



**Statement of Trustees Intent
2013/14**

**Business Plan
2013/14**

WELLINGTON REGIONAL STADIUM TRUST

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EXECUTIVE SUMMARY

Our Statement of Intent and Business Plan for the three year period 2014 – 2016 is presented at a time of significant change for the Stadium:

- Our long-standing Chief Executive, David Gray, retires on 30 June 2013 after 16 years of sterling service.
- Shane Harmon, who played a key role as General Manager, Marketing and Communications for Rugby New Zealand 2011, has been appointed Chief Executive from July 2013.
- The Trust has completed the first two phases of its ambitious Master Plan, which will result in a significant upgrade of the Stadium's public and player facilities.
- New membership and corporate box packages are close to completion following extensive market research and planning. The new offering will go to market in the second half of 2013, and will take effect following the expiry of the current arrangements in December 2014.
- Reduced crowd numbers are putting pressure on sporting codes and stadia alike throughout New Zealand. The Stadium recognises its role in working with codes to enhance spectators' experience and improve ticket sales.
- The reduction in the number of concerts touring New Zealand, and the increased availability and popularity of indoor venues, means that the Stadium cannot expect to host a major concert every year. Fortunately this development is counter balanced in part by the increased number of opportunities to identify and host other special events.
- The Trust is working actively with the Councils and local organisers to host games in 2015 in both the Cricket World Cup and the FIFA Under-20 World Cup.
- The Canterbury earthquakes have resulted in significant changes to the insurance market in New Zealand. As a major infrastructure asset based in central Wellington, the Stadium is impacted by these changes.

The Trust has strategies in place to address all of these challenges, and we look to the future with considerable confidence.

The Stadium is clearly New Zealand's premier multi-purpose outdoor facility. It hosts more events each year than any other venue, and is well placed to continue to attract new events such as the AFL and NRL games hosted in April and May 2013. To do so however it needs to continue to invest to ensure that the Stadium is of a world class standard. The Trust is committed to the Master Plan to achieve this aim.

The Trust recognises the Stadium's position as a major community asset serving the entire Wellington region. We understand the need to be attractive to sporting codes and spectators, and the plans set out in this document are central to those objectives.

John Shewan
Chairman
Wellington Regional Stadium Trust
May 2013

Statement of Trustees Intent For the year ending 30 June 2014

Registered Office:	Westpac Stadium Waterloo Quay Wellington
Chair:	John Shewan
Chief Executive:	David Gray (to 30 June 2013) Shane Harmon (from July 2013)

The Wellington Regional Stadium Trust (the Trust) was established by the Wellington Regional Council (Stadium Empowering) Act 1996. Its settlors are the Wellington City Council and the Greater Wellington Regional Council.

The Trust recognises the interest that the ratepayers of Wellington City Council and the Greater Wellington Regional Council have in the Trust and its activities and have agreed to be subject to the reporting requirements of both Councils and their monitoring procedures. The Trust is not a Council Controlled Organisation.

1. INTRODUCTION

Key challenges impacting our management, investments and planning through to 30 June 2016 and beyond are:

- Renewal of Deloitte Club Membership and Corporate Box Licences from 2015
- The Cricket World Cup – February/March 2015 and FIFA Under 20 Football World Cup – May/June 2015
- Renewal of Sevens contract from 2016
- Implementation of the Stadium Master Plan

While there is considerable focus on these strategic goals we need to ensure that we meet the requirements of our founding Trust Deed and maintain our events calendar, provide a venue of international standards for both hirers and customers and make sufficient profit to remain financially autonomous.

Our event calendar is full and we remain the best used stadium in New Zealand but we also recognise the effect of falling crowds at some events on both the Stadium and our key tenants. The Trust's role in increasing attendance is to improve the live experience by improving the environment for customers and the level of service. Our investment strategies and our day to day management are focused on that.

Management are working with industry partners to secure the additional profitable events we need to complement our sporting programme. In the future we will not be able to rely on concerts as we believe that hosting one major concert per year is probably no longer a reasonable expectation. We will, however, continue to actively pursue concerts. In 2012 the equivalent non-sporting event was Nitro Circus Live, where 39% of the crowd of 16,000 were visitors to the city. In simple terms this means the event delivered about half the number of out-of-town visitors of people who attend a rugby test.

Remaining financially autonomous means that we must continue to host profitable events and also maintain our successful strategy of growing non-event revenues to ensure we have revenue streams that are independent of events.

With respect to the major challenges identified for the next three years, comprehensive plans are in place to achieve positive outcomes for the Trust and are being implemented by management.

Planning for membership and corporate box renewals is well advanced. The major redevelopment of the Deloitte Club Room on Level 3 will provide a new facility with enhanced levels of service to existing members and will be a major selling point for potential members. Our extensive market research will ensure the price of the membership, terms and benefits meet the expectation of potential buyers.

We believe our experience with the Rugby World Cup 2011, in areas of logistics, match day operations, cost management and working with the tournament organisers will assist the Cricket and Football World Cups meet their goals for their Tournaments.

The renewal of the Sevens contract in 2016, will be influenced largely by the region's ability to host a great tournament. The Trust's contribution to the success of this year's tournament,

including working actively around alcohol management and stadium operations, is a big plus. The use of the new changing rooms and media areas made match operation much easier and no other New Zealand ground can now match our ability to provide that level of service.

The retirement of a long-standing and highly respected Chief Executive, and introduction of a successor, is a major development in the life of any organisation. We are confident that incoming Chief Executive Shane Harmon has the experience and skills required to work with our highly experienced Stadium team to meet the challenges set out in this Statement of Intent.

2. STRATEGIC DIRECTION

a) CORE PURPOSE

The objectives of the Wellington Regional Stadium Trust as set out in the founding Trust Deed established by the Wellington City and Greater Wellington Regional Councils ('the Councils') are:

- To own, operate and maintain the Stadium as a high quality multi-purpose sporting and cultural venue;
- To provide high quality facilities to be used by rugby, cricket and other sports codes, musical, cultural and other users including sponsors, event and fixture organisers and promoters so as to attract to the Stadium high quality and popular events for the benefit of the public of the region; and
- To administer the Trust assets and the Stadium on a prudent commercial basis so that it is a successful, financially autonomous community asset.

The Councils also have general objectives for the Trust. These are that it should:

- Have a partnership approach with the Councils and their entities;
- Have a regional focus where this is appropriate;
- Appropriately acknowledge the contribution of Councils;
- Achieve maximum effectiveness and efficiency of, and concentrated focus on, service delivery;
- Operate at better than breakeven after depreciation expense.

The Trust meets all the general objectives of the Councils noting that the overriding requirement of the Trust Deed means that the Trust must generate sufficient profit to repay loans and finance capital expenditure.

Alignment with Councils Policies and Strategies

In 2011 the Wellington City Council (WCC) developed a 2040 Strategy setting out its vision for the city. The Trustees fully support these policies and strategies and contribute directly to these priority areas.

The Economic Development Strategy

The WCCs' Economic Development Strategy sets out the city's plans for ensuring long term economic development of the city that improves the citizens' quality of life and community prosperity.

The Trust's contribution to the region's economy is to make Wellington more eventful by maximising the economic returns by securing high profile events. Westpac Stadium has contributed \$48.4 million in economic benefit, on average each year, to the city (BERL –Regional Impact of the Wellington Stadium –The First 10 Years [April 2010]) and the Trust will continue to bring events to the city that bring economic benefit and make Wellington a great place to live and work.

The Event Policy

The 2040 strategy records that the Westpac Stadium is a significant amenity and provider of key international events.

The Trust will continue to play its part by retaining current events and attracting new high profile events wherever possible, especially recurring events.

A key strategy to ensure that the Trust continues to attract top events in the future is the long term investment in the facilities to provide patrons and hirers with an experience to international standards.

The opportunity to host an AFL competition game as a long term, recurring event was identified in last year's Statement of Intent and the Wellington City Council has now secured an agreement with St Kilda to play five games at the Stadium over three years. The first game in April 2013 was an outstanding success and was delivered to the AFL's very high standards. The crowd exceeded expectations and Westpac Stadium is seen by AFL and St Kilda as equal to the best AFL grounds in Australia. We look forward to confirmation of future games in Wellington.

In May 2013 we hosted a home competition game in the NRL with the Vodafone Warriors playing the Bulldogs. With an attendance number in excess of the expectations of Warrior's management, it was outstanding event for the city with 50% of the crowd from outside the Wellington region. We are hopeful of achieving both our and the Warrior's objective of turning this into an annual event.

The Accessible Wellington Action Plan

The Accessible Wellington Action Plan aims to enhance Wellington's reputation as an inclusive and socially responsible city and one that is accessible, safe and easy to get around. The Plan seeks to improve access for people with disabilities, parents with prams, older people with age related decrease in mobility and sensory abilities.

The location of the Stadium and its design were in large part driven by the power of its accessibility. Its position in the transport hub and an easy walk from the CBD and entertainment precinct ensures the city, its residents and its visitors all benefit from Stadium events.

Westpac Stadium has a well-developed access plan to enable easy access to the stadium for all patrons. It provides people movers operating up and down the Fran Wilde Walk, special drop off areas, mobility parks and assisting people with wheelchairs directly to their seats. In 2011 Be.Accessible reviewed the Stadium and issued us with a Platinum rating, their highest level of achievement. The Trust will continue to provide easy access for its patrons.

Living City Programme

The Living City Programme aims to grow and enjoy our native capital, increasing our economy and reducing our impact on the environment.

In a stadium context our major contribution is our programme for minimising and recycling waste. This starts with working with the caterers to use appropriate packing

and establishing a recycling programme with our waste management contractor. We also have in place comprehensive programmes to manage and minimise energy use.

We are involved with the Glass Packaging Forum, set up by the Ministry for the Environment in 2011 to expand recycling programmes across events. Patrons will have noticed the “Love NZ” branded bins in the venue.

Our central city location, close proximity to public transport and expansive walk-way combine to ensure that a large proportion of visitors to the Stadium can leave their motor vehicles at home.

Arts and Culture Strategy

The Arts and Culture Strategy aims to provide the best and boldest arts experience in Wellington and opportunities for people to participate in all arts and culture.

The Trust is aware of the need to promote the Arts and it is actively looking to host a number of events, either in partnership with Wellington organisers or on its own account. In the past we have successfully held the Edinburgh Military Tattoo and Opera events in the Stadium and we continue to seek similar opportunities.

We anticipate active involvement in the 2015 First World War Centenary commemorations.

The Digital Strategy

The Digital Strategy aims to achieve global recognition as a creative, digital city.

We have included a substantial budget for technology investments in our long term Master Plan. For the Stadium this means investment in technology infrastructure to provide the backbone to enable the hirers to maximise the opportunities provided by technology.

More recently, through the installation of new turnstiles in partnership with Ticketek we can offer both print at home and purchase of tickets via cell phones and scanning these at the entry gates. We also have the capability to send cell phone messages to patrons arriving at the Stadium. The event promoter now has the ability to use these features to make ticket buying easier.

We are the only stadium in New Zealand with in-house replay screen production facilities which are continually upgraded as technology improves.

Wellington City Council’s Long Term Plan

In last year’s Statement of Intent (SOI) the Trust submitted that the following projects would assist the Stadium deliver better events for Wellington and should be included in the Councils’ long term plans:

- Improving the connection of the Stadium to the city, including weather protection, especially from Queens Wharf to the Fran Wilde Walk

- Recognising the importance of the use of the Fran Wilde Walk from the Waterloo Quay over bridge to the Railway Station as a link between the Centreport Business Park and the city and improving that access
- Recognising the large number of people employed in the Centreport Business Park and waterfront, and their need for daily access to work by re-instating the Davis Street overbridge.

We request that the WCC recognise the importance of the Stadium's connection with the City, the change in the use of the surrounding areas and build these improvements into their long term capital plans.

b) OPERATING ENVIRONMENT UPDATE

The 2013/2014 event calendar is likely to be similar in content to the very full event calendars of previous years with a full schedule of sporting and other events. For sports patrons and the Stadium alike, securing home play-off games make the difference between a great year and a normal year.

With our sports schedule now including Rugby, Football, Cricket, AFL and Rugby League there is little room to increase regular sporting events though we will actively pursue our share of international matches with the main codes.

The concert market has changed with fewer stadium concerts capable of attracting larger crowds touring New Zealand, and with more venues bidding for a limited supply of events. We are continuing to actively target concerts, but consider it is no longer likely that a concert will be secured every year.

There continues to be a good level of enquiry for exhibitions. Our challenge is to find dates that can accommodate these events within the sporting calendar.

Crowds at sporting events have been trending down in recent years. While key to reversing this is improved team performance, which is outside the control of the Stadium, the Stadium can have a significant positive impact on attendances by continuing to upgrade facilities to international standards and by providing its patrons with the type of experience they want and have the right to expect. The Trustees established the Master Plan for upgrades of the Stadium to meet this need, and have now commenced implementation.

c) STRATEGIC FRAMEWORK

The Trust's five year objectives are to:

1. Be viewed by the residents of the region and our stakeholders as a valued and essential asset.
2. Operate the best venue in New Zealand measured by:
 - Satisfaction of hirers
 - Patron satisfaction
 - Event calendar and diversity
 - Calibre of international events held
 - Environmental impact
 - Relationship with our neighbours
 - Adherence to world's best practice
3. Remain financially autonomous
4. Provide a full and balanced event calendar to patrons
5. Have a successful renewal of memberships and corporate boxes in 2014/15
6. Maintain and enhance the facility to the standard of international best practice
7. Be a good employer and provide personal development opportunities to employees in a safe working environment.

3. NATURE AND SCOPE OF ACTIVITIES

The nature and scope of the Trust's activities are dictated in the first instance by the Trust Deed, settled with both Councils.

To meet its obligations under its Trust Deed, the Trust identifies the key objectives of:

- Presenting a full and balanced event calendar
- Maintaining and enhancing the facility
- Achieving a level of profitability that finances continuing capital expenditure and meets debt reduction obligations

In 2014 these will remain the key focus of the Statement of Intent.

Full and Balanced Events Calendar

Westpac Stadium is the busiest stadium in New Zealand, hosting around 50 major event days each year and around five community event days. The challenge for the Trust is maintaining the events calendar at this level and providing a range in variety of events to meet the sporting and non-sporting demands of the citizens of the region.

For some years now, the Trust has been reporting the international trend of a reduction in the number of outdoor Stadium concerts touring Australia and New Zealand, and the move by international acts into the many high quality indoor venues that are now operating, particularly in Australia. Once a concert tour by a major act is arranged to play indoors, they usually do not tour with the equipment required for an outdoor production.

Also, the development of stadia in New Zealand for the Rugby World Cup has resulted in more quality stadia with high levels of local government investment looking to grow their event calendar. Concerts are their major focus.

The Trust management is assertive in seeking the opportunities that do arise and will continue to do this on a regular basis, but market conditions are such that no stadium can expect to host a major outdoor concert every year.

This has necessitated a change in approach by management, which includes searching out any opportunity that is available and considering a range of financial arrangements from becoming a promoter or joint venturer to profit sharing and other incentives to attract the right type of event with the right financial return.

The Trust is also taking a long term approach to event development with other industry partners to seek out special events. We are focussed on supporting the region's initiatives to commemorate the centenary of the First World War and will look for suitable events to tie in with the city's activities.

In last year's Statement of Intent we identified the opportunity to host an AFL competition game through the St Kilda football club, and we are pleased that through the initiatives of the Wellington City Council a programme of matches has been achieved with St Kilda. The game was highly successful in meeting the city's and AFL / St Kilda's objectives.

The Trust was also able to secure a Vodafone Warriors “home” game at the Stadium in 2013. The success of this game has increased the chance of it becoming a recurring event. It met all targets in delivering economic benefit to the region by attracting visitors, providing an opportunity for a long term relationship and providing major Australasian television exposure to the city. The Trust will work with the Wellington City Council to ensure this is another successful regular event in Wellington.

The Trust will continue to explore opportunities of this kind, and alternative financial arrangements, while recognising and managing the financial and other risks associated with negotiating such arrangements.

In 2015 New Zealand is hosting two World Cups, the Cricket World Cup and the FIFA Under-20 World Cup. The Trust is working closely with the Councils and local organisers to secure a quality programme out of each of these events. The hosting of two World Cups in one year puts pressure on the event calendar and affects the match scheduling of our other key users. The Trust is well aware of the potential impacts on the codes and is working hard to negotiate match schedules and access arrangements which will minimise the impact of the two World Cups on Rugby and Football in 2015. At this time no decision has been made on venue allocation or match scheduling. The Trust has taken a conservative approach to projecting the number of standard sporting events the Stadium will host in the 2014-15 year.

The diversity of our sporting calendar is highlighted by the fact that in 2013, we will have hosted major competition games of Rugby, Cricket, Football, Rugby League and AFL in one year. No other New Zealand stadium has the functionality to achieve that.

An important and growing part of our events calendar is exhibitions. These events use the public concourse, providing popular activities with steady revenues, while not putting pressure on the turf. We have good regular exhibition clients who have been with us a long time and are experiencing increasing demands for exhibition dates. This further complicates the booking process as these events need to book well in advance but are necessarily subject to the booking rights of the key sports codes.

The increasing number of sporting events and exhibitions also creates additional challenges in trying to accommodate one-off events such as concerts. The number of dates available in a very heavily booked summer period is reducing and occasionally we find difficulty in accommodating enquiries for one-off events.

The increasing events schedule also has an impact on turf management as a full events calendar does not allow for the major turf renovation periods that we have had in the past. This requires us to use the short gaps in the event calendar to undertake mini renovations to maintain the turf to international standards. The turf is the major asset of the Stadium and we constantly need to meet that challenge of maintaining the quality of the playing surface.

Maintaining and Enhancing the Facility

Both our founding Trust Deed and our major user agreements require the Trust to maintain the facility to a high standard for hosting international events. Even beyond the requirements of those key agreements, it is sound management to ensure that the facility is fully maintained and developed. The Stadium Master Plan ensures we meet that objective.

The Master Plan is made up of a number of smaller projects with flexibility in priority, but with the assumption that there is no substantial disruption to the hosting of events. That means that construction windows are sometimes tight.

The first Master Plan project, completed in February 2013, was the upgrade and expansion of the changing rooms, match managers facilities and media rooms, as these areas are key to providing additional service and facilities for the Hertz International Sevens. They were used by the Tournament this year and well appreciated.

The second project, the upgrade of the Deloitte Club Rooms, commenced in March 2013 and will be finished in June 2013. This development is critical to the marketing of the new membership offering, which will commence in the second half of 2013. The creation of this upmarket lounge with views of the ground and external views down to the city will be a key facility to be presented to new members when memberships go on sale. It is expected that this facility will stimulate interest from potential new members and become an effective sales tool.

The next project is targeted to benefit the public, who use the bowl seating and the public concourse areas. We propose to construct high quality mezzanine bars on both the eastern and western side of the Stadium, with views out to the harbour and the Karori hills. The design of both bars was completed in April 2013 and the Trustees will consider starting construction of the eastern lounge in 2013. The western lounge should start construction in 2014.

Any further implementation of the Stadium Master Plan will take place after the two World Cups in 2015 and the decisions for implementation and starting dates will be made by the Trustees at that time.

Operating Profitability

The Trust Deed requires the Trust to be financially autonomous. This means the Trust must generate sufficient profits to meet loan repayments and to provide funds to complete capital replacement and development programmes to meet its obligation to maintain the building to the standard of international best practice.

While we have done this successfully since 2000, the profits we are currently making are under pressure from falling attendances which reduce Stadium income streams.

The major difference the Stadium can make to attendance at events is to improve the experience of the patrons across all areas of the facility. The Stadium Master Plan was developed to do that, but it can only be completed if we can continue to satisfactorily fund these projects.

The key to future profitability is the renewal of the Deloitte Club Stadium memberships and Corporate Box licences. We have completed extensive market research with AC Nielsen to understand what benefits both the existing members and potential members want included in a range of membership types and assess the sensitivity of the pricing. The information from that research has been used to structure the new membership offerings. This work is close to completion and we expect to put memberships on sale in the third quarter of 2013. We also expect the Corporate Box renewal and new Box offer to be in the market place in 2013.

What is not generally understood is that while we are reporting healthy surpluses on an annual basis, a major part of that surplus each year is the amortisation of the \$43 million of membership and box income received in 1999/2000 and spent on construction of the Stadium. Accounting standards requires that the total revenue received from those sources is spread evenly over the 15 year term and reported annually as profit, although no further cash is received by the Trust. To illustrate this, in our last financial year, \$2.8 million of our annual surplus of \$3.9 million was income from this source, representing 69% of our surplus for that year. The inclusion of the amortised income, while correct from an accounting point of view, does tend to give a false impression of the annual result, when the biggest part of the profit has already been spent on construction of the Stadium.

KEY SPORTING CODES

Rugby

The Trust has a 20 year contract with Wellington Rugby Union as a foundation tenant, to play their high profile fixtures including Test matches, Super Rugby and NPC/ITM Cup matches at the Stadium. The contract automatically renews every 20 years for the life of the Stadium, its re-development or replacement.

The arrangement provides a financial review every five years. A review was completed in 2006. The 2010 financial review was delayed by mutual agreement until after the Rugby World Cup 2011 and this review is currently being negotiated.

The International Sevens is subject to a separate agreement between the New Zealand Rugby Union, Wellington City Council, Wellington Rugby Union, Positively Wellington Tourism and the Wellington Regional Stadium Trust. This agreement expires in 2016.

Cricket

New Zealand Cricket, as a foundation tenant, has a similar 20 year agreement, automatically renewable and with the same financial review clauses. The Cricket Agreement has been substantially renegotiated and simplified since 2000. The Cricket Agreement incorporates a commitment for fixtures to be played at the Stadium.

Football

We have a five year agreement with Wellington Phoenix FC to host a minimum number of home matches at the Stadium. The term of the contract matches the term of Phoenix's A-League licence which expires in 2016. The Agreement requires renegotiation of the terms, on renewal of the A-League licence and the Phoenix are obliged to ensure that the Stadium remains the home ground.

AFL

The Trust has a venue agreement with AFL / St Kilda to play the ANZAC Day match at the Stadium until 2015. The principal agreement with the AFL / St Kilda to play matches in the Capital is with the Wellington City Council and Positively Wellington Tourism.

Rugby League

The Vodafone Warriors played their first home game at the Stadium in 2013. Both parties are keen to extend this to an annual arrangement, but because of the Warriors contractual

arrangements at Mt Smart Stadium we are unable to enter into a longer term commitment at this stage.

Working in Partnership with Sporting Codes

The Trust plays a pivotal role in supporting sports codes through providing a first class facility and pitch, and doing everything possible to enhance spectators' experience in attending events. The financial fortunes of the codes and the Trust are closely tied, with both parties impacted by crowd sizes.

Rugby, football and cricket crowds have all been under pressure over the past two to three years throughout Australasia. This is due to a combination of issues, including perceived over supply in some areas, the enhanced scope and quality of television coverage and lower discretionary spending. The Trust recognises and will honour its obligation to work with codes to make the Stadium experience as enjoyable as possible to attract spectators.

4. PERFORMANCE MEASUREMENTS

Reporting

The Trustees will present a six monthly report to both Councils, which will include a written report on agreed key performance indicators and financial statements for the period. The Trust will provide a formal briefing to both Councils, twice a year, on activities to date and review the outlook.

We have reviewed the non-financial and financial indicators and believe these continue to be appropriate to enabling the Council's to monitor the Trust's performance.

Audited financial statements will also be available on completion of the annual audit.

The Trustees will inform the Councils of any significant expected obligations or contingent liabilities to third parties.

Non-Financial Performance Measures

	Outcomes
<ul style="list-style-type: none"> Delivering outstanding Sevens for both patrons and event managers 	<ul style="list-style-type: none"> Key stakeholders are satisfied with management of the Sevens operation Renewal of contract in 2016
<ul style="list-style-type: none"> Preparation for 2015 World Cups meets expectations of Local Organising Committee and Regional Co-ordination group 	<ul style="list-style-type: none"> Close working relationship with all parties in the build-up to the events Successful delivery of both World Cups Wellington reputation as an events city enhanced
<ul style="list-style-type: none"> Develop good marketing plans and conduct successful sales campaigns for the renewal of Memberships and Corporate Box licences 	<ul style="list-style-type: none"> Successful renewal of Membership and Corporate Box licences Sales of both are maximised
<ul style="list-style-type: none"> Successful implementation of the Master Plan 	<ul style="list-style-type: none"> Stadium upgraded to the standard of international best practices
<ul style="list-style-type: none"> Support the City in delivering a successful ANZAC Day AFL match 	<ul style="list-style-type: none"> We meet St Kilda's expectations as an AFL venue so that they return to Wellington in 2014 and 2015
<ul style="list-style-type: none"> Delivering a full event calendar 	<ul style="list-style-type: none"> Securing 45-50 event days per year
<ul style="list-style-type: none"> Host events that deliver economic benefit to the City 	<ul style="list-style-type: none"> Maintaining economic benefit to the City at an average of \$40 million per year

<ul style="list-style-type: none">• Bring events to the Stadium that are unique to Wellington	<ul style="list-style-type: none">• Working with promoters to deliver special events to Wellington• Attract an event to support Wellington's celebration of the First World War
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Financial Performance Measures

The key performance indicators agreed with the Wellington City Council and Greater Wellington Regional Council are:

- Revenue – total, and event
- Net surplus (deficit)
- Net cash flow
- Liquidity ratio
- Bank borrowing to total assets
- Capital expenditure
- Events held and attendance numbers
- Patron and hirer satisfaction

Major Transactions

There are no major transactions likely to occur in the planning period that are not identified in the Business Plan.

Any particularly contentious transactions will be brought to attention of the Council at the earliest opportunity.

Accounting Policies

General accounting policies of the Trust are set out in the Statement of Significant Accounting Policies in Appendix 2. These policies are consistent with the policies applied in the previous year.

5. BOARD APPROACH TO GOVERNANCE

Role of the Board

The Board of Trustees is responsible for the proper direction and control of the Trust's activities. This responsibility includes such areas of stewardship as the identification and control of the Trust's business risks, the integrity of management information systems and reporting to stakeholders. While the Board acknowledges that it is responsible for the overall control framework of the Trust, it recognises that no cost effective internal control system will prevent all errors and irregularities. The system is based on written procedures, policies and guidelines, and an organisational structure that provides an appropriate division of responsibility, sound risk management and the careful selection and training of qualified personnel.

Board Operation

The Board has two Standing Committees that focus on specific areas of the Board's responsibilities. These Committees are the Finance & Risk Committee and the Audit Committee. The Board is also represented on the Deloitte Club Members Committee, chaired by an independent chairperson.

The Board meets on a monthly basis. The Finance Committee meets when required. The Audit Committee meets at least annually. The Members' Committee meets half yearly.

Board Performance

The policy of the Board has been that the Chairman conducts an interview with each Board member prior to the expiry of their term. Each new Board member undertakes an induction program to familiarise themselves with the Stadium, its operation and Board issues. Given the experience of the current Board it has been deemed that a Board development program is not necessary. If there are any Board performance issues, the Chair will bring them to the attention of the Chair of the CCO Performance Subcommittee.

At the first meeting of the new financial year, the Chairman of the Audit Committee conducts a review of the Chairman's performance.

Board Membership

The Trust Deed states that there shall be not less than five, nor more than eight Trustees.

The Trustees are appointed jointly by the Settlers (Wellington City Council and Greater Wellington Regional Council).

The Wellington City Council and the Greater Wellington Regional Council can each independently appoint one of their elected Councillors as a Trustee.

The current Trustees are:

Name	Appointed until:
John Shewan (Chair)	30 June 2015
Sir John Anderson	30 June 2014
Elizabeth Dawson	30 June 2014
Susan Elliott	30 June 2014

Mark McGuinness
Christopher Laidlaw
John Morrison

30 June 2014
formal declaration of results of GWRC 2013 elections
formal declaration of results of WCC 2013 elections

6. ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

Health & Safety

The Trust has well developed health & safety policies which were reviewed by an external consultant and are regularly updated.

A Health & Safety booklet has been produced which includes Stadium policies, the roles for staff and contractors, incidents and accident investigation, general site safety, emergency procedures and induction.

The Trust has established a Health and Safety Committee which meets regularly to develop process, monitor activity and review incidents.

All staff receive regular training in respect of health & safety procedures.

Contractors coming on-site are required to:

- Complete a health & safety agreement
- Complete a health & safety induction plan
- Provide a contractors safety plan
- Operate safely and report any hazards, near misses and injuries

There are no associated liabilities to the Council.

RISK MANAGEMENT

Earthquakes

Prior to construction (July 1995), the Trust commissioned a full geo-technical report on the site. The ground was improved with vibro-replacement producing gravel columns at spacing of two to three metres to mitigate the effect of earthquakes. The Trust is now working with its consultants to review its earthquake resilience to satisfy the Trustees as to the safety of patrons.

Insurance

The Stadium insurance programme is managed by Marsh Ltd. The Trust operates a maximum first loss policy that provides cover for the maximum credible loss for fire, earthquake and other perils.

The Trust is covered for:

- Material damage (deductible \$100,000)
- Business interruption (30 month term)
- General Employer and Statutory Liability
- Motor Vehicle

The Stadium is required to cover the first \$7.0 million of any earthquake claim. There have been no material changes to the cover or the deductibles from the previous year.

Business Continuity Plan

The Stadium has a Business Continuity Plan. The Trust has ongoing interactive training sessions with all staff to reinforce the content and requirements of the plan.

Communication and Access to Information

The Trust enjoys a positive and open relationship with both of its settlors, and both settlors have representation on the board of Trustees. The Trustees confirm they intend to continue to operate on a “no surprises” basis with communication of any significant event likely to impact on either party made as soon as possible. This has worked well in the past.

7. ADDITIONAL INFORMATION

Refer to Appendix 1

Business Plan 2013/14

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REVIEW OF 2012/13 BUSINESS PLAN

2012/13 Key Targets	Outcomes
Full & Balanced Event Calendar Budgeted Events <ul style="list-style-type: none"> • Rugby 15 • Cricket 1 • Football 12 • Rugby League 0 • Exhibition Days 11 • Other sporting events 1 • Concerts/ non sporting 2 • Community 5 <hr style="width: 10%; margin-left: auto; margin-right: 0;"/> 47	<ul style="list-style-type: none"> • Rugby 16 • Cricket 3 • Football 12 • Rugby League 1 • Exhibition Days 14 • Other sporting events 1 • Concerts/ non sporting 1 • Community 4 <hr style="width: 10%; margin-left: auto; margin-right: 0;"/> 52
Sustaining Level of Profitability <ul style="list-style-type: none"> • Budgeted surplus \$2.32m • Surplus cash (year-end) \$0.88m • Bank Loan (year-end) \$9.50m 	<ul style="list-style-type: none"> • Actual net Surplus (est) \$2.81 m • Cash at year end (est) \$0.88 m • Balance 30 June 2013 (est) \$8.20 m
Maintain Facility and Enhancing Patron Experience <ul style="list-style-type: none"> • Implement and develop stadium Master Plan <ul style="list-style-type: none"> ○ Expansion of changing rooms ○ Upgrade of Deloitte Club Room • Wet Pour – continue to assess feasibility of wet pour beer dispensing systems 	<ul style="list-style-type: none"> ○ Changing room expansion completed December 2012 ○ Construction contract let and due for completion June 2013 • Wet pour initial installation plan for 2013/14
Capital Expenditure <ul style="list-style-type: none"> • Upgrade and expand office • Replace turnstiles 	<ul style="list-style-type: none"> • Office upgrade completed December 2012 • Installation of SkiData turnstiles completed

<ul style="list-style-type: none"> • Food and beverage outlets • Security systems 	<ul style="list-style-type: none"> • Further upgrade completed
<p>General</p> <ul style="list-style-type: none"> • Renewal of Membership and Corporate Box licences • Staffing <ul style="list-style-type: none"> ○ Retain staff and provide appropriate training and development opportunities • Basin Reserve <ul style="list-style-type: none"> ○ Maintain to international standard • Health and Safety <ul style="list-style-type: none"> ○ Provide a safe working environment 	<ul style="list-style-type: none"> • New membership and corporate box offering agreed with sales to begin formal first quarter 2013/14 <ul style="list-style-type: none"> ○ Stable staff provided with individual and group training & development opportunities ○ Basin Reserve wicket & practice wicket all performed to international standard ○ Stadium Health and Safety Committee meet regularly and monitors Stadium activities

INTRODUCTION

The Statement of Trustees' Intent sets out our strategies for the next three years under three key objectives:

- Presenting a full and balanced events calendar
- Maintaining and enhancing the facility and the patron experience
- Achieving a level of profitability to meet the obligations set out in the Trust Deed

Also crucial to the future success of the Stadium are our key strategic initiatives of renewing memberships and corporate box licences prior to December 2014 and the implementation of the Stadium Master Plan. In broad terms the funds raised by the member and box sales fund the capital expenditure programme.

The enhancements to the Stadium through the strategic Stadium Master Plan will ensure that the Stadium offers the best possible experience to its patrons and will also be a significant contributor to Wellington's bid to retain the International Sevens Tournament when it comes up for renewal in 2016.

RENEWAL OF MEMBERSHIPS AND CORPORATE BOX LICENCES

The Trust has completed extensive market research and planning of the new membership and corporate box proposals, which will go to market in July / August 2013 to the existing members in the first instance. An extensive marketing campaign will be undertaken later in 2013 when the existing members have completed the renewal process.

The marketing of corporate boxes will be undertaken simultaneously as for some parties corporate box ownership is seen as an alternative to memberships, and vice versa.

STADIUM MASTER PLAN

In last year's Business Plan we recorded that the Trustees had approved the initial Master Plan projects.

During the year the upgrade and expansion of the changing room areas was completed prior to the 2013 IRB International Sevens. The new changing and media rooms were a major asset for the Sevens as well as providing flexible additional facilities for all codes. They were particularly important in meeting the complex demands required for the successful hosting of the AFL competition game.

The upgrade to the Deloitte Club Room on Level 3 has commenced and will be completed in June 2013. This upgrade is important as it provides an opportunity for the Trust to demonstrate to both members renewing their membership and potential new members, the quality of facility that will be available to them. We believe that the standard of facility and experience provided in the Deloitte Club Room will result in increased interest in this facility and that it will be both popular with members and attractive to potential members.

The next stage of the Master Plan is the construction of the Mezzanine Lounge on the eastern side of the Stadium. Tenders have been received for construction of this facility, which is expected to be completed towards the end of 2013 or in early 2014.

This project will provide an upmarket lounge bar facility on the concourse, open to all patrons with spectacular views of the Wellington Harbour. It will also incorporate an upgrade of public areas in the immediate vicinity ensuring that the spectator experience in the most popular area of the Stadium is equal to international standards.

The completion of these three projects will result in a quantum improvement in facilities - for players in the changing rooms, an upgraded members' lounge to support the membership sales process, and lounge bar facilities available in the most popular public area of the Stadium.

Other Master Plan projects will be considered for implementation following completion of the East Mezzanine Bar.

FULL AND BALANCED EVENTS CALENDAR

We expect to host 46 event days in 2013/14 compared to 52 in 2012/13.

Rugby

Rugby Tests

We are pleased to have been allocated a Bledisloe Cup match in August 2013. We will continue to provide full support to the Wellington Rugby Union in its efforts to obtain the best possible allocation of Test matches to Wellington.

Super Rugby

The Hurricanes Board makes a decision, each year, on the allocation of its home games within the Hurricanes region. We have based our budgets for 2013 on allocations of matches in the previous year.

International Sevens

The International Sevens tournament is a critical event to the Stadium, Wellington Rugby Union, the Wellington City Council and the broader region. We need to continue to partner with these parties and play our part in delivering an outstanding event, increasing the level of satisfaction of the public and making sure that we are well placed to renew the event when the current contract expires in 2016.

The substantial expenditure that the Trust is making in developing both the playing and public facilities should put us in a good position to present an improved and compelling case to New Zealand Rugby.

Cricket

Our allocation of games is dependent on international tour schedules. Contractually we are to receive one game from each major tour.

Football

The Phoenix are proposing to take games to other centres in 2014, a move which we support. We expect to host 10 games at the Stadium.

We continue to target major internationals for hosting at the Stadium, particularly World Cup Qualifiers.

2015 World Cups

We are working with the Wellington City Council and the local organising committee for the 2015 Cricket World Cup, to be held in February and March, and the 2015 FIFA Under 20 World Cup, to be held in May and June, to secure games for the City. The decision on venue allocations has yet to be made for both tournaments. The Trust has taken a conservative approach to projecting the number of standard sporting events the Stadium will host in the 2014-15 year.

Rugby League

Wellington has many rugby league fans, as reflected by the outstanding support for the Warriors game against the Bulldogs in May. Both the Trust and the Vodafone Warriors want to secure this game as an annual event.

AFL

The first AFL game for competition points outside of Australia, held on ANZAC Day, achieved the objectives of AFL / St Kilda and the Wellington City Council and with the players, coaches, management and fans all very generous in their praise of the Stadium and the Stadium experience. We look forward to hosting ANZAC Day games and becoming the New Zealand home ground for St Kilda in the future.

Non Sporting Events

Concerts and Non-Sporting Events

We are aggressively pursuing every opportunity to secure Stadium concerts in Wellington. We are also looking for opportunities outside the traditional Stadium touring artists as we recognise that fewer artists are playing outdoors and travelling with the required equipment. Our budget reflects the limited number of Stadium concerts that are available but we will strive to balance our events calendar by securing other non-sporting events that provide the same economic benefits to the city.

Exhibitions

We are experiencing an increasing demand to host exhibitions. We have a sound base of long term exhibition customers and new exhibitions are emerging regularly, looking to fit into a very busy event year. Armageddon will be hosted for the first time at the Stadium in 2013 giving us another popular event. These are excellent events for the Stadium as they complement the sporting schedule and do not put any pressure on the turf.

Event Summary

Projected events over the next three years are:

	2013/14	2014/15	2015/16
Rugby Union	15	13	14
Cricket	2	4	2
Football	10	8	10

Other Sporting Events	3	6	2
Other Stadium Events / Concerts	1	1	1
Exhibition Days	10	10	10
Community Events	5	5	5
Total Events	46	47	44

The Trust has a policy of playing curtain raiser games at major sporting events whenever possible, but recognising the need to manage the turf in winter months. In 2012/2013 nine curtain raisers were played and we will continue to assist in accommodating these games.

The full schedule of confirmed and unconfirmed events is set out in the attached Event Schedule.

MAINTAINING AND ENHANCING THE STADIUM

In addition to the Stadium upgrades identified in the Master Plan, the Trust must also maintain its programme of regular preventive and reactive maintenance.

We have an asset management plan in place which we regularly update and have an independent review by Opus International of the plan and a regular physical inspection of the assets with a full report back to the Trust. The last review was conducted by Opus in 2013.

Planned maintenance is being undertaken in accordance with the plan and assets are being replaced at the end of their economic life.

Our planned capital expenditure for the next three years is:

	\$000's
2013 - 14	6,454
2014 - 15	4,069
2015 - 16	6,642

The breakdown for the 2013/14 expenditure is:

	\$000's
<u>Master Plan Project</u>	
East concourse development including expansion of public concourse, glass glazing exterior windows, escalator, lifts and construction of lounge bar	4,852
<u>Other</u>	
Food & beverage developments on concourse	500
Sewerage tank replacement	640
Furniture	150
Turf equipment	118
Kitchen equipment	60
General	134
	<u>\$6,454</u>

Catering

Members and box surveys have shown a very significant increase over the last 12 months in satisfaction across all areas including catering of quality, quantity, presentation, and value for money. This follows a satisfactory increase in the previous year. These are the highest ratings for catering that we have had since the Stadium opened. As a consequence there has been an improvement in per head spends and the number of members and corporates using the catering facilities.

There is much uninformed comment, especially in the media, about the quality and cost of catering in the public areas, much of which is related to historical issues.

With Spotless, we have put a lot of work into improving catering in the public areas and have reported in detail on some initiatives in last year's plan. We believe that products available are of good quality and given the high demand and short selling periods of events the variety gives fans adequate choice. Our pricing is continually proven to be in the lower quartile of New Zealand stadiums.

Our efforts to improve standards in the public areas will continue. These will be assisted by modifications planned on the public concourse to complement the substantial upgrade resulting from construction of the Mezzanine Bar on the eastern side in 2013.

SUSTAINING PROFITABILITY

The Statement of Trustees' Intent notes the core requirement of the Trust Deed that the Trust be financially autonomous.

For each of the past 14 years the annual profit has included an amount of \$2.8 million which is the annual amortisation of the \$43 million raised from the original sale of memberships and boxes and spent on the construction of the Stadium. In addition over this period we have been receiving annual licence fees from 54 corporate boxes. Due to the expiry of the existing membership and box arrangements in December 2014, this is about to change.

The new corporate box and member arrangements will not result in substantial upfront payments for long term use. Further, the annual income from corporate boxes will be less than currently received, as we expect to sell fewer boxes than are presently licenced.

These changes will result in a reduction in profits from amortisation and licence fees from January 2015. Taken together with the impact of reduced income from events, which is reflected in the projected result for 2014, average profitability over the next three years is expected to be approximately \$1 million per year.

However, we will still have a level of profit and strong cash flows that can service our borrowing and maintain our capital expenditure programme. The Trust is projecting a cash balance at the end of each year after capital enhancements of \$1 million.

The financial projections for the next three years are:

	2013/14 \$m	2014/15 \$m	2015/16 \$m
Revenues			
Event revenues	5.36	5.42	4.85
Members, boxes and sponsorship	8.31	7.12	6.04
Other revenues	2.05	2.22	2.22
Total Revenues	15.72	14.76	13.11
Less operating costs	10.39	9.64	8.93
Operating Surplus	5.33	5.12	4.18
Less depreciation	3.75	3.93	4.10
Net Surplus	1.58	1.19	0.08
Included in Net Surplus is Net Revenues from Unconfirmed Events	0.56	1.74	1.27
Net operating cash flows	2.75	0.08	0.09
Surplus cash at the end of each year after meeting loan repayments	1.01	1.07	0.97
Bank Loan at year end	12.0	8.9	11.8
Net Debt (Loan less cash)	10.99	7.83	10.83

A QUALITY ORGANISATION

Over a long period of time our staff have provided outstanding service to the highest international standards over a wide variety of very challenging events including World Cups, Sevens, major concerts, AFL, international football and league, and together they ensure that Westpac Stadium remains a major asset of the city.

The Trust has a very committed long serving staff and with a low staff turnover.

The Trust provides full support to its staff by way of personal development plans and provides access to training.

We have fully developed health and safety and risk management programmes that are regularly updated.

As reported earlier in this document, our long-standing Chief Executive, David Gray, retires on 30 June 2013 after 16 years of sterling service. David has performed an incredible feat working to transfer the Stadium from an unlikely and challenging dream in the late 1990s to a highly performing venue that is the envy of other cities. The Trustees wish to formally record their sincere thanks and congratulations to David for his remarkable service to the Trust.

PROJECTED EVENTS SCHEDULE	12 months ending 30 June		
CONFIRMED	2014	2015	2016
Rugby Union	15	13	14
Cricket	2	0	1
Football (A-League)	10	8	10
Exhibition Days	5	-	-
Total Confirmed	32	21	25
UNCONFIRMED			
Cricket		4	1
Other Sporting Events	3	6	2
Other Stadium Events / Concerts	1	1	1
Exhibition Days	5	10	10
Total Unconfirmed	9	21	14
Community Events	5	5	5
Total Events	46	47	44
SENSITIVITY OF NET SURPLUS TO UNCONFIRMED EVENTS			
	2014	2015	2016
Net Revenues from Events	\$m	\$m	\$m
Confirmed	1.26	1.16	1.20
Unconfirmed	0.56	1.74	1.27
Total	1.82	2.90	2.47

SUMMARY STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE THREE YEARS ENDING 30 JUNE 2016			
	2013/14	2014/15	2015/16
	\$m	\$m	\$m
Revenue			
Events	5.36	5.42	4.85
Members Boxes & Sponsorship	8.31	7.12	6.04
Other	2.05	2.22	2.22
Total Revenue	15.72	14.76	13.11
<i>Less:</i>			
Event Operating Costs	3.54	2.52	2.38
Other Operating Costs	5.92	6.04	5.42
Interest	0.93	1.08	1.13
Total Operating Expenses	10.39	9.64	8.93
Operating Surplus before depreciation	5.33	5.12	4.18
<i>Less:</i>			
Depreciation	3.75	3.93	4.10
Net Surplus	1.58	1.19	0.08

SUMMARY STATEMENT OF CASHFLOWS FOR THE THREE YEARS ENDING 30 JUNE 2016			
	2013/14	2014/15	2015/16
	\$m	\$m	\$m
Cashflows provided from operating activities	12.89	9.42	8.67
Cashflows applied to operating activities	(10.14)	(9.34)	(8.58)
Net cashflows from operating activities	2.75	0.08	0.09
Cashflows applied to investing activities	(6.45)	(4.07)	(6.64)
Net cashflows from investing activities	(6.45)	(4.07)	(6.64)
Cashflows provided from financing activities	3.80	8.11	6.41
Cashflows applied to financing activities		(4.10)	
Net cashflows from financing activities	3.80	4.01	6.41
Net increase (decrease) in cash	0.10	0.02	(0.14)
Interest Revenue	0.04	0.04	0.04
Opening balance brought forward	0.87	1.01	1.07
Cash at year end	1.01	1.07	0.97

STATEMENT OF FINANCIAL POSITION					
AS AT 30 JUNE					
	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun
	2014	2015	2016	2017	2018
	\$m	\$m	\$m	\$m	\$m
Trust Funds					
Retained Surpluses	79.93	81.12	81.21	81.15	80.92
Non Current liabilities					
Limited Recourse Loans	1.50	1.79	2.14	2.56	3.06
Revenue in Advance (Corporate Box & Membership)	1.42	3.25	2.52	1.80	1.08
Bank Loan	12.00	8.90	11.80	11.30	15.00
	14.92	13.94	16.46	15.66	19.14
Current Liabilities					
Revenue in Advance	3.02	3.01	2.84	2.67	2.49
Payables	2.10	2.10	2.10	2.10	2.10
	5.12	5.11	4.94	4.77	4.59
Total Funding	99.97	100.17	102.61	101.58	104.65
Represented by:					
Property Plant & Equipment	98.29	98.43	100.97	99.89	103.01
Current Assets	1.68	1.74	1.64	1.69	1.64
Total Assets	99.97	100.17	102.61	101.58	104.65

APPENDIX 1: OTHER ITEMS TO BE INCLUDED IN THE STATEMENT OF INTENT

Ratios

The ratio of Trust Funds to Total Assets is expected to be:

30 June 2014	80%
30 June 2015	81%
30 June 2016	79%

The ratio of total Trust Assets to Trust Liabilities is expected to be:

30 June 2014	499%
30 June 2015	526%
30 June 2016	479%

Trust Funds are defined as the residual interest in the assets of the Trust after the deduction of its liabilities.

Assets are defined as service potential or future economic benefits controlled by the Trust as a result of past transactions or other past events.

Liabilities are defined as future sacrifices of service potential or of future economic benefits that the Trust is presently obliged to make to other entities as a result of past transactions or other past events.

Distributions to Settlers

Section 5 of the Trust Deed sets out the powers of the Trustees regarding the income of the Trust.

The Trust is required to pay surplus funds to the Wellington City Council and Wellington Regional Council in reduction of their limited recourse loans after meeting costs, liabilities and debt reductions and after allowing for the appropriate capital expenditure and transfers to reserves.

The Trust does not expect to have surplus funds available for repayment in the years covered by this Statement of Intent.

No other distributions to settlers are intended to be made.

Investments in other organisations

The Trustees currently have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

Compensation from local authority

There are no activities for which the Trust seeks compensation from any local authority.

Trust's estimate of the commercial value of settlor's investment in the Trust
Not applicable

Other matters as set out in the Funding Deed

Significant Third Party Obligations

There are no significant third party obligations other than those disclosed in the Financial Statements.

Relevant Legislation

The Trustees confirm that the Trust will comply with all relevant legislation affecting the conduct of this business.

APPENDIX 2: STATEMENT OF 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 Westpac Stadium, Wellington, as a multi-purpose sporting and cultural venue.

The financial statements are prepared in accordance with the Charitable Trust Act 1957. The Trust is also a charitable entity under the Charities Act 2005, registration CC10754.

For the purposes of financial reporting the Trust is a public benefit entity.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice, applying the Framework for Differential Reporting for entities adopting the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and its interpretations as appropriate to public benefit entities that qualify for and apply differential reporting concessions.

The Trust qualifies for Differential Reporting exemptions as it has no public accountability and it does not qualify as large under the criteria set out in the Framework for Differential Reporting. Details of the differential reporting exemptions applied will be listed in the annual financial statements.

The financial statements are presented in New Zealand dollars. The functional currency of the Trust is New Zealand dollars. The financial statements are prepared on the historical cost basis except for interest rate swaps and the limited recourse loans.

The accounting policies set out have been applied consistently to all periods presented in these financial statements

Revenue

Revenue is recognised when billed or earned on an accrual basis.

License Fees and Sponsorship Revenues

Corporate box holders and stadium members are required to pay an annual license fee. These items are recorded as revenue in advance, and amortised on a straight line basis over the period covered by the license fee. Signage properties are also sold on an annual basis, with the revenue being recognised on a straight line basis over the term of the contract.

Amortisation of Membership and Corporate Box and Sponsorship Funding

The development of the Stadium was partially funded by the sale of stadium club memberships, corporate boxes and sponsorship properties. The term of the memberships and

corporate box licenses is 15 years. The terms of the 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.

Interest

Interest income is accrued using the effective interest rate method.

Rental income

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

Expenses

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

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, with the exception of 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. Subsequent to 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. Regular way purchases and sales of financial assets 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 three 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 duration 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 Income 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 Income. 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 Income Statement in the period in which they are incurred. Payments made

under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income as an integral part of the total lease payment.

Finance leases transfer to the Trust as lessee substantially all the risks and rewards incident on the ownership of a leased asset. Initial recognition of a finance lease results in an asset and liability being recognised at amounts equal to the lower of the fair value of the leased property or the present value of the minimum lease payments. The capitalised values are depreciated over the period in which the Trust expects to receive benefits from their use.

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 Income.

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 Income 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 category 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.

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 the 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 activities that change the funding structure of the Trust.

Changes in Accounting Policies

There have been no changes in accounting policies.