2001, \$29,880).

**Interest rate risk**

Interest rate risk is the risk that interest rates will fluctuate due to changes in the market interest rates. The interest rates on the Trust's borrowings are disclosed in Note 7. The Trust does not consider that there is any significant interest exposure on either its investments or borrowings.

**Currency Risk**

The Trust has no exposure to currency risk.

**13. RELATED PARTY TRANSACTIONS**

<b>Wellington City Council</b>	<b>2002</b>	<b>2001</b>
	\$	\$
Services provided to Council	<b>85,005</b>	116,979
Receivable balance outstanding	<b>427</b>	<b>14,780</b>
Services provided by Council	<b>55,828</b>	<b>74,958</b>
Payable balance outstanding	<b>2,050</b>	

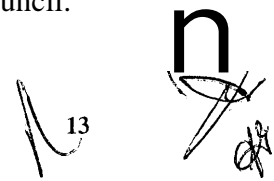
These transactions took place on normal commercial terms.

Details of the Advance from the Wellington City Council are given in Note 7. The Wellington City Council has also provided an underwrite of unsold Stadium Memberships. The balance of this underwrite at 30 June 2002 was \$936,133 (2001 \$1,485,008). The remaining unsold memberships were sold under a deferred payment arrangement with the final payment due on 30 June 2003.

**Wellington Regional Council**

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

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**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**14. COMMITMENTS**

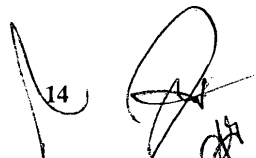
The following amounts have been committed to by the Trust, but not recognised in the financial statements.

	2002 \$	2001 \$
<b>Operating leases</b>		
Non-cancellable operating lease commitments:		
Within one year	6,814	12,660
One to two years	3,720	4,432
Two to five years	3,720	
Beyond five years	<u>14,254</u>	<u>-</u> 17,092
<b>Capital Expenditure</b>		
Amounts committed to capital expenditure	400,000	16,830

**15. CONTINGENCIES**

The Trust has no contingent liabilities at 30 June 2002 (2001: Nil)

	2002 \$	2001 \$
<b>16. RECONCILIATION OF NET OPERATING SURPLUS TO NET CASHFLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net surplus for the year</b>	1,146,315	818,738
<b>Impact of changes in working capital items</b>		
(Increase)/decrease in receivables	18,135	(237,505)
Increase in GST receivable	(16,092)	256,003
(Increase)/decrease in other current assets	70,925	(67,465)
Increase in revenue in advance	459,307	133,430
Decrease in payables	<u>209,076</u>	<u>(1,561,574)</u>
	741,351	(1,477,111)
<b>Non Operating items in above movements:</b>		
Receivables	60,682	45,911
GST - net	(61,582)	(133,705)
Other assets		67,500
Revenue in advance	(13,349)	(28,203)
Payables	120,600	1,565,645
Increase/(decrease) in Non Current Revenue in Advance	(5,759)	577,567
<b>Non Cash Items in Operating Surplus</b>		
Depreciation	2,996,158	3,242,802
Amortisation	(3,137,340)	(3,117,434)
Other	<u>143,405</u>	<u>142,518</u>
<b>Net cash inflow from operating activities</b>	<u>1,990,481</u>	<u>1,704,228</u>

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# Audit New Zealand

## REPORT OF THE AUDITOR-GENERAL TO THE READERS OF THE FINANCIAL STATEMENTS OF WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED) FOR THE YEAR ENDED 30 JUNE 2002

We have audited the financial statements on pages 2 to 14. The financial statements provide information about the past financial performance of Wellington Regional Stadium Trust (Incorporated) (the Trust) and its financial position as at 30 June 2002. This information is stated in accordance with the accounting policies set out on pages 6 and 7.

### Responsibilities of the Trust

The Trust is responsible for the preparation of the financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of Wellington Regional Stadium Trust (Incorporated) as at 30 June 2002 and the results of its operations and cash flows for the year ended on that date.

### Auditor's responsibilities

Section 15 of the Public Audit Act 2001 requires the Auditor-General to audit the financial statements presented by the Trust. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed J Galt of Audit New Zealand, to undertake the audit.

### Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- ▲ the significant estimates and judgements made by the Trust in the preparation of the financial statements; and
- A whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide, us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in the Wellington Regional Stadium Trust (Incorporated).

## Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion:

- ▲ the financial statements of Wellington Regional Stadium Trust on pages 2 to 14:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - . the Trust's financial position as at 30 June 2002; and
    - the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 26 September 2002 and our unqualified opinion is expressed as at that date.



J Galt  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand